

Report FR-TAPS-38-16

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: November 17, 2016

Subject: **Paramedic Services Financial Update and Year-End Projection as of September 30, 2016**

Status: Recommendation adopted by Committee as presented per Resolution TAPS113-16; Endorsed by County Council November 22, 2016 per Resolution CC148-16

Recommendation(s)

- 1. That the Transportation and Public Safety Committee receive Report FR-TAPS-38-16 regarding a Financial Update and Year-End Projection as of September 30, 2016 for the Paramedic Services Department.**

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.

Summary

This report is based upon September 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	\$20,000
Capital Budget	\$0
Total	\$20,000

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 if trends continue especially relating to the wage and benefit component of this budget, a small surplus of \$20,000 will result at year-end.

Salaries and benefits comprise 81% of the total expenditures in the operating budget; it is anticipated that a surplus from salaries and benefits will total \$45,000 at the end of the year. An analysis of “lost time” (modified duty, sick time, bereavement days etc) for paramedics shows that 590 less hours have been used as compared to the year-to-date budget resulting in savings of approximately \$27,000. Higher than budgeted costs for salaries and benefits resulting from 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 offset by savings from the projected payout for banked statutory holiday hours results in a shortfall of \$60,000. Benefits show savings of approximately \$78,000 with the primary reason the favourable January 1, 2016 negotiated group benefit renewal.

Shortfalls in several operating budget lines exist; approximately \$7,000 more spent for legal fees, \$10,000 in unbudgeted consulting fees for the service analysis and \$12,700 more than budgeted interfunctional IS costs. This has been offset by anticipated savings in vehicle operations and other budget lines, resulting in a shortfall of \$25,000 in the non-salary and benefit component of the budget.

Overall, at this point the operating budget is expected to have a \$20,000 surplus. As costs are trending so close to budget, the year-end motion will recommend treatment of surplus or deficit. The greatest variable is wages as the forecast is based upon “lost time” trends continuing for sick and modified duty as well as the projected payout for banked statutory holidays that will not take place until December.

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 Craigleith station. The capital budgeted purchases are fully funded from the Paramedic Services Equipment Reserve with the exception of the \$57,788 debenture payment for the Craigleith station that is funded from levy. Approximately \$62,000 less will be transferred from the reserve than budgeted; this is primarily the result of higher proceeds from decommissioning ambulances, stretchers, stair chairs and defibrillators as well as savings on the defibrillator purchases.

Financial / Staffing / Legal / Information Technology

Considerations

As of the end of September, the review of the actual to budget projects that the Paramedic Services department will have an operating budget surplus of approximately \$20,000 at year-end. The capital budget requires \$62,000 less to be transferred from reserve than budgeted.

Staff will continue to monitor the financial statements with a final year-end surplus/deficit report to Committee of the Whole in January 2017.

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*