MUNICIPALITY OF THE COUNTY OF ANNAPOLIS POLICY AND ADMINISTRATION MANUAL ADMINISTRATION Fire Services Capital Funding

1. GENERAL

This policy is referred to as the "Fire Capital Policy."

2. AUTHORITY FOR POLICY

Section 294(6) of the *Municipal Government Act* states that a municipality may grant or lend money to, or guarantee a loan for, a registered fire department for operating or capital purposes.

Section 294(7) of the *Municipal Government Act* states that a municipality may grant or lend assets, without charge, to a registered fire department.

3. DEFINITIONS

Terms used in this policy shall have the same meaning as in the *Municipal Government Act*, or as their context applies according to a dictionary of the Canadian language, except as follows:

"fire apparatus" includes any vehicle designed or customized to used for fire fighting and includes a pumper, tanker, pumper/tanker, aerial, rescue truck, or similar vehicle, but shall not include non-fire related vehicles used for medical first response, boats, trucks, utility vehicles, all terrain vehicles, et cetera.

4. OBJECTIVES

The objectives of this policy are to:

- a. provide clear direction to all fire departments registered with Municipality of the County of Annapolis as it relates to the amount and criteria upon which funding will be provided annually for capital purposes; and
- provide a simple process for the application for, and withdrawal of, funds from the Municipality's Fire Department Capital Reserve for each registered fire department; and
- provide for a consistent and clear method of reporting on expenditures from the Capital Reserve Fund by each fire department, including proof of expenditures and inclusion of assets on their annual financial audits and financial statements provided to the Municipality; and
- d. provide clear rules for what Capital Reserve Fund money can be spent on and what is eligible; and
- e. provide for conditions when the Municipality will guarantee loans for fire departments.

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5. ANNUAL CAPITAL ALLOCATION

Each fiscal year, the Municipality will deposit into a separate capital reserve account for each registered fire department within Municipality of the County of Annapolis an amount approved during the annual budget approval process. This amount will be deposited no later than September 30th of each year and an accounting of all current reserve funds and new deposits showing the current balance will be provided to each department in December of each year.

6. APPLICATION PROCESS

Any registered fire department within Annapolis County can apply to withdraw funds from their own capital reserve account up to the total amount in the account at that time, by applying to Manager of Protective Services.

Each application for a withdrawal of capital reserve funding must include a firm price quote from the department's preferred vendor and be a price quote that is currently valid for the next 30 days. Fire departments are required to follow all provincial and federal procurement laws that apply to them and any failure to do so will be at the full expense and liability of the fire department and not the municipality.

Upon receipt of a full and complete application for a withdrawal from their fire capital reserve fund, and approval from Chief Administrative Officer that all policy criteria have been met, the Municipality will release the reserve funds to the fire department within 3 weeks thereafter. No application will be approved unless the requesting fire department has submitted a complete audited financial statement from the previous fiscal year to the Municipality, and it has been reviewed to ensure the fire department is financially able to purchase and pay for the new capital asset.

7. REPORTING

Upon the purchase of the new capital asset, the fire department shall provide proof of such purchase and a copy of the paid invoice(s) to the Municipality within 30 days after the purchase takes place.

If the fire department borrows money to repay any additional costs associated with this capital asset purchase, the fire department must clearly show these repayment costs and remaining balance each year on their audited financial statements. If the fire department is unable or does not make its required loan repayment on time during any year, it must immediately report this and the reasons why to the Municipality within seven (7) days of such default.

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8. ELIGIBLE EXPENDITURES

Funds may be withdrawn for the exclusive use of any Annapolis County registered fire department for the following purposes:

- a. purchase or acquisition of new or used fire apparatus that is replacing a current applicant department vehicle, and the replacement vehicle is 10 years or more newer than the vehicle it is replacing.
- b. capital upgrades to a current fire hall building, the cost of which exceeds \$100,000, with this withdrawal from the capital reserve being allowed no more than once every ten years, where the upgrades are needed for fire department use in housing and managing fire department apparatus and equipment.

For greater certainty, no withdrawals from the Capital Reserve Fund can be used for apparatus or loan payments, after a vehicle has been purchased or fire hall upgrades are completed.

9. LOANS AND LOAN GUARANTEES

The Municipality may provide a loan guarantee for a fire department for the purchase of new fire apparatus where the Municipality is already a funding partner in the vehicle purchase and the loan is for all or part of the residual cost. Requests for loan guarantees should be provided to the Municipality at least 60 days prior to the planned purchase to allow time for a financial analysis of the purchase to be conducted by the Municipality.

10. REPEAL

Section 6 of *Policy AM-1.4.2.1 Fire and Emergency Services Policy*, adopted by Municipal Council of the County of Annapolis on January 18, 2022, is hereby repealed.

Municipal Clerk's Annotatior	n for Official Policy Book
I certify that this policy was adopted by N	/lunicipal Council as indicated below:
Seven (7) Day Notice	May 7, 2024
Council Approval	May 21, 2024
<u>Carolyn Young</u>	<u>May 22, 2024</u>
Municipal Clerk	Date
	oyal Nova Scotia