

## Report FR-TAPS-26-15

**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:** July 23, 2015

**Subject:** **Paramedic Services Financial Update and Year-End Projection as of May 31, 2015**

**Status:** Recommendation adopted by Committee as presented per Resolution TAPS100-15; Endorsed by County Council August 4, 2015 per Resolution CC112-15;

### Recommendation(s)

**THAT Report FR-TAPS-26-15 regarding a Financial Update and Year-End Projection as of May 31, 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 May 31, 2015.

### *Summary*

This report is based upon May 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)

<b>Paramedic Services Departmental Budget</b>	<b>Projected Year-End Surplus/(Deficit)</b>
Operating Budget	\$47,800
Capital Budget	\$0
Total	\$47,800

### *Operating Budget*

As mentioned above, the Ministry funding increase received is \$47,854 greater than budgeted and it is anticipated that the operating budget will remain on target and these funds will be surplus at year-end. Salaries and benefits comprise 80% of the total expenditures in the operating budget; after taking into consideration the retro pay to January 1, 2015 that was paid in June and that expenditures for CPP and EI will diminish once full time employees reach the yearly maximum, salaries and benefits totaled approximately \$11,000 more than the year-to-date budget as at May 31. An analysis of "lost time" (modified duty, sick time, bereavement days etc) shows that 959 more hours were used in the first five months of the year than budgeted; this represents approximately \$49,000 in salaries and associated benefits. Staff notes that there were several employees off for extended periods during this time and that lost time decreased for June by 107 hours as compared to the five month average.

A similar analysis of the amount of vacation and statutory holiday banked hours shows that as compared to the budget to May 31, 1,990 less hours (or \$101,500) were used than budgeted; typically this is the case as some of these hours will be carried over to 2016 as well as there is higher usage during the summer months. At this point, costs are being monitored and staff is hopeful that the operating budget will remain on target. The projection will be refined once summer data is available; an update will be provided in the next report to committee.

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.

### *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 \$9,800 less than budget with the stretchers \$4,760 over budget. The resulting \$5,040 in savings will not generate a surplus as the capital purchases are funded by a transfer from reserve. In addition, the disposal of decommissioned ambulances has not yet taken place but it is estimated that the proceeds will meet the budgeted amount.

## 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 surplus of approximately \$47,800 at year-end. At this point, the capital budget is at a break-even point with approximately \$5,040 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; 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*