

Report PSR-TAPS-10-16

To: Chair Bell and Members of the Transportation and Public Safety Committee
From: Mike Muir, Director of Paramedic Services
Meeting Date: October 6, 2016
Subject: To provide a summary of the draft 2017 Paramedic Services budget
Status: Recommendation adopted by Committee as amended per Resolution TAPS106-16; Endorsed by County Council November 1, 2016 per Resolution CC136-16;

Recommendation(s)

- 1. That Report PSR-TAPS-10-16 regarding the draft 2017 Paramedic Services Budget be received; and**
- 2. That the draft 2017 Paramedic Services Budget be forwarded as presented to County Council for consideration.**

Background

The purpose of this report is to summarize the 2017 proposed Paramedic Services (PS) budget. The overall net budget of operating and capital combined totals \$6,470,778 and requires a net levy increase of \$309,805 or a 5.03% increase over the 2016 budget. This reflects a 0.58% increase to the corporate net levy requirement for 2017.

Operating Budget

The 2017 proposed operating budget reflects a \$301,851 increase as compared to 2016. The increase is attributable to salaries and associated benefits, maintenance of buildings, insurance and supply costs. Based on information provided by the Ministry of Health and Long Term Care that shows the 50/50 provincial conditional grant funding allocation is based upon the previous year's municipal approved budget adjusted for inflation, the proposed 2017 budget reflects a grant increase of \$168,891. The 2016 budget assumed a 1.75% increase as was the case in 2015; however when the 2016 funding was announced, a 1.5% increase was received. As a result, the 2017 budget has been prepared on the assumption that the increase will be 1.5%. This grant figure

excludes provincial funding budgeted for the Community Paramedicine initiative which will wind down March 2017 unless the province announces further funding.

Excluding the Community Paramedicine program and wages paid to Transportation Services staff performing repairs on vehicles, salaries and benefits have increased \$281,141 as compared with the 2016 budget (the budget has benefited from a reduction in group benefit costs totaling \$15,444). The salaries and benefits budget lines have been impacted by the following:

- Wage increase for unionized (collective agreement expires December 31, 2017) and non-union staff
- Annualization of wage increases for non union staff as a result of job evaluations completed in 2016
- An additional day of training for staff as the result of new regulations and standards coming into effect for 2017; cost of \$63,300 including benefits

The service received funding for 2014-2016 from the Ministry of Health and Long Term Care Community Paramedicine Initiative to participate in the Enhancing Paramedicine in the Community (EPIC) clinical trial in partnership with the Owen Sound Family Health Team and St. Michael's Hospital. The purpose of the study is to determine if hospital admissions can be reduced for patients suffering from chronic diseases when treated by the community paramedics. The funding covers wages, research and operating costs for two community paramedics during the study period anticipated to last until the spring of 2017. Continuation of the program will be contingent on the County receiving additional funding for both salaries and operational costs. At the time of the writing of this report, no further funding announcements have been made by the Ministry with regards to additional monies.

The vehicle operations budget has increased by \$15,302 including an increase to insurance totaling \$5,833. The 2017 budget has been prepared on the basis that the fuel costs incurred in 2016 will remain the same for 2017 (combination of fuel and inter-functional fuel budget lines). It is also anticipated that there will be a decrease in fuel usage supplied by the County depots as a result of ambulance refueling at the Owen Sound works depot. Shop charges budgeted under interfunctional equipment operations were increased in 2016 to \$80.00 per hour to reflect the proportioned cost of operating the County repair depots and represent a lower cost per hour than work performed at private market service centres. Shop charges for 2017 will remain at \$80/hr.

The Computer Support budget line (account 64020) includes an additional \$6,203 to upgrade the Interdev software platform to include training, certification tracking, electronic forms and document flow tracking software programs. Also included in the

budget is the ongoing software maintenance cost for Staff Schedule Care scheduling software implemented in late 2014 in the amount of \$5,861.

The current inventory of cardiac monitor/defibrillators was replaced in 2016 and is now under full warranty. The budget for biomedical engineering was reduced by \$5,000 in 2016 as a direct result of the new purchase and will remain at \$5,000 for 2017. Other purchases included in the operating budget are patient care equipment supplies of \$20,500 and \$9,000 added to the cellular budget in order to add internet data plans to vehicles.

The following operational budget items that are not annual purchases are included in the budget:

- Durham Base Exhaust Venting - \$10,000
- Eye Wash Stations - \$7,000
- Owen Sound Base LED Lighting - \$8,000
- Atmel Automatic Vehicle Location (AVL) boxes - \$10,000

The 2017 budget includes a transfer to reserve of \$12,000 for the replacement of paramedic jackets that are purchased every five years. It is estimated that the jackets will cost \$60,000 in 2020 and by setting aside an annual \$12,000 contribution to the reserve, this will smooth out the levy requirement.

The introduction of a new funding model and reporting practices in 2009 mandated by the Ministry of Health and Long Term Care related to equipment reserves resulted in a change to the way the transfer to reserve was presented. As part of the annual capital budget process, staff reviews the capital reserve schedule to determine how much needs to be transferred to reserve in order to ensure adequate funds are set aside to replace vehicles and equipment when their useful lifespan is reached. The full transfer to reserve totaling \$546,210 is shown on the page titled EMS Administration as amortization will meet or exceed this amount.

Capital Budget

The 2017 proposed capital budget has a levy impact totaling \$65,742 to fund the debenture for the Chatsworth station and set aside funds in reserve for future station capital repairs as identified in the Building Condition Assessment. The debenture for the build of the Craigleith station will be paid off in 2016 and these funds are available to fund the debenture cost of the Chatsworth station that is scheduled to be built in 2017. Vehicle and equipment purchases are funded through the equipment reserve. Capital purchases for 2017 are as follows:

- 3 ambulances – the department has moved to single stretcher ambulances with sliding safety paramedic seat and power load system \$522,567
- 3 stretchers totaling \$65,676
- 21 Tablet Computers for Electronic Patient Care Records \$139,125
- Construction costs for Chatsworth Base totaling \$517,000

Financial / Staffing / Legal / Information Technology Considerations

The 2017 EMS budget as proposed requires a levy increase totaling \$309,805 or a 5.03% increase as compared to the 2016 budget. This budget has been assisted by including an anticipated funding increase of 1.5% or \$168,891 as compared to the amount received in 2016.

Link to Strategic Goals / Priorities

Follow CAO's Strategic Operating Plan – Service Excellence

Respectfully submitted by,

Mike Muir

Director Grey County Paramedic Services

Attachment to PSR-TAPS-10-16 2017 Paramedic Services Draft Budget October 6,
2016