



## Budget Report

**Report Title: Lucknow Fire Station Budget 2021**

**Prepared By: Chris Cleave, Fire Chief/CEMC**

**Department: Fire**

**Date: Feb. 26, 2021**

**Report Number: FIRE-2021-02-6**

**File Number: F05 BUD21**

**Attachments: Business Plan**

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### **Recommendation:**

THAT the Township of Huron-Kinloss Council hereby receives for information Report No. FIRE-2021-020-6 prepared by Chris Cleave, Fire Chief/CEMC and approves the 2021 Lucknow Fire Station Business Plan in principle.

### **Budget Overview:**

2021 Proposed Budget

Total Net Expenditures: \$222,725.00

Compare to:	Total Net Expenditures	Difference (\$)	Difference (%)
2020 Budget	\$139,075.00	\$83,650.00	60.0%
2020 Actual	\$136,430.72	\$86,294.28	63.3%

### **Discussion:**

#### Operational Budget Expenditures:

The 2021 Operational budgets are submitted with minimal increase other than the areas of Salary and Benefits to accommodate the Fire Chief Services as per the approved agreement.

One area of note in the operational budget is an increase in the Vehicle Repair and Maintenance section that is significantly higher than normal. This is due to a need to repair and replace most of the intake and discharge valves on the Pumper Truck.

These valves are either extremely difficult to open or operate or are completely seized in place. The estimate to repair and/or replace these valves is \$6,000.00.

#### Capital Budget Expenditures:

The equipment being sought and the rationale for each is detailed in the attached 2021 Lucknow & District Fire Department Capital Business Plan.

#### Capital Planning (10 Year):

During 2021 the Fire Chief will be working on identifying future capital needs for the Lucknow & District Fire Department and then drafting a 10-year capital plan. Once this plan is completed later this year, it will be submitted to the board for review, consideration and eventual approval by councils.

At present there is one large pressing issue in relation to capital asset replacement. Currently the Pumper Truck at the Lucknow Fire Hall is set to reach its 15-year life expectancy at the end of 2023. The replacement of this pumper will be a significant expense.

I would expect the replacement of this pumper truck to cost between \$450,000.00 to \$650,000.00 depending on whether it's a basic stock model or fully customized or anything in between. (See separate report on Pumper Replacement Standards for detailed information.)

Currently, I am recommending that Council establish a reserve account to begin saving to assist in off setting the impact of this expenditure as well this is also the recommendation of the Joint Fire Board.

My recommendation for each year moving forward will be that each municipality contribute a minimum of \$ 50,000.00 to their respective reserve accounts. This will account for a \$300,00.00 contribution already saved for this apparatus come replacement time. The remaining balance would then be budgeted for in the appropriate budget cycle.

This, along with any other capital assets that may be identified for upgrade or replacement will be captured in the 10-year capital plan moving forward.

At the January 21, 2021 Lucknow and District Fire Board Meeting the budget estimates were approved and further recommended that each respective Council also approve the proposed budget.

#### **Treasurer's Comments:**

The budget overview represents Huron-Kinloss' share of the joint expenditures. This includes an enhanced capital equipment replacement program and establishing a reserve for an upcoming truck replacement, as recommended by Chief Cleave.

#### **Strategic Alignment / Link:**

The information provided in this report is consistent with and in keeping with the Municipality's Vision & Mission. The recommendations contribute to our goals in achieving an accessible community by being open and transparent.

**Respectfully Submitted By:**

Chris Cleave, Fire Chief/CEMC

**Approved By:**

Mary Rose Walden, Chief Administrative Officer