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CYFS Preliminary Budget Report – Fourth Quarter Staff Report

Report Number: 2019-05

Department(s): Joint CYFS, Financial Services

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Meeting Date: March 4, 2019

Recommendations

That the report entitled CYFS Preliminary Budget Report – Fourth Quarter dated March 4, 2019 be received for information purposes.

Purpose

This report is to provide the JCC with the preliminary 2018 operating and capital results for Central York Fire Services for the period ending December 31, 2018.

Background

To provide the JCC with the preliminary 2018 operating and capital results. All figures remain unaudited at this time.

Discussion

Operating

Revenues totaled \$335,301 and were \$18,000 higher than the budget at the end of the fourth quarter. Expenses were \$25,405,056 compared to a budget of \$26,123,766 for the same period. After year-end accruals for the anticipated impact of a new collective agreement, salaries and benefits were still significantly under budget. This was primarily due to gapping for retirements,

leave of absences, new hires, and other vacancies. Lieu time was \$111,000 over budget and this upward trend has been factored into the 2019 budget submission.

Overtime continued to be successfully managed and was under budget by \$49,000 at the end of 2018. Standby/call-back, wellness and consulting expenses were also below budget. The Wellness program was cancelled earlier in the year due to unforeseen circumstances with the supplier and a new Request for Proposal will be issued in 2019. A new training initiative was launched in 2018 which resulted in some higher expenses. As projected, and reported previously, vehicle repairs and maintenance expenses were higher than budgeted. This trend is also expected to continue and will be a driver in the 2019 budget. The contingency account, which includes consulting expenses related to the arbitration, was \$45,000 above budget.

Preliminary indications are that a surplus of \$737,000 will result at year-end. It would be prudent to transfer any potential operating surplus to the reserve fund. There are many factors affecting CYFS that, when resolved, could put pressure on future results.

The accrual for a new collective agreement is only an estimate. The Asset Replacement Fund will continue to be in a deficit until 2023 and the return to a positive balance is predicated on increased transfers of \$200,000 each year for the next 4 years after 2019. Development charges in Newmarket are in a deficit; Aurora's are in a small positive balance. Development charges in the two municipalities will be in a deficit for some time due to the timing of the construction of Station 4-5 and purchase of a new fire apparatus versus the collection of DC's. There could be additional costs to outfit the new station in 2020. Also, as previously advised, the sustainability of CYFS revenues could be at risk. For these reasons, it is prudent to set aside any 2018 surplus funds.

Capital

The capital budget, including carry-overs (predominantly for Station 4-5) totaled \$6,874,301. During the year, \$1.5 million was spent, including payments for the chassis of 2 replacement fire trucks and design costs for the new Station 4-5. The majority of the amount carried forward to 2019 and future years is for the final payments for the 2 replacement fire trucks, as well as costs associated with the construction of the new fire station.

Conclusion

A final fourth quarter report will be provided after the external audit which will also address the surplus referenced above.

Business Plan and Strategic Plan Linkages

This report is consistent with the budget methodology set out in the Master Fire Plan.

Consultation

There has been consultation between the Finance staff of both Aurora and Newmarket, as well as Fire Services management.

Human Resource Considerations

Not applicable.

Budget Impact

A surplus of approximately \$737,000 is currently forecasted. Any CYFS operating surplus would result in a transfer to the reserve fund until a more fulsome review of the factors affecting CYFS is completed.

Attachments

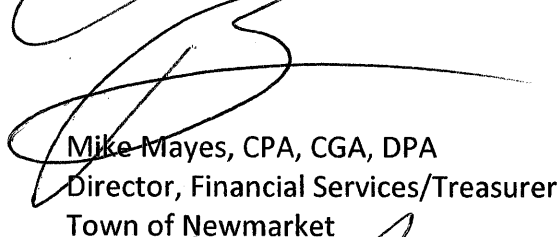
Preliminary Operating Results for the twelve months ending December 31, 2018

Status of Capital Projects as of December 31, 2018

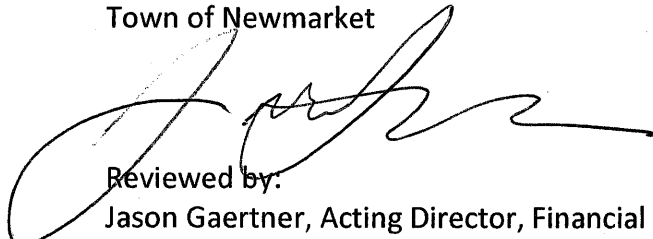
Approval



Ian Laing, Fire Chief
Central York Fire Services



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



Reviewed by:
Jason Gaertner, Acting Director, Financial Services/Treasurer
Town of Aurora

Contact

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CENTRAL YORK FIRE SERVICES
OPERATING RESULTS
For the Twelve Months Ending December 31, 2018

OBJECT ACCOUNTS	2017	2018 YTD (December 31, 2018)				2018 FULL YEAR BUDGET
	ACTUAL \$	ACTUAL \$	BUDGET \$	VARIANCE		
				favourable/(unfavourable) \$	%	
Expenses						
4011 Management Salaries	615,423	634,370	641,841	7,471	1.16%	641,841
4021 Regular Salaries & Wages	14,709,172	14,889,721	15,272,233	382,512	2.50%	15,272,233
4024 Standby/Callback	12,283	24,874	86,000	61,126	71.08%	86,000
4025 Overtime	170,483	150,906	200,000	49,094	24.55%	200,000
4026 Lieu Time Paid	721,585	728,491	617,000	(111,491)	-18.07%	617,000
4028 WSIB Reimbursements	(18,778)	(59,301)	-	59,301	n/a	-
4031 Casual/Seasonal Wage	20,366	18,992	20,000	1,008	5.04%	20,000
4081 Payroll Allocations	-	27,785	93,583	65,798	70.31%	93,583
4109 Direct Payroll Benefits	4,791,494	4,813,996	4,972,051	158,055	3.18%	4,972,051
Sub Total Salaries and Benefits	21,022,028	21,229,832	21,902,708	672,876	3.07%	21,902,708
4216 Stationery & Office Supplies	13,168	14,554	15,000	446	2.97%	15,000
4217 Photocopier Lease & Supplies	4,567	4,890	7,500	2,610	34.80%	7,500
4219 Emergency Mgmt. Materials	3,956	1,313	4,000	2,687	67.18%	4,000
4229 Janitorial Supplies	17,636	27,583	20,000	(7,583)	(37.92%)	20,000
4231 Machine Oil & Fuel	95,802	130,854	105,000	(25,854)	(24.62%)	105,000
4261 Uniforms, Clothing	146,735	120,896	139,000	18,104	13.02%	139,000
4269 Misc.	11,191	10,079	11,000	921	8.37%	11,000
4272 Vehicle Repairs & Maintenance	495,840	460,649	392,800	(67,849)	(17.27%)	392,800
4273 Building Repairs & Maintenance	146,970	157,142	120,000	(37,142)	(30.95%)	120,000
4278 Equipment Repairs & Maintenance	125,164	117,060	123,500	6,440	5.21%	123,500
4278 Radio Equipment Maintenance	17,866	35,536	35,000	(536)	(1.53%)	35,000
4299 Capital Acquisitions	61,156	42,498	60,000	17,502	29.17%	60,000
4303 Cell Phone	21,206	25,780	24,150	(1,630)	(6.75%)	24,150
4311 Hydro	84,379	73,982	92,500	18,518	20.02%	92,500
4321 Heat	33,720	35,534	45,000	9,466	21.03%	45,000
4331 Water	17,370	17,699	15,000	(2,699)	(17.99%)	15,000
4404 Consulting Services	10,840	3,000	60,000	57,000	95.00%	60,000
4425 Education/Corporate Tuition Assist.	2,459	3,089	8,500	5,411	63.66%	8,500
4462 Fire Prevention	29,531	35,319	28,000	(7,319)	(26.14%)	28,000
4462 Fire Prevention - Public education	-	10,070	10,000	(70)	(0.70%)	10,000
4463 Fire Investigation	2,309	1,914	2,500	586	23.46%	2,500
4464 Association Allowance	3,000	3,000	3,000	-	0.00%	3,000
4465 Dispatch Service	450,548	463,989	460,000	(3,989)	(0.87%)	460,000
4466 Wellness Program	117,025	24,586	145,000	120,414	83.04%	145,000
4471 Mileage/Parking/Tolls	1,284	2,014	3,000	986	32.88%	3,000
4474 Medical oversight	18,784	16,989	15,000	(1,989)	(13.26%)	15,000
4474 Training	100,250	157,289	100,000	(57,289)	(57.29%)	100,000
4478 Conferences & Seminar Fees	28,131	16,723	27,500	10,777	39.19%	27,500
4511 Street Snowploughing Contract	2,846	4,202	10,000	5,798	57.98%	10,000
4662 Contingency Account	164,310	62,883	45,000	(17,883)	(39.74%)	45,000
4667 Property lease	30,000	30,000	30,000	-	0.00%	30,000
Support cost allocation	911,482	964,508	964,508	(0)	(0.00%)	964,508
4911 Transfer to Capital	6,600	-	-	-	n/a	-
4936 Asset Replacement Fund	850,000	1,099,600	1,099,600	0	0.00%	1,099,600
Total Expenses	25,048,153	25,405,056	26,123,766	718,710	2.75%	26,123,766
Revenues						
7419 - Other Grant	-	7,113	-	7,113	n/a	-
7431 Fire Dept. Recoveries	333,713	308,756	307,172	1,584	0.52%	307,172
7471 Misc. Charges	10,788	19,432	10,000	9,432	94.32%	10,000
Total Revenues	344,501	335,301	317,172	18,129	5.72%	317,172
Net Expenditure Before Transfers	24,703,652	25,069,755	25,806,594	736,839	2.86%	25,806,594
Transfers to/(from) Reserve Fund						
4922 Transfer to Reserve Fund	71,715	-	-	-	n/a	-
7542 From Reserve Fund	(61,692)	-	-	-	n/a	-
Net Expenditure	24,713,675	25,069,755	25,806,594	736,839	2.86%	25,806,594
Newmarket's share(2017-59.40%; 2018- 59.35%)	14,654,876	14,878,900	15,316,214	437,314	2.86%	15,316,214
Aurora's share(2017-40.60%; 2018 - 40.65%)	10,058,799	10,190,856	10,490,380	299,525	2.86%	10,490,380
	24,713,675	25,069,755	25,806,594	736,839	2.86%	25,806,594

**Central York Fire Services
Status of Capital Projects
As of December 31, 2018**

Capital Project Number	Project	Total Approved Funding	Year of Original Approval	Total Expenditures to December 31, 2018	Current Balance Surplus/ (Deficit)	Proposed Budget Adjustment	Forecasted Spending			Comments
							2018	2019	2020 and later	
2117070	Bunker Gear for New Recruits	16,000	2017	15,939	61	(61)				Project to be closed
2117075	Life Cycle Replacement of Bunker Gear	37,178	2017	30,799	6,379	(6,379)				Project to be closed
2116076	Bunker Gear Washer	25,000	2016	-	25,000				25,000	Deferred to 2020
2117073	Fire Truck Replacement - 1999 Freightliner	946,000	2017	349,216	596,784			596,784		Project on track and expected to be completed in Q2 2019
2115001	Replacement of 1999 Telesquirt	900,000	2015	1,266,570	(366,570)	366,570				Project to be closed
2116079	Replace Truck 97-02	800,000	2016	353,113	446,887			446,887		Project on track and expected to be completed in Q2 2019
2117074	Replacement of Thermal Imaging Cameras	96,000	2017	87,274	8,726	(8,726)				Project to be closed
2117076	Replacement of Equipment	65,000	2017	56,480	8,520			8,520		Awaiting one invoice; project will be completed by Q1 2019
2117077	Replacement of Mobile Data Terminals, Modems, Antennas	40,000	2017	16,828	23,172			23,172		Additional expenditures projected in 2019
2117078	Station 4-5 Construction	2,500,000	2017	-	2,500,000				2,500,000	An additional \$4.8 Million has been requested and approved for the 2019 capital budget, allowing the project to be tendered and awarded.
2116074	Station 4-5 Design & Construction	3,000,000	2016	277,850	2,722,150	687,761		3,409,911		\$687,761 was transferred from 2116075. The architectural design phase has been completed and the project is being tendered. Aurora is managing the design and construction.
2118067	Tablets - Suppression and Prevention	19,500	2018	9,869	9,631			9,631		Additional tablets will be purchased in 2019.
2118068	Replace Protective Equipment	55,000	2018	43,429	11,571	(11,571)				Project to be closed
2118069	Protective Equipment and Uniforms - New Recruits	27,000	2018	21,203	5,797	(5,797)				Project to be closed
2118070	New Vehicle - Prevention	38,500	2018	28,421	10,079	(10,079)				Project to be closed
2118071	Equipment Replacement	100,000	2018	81,737	18,263			18,263		Additional equipment to be purchased in 2019
2118072	New Fire Engine - Stn. 4-5	985,000	2018	-	985,000				985,000	Deferred to 2020
TOTAL		\$ 9,650,178		\$ 2,638,728	\$ 7,011,450	\$ 1,011,718	\$ -	\$ 4,513,168	\$ 3,510,000	