

## Report FR-TAPS-29-14

**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 24, 2014

**Subject:** **Paramedic Services Financial Update and Year-End Projection as of May 31, 2014**

**Status:** Recommendation adopted by Committee as presented per Resolution TAPS86-14; Endorsed by County Council August 5, 2014 per Resolution CC110-14;

### Recommendation(s)

**THAT the Transportation and Public Safety Committee receive Report FR-TAPS-29-14 regarding a Financial Update and Year-End Projection as of May 31, 2014 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 based upon financial statements as of May 31, 2014.

### *Summary*

This report is based upon May 2014 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 of \$343,948 announced in April; based on previous years, staff anticipated an increase and included an estimate in the budget. The funding announcement has resulted in an additional \$31,153 above the amount budgeted. The following table summarizes the projected year-end deficit 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	(\$52,800)
Capital Budget	\$0
Total	(\$52,800)

### *Operating Budget*

There is a potential operating budget shortfall of approximately \$52,800 at year-end; this is primarily the result of higher paramedic wages and benefits than anticipated as well as the impact of the non-union grid adjustment. Paramedic wages are higher as the result of overtime during the winter as well as increased hours for modified duty and sick time during the first five months of the year. If this trend continues, salaries and benefits could be over budget by \$84,000 by year-end; alternately, if the overage levels off, the budget shortfall may be reduced to \$43,000. For the purposes of preparing a year-end projection, staff has assumed the trend will continue and the \$84,000 figure has been utilized. Staff will continue to monitor hours and will provide an update later in the year.

As mentioned above, the Ministry funding increase received is \$31,153 greater than budgeted and this will be used to reduce any shortfall in salaries and benefits. 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*

Capital acquisitions are in progress; as capital is funded from reserve contributions any savings benefit the reserve balance. Overall, it is anticipated that \$7,900 less than budgeted will be withdrawn from the reserve.

This is the result of a combination of items such as the sale of decommissioned ambulances and stretchers that are expected to result in more funds than anticipated, small savings in the purchase of two ambulances, a shortfall in the stretcher budget and unbudgeted work at the Craigeith station. The stretcher budget will have a shortfall of approximately \$8,500; a portion is the result of higher costs than budgeted for two stretchers and the remainder for stretcher upgrades to replace a manual stretcher that was damaged in an accident with a power cot system that is being deployed with all new ambulances.

A heat recovery ventilation unit and ductwork is being installed at the Craigeith station to introduce outside dry air and exhaust indoor humid air to address mould and humidity

issues; the cost of the unit is approximately \$5,340 and this equipment was not part of the construction contract.

## Financial / Staffing / Legal / Information Technology

### Considerations

A review of the actual to budget, as of the end of May projects that the Paramedic Services department will have an operating budget shortfall of \$52,800. Capital purchases are funded by contributions to reserve and it is anticipated that \$7,900 less than budgeted will be withdrawn from reserve.

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

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