



Central York Fire Services

Agenda

Joint Council Committee

Date: Tuesday, October 13, 2020
Time: 9:30 AM
Location: Electronic VIA ZOOM
See How to Login Guide

Pages

1. Additions & Corrections to the Agenda

2. Conflict of Interest Declarations

3. Presentations

3.1. CYFS Draft 2021 Budget

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Note: Mike Mayes, Town Treasurer and Dawn Schellenberg, Manager of Accounting and Finance, Town of Newmarket will be in attendance to provide a presentation on this matter.

1. That the presentation regarding the CYFS Draft 2021 Budget be received.

4. Deputations

5. Items

5.1. CYFS Draft 2021 Budget Update Report

24

1. That Joint CYFS/Financial Services Report dated October 13, 2020 regarding the Draft 2021 Budget Update be received and the following recommendations be adopted:
 - a. That the Joint Council Committee (JCC) receive the draft budgets presented on September 1, 2020; and,
 - b. That the JCC make a recommendation to Aurora Council, as per the Joint Services Agreement, and then send to Newmarket Council for approval.

6. Adjournment



Central York Fire Services Draft 2021 Budget

Presented to Joint Council Committee
October 13, 2020

Presenters:

Mike Mayes,

Dawn Schellenberg



Agenda

- a) Update
- b) Questions
- c) Options
- d) 10-Year Outlook
- e) Next Steps



Updates

What has changed since September 1



A clarification

The following capital items were previously approved and scheduled for delivery in 2021:

- Replacement of Hazmat truck - \$950,000 (approved in 2019)
- Replacement of Pumper (06-14) - \$750,000 (approved in 2020)

And for delivery in 2022:

- PPE for new recruits \$71,000 (approved in 2019 and 2020)



Questions

Follow-up from September 1 JCC



Wellness program

The budget includes \$147,900

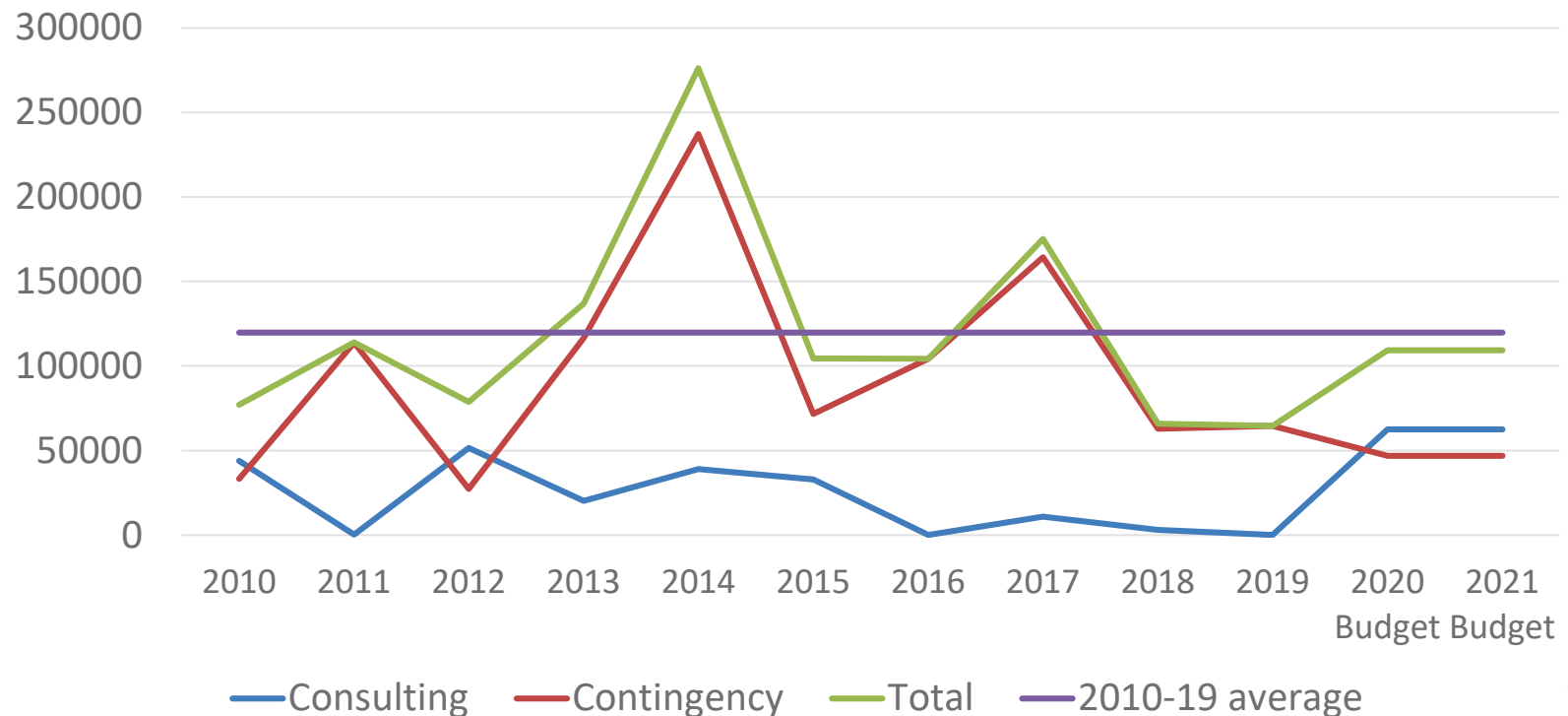
- Program is required by the collective agreement for the years 2018 to 2023
- Securing a provider has been a challenge



Consulting/Contingency budget is less than 10 year average



Historic Trend



New revenues

Net incremental revenue has not been included in the 2021 budget:

- Consistent with 2020
- Potential revenue offset from the loss of emergency services agreements
- Risk management - relying on new revenues, especially during COVID and recovery



Funding Station 4-5



BUDGET	
Original budget	\$ 11,000,000
15% contingency increase	1,650,000
November 2019 increase	917,727
	\$ 13,567,727
FUNDING	
Development Charges (DC's)	\$ 8,927,200
2019 surplus	1,993,087
2020 surplus, estimate	1,000,000
Future years' surplus, estimate	1,000,000
ARF requirement	647,440
	\$ 13,567,727



Staffing strategy

- 2014 Fire Master Plan (FMP) staffing completed (budgeted)
- New FMP in the 2021 budget
- Assumptions:
 - New FMP will recommend a new station
 - Opening in 10 years
 - Will require another crew – 20 firefighters
 - Provide for / hire over 10 years
 - Surplus from gapping for capital reserve



Options

Deferring new hires



Planning for the next stations Options



A. Provide annually for additional 2 firefighters
10 years, 2021 to 2030

B. Defer hiring recommended by new FMP
8 years, 2023 to 2030
Equivalent of 2.5 additional firefighters per year

Actual hiring only when operationally feasible



Projected CYFS increases

Year	Option A	Option B	difference
2021	\$ 883,000	\$ 625,000	\$ 258,000
2022	1,029,000	763,000	266,000
2023	1,142,000	1,214,000	- 72,000
2024	1,119,000	1,188,000	- 69,000
2025	1,084,000	1,161,000	- 77,000
2026	1,176,000	1,256,000	- 80,000
2027	1,102,000	1,186,000	- 84,000
2028	1,110,000	1,197,000	- 87,000
2029	1,145,000	1,235,000	- 90,000
2030	1,135,000	1,229,000	- 94,000



10-Year Outlook

Framework



Assumptions

1. Inflation at **1% for 2022**, 2% thereafter
2. Wages based on current collective agreement to 2023
3. Asset Replacement Fund contributions as set out in the revised ARF projection
 - Increased by \$100,000 in 2021
 - **Thereafter indexed at 2.5%**



Assumptions (cont'd)



4. CYFS Reserve Fund target
 - 50% of specified volatile & discretionary expenses, approximately \$700,000
 - Funded from budgetary savings
5. Property ownership – no change
6. Revenue – no significant changes, indexed



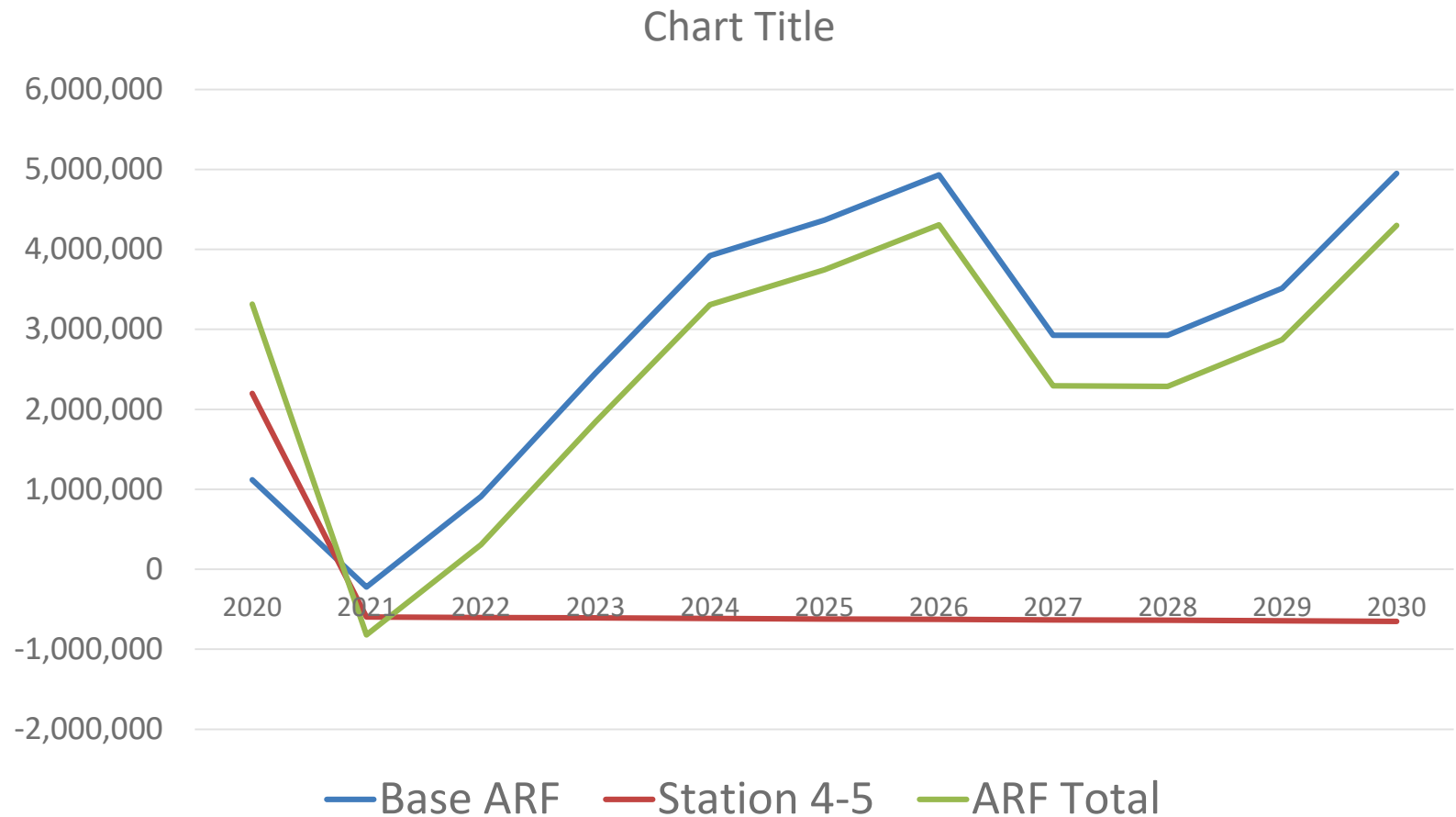
Assumptions (cont'd)



7. Growth costs as required – **no set annual allocation**, based on
 - Operating costs for Station 4-5
 - Expanded fleet maintenance
 - Additional staffing for new stations **TBD**
8. Cost sharing – no change

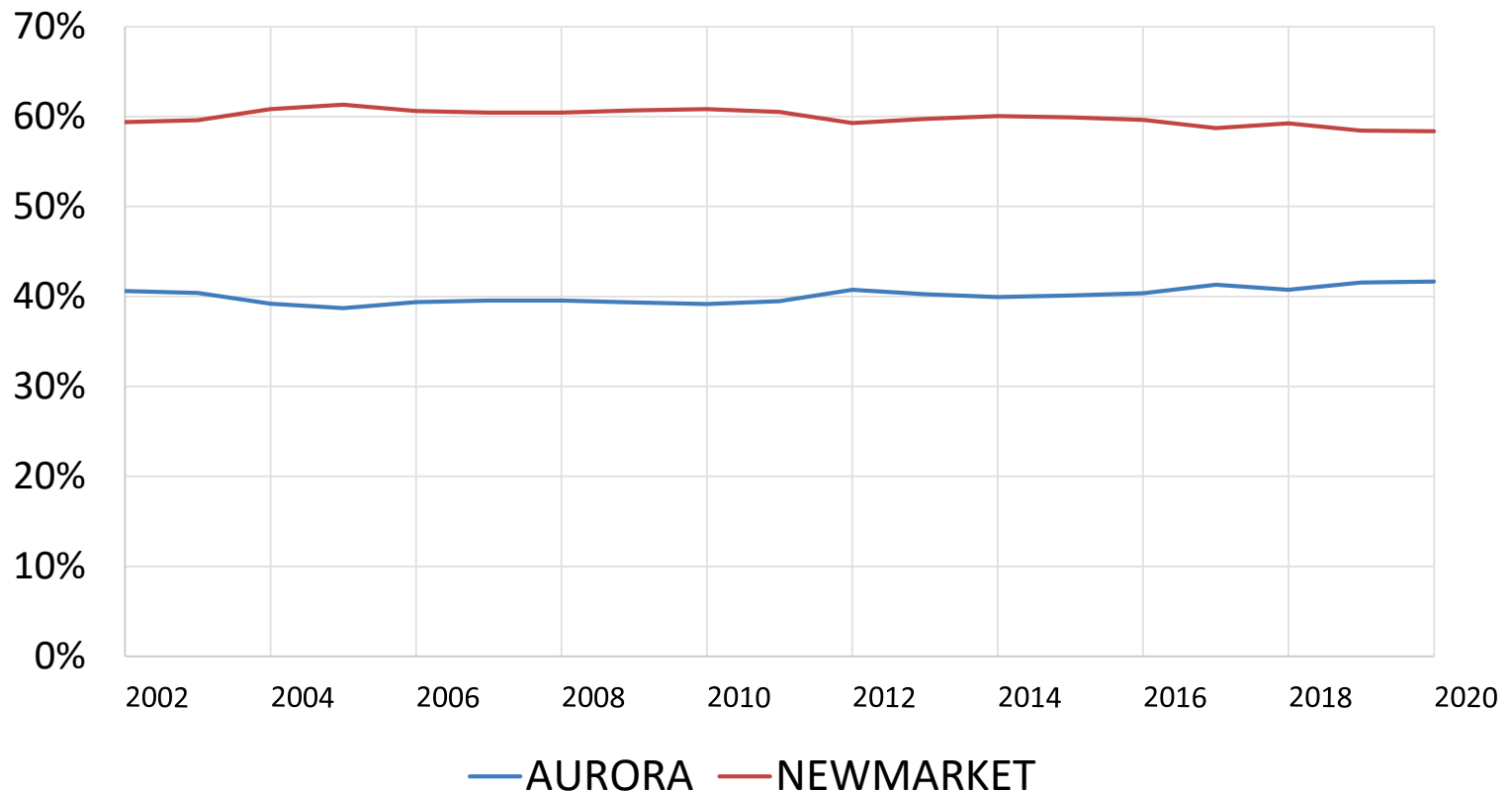


Projected ARF Balances



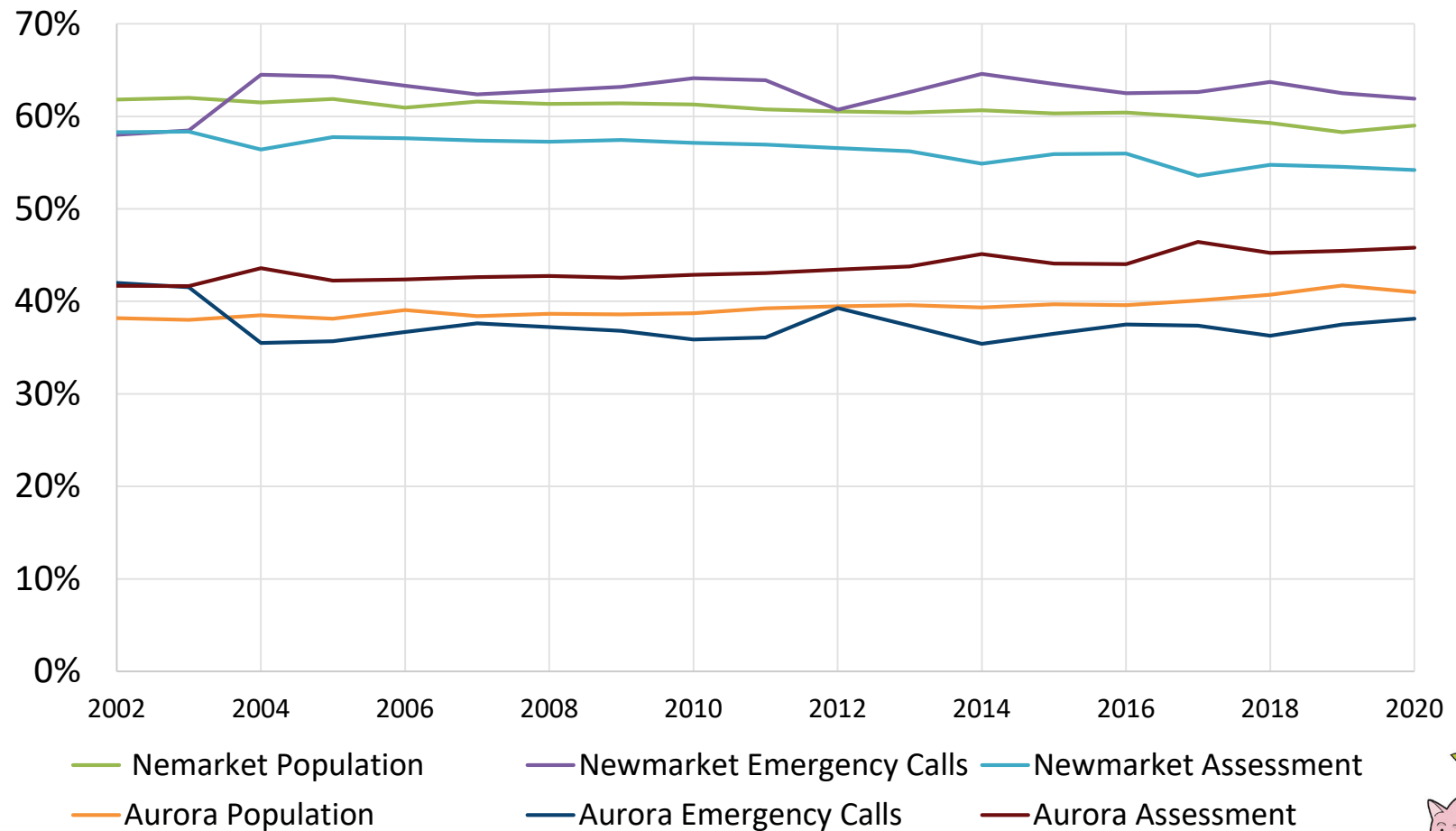
Cost Allocation - Historic

Share of CYFS Costs - Newmarket & Aurora



Cost Allocation - Historic

Share of CYFS Costs - By Components



Next Steps

Upcoming dates and activities



Next Steps

BUDGET PROCESSES

October 5	Newmarket	Draft budget presented
October 27	Aurora	Draft budget presented
November 9	Newmarket	Further review
November 16	Aurora	Further review
December 14	Newmarket	Budget approval
December 15	Aurora	Budget approval
OTHER		
2021	CYFS	Fire Master Plan in the budget
2023	CYFS	Asset Management Plan update





CENTRAL YORK FIRE SERVICES

CYFS Draft 2021 Budget Report Fire Services Report

Report Number: JCC-2020-07
 To: Joint Council Committee
 Author: Central York Fire Services Fire Chief
 Director, Financial Services/Treasurer, Town of Newmarket
 Meeting Date: Tuesday, October 13, 2020

Recommendations

1. That Joint CYFS/Financial Services Report dated October 13, 2020 regarding the Draft 2021 Budget Update be received and the following recommendations be adopted:
 - a. That the Joint Council Committee (JCC) receive the draft budgets presented on September 1, 2020; and
 - b. That the JCC make a recommendation to Aurora Council, as per the Joint Services Agreement, and then send to Newmarket Council for approval.

Comments

The purpose of this report is to provide an update to CYFS Draft 2021 Operating and Capital Budgets Report JCC–2020-06 of September 1, 2020 and bring the budgets forward for JCC to make a recommendation.

Background

Budget Impact

There are no changes to the draft 2021 budgets presented on September 1, 2020. The details of the previously approved capital projects have been updated and some dates have been corrected.

Summary

The 2021 budget continues to address implementation of the 2014 Fire Department Master Plan Update (FDMPU).

Financial Impact

DRAFT BUDGETS

Operating Budget

The proposed 2021 operating budget includes the following targets endorsed by Newmarket Council:

	Newmarket Council Target
Base	\$525,000
Growth	\$258,000
ARF	<u>\$100,000</u>
Total	<u>\$883,000</u>

Increases to the base are largely for salaries and benefits. The growth component includes salaries and benefits for 2 new firefighter positions, as part of a 10 year recruitment staffing plan for future consideration of a sixth fire station. The annual increase to the contributions to the Asset Replacement Fund is \$100,000 which is consistent with 2020 budget discussions

Cost Allocation (Revised portions in italics and underlined)

The 2021 budget reflects a 0.04% change in the cost allocation – Newmarket's share being decreased to 58.58% (2020 - 58.62%) and Aurora's share increasing to 41.42% (2020 – 41.38%). This results in a shift of \$12,000 in annual operating costs.

Capital Budget (Revised portion in italics and underlined)

Replacement

Capital replacements are funded by the Asset Replacement Fund (ARF). This includes the following for 2021:

- Lifecycle replacement of Personal Protective Equipment - \$180,000
- Replacement of Pumper (06-15) - \$750,000
- Replacement of equipment - \$100,000
- Replacement of Platoon Chief vehicle - \$100,000

In addition to the above new requests for 2021, the following capital requests have been moved forward to 2021:

- Replacement of Hazmat truck - \$950,000 (*approved in 2019*)
- *Replacement of Pumper (06-14) - \$750,000 (approved in 2020)*
- *Replacement of auto extrication equipment - \$65,000 (Removed)*

Capital requests in 2019 and 2020 totalling \$71,000 for New Recruits PPE will be incurred in 2022 which corresponds with their anticipated hire date.

BUDGET IMPACT

Operating Budget (Current and Future)

Aurora's share of the proposed operating budget is an increase of \$376,953, which is equivalent to a 0.75% tax increase.

Newmarket Council adopted a budget target for 2021 which included an additional \$521,000 (0.83% tax increase) for Fire Services. Newmarket's share of the proposed operating budget is an increase of \$506,047 (0.81% tax increase).

The difference in taxation bases, as well as the change in the allocation, account for the discrepancy in the increases.

Capital Budget

The capital budget will be within the funding envelope as outlined in the 2018 CYFS Asset Management Plan.

Conclusion

See below.

Consultation

This report has been prepared by the Treasurer for the Town of Newmarket in consultation with the Fire Chief. The Treasurer for the Town of Aurora has reviewed this report.

Impact On The Master Fire Plan

See above.

Contact

For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca

Ian Laing, Fire Chief
Central York Fire Services

Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer
Town of Newmarket

Reviewed by:

Rachel Wainwright-van Kessel, CPA, CMA
Town of Aurora

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Attachments:

- 2021 CYFS Draft Operating Budget
- 2021 CYFS Capital Budget

2021 CAPITAL BUDGET

FIRE SERVICES

Project Description	Decision Pkg No.	EXPENDITURES	FINANCING					
		Total Cost	Asset Replace. Fund	Develop. Charges	Reserves & Reserve Funds	Operating Fund	Other	Remarks
Central York Fire Services								
Personal Protective Equipment & Uniform for 2 new recruits (Stn 4-6)	CYFS 1	20,000		20,000				
Fire Truck Replacement - 06-15 Pumper LaFrance	CYFS 2	750,000	750,000					
Replacement of Platoon Chief Vehicle - CH45	CYFS 3	100,000	100,000					
Replacement of Equipment	CYFS 4	100,000	100,000					
Lifecylce Replacement of Personal Protective Equipment	CYFS 5	180,000	180,000					
Station 4-5 Additional Funding	CYFS 8	917,727	917,727					
Total - Central York Fire Services		\$ 2,067,727	\$ 2,047,727	\$ 20,000	\$ -	\$ -	\$ -	

**CENTRAL YORK FIRE SERVICES
2021 DRAFT OPERATING BUDGET**

Updated: 25/08/2020

OBJECT ACCOUNTS	2019	2020	2020 Budget	2021 Budget	Increase/(Decrease)	
	Actual	6 mos.Actual	Total	Total	\$	%
Expenses						
4011 Management Salaries	647,168	322,865	674,200	668,218	(5,982)	-0.9%
4021 Regular Salaries & Wages	15,090,050	7,884,409	16,782,115	17,394,961	612,846	3.7%
4024 Standby/Callback	20,641	240	36,513	-	(36,513)	-100.0%
4025 Overtime	167,902	106,546	210,630	217,143	6,513	3.1%
4026 Lieu Time Paid	765,261	3,679	741,108	770,000	28,892	3.9%
4028 WSIB Reimbursements	(175,904)	(109,778)	-	-	-	0.0%
4031 Casual/Seasonal Wage	20,096	-	28,688	18,000	(10,688)	-37.3%
4035 Regular Part-Time Wages	-	14,193	-	30,364	30,364	0.0%
4109 Direct Payroll Benefits	5,283,822	2,409,793	5,348,923	5,521,900	172,977	3.2%
Sub Total Salaries and Benefits	21,819,036	10,631,948	23,822,177	24,620,586	798,409	3.4%
4216 Stationery & Office Supplies	14,982	6,280	15,606	15,606	-	0.0%
4217 Photocopier Lease & Supplies	4,977	1,813	7,803	7,803	-	0.0%
4219 Emergency Mgmt. Materials	1,626	61,903	4,162	4,885	723	17.4%
4229 Janitorial Supplies	21,618	9,547	20,808	25,808	5,000	24.0%
4231 - Machine Oil & Fuel	108,651	37,121	109,242	109,242	-	0.0%
4261 Uniforms, Clothing	131,085	63,738	144,616	136,816	(7,800)	-5.4%
4269 Misc.	9,038	7,706	11,000	15,000	4,000	36.4%
4272 Vehicle Repairs & Maintenance	610,516	147,289	493,170	493,170	-	0.0%
4273 Building Repairs & Maintenance	152,652	37,343	124,848	127,571	2,723	2.2%
4274 - Electrical Repairs & Mtc.	-	3,361	-	-	-	0.0%
4276 - HVAC Repairs & Maintenance	-	7,904	-	-	-	0.0%
4277 - Plumbing Repairs & Mtc.	-	16,231	-	-	-	0.0%
4278 Equipment Repairs & Maintenance	138,877	38,982	164,903	169,503	4,600	2.8%
4299 Capital Acquisitions	67,902	14,031	71,339	65,039	(6,300)	-8.8%
4303 Cell Phone	33,117	14,703	31,246	35,746	4,500	14.4%
4311 Hydro	78,263	36,006	131,287	131,287	-	0.0%
4321 Heat	33,034	18,730	46,818	46,818	-	0.0%
4331 Water	26,271	9,579	15,606	15,606	-	0.0%
4404 Consulting Services	25	-	62,424	62,424	-	0.0%
4425 Education/Corporate Tuition Assist.	2,993	1,626	8,843	8,843	-	0.0%
4462 Fire Prevention	49,326	7,820	39,535	39,535	-	0.0%
4463 Fire Investigation	2,516	659	2,601	2,601	-	0.0%
4464 Association Allowance	3,000	-	3,000	3,000	-	0.0%
4465 Dispatch Service	475,665	-	463,590	449,500	(14,090)	-3.0%
4466 Wellness Program	5,545	-	147,900	147,900	-	0.0%
4471 Mileage/Parking/Tolls	3,146	355	3,121	3,121	-	0.0%
4472 Memberships & Subscriptions	-	2,924	7,803	7,803	-	0.0%
4474 Medical Oversight	17,323	6,136	24,400	24,400	-	0.0%
4474 Training	99,258	19,008	100,040	100,040	-	0.0%
4478 Conferences & Seminar Fees	20,079	8,970	20,808	16,808	(4,000)	-19.2%
4511 Street Snowploughing Contract	2,339	329	10,404	11,404	1,000	9.6%
4662 Contingency Account	64,469	4,172	46,818	46,818	-	0.0%
4667 Property Lease	30,600	15,606	31,212	31,500	288	0.9%
4936 Asset Replacement Fund	1,299,600	699,799	1,399,600	1,499,600	100,000	7.1%
5151- 5162 Support Cost Allocation	1,128,224	578,216	1,156,431	1,185,342	28,911	2.5%
Total Expenses	26,455,750	12,509,834	28,743,161	29,661,125	917,964	3.2%
Revenues						
7419 Other Grant	2,531	-	-	-	-	0.0%
7431 Fire Dept. Recoveries	323,949	209,503	339,503	374,467	34,964	10.3%
7471 Misc. Charges	22,380	3,458	10,000	10,000	-	0.0%
Total Revenues	348,860	212,960	349,503	384,467	34,964	10.0%
Net Expenditures Before Transfers	26,106,890	12,296,874	28,393,658	29,276,658	883,000	3.1%
Transfers to/(from) Reserve Fund						
4923 - Transfer To Reserves	-	-	-	-	-	0.0%
Net Expenditures	26,106,890	12,296,874	28,393,658	29,276,658	883,000	3.1%
Newmarket's share(2021-58.58%; 2020-58.62%)	15,376,958	7,208,427	16,644,362	17,150,410	506,047	3.0%
Aurora's share(2021-41.42%; 2020-41.38%)	10,729,932	5,088,446	11,749,296	12,126,249	376,953	3.2%
	26,106,890	12,296,874	28,393,658	29,276,658	883,000	3.1%