

PURPOSE

The purpose of the Fire Service Funding Policy is to:

1. Outline the types of funding and criteria for receiving various Fire Service funds;
2. Define what constitutes an “emergency” for the purposes of awarding grants to individual fire departments;
3. Define the criteria to be used in determining eligibility for a grant to an individual fire department based on an emergency situation;
4. Define the criteria to be used in assessing a request from the East Hants Fire Service for funding of a non-emergency initiative or project; and
5. Outline additional support the Municipality will provide to Fire Services.

SCOPE

All fire departments operating within East Hants are covered under this policy unless specifically excluded.

DEFINITIONS

Term	Definition
Comfort Letter	A letter from the Director of Finance to lenders confirming Fire Service levy amounts. Comfort letters do not provide any financial support or obligation from the Municipality.
Consumer Price Index (CPI)	The Consumer Price Index (CPI) value calculated by Statistics Canada for October 31.
East Hants Fire Service	All volunteer fire departments registered with the Municipality of East Hants.
Emergency	An event or situation which at a particular point in time is perceived to significantly reduce the ability of a fire department to provide fire protection services in its designated area. The reduction in ability to provide fire protection service must be sudden, dramatic and generally unforeseeable. Circumstances which should have been foreseen and for which provision should have been made through general maintenance or fund-raising activities are not perceived as an emergency. The decision to provide a reduced fire protection capability is perceived to have been made in the failure to obtain or engage in fund raising activities.
Loan Guarantee	A legal agreement with the Municipality and a lender for the Municipality to cover a Fire Service's debt for a specific loan in event of the Fire Service's default or disbanding. Per the approval of Department of Municipal Affairs and Housing, the Loan Guarantee will expire after a period of 24 months, if borrowing is not actioned.

POLICY

POLICY STATEMENT

1. It is the policy of the Municipality of East Hants (the 'Municipality') to support, within its financial capacity, requests for funding for the provision of fire services to the residents and businesses in the Municipality. To enable support under this policy, the Municipality will maintain a Fire Service Emergency Grant Fund in reserve. This support is provided in recognition of the significant contribution volunteer fire departments make to ensure safety in our communities in East Hants.
2. In addition to the fire levies collected through taxation and the Fire Department Loan Program, the Municipality may provide four (4) primary types of funding to fire departments:
 - 2.1. Operating Grant
 - 2.2. Emergency Funding
 - 2.3. Global Fire Service Funding
 - 2.4. Rural Fire Capital Assistance Funding
3. In addition to these four (4) funding types, the Municipality will make available other funding and support schemes to support volunteer fire departments.
4. **Operating Grant**
 - 4.1. An annual Operating Grant will be paid to volunteer fire departments operating within the boundaries of the Municipality whose assessment base is less than seventy-five (75) million dollars; this assessment cap will be increased by the Consumer Price Index (CPI) each year. The Assessment base in 2024/2025 is \$93,986,398.
 - 4.2. When a department reaches the assessment Cap, the grant awarded to that department will be phased out in relation to the revenue generated by the excess assessment over the Cap value. When the revenue generated from assessment that exceeds the Cap is equal to the grant being awarded, grant funding to that department will cease: $(\text{Assessment} - \text{Assessment Cap}) \times \text{Rate} / \$100 = \text{Grant}$
 - 4.3. The grant amount, set at \$9,181 in 2015/16, will be increased by the annual CPI each year. The grant is \$11,506 in 2024/2025.
 - 4.4. Departments who qualify for an Operating Grant will automatically be sent the grant.

- 4.4.1. The Brooklyn Volunteer Fire Department is not eligible for an Operating Grant as a majority of its assessment base lies outside the boundaries of the Municipality.

5. Emergency Funding

- 5.1. Funding for emergency purposes should only be used to assist with emergency situations relating to the provision of firefighting services and should not be used to enhance the emergency response or first responder capabilities of Fire Departments.
- 5.2. The Municipality reserves the right to consider exceptional circumstances, such as low assessment base, or any other factors deemed important by the Municipality in coming to a decision.
- 5.3. The Fire Service Emergency Fund will be funded through the annual operating budget. The fund will increase by CPI each year if budget allows. The emergency funding in 2024/2025 is \$15,224.
- 5.4. Applications for Emergency Funding will be administered upon receipt of a written request from a fire department to the Municipality through the Fire Advisory Committee. The written request must detail the scope of the emergency, the cost to remedy the emergency and all other sources of funding the department has to contribute to the cost to remedy the emergency.
- 5.5. Fire departments applying for funding must obtain confirmation from the Director of Finance that the department's most recent financial statements are available and, if not, the department must provide them to the Director. At the discretion of the Director of Finance, the department may also be requested to provide up-to-date interim statements as of the date of the application.
- 5.6. In considering an application for Emergency Funding, Council shall also consider the department's ability to service debt.

6. Global Fire Service Funding

- 6.1. Funding may be provided from the Fire Service Emergency Fund for non-emergency projects as identified by the Fire Chiefs and that provide a common benefit to all fire departments in the Municipality. The awarding of global fire service funding shall not cause the balance in the Fire Service Emergency Fund to be less than \$75,000.
- 6.2. Requests for funding for proposed projects must be supported by two-thirds (2/3) of Fire Chiefs who indicate their support in writing at the time of the request coming forward to the Municipality. A written overview of the project, including a budget identifying the total projected cost and sources of funding, must accompany the request.

7. Fire Department Loan Program

- 7.1. Small volunteer fire departments (a department in receipt of an Operating Grant in the year of loan application) are authorized to borrow funds from the Fire Service Emergency Fund to leverage funding from other levels of government to assist with the purchase of equipment used directly in response to a fire or emergency situation.
- 7.2. Money borrowed from the fund must not to exceed 50% of the total capital cost. The maximum allowable loan is \$20,000. Funds will only be made available if the loan to the department does not cause the balance of the Fire Service Emergency Fund to be less than \$75,000. Loans will be issued with a maximum payback of five years; loan payments will be held back from the annual levy.
- 7.3. Applications under the Fire Department Loan Program will be administered upon receipt of a written request from a fire department to the Municipality through the Fire Advisory Committee. The written request must detail the following information:
- 7.3.1. Equipment being purchased;
 - 7.3.2. The purpose of the equipment; and
 - 7.3.3. the external funding being applied for and all other sources of funding the department has to contribute to the cost of the equipment.
- 7.4. Fire departments applying for funding must obtain confirmation from the Director of Finance that the department's most recent financial statements are available and, if not, the department must provide them to the Director. At the discretion of the Director of Finance, the department may also be requested to provide up-to-date interim statements as of the date of the application.
- 7.5. In considering an application for a loan, Council shall also consider the department's ability to service debt.

8. Application Deadlines

- 8.1. There is no date by which applications must be received for either Loan, Emergency or Global Fire Service funding requests.

9. Rural Fire Capital Assistance Fund

- 9.1. Rural volunteer fire departments of Rawdon, Kennetcook, Noel, Walton, Gore and Maitland are eligible for a Rural Fire Capital Assistance grant. This grant will cover the cost of capital acquisitions related to firefighting including equipment, apparatus and buildings. This grant fund is not intended to fund operational costs, equipment repairs and maintenance or routine building maintenance. Significant upgrades, including roofing, basement additions, or mechanical systems, are eligible to receive funding.

9.2. The fund is application based and must be supported by majority vote at a duly called meeting of the Fire Service membership. Grant applications will be reviewed by the Senior Grant Review Committee, with award recommendations coming through consultation with Councillors representing the rural districts of East Hants (Districts 5, ~~6~~ & 11). Council will approve all eligible Rural Fire Capital Assistance Fund grants. There is no annual deadline to apply.

9.2.9.3. Amounts added to this fund after March 31, 2025 will be allocated equally amongst all 6 departments. Departments may request Council re-allocate a portion of this reserve for Capital items that benefit multiple departments.

10. Growth Management Grants

10.1. The Municipality will annually provide additional funding to the seven (7) rural fire departments through the Growth Management Grants program, in alignment with section 10.3.6 of the 'Budget Management Policy' and Section 4 of this Policy.

11. Traumatic Event Counselling Fund

11.1. The Municipality will administer a Traumatic Event Counselling Fund to support the East Hants Fire Service. Fire Departments will contribute \$3,200 annually to this fund. The Municipality will provide an initial contribution of \$10,000 and will top up the fund as needed.

12. Fire Service Training

12.1. The Municipality will fund \$10,000 per year for regional Fire Service training.

12.2. The funds can be used for the following purposes:

12.2.1. Basic Firefighter training;

12.2.2. Fire Officer training;

12.2.3. Specialized training; and

12.2.4. Guest speakers for members of the East Hants Fire Service.

12.3. This East Hants Fire Service Association is responsible for the appropriate use of funds in alignment with this policy.

12.4. The annual residual of this fund will be allocated to a training reserve.

13. Fire Service Training Facility Capital

13.1. The Municipality will contribute \$20,000 annually into a reserve towards maintenance and improvements to the fire training facilities in Noel and Elmsdale.

13.2. The funds will be accessed by written request to the Municipality with agreement of 2/3 of the Chiefs for the use of the funds.

13.3. Municipal staff will administer this fund on behalf of Council.

13.14. Trunk Mobile Radio (TMR2) Self-Insurance

13.1.14.1. The Municipality will allocate a \$20,000 fund for self-insuring TMR2 radios owned by the EHFS and direct staff to administer this fund. Should the fund fall below \$20,000, Council will make an annual contribution of \$3,000 through the annual budget process.

14.15. Procurement and Legal Advice

14.1.15.1. Municipal staff can review Requests for Proposals (RFPs) and tender documents on behalf of all fire departments and may give advice on the procurement process. If legal review is required, staff may engage the Municipal solicitor for this purpose, within reason.

14.2.15.2. Fire Departments may also engage a solicitor in departmental affairs with up to three (3) hours of legal services paid for by the Municipality per year. If seeking reimbursement, departments will consult with the Municipality prior to engaging an external solicitor. Additional costs beyond these designated hours will be paid by the volunteer fire department seeking advice.

14.3.15.3. Council will allocate \$7,000 per year to fund procurement and legal advice for fire departments. The fund will be capped at a maximum of \$14,000.

15.16. Council Approval

15.1.16.1. Council reserves the right to grant or reject any application for funding that may or may not qualify in accordance with the guidelines set out in this policy. Where this policy references increasing amounts by CPI, Council reserves the right to waive the increases or alter the amounts to be paid or set aside as budget restrictions require.

16.17. Worker's Compensation

16.1.17.1. The Municipality will include Volunteer Fire Fighters within the Municipal Workers Compensation Board fund and will remain in accordance with Provincial Workers Compensation legislation, in consultation with the Risk Consultant.

17.18. Canada Community Building Fund

~~17.4.~~**18.1.** Rural East Hants Fire Departments may request funding for eligible projects as outlined by the Canada Community Building Fund (CCBF), formerly the Gas Tax, for projects as of April 1, 2021 from Council. Distribution of CCBF funds is governed by the current Provincial and Municipal distribution framework.

~~18.19.~~ Loan Guarantees

~~18.1.~~**19.1.** It is the Municipality's preference to provide Letters of Comfort to financial institutions or other lenders in support of a Fire Service's loan request. The Director of Finance has the authority to provide Comfort Letters on behalf of the Municipality.

~~18.2.~~**19.2.** As infrastructure costs for Fire Services are significant, Council may consider guaranteeing a loan for a Fire Service. Requests for a loan guarantee will be considered based on:

~~18.2.1.~~**19.2.1.** The lifespan of the loan;

~~18.2.2.~~**19.2.2.** The sustainability of the project and loan in relation to the Fire Service's levy; and

~~18.2.3.~~**19.2.3.** The impact on the Municipal debt threshold and ability to manage the future debt service ratio.

19.3. Fire Services requesting a loan guarantee will initiate contact with the Municipality at the earliest stages of project discussions. If a loan guarantee is provided, Fire Services have twenty-four (24) months to act on the loan. Requests for an extension must be brought forward to Council.

20. Fire Area Rate

20.1. Fire Area Rates are approved by Council as part of the annual budget process. Requests for adjustments to a fire area rate shall be communicated to the Municipality by February 1st of each year in order to be approved by Council and implemented at the start of the fiscal year on April 1st. A fire department must complete the following as part of a request to adjust a fire area rate:

20.1.1. The membership of the department making the request has approved the change;

~~18.2.4.~~20.1.2. The fire department has met with the local area Councillor(s) to discuss and demonstrate the financial need to adjust the rate.

ROLES AND RESPONSIBILITIES

Title/Role	Responsibilities
Policy Editor	<p>The Policy Editor is a person having managerial and policy-making responsibility related to the writing, compilation and revision of content and will:</p> <ul style="list-style-type: none"> • Ensure policies in their care and control are always up-to-date, reviewed annually or sooner if necessary • Draft new or edit existing policy content • Be able to interpret and explain policy content • Ensure policy documents are branded and any supporting documents, ie. applications forms are also branded and content consistent with the policy • Ensure policy content is relevant and accurate • Seek and secure approval recommendation of the policy from the Policy Owner • Seek and secure approval of the policy from the appropriate Approver; and, • Provide the final approved policy document to the Assistant Municipal Clerk
Policy Owner	<p>The Policy Owner will:</p> <ul style="list-style-type: none"> • Provide oversight to ensure policies in their care and control are always up-to-date, reviewed annually or sooner if necessary by the assigned Policy Editor • Be able to interpret and explain policy content • Provide oversight to ensure policy documents are branded and any supporting documents, ie. application forms are also branded and content consistent with the policy • Provide oversight to ensure policy content is relevant and accurate • Review the policy and make recommendation for approval to the appropriate Approver; and, • Ensure that the final approved policy document has been provided to the Assistant Municipal Clerk
Approver	<p>The Approver will:</p> <ul style="list-style-type: none"> • Review Policy recommendations for approval consideration (approve, reject or edit); and, • Notify the Policy Editor, Policy Owner and Assistant Municipal Clerk of decision
Assistant Municipal Clerk	<p>The Assistant Municipal Clerk will:</p> <ul style="list-style-type: none"> • Facilitate an annual Policy Review; and, • Ensure final approved policies are maintained, stored and posted where appropriate

RELATED DOCUMENTATION

Related forms, processes, procedures and other documents that support the policy.

Document Name	Document ID	Document Type
Trunk Mobile Radio (TMR2) Self-Insurance Policy		Policy
MFC Guidelines to Loans for Fire Departments		Webpage

VERSION LOG

Version Number	Amendment Description	Amendment/ Policy Editor	Amendment/ Policy Owner	Approver	Approval Date
1.0	Fire Service Emergency Funding Policy	Director of Finance	Director of Finance	Council	June 23, 2010
2.0	Fire Service Funding Policy - Change name. Per C15(59) document policy on operating grants and Fire loan program C15(162).	Manager of Administrative Services	Director of Finance & Administration	Council	January 27, 2016
3.0	Rural Fire Capital Assistance grant program details added per staff report October 2016: C13(241) In effect until 2017/2018 - exchange rural allotment of gas tax with debt in USR to give to Fire Depts. In rural areas	Director of Finance & Administration	Director of Finance & Administration	Council	October 12, 2016
4.0	Update of funding numbers. Added Traumatic Counselling Fund per C19(318). Added legal fees for property acquisition per C19(79) and C11(116). Added Training Fund per C13(14). Added reference to 'Trunk Mobile Radio (TMR2) Self-Insurance Council Policy' and fund. Added reference to WCB duties. Added CCBF funding eligibility. Added Loan Guarantees per C13(6).	Policy Analyst	Director of Corporate Services	Council	June 29, 2022
4.1	Update section 25 to specify training funds can be used for basic firefighter training, officer training, specialized training or guest speakers for members of the East Hants fire service; delete section 26 - funding for a regional fire training facility.	Policy Analyst	Director of Corporate Services	Council	April 26, 2023
4.2	Housekeeping edits to role titles and template conformity, added Section 10 to reflect new funding.	Policy Analyst	Director of Corporate Services	Council	June 26, 2024

CERTIFICATION

I, Kim Ramsay, Municipal Clerk for the Municipality of East Hants, hereby certify that this policy was duly approved.

Kim Ramsay
Municipal Clerk