

FDNH Budget Notes 2016

51% of our non-building capital funding and operating budget is from contract partners as follows:

ACW 3%

Central Huron 16%

Morris-Turnberry 32%

Capital Reserve

We have a capital reserve budget that all partners contribute to. Currently it is in a deficit due to the need to replace Tanker 4 in 2016 rather than 2017.

Next apparatus replacement is Engine 6 in 2020.

Operating Reserve

We aim to maintain an operating reserve of \$51,150 (\$50,000 2013 dollars adjusted for inflation) in case of unforeseen operational issues (major truck repairs, excessive fire call hours, etc.). If it is above \$51,150 partners receive a refund of any additional funds proportional to their FDNH budget contribution. Fire cost recovery funds paid to FDNH are applied to this account as are any surplus funds at FDNH year end. Currently in deficit due to excessive 2014 fire year, but depending on recoverable costs and assuming no major issues, will likely return positive in 2016.

Proceeds from the sale of Rescue 3.

FDNH Rescue 3 was sold in the late winter of 2015. The funds from this sale are in a separate reserve account. In 2016 it is proposed to use \$32,000 of this reserve for a diesel exhaust removal system at FDNH Wingham Station. Currently there isn't one; this is unsafe for our workers, contaminates our fire gear, and must be remedied.

Operating Budget

Our operating budget is based on our long-term average of 130 calls per year. 2014 we responded to 194 calls. In 2015, 152. Our wages are based off of a 4 year call average, which in 2016 is now 151 incidents. The increased call volume results in additional fuel, repairs, and overall maintenance costs. As per our contracts, our 2016 budget will increase be 1.6% (December's rate of inflation).



Future Considerations

The collapse of the Canadian dollar is making all non-wage operating and capital costs rise faster than the rate of inflation. Coupled with higher than historic call volumes, this puts pressure on our operating budgets. This will have to be addressed in the next round of contract renewals with our partners.

Tanker 8 (from Blyth), has been a nightmare since first purchased. The most recent issue is the liner inside the water tank has started to flake off. We are unsure of the cost to repair this, but it will be significant. Purchasing this lowest price tanker has cost a fortune for FDNH and the former Blyth & District Fire Department. This tanker has a projected life cycle of 8+ more years.

In 2015 FDNH was assessed ~\$13,000 by WSIB for previous issues with payments. This was a significant challenge for us to work through and the higher rates were not accounted for in our multi-year budget used for our contract agreements.

FDNH Wingham Station is 35 years old. It is reasonable to assume that there will be life-cycle repairs and renovations required in the coming years. Building repairs to FDNH structures are solely funded by FDNH

Fire Prevention

North Huron contracts fire prevention services from Morris-Turnberry for 2.5 days per week. Fees for this service are invoiced to North Huron monthly.

Fire prevention officers are in high demand and short supply in Ontario. Current rates for this service from Morris-Turnberry appear to reflect wages that are below-market for this position. (While this is a Morris-Turnberry issue, by virtue of sharing this service, this will also become a North Huron one). Fees charged for this service reflect a 2014 FDNH market study and will be reviewed again for 2017.

However, in 2016 we will be invoicing for post-inspection meetings, as we have found this consumes a larger amount of time than would be expected.

