

Report FR-TAPS-33-14

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: November 6, 2014

Subject: **Paramedic Services Financial Update and Year-End Projection as of September 30, 2014**

Status: Recommendation adopted by Committee as presented per Resolution TAPS134-14; Endorsed by County Council November 25, 2014 per Resolution CC162-14;

Recommendation(s)

THAT Report FR-TAPS-33-14 regarding a Financial Update and Year-End Projection as of September 30, 2014 for the Paramedic Services Department be received.

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, 2014.

Summary

This report is based upon September 2014 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.

As noted in the previous financial projection, the 2014 budget included a provision for a funding increase and \$31,153 more will be received than budgeted. The following table summarizes the projected year-end deficit 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	(\$100,640)
Capital Budget	\$0
Total	(\$100,640)

Operating Budget

The previous financial report indicated that based upon financial statements to May 31 a shortfall in the wage and benefit line totaling \$84,000 could be expected at year-end. This is a combination of higher paramedic wages and benefits than anticipated as well as the impact of the non-union grid adjustment. Paramedic wages are higher as the result of overtime during the winter as well as increased hours for modified duty and sick time. Based upon a review of the cost of wages and benefits to October 24 as well as projecting payroll costs for the balance of the year, it is expected that initial shortfall projection of \$84,000 remains on target to year-end.

If trends continue, savings of \$5,000 in the meal allowance budget and a shortfall of \$20,000 in the maintenance of buildings accounts can be anticipated. The budgets for fuel and vehicle repairs were \$32,800 overspent in total with accident repairs a contributing factor.

As mentioned above, the Ministry funding increase received is \$31,153 greater than budgeted and this will be used to reduce shortfalls in the operating budget. Overall, small variances in other budget lines for equipment, supplies and utilities exist but are not expected to result in a budget impact. After taking into consideration the above noted factors, it is anticipated that a total operating budget shortfall of \$100,640 may exist at year-end if the trends in modified duty and sick time continue.

Capital Budget

Capital acquisitions are funded from reserve contributions with any savings benefiting the reserve. Overall, it is anticipated that \$7,900 less than budgeted will be withdrawn from the reserve.

Financial / Staffing / Legal / Information Technology

Considerations

A review of the financial statements as of the end of September projects that the Paramedic Services department will have an operating budget shortfall of \$100,640 at

year-end. Capital purchases are funded by contributions to reserve and it is anticipated that \$7,900 less than budgeted will be withdrawn from reserve. A report requesting that any shortfall be funded from the EMS Reserve will be brought to committee for approval.

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

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