



NEWSLETTER

WINTER 2020

MFA BORROWING

The TNRD uses the Municipal Finance Authority (MFA) temporary borrowing program to assist in the cash flow of capital projects in progress. MFA borrowing is all done through bylaws.

PROCESS

- MFA allows us to borrow “temporary debt”, which works like a line of credit. We can draw on it as needed and are charged interest while work on construction progresses.
- When the work is complete, the temporary debt must be paid off. This is typically done by converting the debt into long-term debenture debt.
- Once the TNRD has borrowed the funds, it’s locked in for at least a portion of the term. For example, if we borrow for 20 years we’re locked into annual payments for at least the first 10 years. After 10 years, the debt is re-financed by MFA for another 5 years, then again at the 15 year anniversary.
- At any of these re-financing dates (10 & 15 years), we’re given an opportunity to pay down the debt fully or partially; however, in between these dates the MFA is locked and does not allow us to pay down the debt early.
- When we borrow debenture debt, part of MFA’s process is to withhold 1% as security. At the end of the borrowing term, this amount plus interest is released and applied against the last payment, reducing the amount we must collect as taxes in that last year.
 - For example, if we have a project that we need \$1M for, we would need to get approved for \$1,010,101.

PROS OF MFA BORROWING

- Lowest interest rates. MFA has a AAA rating, allowing it to obtain the lowest interest rates and pass those rates onto us.
- Don’t have to pay full principal back because of investment earnings, lowering payments and reducing future parcel taxes we collect over the term of the debt.
- Predictable and stable. Annual payments don’t change year-to-year until the 10th and 15th year anniversaries. This allows for predictable property parcel taxes (outside of those re-financing dates).
- Three opportunities for property owners to pay down debt early depending on your individual, personal financial situation:
 1. Up front,
 2. 10 year anniversary, or
 3. 15 year anniversary.

CONS OF MFA BORROWING

- Other than those refinancing dates, the debenture debt can’t be paid early once funds are borrowed.





BEFORE



AFTER



BEFORE



AFTER

FIRE HALL UPDATE

LAND

The TNRD has submitted a Crown land tenure application for two properties in Loon Lake: one property is located at the intersection of Rensch Road & Loon Lake Road, and one application is for the portion of the former Provincial campsite located on the other side of Loon Lake Road.

The former Provincial park site has been fast tracked and we're anticipating a Crown tenure offer shortly. The Rensch road site application is in progress with no current anticipated completion date.

DONATIONS

Through the Adventurer Group, Fraserway RV has committed \$275,000 towards the construction of a new fire hall and provided \$5,000 in funding for one sea-can container that will be used to store essential firefighting gear.

Red Cross has dedicated up to \$85,000 in funding for the replacement of equipment lost to wildfire, which will be purchased once the new hall has been completed.

PENDING FUNDING APPLICATIONS

FCACB & Red Cross	\$40,000
UBCM CEDF	\$25,000

We're so grateful for the \$61,000 in Federal Gas Tax funding that was allocated for the reconstruction of the community hall auxiliary building, and to the Community Association for allowing the community hall to be used as a temporary fire hall.

A big thank you to Frank Borri of Fraser River Paint & Body for repainting the tender truck and engine. It looks great!



ANNUAL BUDGET CYCLE

JANUARY	<ul style="list-style-type: none"> January to December fiscal year New property assessment data available
FEBRUARY	<ul style="list-style-type: none"> Audited financial statements prepared, final budget developed in January-February
MARCH	<ul style="list-style-type: none"> Final budget developed and adopted by Board (5-year plan)
APRIL	<ul style="list-style-type: none"> Tax requisitions go out to province
MAY	<ul style="list-style-type: none"> Financial reports requested, reviewed
JUNE	<ul style="list-style-type: none"> Letters out to community organizations who receive annual financial contributions from the TNRD asking for financial reports. These reports are reviewed for any problem areas before a new cash disbursement occurs for the current year.
JULY	<ul style="list-style-type: none"> Taxes collected by province
AUGUST	<ul style="list-style-type: none"> Taxes received by TNRD, budget requests submitted to Director of Finance
SEPTEMBER	<ul style="list-style-type: none"> Budget input received, budget preparation begins
OCTOBER	<ul style="list-style-type: none"> Provisional budget developed
NOVEMBER	<ul style="list-style-type: none"> Provisional budget adopted
DECEMBER	<ul style="list-style-type: none"> Provisional budget posted on our website Public input is sought between adoption of the provisional budget and final budget in March



WHERE DOES MY CHEQUE GO?

Unlike a municipality or the provincial government, the TNRD is required under legislation to account for each of our unique services separately. Each of our services has its own unique chart of accounts to enable this.

This means that any cheques we receive on behalf of the Loon Lake VFD service, or any of our other 120+ services, are accounted for as belonging only to that particular service.

If, for example, we receive a donation from a 3rd party for the Loon Lake VFD, it is accounted for as a revenue of that service, just like the property taxes we collect for the service or any other revenues of that service.

Similarly, any expenses incurred for that service are accounted for as for that service alone.

As such, at the end of the year when we have complete revenues and expenses for the service we may find that there is unspent money – revenues exceeding expenses. In this case, this surplus would be identified as being the surplus of the Loon Lake VFD service and applied to the following year’s budget for that particular service. It does not get combined with other surpluses and lose its ‘identity’ or go into any other service – even another Loon Lake service such as the drinking water service cannot benefit from it. Likewise we cannot use these funds for any of our other fire department services. Unspent funds in the Loon Lake VFD service stay with that service for future Loon Lake VFD needs.

It would be unusual for us to receive a cheque or other funds that is not clearly identified which service it belongs to for this attribution to occur. If it did not, the first thing we would do is question this to find out.

ADVISORY COMMITTEE ROLE

The Fire Services Advisory Committee is a group of residents and property owners who can provide input to the Electoral Area Director on the local fire service and share important fire-related information to other members of the community.

1 HOW YOU CAN HELP

Having local knowledge, a committee member can help evolve the fire service by recommending projects and future services to be included in the 5-year financial plans (budget) through advice to the Electoral Area Director.

2 SHARING INFORMATION

Committee members are encouraged to share information provided by the TNRD with their neighbours about the fire service. Information can be shared by putting up posters, forwarding email communications or sharing Facebook/social media posts about the fire service, projects and emergencies.

3 FIREFIGHTER RECRUITMENT

Committee members can also assist the volunteer fire department by promoting firefighter recruitment and retention. Membership is voluntary and meetings are held on an as-required basis.

CURRENT MEMBERS

- Faye Morison
- Fred Giessbrecht
- Kevin Woronchak
- Karen Macdonald

CHIEFS REPORT

TRANSITION

- Loon Lake Volunteer Fire Department Society transitioned to a TNRD operated fire department.
- Transition is going well

MEMBERS

- LLVFD has 22 active members
- Actively working on recruitment

PRACTICE/TRAINING

- Practice 4 times per month
- Training once per month
- Incident command – ICS100 & S100 set for November 30
- Sent 3 members to Blackpool for leadership course- Sept 21/22, 2019
- Held TNRD chainsaw course October 19, 2019
- 1st round of playbook is almost finished

EQUIPMENT/TRUCKS

- LLVFD replaced 2 older pumper trucks with a newer pumper (2004) and a water tender (2007) to meet F.U.S. standards
- Replaced 8 sets of turn out gear (grant from society and donations from Kamloops Restoration)
- Slowly replacing equipment lost in wildfire
- Dealing with limited space for equipment

GENERAL

- Community spirit high toward fire department
- LLVFD moral also high

FIRE CHIEF COLIN SMITH 250.459.0083

