

Report FR-TAPS-10-16

To: Chair 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: December 17, 2015

Subject: **Paramedic Services Financial Report and Treatment of Year-End Surplus/(Deficit) Position**

Status: Recommendation adopted by Committee as presented per Resolution TAPS07-16; Endorsed by County Council January 5, 2016 per Resolution CC08-16;

Recommendation(s)

THAT Report FR-TAPS-10-16 regarding a Financial Report and the treatment of Year-End Surplus/(Deficit) Position for the Paramedic Services Department be received:

AND THAT the deficit position from the 2015 Paramedic Services operating budget be funded from the One Time Funding Reserve.

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 October 31, 2015 with projections to year-end.

Summary

This report is based upon October 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.

As noted in previous financial projections, the 2015 budget included a provision for a funding increase from the Ministry of Health and Long-Term Care and the actual grant totaled \$47,954 more than 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	(\$59,000)
Capital Budget	(\$0)
Total	(\$59,000)

Operating Budget

The previous financial report indicated that based upon financial statements to September 30, the operating budget was expected to have a year-end shortfall of \$37,000 after taking into consideration the Ministry funding increase that was higher than budgeted. This projection has been adjusted to reflect an estimated \$59,000 shortfall as the result of the projected wage and benefit shortfall being slightly higher than originally anticipated.

The salary and benefit budget is developed based on a combination of known costs such as the hours required to staff each station, training hours and vacation entitlement plus a number of unknown costs for “lost time” that encompasses such categories such as sick time, modified duty, bereavement leave, court time, jury duty, health and safety committee etc that are estimated based on averaged data from previous years.

The budget for the Community Paramedicine program appears overspent based upon an actual versus budget comparison; however, this program was not anticipated to run the full year and was extended based on a funding announcement received late this year.

This year’s shortfall is not attributable to one factor but is rather comprised of a number of items that include higher modified duty, sick time, training hours and overtime. Salaries and benefits are expected to exceed budget by \$140,000; \$174,600 for wages with offsetting savings of approximately \$34,600 for associated benefit costs. In comparison, the annual budget for salaries and benefits excluding the community paramedicine program is \$10,642,892; the overage of \$140,000 represents 1.3% of the budget for wages and benefits.

Savings from the General and Administration budgets are expected to provide \$25,246 in savings from a number of budget lines such as cellular, legal, insurance, interfunctional IS and supplies. As a result of the mild weather, small savings of approximately \$3,000 exist from the budget for snow removal. The vehicle operations budget is expected to provide \$4,800 in savings from the budgets for fuel purchased at commercial pumps, interfunctional fuel from Transportation Services depots and insurance. After taking into consideration the above noted factors, it is anticipated that a total operating budget shortfall of approximately \$59,000 may exist at year-end.

Capital Budget

As expressed in the previous financial report, capital acquisitions are funded from reserve and therefore do not generate a surplus or shortfall. The approximately \$3,990 in savings will result in a lesser transfer from reserve than budgeted. The disposal of decommissioned ambulances has not yet taken place but based on prior sales, the proceeds should meet the budgeted amount.

Financial / Staffing / Legal / Information Technology

Considerations

A review of the financial statements as of the end of October projects that the Paramedic Services department will have an operating budget shortfall of \$59,000 at year-end. Capital purchases are funded by contributions to reserve and it is anticipated that \$3,990 less than budgeted will be withdrawn from the Paramedic Services Reserve. Staff recommends funding the anticipated operating budget shortfall from the One Time Funding Reserve.

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

Attachment to FR-TAPS-10-16 Paramedic Services Financial Report and Treatment of Year End Surplus Deficit Position

Respectfully submitted by,

Mary Lou Spicer, Deputy Director of Finance

Mike Muir, Director of Paramedic Services

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