

# *Northfield* AREA FIRE & RESCUE SERVICES

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To: Ben Martig, Jerry Anderson, John McCarthy

Date: August 3, 2016

Subject: NAFRS Budget for 2017

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At its meeting on July 28 the NAFRS Board approved the organization's 2017 budget as follows:

- Operations: \$525,000
- Capital Equipment: \$0

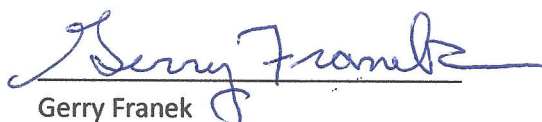
We request that your respective Councils approve the NAFRS Operating Budget of \$525,000 for 2017 by September 30, 2016. The payments for each of the JPA Parties will be:

- Northfield: \$379,155.00
- Rural Fire District: \$117,652.50
- Dundas: \$28,192.50

We also request that you inform your respective Councils that the NAFRS Board anticipates 2017 expenditures on the following non-operational items:

- Engineering and consulting fees in preparation for a 2018 upgrade of the facility estimated at \$150,000,
- Consulting and legal fees for taxing district legislation, estimated at \$20,000.

We expect that NAFRS will end 2016 with a surplus of approximately \$140,000 in its operating account. The Board may authorize the use of some of those funds to meet these extraordinary expenses. The Board may also decide to request additional funds from the JPA parties.

  
Gerry Franek  
Fire Chief

  
Glen Castore  
Chair, NAFRS Board

**NAFRS****OPERATING FUND BALANCE AND BUDGET HISTORY  
FOR THE PERIODS ENDED JUNE 30, 2016**

|                                                           | <u>2017 PROPOSED</u> | <u>2016 (6 MON)</u> | <u>2015</u> | <u>2014 ( 4 MON STUB)</u> |
|-----------------------------------------------------------|----------------------|---------------------|-------------|---------------------------|
| <b>OPERATING BUDGET (ALL ANNUALIZED)</b>                  | \$507,500            | \$525,000           | \$507,500   | \$507,000                 |
| (all periods include substantial start up/one time costs) |                      |                     |             |                           |

**OPERATING FUND BALANCE STATUS:**

|                                               |                       |
|-----------------------------------------------|-----------------------|
| Actual operating fund balance, 6/30/16        | \$163,000             |
| 2004 truck payment/Op Fund Contribution       | (\$35,000)            |
| Additional op. surplus generated Jul-Dec 2016 | \$0                   |
| Planned budget deficit-2017                   | <u>(\$32,500)</u> (a) |
| ESTIMATED OPERATING FUND BALANCE, 12/31/17    | \$95,500              |

**NOTE: NAFRS Operating Fund balance of approximately \$100,000 (20% of budget) is probably sufficient "cushion" (not considering possible bonding requirements-tax district concept)  
[Current Board goal was 30% of budget, approximately \$157,500]**

**NOTE:**

**(a) NAFRS Board to consider planned operating budget deficit in 2017 to reduce operating fund balance:**

|                                   |                   |
|-----------------------------------|-------------------|
| Proposed Budget-2017              | \$507,500         |
| Proposed NAFRS Party Funding-2017 | \$475,000         |
| Planned 2017 operating deficit    | <u>(\$32,500)</u> |

**(Additional Party funding request may occur in 2017 for possible facility "soft costs" which may or may not be reimbursed to Parties via final facility financing package)**

**NAFRS**  
**OPERATING BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2017**

FOR NAFRS BOARD & AD HOC MEMBERS 7-28-16  
 (from NAFRS Finance Committee/Chief Franek)

|                                             | ACTUAL 2015         | BUDGET 2016      | BUDGET 2017 | 2017 PARTY ALLOCATION-BUDGET |                     |                                                  |                     | 2016 PARTY ALLOCATION-ACTUAL                                                        |                     |                    |                       |
|---------------------------------------------|---------------------|------------------|-------------|------------------------------|---------------------|--------------------------------------------------|---------------------|-------------------------------------------------------------------------------------|---------------------|--------------------|-----------------------|
| REVENUES:                                   |                     |                  |             | NFLD                         | RURAL               | DUNDAS                                           | TOTAL               | NFLD                                                                                | RURAL               | DUNDAS             | TOTAL                 |
| Misc. Revenues                              | \$21,049.62         | \$0              | \$0         | \$343,045.00                 | \$106,447.50        | \$25,507.50                                      | \$475,000.00        | \$379,155.00                                                                        | \$117,652.50        | \$28,192.50        | \$525,000.00          |
| Member contributions-Operations             | \$507,500.25        | \$525,000        | \$475,000   | \$0.00                       | \$0.00              | \$0.00                                           | \$0.00              | \$638,359.80                                                                        | \$198,084.23        | \$47,465.97        | \$883,910.00          |
| <b>Member contributions-Capital</b>         | <b>\$232,114.00</b> | <b>\$883,910</b> | <b>\$0</b>  | <b>\$343,045.00</b>          | <b>\$106,447.50</b> | <b>\$25,507.50</b>                               | <b>\$475,000.00</b> | <b>\$1,017,514.80</b>                                                               | <b>\$315,736.73</b> | <b>\$75,658.47</b> | <b>\$1,408,910.00</b> |
| Total Revenues                              | \$760,663.87        | \$1,408,910      | \$475,000   | 72.22%                       | 22.41%              | 5.37%                                            | 100.00%             | 72.22%                                                                              | 22.41%              | 5.37%              | 100.00%               |
| EXPENSES:                                   |                     |                  |             | \$ CHANGE                    |                     | CHANGES SINCE JUNE BOARD REPORT BUDGET           |                     | 2016 "ACTUAL" INCLUDES TWO TRUCK PURCHASES-NEW PUMPER & USED (2014) AERIAL PLATFORM |                     |                    |                       |
| Human Resources-                            |                     |                  |             |                              |                     | reflects 2016 actual response counts (estimated) |                     |                                                                                     |                     |                    |                       |
| Gross payroll                               | \$144,064.39        | \$150,000        | \$160,000   | \$5,000                      |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| less, Elko Speedway Personnel Reimb.        | (\$8,437.42)        | \$0              | \$0         |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| FICA                                        | \$11,589.82         | \$13,000         | \$12,500    | \$500                        |                     | due to increase in gross payroll                 |                     |                                                                                     |                     |                    |                       |
| PERA retirement contribution                | \$1,627.31          | \$2,000          | \$2,000     |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Fire Relief Pension                         | \$0.00              | \$0              | \$0         |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Workers Compensation Insurance              | \$36,156.36         | \$40,000         | \$42,000    | \$2,000                      |                     | Insurance estimates yet to come.                 |                     |                                                                                     |                     |                    |                       |
| Group Disability Insurance                  | \$1,020.42          | \$1,000          | \$1,500     |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Background checks                           | \$0.00              | \$0              | \$0         |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Employee vaccinations/annual tests          | \$0.00              | \$0              | \$5,000     |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Recruiting                                  |                     | \$2,000          | \$10,000    |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Other, misc. including recruit gear/testing | \$3,019.26          | \$5,000          | \$10,000    | \$10,000                     |                     | gear and training costs-4 new recruits           |                     |                                                                                     |                     |                    |                       |
| Total Human Resources                       | \$189,040.14        | \$213,000        | \$243,000   |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Facility-                                   |                     |                  |             |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Utilities-electricity                       | \$12,064.19         | \$16,000         | \$14,000    |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Utilities-natural gas                       | \$8,321.80          | \$12,000         | \$10,000    |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Utilities-water/sewer/storm                 | \$2,366.32          | \$2,000          | \$3,000     |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Outside services-refuse                     | \$1,966.34          | \$2,000          | \$3,000     |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Outside services-lawn/snow removal          | \$3,258.75          | \$5,000          | \$5,000     |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Outside services-cleaning                   | \$3,717.83          | \$5,000          | \$4,000     |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Building maintenance & repairs              | \$15,363.13         | \$35,000         | \$20,000    |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Security Monitoring                         | \$690.00            | \$1,000          | \$1,000     |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Supplies                                    | \$2,820.02          | \$3,000          | \$3,000     |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Insurance                                   | \$12,106.09         | \$12,000         | \$14,000    | \$0                          |                     | Insurance estimates yet to come.                 |                     |                                                                                     |                     |                    |                       |
| Facility Rent                               | \$20,003.33         | \$20,000         | \$20,000    |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Other, misc.                                | \$0.00              | \$0              | \$0         |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Total Facility                              | \$82,677.80         | \$113,000        | \$97,000    |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Equipment-                                  |                     |                  |             |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Small equipment purchases                   | \$13,536.67         | \$15,000         | \$15,000    | \$0                          |                     | Radio batteries & new pagers required            |                     |                                                                                     |                     |                    |                       |
| General supplies                            | \$8,082.08          | \$12,000         | \$10,000    |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Repairs & maintenance-general               | \$902.75            | \$3,000          | \$2,000     |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Equipment rent                              | (\$28.62)           | \$0              | \$0         |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Other, misc.                                | \$0.00              | \$0              | \$0         |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |
| Total Equipment                             | \$22,492.88         | \$30,000         | \$27,000    |                              |                     |                                                  |                     |                                                                                     |                     |                    |                       |

|                                            |              |           |            |                                                                 |
|--------------------------------------------|--------------|-----------|------------|-----------------------------------------------------------------|
| Fleet-                                     |              |           |            |                                                                 |
| Fuel/oil/lubricants                        | \$5,657.58   | \$6,000   | \$6,000    |                                                                 |
| Repairs and maintenance                    | \$17,582.15  | \$20,000  | \$20,000   |                                                                 |
| Insurance                                  | \$12,636.90  | \$12,000  | \$13,000   | \$0 Insurance estimates yet to come.                            |
| Small equipment purchases                  | \$0.00       | \$0       | \$0        |                                                                 |
| Supplies                                   | \$115.28     | \$0       | \$0        |                                                                 |
| Other, misc.                               | \$0.00       | \$0       | \$0        |                                                                 |
| Total Fleet                                | \$35,991.91  | \$38,000  | \$39,000   |                                                                 |
| Education & Training-                      |              |           |            |                                                                 |
| Conference & Seminar/School Fees           | \$7,611.02   | \$0       | \$10,000   |                                                                 |
| Lodging                                    | \$2,561.67   | \$0       | \$3,000    |                                                                 |
| Per Diems, mileage, other travel           | \$1,898.34   | \$0       | \$2,000    |                                                                 |
| Other education & training costs           | \$63.05      | \$20,000  | \$1,000    |                                                                 |
|                                            | \$12,134.08  | \$20,000  | \$16,000   |                                                                 |
| Communications/I.T.-                       | \$8,110.97   | \$12,000  | \$10,000   |                                                                 |
| General Insurance (liab/excess)-           | \$2,890.80   | \$4,000   | \$3,500    |                                                                 |
| General & administrative-                  |              |           |            |                                                                 |
| Professional Services-HR/Payroll           | \$28,763.73  | \$30,000  | \$28,000   |                                                                 |
| Professional Services-Legal                | \$11,946.50  | \$15,000  | \$10,000   |                                                                 |
| Professional Services-Accounting & Audit   | \$7,751.85   | \$12,000  | \$9,000    |                                                                 |
| Professional Services-Other                | \$30,070.40  | \$0       | \$15,000   | \$15,000 NAFRS administrative structure study (consultant)      |
| Memberships & Dues                         | \$644.00     | \$0       | \$1,000    |                                                                 |
| Office Supplies                            | \$4,101.54   | \$1,000   | \$4,500    |                                                                 |
| Small Equipment purchases                  | \$0.00       | \$0       | \$0        |                                                                 |
| Equipment leases                           | \$0.00       | \$0       | \$0        |                                                                 |
| Business software                          | \$149.60     | \$0       | \$0        |                                                                 |
| Postage/Delivery                           | \$188.00     | \$1,000   | \$500      |                                                                 |
| Subscriptions                              | \$0.00       | \$0       | \$0        |                                                                 |
| Board expenses                             | \$1,374.58   | \$3,000   | \$2,000    |                                                                 |
| Miscellaneous (advertising, promotion.)    | \$1,804.61   | \$3,000   | \$2,000    |                                                                 |
| Contingency Reserve                        | \$0.00       | \$30,000  | \$0        |                                                                 |
| Total general & administrative             | \$86,794.81  | \$95,000  | \$72,000   |                                                                 |
| TOTAL EXPENSES-OPERATING                   | \$440,133.39 | \$525,000 | \$507,500  | \$32,500 net increase from previous 2017 operating budget draft |
| EXCESS (DEF) OF REVENUES OVER EXPENSES-OPS | \$88,416.48  | \$0       | (\$32,500) |                                                                 |
| EXCESS OF REVENUES OVER EXPENSES-CAP       | \$226,312.00 | \$918,910 | \$0        |                                                                 |
| TOTAL                                      | \$314,728.48 | \$918,910 | (\$32,500) |                                                                 |

**NAFRS**

**SPECIFIC CAPITAL BUDGET-FLEET & FACILITY**

**FOR THE NINE YEARS ENDING DECEMBER 31, 2025**

**FOR NAFRS BOARD & AD HOC MEMBERS , 7/28/16**

**(from NAFRS Finance Committee/Chief Franek)**

|                              | COST        | YEAR<br>ACQUIRED | 2016 (act.) | 2017 | 2018     | 2019      | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      |
|------------------------------|-------------|------------------|-------------|------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Fleet:</b>                |             |                  |             |      |          |           |           |           |           |           |           |           |
| Pumper (#8125)               | \$550,000   | 2016             | \$553,211   |      |          |           |           |           |           |           |           |           |
| Pumper (#8115)               | \$550,000   | 1987             |             |      |          | \$550,000 |           |           |           |           |           |           |
| Aerial Platform (#8128)      | \$366,000   | 2016             | \$365,699   |      |          |           |           |           |           |           |           |           |
| Tanker (8126)                | \$250,000   | 2005             |             |      |          |           |           | \$250,000 |           |           |           |           |
| Tanker (8116)                | \$250,000   | 2008             |             |      |          |           |           |           |           |           | \$250,000 |           |
| Grass Rig (8113)             | \$70,000    | 2013             |             |      |          | \$70,000  |           |           |           |           |           |           |
| Heavy Rescue*                | \$0         |                  |             |      |          |           |           |           |           |           |           |           |
| <b>Total Fleet</b>           |             |                  | \$918,910   | \$0  | \$0      | \$620,000 | \$0       | \$250,000 | \$0       | \$0       | \$250,000 | \$0       |
| <b>Facility Improvements</b> | \$3,300,000 | 2018             |             | \$0  | \$50,000 | \$232,192 | \$232,192 | \$232,192 | \$232,192 | \$232,192 | \$232,192 | \$232,192 |
| <b>TOTAL CAPITAL BUDGET</b>  | \$5,336,000 |                  | \$918,910   | \$0  | \$50,000 | \$852,192 | \$232,192 | \$482,192 | \$232,192 | \$232,192 | \$482,192 | \$232,192 |

**Fleet Financing Assumptions**

NO Fleet Financing in above plan assumed

\* Heavy Rescue-"Community" Financing assumed

**Facility Financing Assumptions**

Interest Rate 3.5%

Years 20

2018 costs represent estimated engineering costs (which can be wrapped into long-term financing)

**NAFRS**

## OPERATING & CAPITAL BUDGET RECAP

**FOR THE NINE YEARS ENDING DECEMBER 31, 2025**

**FOR NAFRS BOARD & AD HOC MEMBERS, 7/28/16**

*(from NAFRS Finance Committee/Chief Franek)*

|                  |                            |
|------------------|----------------------------|
| <u>\$868,411</u> | Annual avg: 2017 thru 2025 |
| \$194,611        | Rural Fire District        |
| \$627,167        | City of Northfield         |
| \$46,634         | City of Dundas             |