

Report FR-TAPS-30-15

To: Chair Barfoot and Members of the Transportation and Public Safety Committee

From: Mary Lou Spicer, Deputy Director of Finance and Mike Muir, Director of Paramedic Services

Meeting Date:

Subject: **Paramedic Services Financial Update and Year-End Projection as of September 30, 2015**

Status: Recommendation adopted as **amended** per Resolution TAPS151-15; Endorsed by County Council November 24, 2015 per Resolution CC160-15;

Recommendation(s)

THAT Report FR-TAPS-30-15 regarding a Financial Update and Year-End Projection as of September 30, 2015 for the Paramedic Services Department be received for information.

Background

The purpose of this report is to provide members of the Transportation and Public Safety Committee with a financial update for the Paramedic Services Department based upon financial statements as of September 30, 2015.

Summary

This report is based upon September 2015 financial statements as well as having taken into account known expenses that have been incurred since that time as well as calculating best estimates for the remainder of the year.

This projection takes into account the funding increase from the Ministry of Health and Long-Term Care of 1.75% or \$178,708 announced in May; based on previous years, staff anticipated an increase and included an estimate in the budget. The funding announcement has resulted in an additional \$47,954 above the amount budgeted. The following table summarizes the projected year-end position that has been estimated with further information contained within the body of this report.

Summary of Projected Paramedic Services Year-End Surplus/(Deficit)

Paramedic Services Departmental Budget	Projected Year-End Surplus/(Deficit)
Operating Budget	(\$37,000)
Capital Budget	\$0
Total	(\$37,000)

Operating Budget

Based upon information currently available, it is anticipated that the operating budget will have a year-end shortfall of \$37,000 after taking into consideration the above noted Ministry funding increase that is \$47,954 higher than budgeted.

Salaries and benefits comprise 80% of the total expenditures in the operating budget and as of September 30, exceeded the year-to-date budget by approximately \$96,600. In the July 23, 2015 financial report, the analysis of “lost time” (modified duty, sick time, bereavement days etc.) showed that 959 more hours were used in the first five months of the year than budgeted. In comparison, this figure has increased and is now 1,122 more hours used than budgeted as of September 30. As noted in the previous financial report, there have been several employees off for extended periods this year which is reflective in the lost hour calculation. Wages and benefits to September 30 exceed budget by \$96,000; based on this information, if the remaining three months have similar experience, a shortfall in the salaries and benefit lines of \$130,000 will result at year-end.

The Ministry recently announced Grey County will be provided \$26,957 in one-time funding to support Ebola Virus Disease preparedness costs incurred in 2014-15. This represents \$11,651 in equipment/supplies and \$15,306 to offset wages and benefit costs for staff training; staff awaits further information regarding the terms and conditions governing this funding.

Savings over a number of budget lines in the general and administration budgets should result in \$25,000 in savings at year-end. The anticipated savings are expected to be generated from the cellular (\$1,800), legal (\$9,000), insurance (\$1,400), interfunctional IS (\$3,300) and supplies budget lines such as cleaning/ medications/ oxygen etc. (\$9,500).

The cost of operating the seven stations (building maintenance, utilities, rent, snow and waste disposal) overall appears to be sufficient for the remainder of the year. The budget for snow removal has \$2,260 remaining, if this amount is adequate, the station budget could generate a small savings of \$3,000. For the purposes of this report, it is assumed that the station budgets will have a break even position at year-end.

The budget for vehicle operations, which encompasses fuel, repairs, insurance, licensing etc. is anticipated to have a surplus totaling \$4,800. Fuel costs are anticipated to total \$6,000 less than budget with the insurance budget providing an additional \$2,700 in savings. There are small shortfalls in the interfunctional equipment and vehicle licensing lines that are expected to total \$3,900 by the end of the year, resulting in a net surplus from vehicle operations of \$4,800.

Capital Budget

The 2015 capital budget includes the purchase of three ambulances and two stretchers, the disposal of three ambulances as well as a debenture payment for the Craighleith station. The award of the ambulance tender was approximately \$8,760 less than budget with the stretchers \$4,770 over budget. The resulting \$3,990 in savings will not generate a surplus as the capital purchases are funded by a transfer from reserve and will result in a lesser transfer from reserve than budgeted. The disposal of decommissioned ambulances has not yet taken place but it is estimated that based on previous sales that the proceeds should meet the budgeted amount.

Financial / Staffing / Legal / Information Technology Considerations

As of the end of September, the review of the actual to budget projects that the Paramedic Services department will have an operating budget shortfall of approximately \$37,000 at year-end. The capital budget is at a break-even point with approximately \$3,990 less being transferred from reserve than budgeted with the only unknown being the proceeds from disposal of decommissioned ambulances.

Staff will continue to monitor the financial statements; a report will come forward to the December meeting of the Transportation and Public Safety Committee updating the projection and providing a recommendation on the treatment of the anticipated year-end budget shortfall position.

Link to Strategic Goals / Priorities

The analysis of current financial statements compared to the approved budget is a key mechanism to ensure Council's goals of ensuring financial sustainability and ongoing public accountability are maintained.

Attachments- none

Respectfully submitted by,

Mary Lou Spicer, Deputy Director of Finance

Mike Muir, Director of Paramedic Services

Director Sign Off: *Kevin Weppler, Director of Finance*