

Report FR-TAPS-23-16

To: Chair Bell 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: July 21, 2016

Subject: **Paramedic Services Financial Update and Year-End Projection as of May 31, 2016**

Status: Recommendation adopted by Committee as presented per Resolution TAPS80-16; Endorsed by County Council August 2, 2016 per Resolution CC100-16;

Recommendation(s)

THAT Report FR-TAPS-23-16 regarding a Financial Update and Year-End Projection as of May 31, 2016 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 May 31, 2016.

Summary

This report is based upon May 2016 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.

Staff included in the 2016 budget a provision that based on past experience, a funding increase of 1.75% would be received from the Ministry of Health and Long-Term Care. The 2016 funding announcement advised that a funding increase of \$245,054 will be received; this represents approximately \$14,500 less than 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	(\$57,000)
Capital Budget	\$0
Total	(\$57,000)

Operating Budget

As mentioned above, the announced Ministry funding is \$14,500 less than the amount included in the 2016 budget. It is anticipated that the operating budget will have a shortfall of \$57,000 at year-end. Salaries and benefits comprise 81% of the total expenditures in the operating budget; after taking into consideration that expenditures for CPP and EI will diminish once full time employees reach the yearly maximum it is anticipated that a shortfall in salaries and benefits will total \$47,000 at the end of the year. An analysis of “lost time” (modified duty, sick time, bereavement days etc) for paramedics shows that the actual hours are very close to the budget for the first five months of the year. The budgetary pressure on salaries and benefits is the result of a combination of factors including a change to the on-call rotation, adjustments as the result of job evaluation for several administrative positions, modified duty in administration and higher utilization of maternity top up than budgeted. The shortfall in salaries and benefits takes into account estimated savings of \$37,000 from the employee group benefit program renewal that occurred after the budget was prepared.

Overall, small variances in other budget lines for equipment, supplies, utilities and station and vehicle operations exist but are not expected to result in a budget impact at year-end. Staff is hopeful that small savings of at least \$4,500 can be found within the supply budgets that would partially offset the shortfall in Ministry funding and this would result in an overall operating budget shortfall of \$57,000.

Capital Budget

The 2016 capital budget includes the purchase of two ambulances and stretchers, 17 stair chairs and 18 defibrillators, consulting fees for the proposed 2017 build of a new station at the Chatsworth Transportation depot as well as a debenture payment for the Craighleith station. With the exception of stair chairs, all capital purchases have been processed. Currently, the capital budget shows \$40,500 less is required from reserve than budgeted; this is primarily the result of higher proceeds from decommissioning two ambulances and 18 defibrillators.

Financial / Staffing / Legal / Information Technology

Considerations

As of the end of May, the review of the actual to budget projects that the Paramedic Services department will have an operating budget shortfall of approximately \$57,000 at year-end. At this point, the capital budget requires \$40,500 less to be transferred from reserve than budgeted.

Staff will continue to monitor the financial statements; financial projections will be updated and presented to the Transportation and Public Safety Committee later this year.

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*