



The Corporation of the Municipality of Arran-Elderslie

Staff Report

Board Meeting Date: March 26, 2024

Subject: SFRIN.24.06 Chesley and Area Joint Fire Board – Financial Update
December 31, 2023 (Draft) and 2024 Budget

Report from: David Munro, Interim Treasurer

Appendices: Appendix A - Board Report – Chesley and Area Fire Station – 2023
Financials

Appendix B – Board Report 2024 Budget - Chesley and Area Fire Station

Recommendation

Be It Resolved that Chesley and Area Joint Fire Board hereby,

1. Approves Report SRFIN.24.06 Chesley and Area Joint Fire Board – Financial Update
December 31, 2023 (Draft) and 2024 Budget as presented.

Report Summary

The draft results show net expenditures of \$238,550 which is similar to last year (\$231,899) and over budget (\$220,371) by \$18,179. Reports are draft as we are still waiting on ARIS reports to complete billing.

In 2023, Chatsworth transferred \$78,869 to Arran-Elderslie. The Chatsworth portion of the 2023 full year actuals is \$87,180. Therefore, the final year-end adjustment results in a requirement of Chatsworth to transfer \$8,311.

Please refer to the appendix Board Report – Chesley and Area Joint Fire Board, December 31, 2023, for more details.

Background

Historically, the Chesley Fire Station budget would be presented to the Joint Fire Board prior to the budget being presented to Arran-Elderslie's Council. This was not the case for 2024. On February 26, 2024 the final 2024 Operating and Capital Budget, inclusive of the Chesley Fire Station was presented to Council and passed unanimously.

Analysis

Revenues

Revenues came in at \$56,208 which is similar to last year (\$57,416) and over budget (\$46,658) by \$9,550. User Fees were less than budget and last year due to less incidents. More than anticipated donations (Other Revenue) - \$17,070 actuals that were not budgeted..

Expenses

Total expense actuals are \$294,758 which is greater than budget (\$267,029) by \$27,729, but similar to 2022 actuals (\$289,315). Large variances are shown below.

Wages – The Fire Chief's actual salary and benefits were split to show the portion for Chesley. This split was not in the budget. However, less incidents led to less spending on wages.

Projects & Initiatives (account 4660) \$9,718 but no budget. As a result of the donations received, we had several purchases including a rescue saw and thermal cameras.

Tanker expenses were incurred of \$9,578 vs a budget of \$1,717 and 2022 actual of \$3,439. Variance is mostly due to a pump that needed to be purchased in 2023.

Rents and Financial expenses (Write-offs) of \$17,007 but no budget. Write Off's are not budgeted. In 2023, a matter was settled and some aged invoices were written off.

Other Transfers - \$2,842 vs budget of \$16,225 – fewer common expenses than budgeted.

2024 Budget

Arran-Elderslie Council has approved the 2024 Budget which is similar to the 2023 budget with adjustments for inflation. Please see details attached in Appendix B.

Pumper Truck

A replacement pumper truck is required by the end of 2025 / beginning of 2026. The estimated cost to replace is \$760,000. Some suppliers require customers to purchase chassis first. Currently, the lead times are over one year.

Therefore, \$190,000 was identified in the 2024 Capital Budget and \$570,000 will be presented in the 2025 Capital Budget. The Township of Chatsworth is required to commit to paying \$260,680 ($\$760,000 \times 34.3\%$) over the 2024 -2026 period.

Link to Strategic/Master Plan

6.4 Leading Financial Management

Financial Impacts/Source of Funding/Link to Procurement Policy

The 2023 year end is almost final and the draft version presented shows actual net expenditures \$18,179 over budget (but similar to 2022 actuals). 2024 Budget is higher than 2023 budget due to inflation.

Approved by: Sylvia Kirkwood, Chief Administrative Officer