



CENTRAL YORK FIRE SERVICES

February 27, 2015

JOINT CENTRAL YORK FIRE SERVICES AND CORPORATE SERVICES REPORT - FINANCIAL SERVICES 2015-11

TO: Joint Council Committee

SUBJECT: Proposal for the 2015 CYFS Operating and Capital Budgets

ORIGIN: Central York Fire Services – Fire Chief
CAO's & Treasurers for Aurora and Newmarket

RECOMMENDATION

THAT Joint CYFS / Corporate Services Report – Financial Services – 2015-11 dated February 27, 2015 regarding the Proposal for the 2015 CYFS Operating and Capital Budgets be received and that the proposed approach to the CYFS 2015 budget, as outlined in this report, be recommended by JCC to the Town of Aurora for review and the Town of Newmarket for approval.

COMMENTS

Purpose

To propose an interim solution for dealing with the Fire Department's Master Plan Update (FDMPU).

Budget Impact

The 2015 proposed operating budget includes an increase in the base operations of \$545,158 (2.47%), \$130,500 in mandatory and \$346,111 in growth items pertaining to the FDMPU. The total requested increase is \$1,021,769 (4.63%).

When taking into account a change in the cost-sharing allocation for 2015 and differing tax bases, this represents a tax increase of approximately 1.33% for the Town of Aurora and 1.09% for the Town of Newmarket.

Summary

An interim solution is proposed for 2015 which addresses certain staffing issues from the previous (2008) FDMPU and allows JCC time to consider options for implementation of the new plan.

Background

The Joint Council Committee (JCC) met on February 3, 2015 for the presentation of the CYFS budget. The Fire Department Master Plan Update (FDMPU) was also presented at that meeting. The operating and capital implications of the FDMPU are very significant and JCC determined that it required additional time to review and consult with council colleagues before making their recommendation.

The Joint Services Agreement requires that the budget recommendation be sent to Aurora Council for review and then to Newmarket Council for approval.

Analysis & Options

Operating Budget

It is likely that JCC will not be in a position to provide its recommendation on the FDMPU in time for the targeted budget approval dates for Aurora and Newmarket. For this reason, the CAO's and Treasurers from the two municipalities met with the Fire Chief to develop an interim recommendation. This proposal generally deals with certain staffing recommendations from the previous Fire Master Plan.

The growth and mandatory requests include:

- An assistant deputy chief - \$167,700
- An additional training officer - \$137,998
- Converting a part-time administrative assistant position full-time - \$15,413
- A new training initiative - \$25,000
- Enhanced wellness program - \$130,500

The total cost of these items is \$476,611 – a reduction of \$505,972 from the original request. The Fire Chief has advised that these are the top priority items.

These items have been included at their fully annualized costs for sustainability and any unspent funds will be transferred to CYFS Reserve Fund.

The full allowance for the enhanced wellness program has been included; however, the actual program details and estimated costs will be the subject of a separate report.

Fire Department Master Plan Update (FDMPU)

It is recommended that JCC take the appropriate time to consider these options, but that this consideration should not delay the budget process.

Capital Budget

No change to the capital budget is proposed. The FDMPU may result in the requirement to acquire land in 2015, but that could be addressed through a supplementary budget.

Details on two of the capital budget requests are included in Appendices A and B.

IMPACT ON THE MASTER FIRE PLAN

This report is consistent with the budget methodology set out in the Master Fire Plan. It includes certain staffing recommendations from the 2008 plan and sets the foundation for the 2014 Update.

CONSULTATION

The CAO's and Treasurers from the Towns of Newmarket and Aurora met with the Fire Chief to create this proposal.

BUDGET IMPACT

Operating Budget (Current and Future)


The 2015 proposed operating budget includes an increase in the base operations of \$545,158 (2.47%), \$130,500 in mandatory and \$346,111 in growth items, pertaining to the FDMPU. The total requested increase is \$1,021,769 (4.63%).

When taking into account a change in the cost-sharing allocation for 2015 and differing tax bases, this represents a tax increase of approximately 1.33% for the Town of Aurora and 1.09% for the Town of Newmarket.


CONTACT

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MM:FW/nh
Attachments

- Appendix A - Capital Request - Replacement of Four Light Vehicles
- Appendix B - Capital request - Replacement of a 1996 Telesquirt

APPENDIX A

Capital request - Replacement of Four Light Vehicles

In 2010, CYFS made recommendations to the JCC (report 2010-03) proposing changes in the light vehicle fleet replacement plan. Prior to the acceptance of the plan and subsequent implementation, CYFS was leasing all light vehicles. Cost analysis of the lease program versus a vehicle ownership program indicated there were financial advantages to move away from the more costly leasing option. Savings were estimated at \$19,200 per year, which currently reflects a total savings of approximately \$80,000 over the past four years. A number of vehicles were "bought out" at the end of the lease program and are subject to an annual review of their condition, mileage and ability to meet the department's current needs.

The 2015 budget request for 4 light vehicles includes:

2007 Chevrolet Uplander van, assigned to the Training Division. Current odometer reading 56,097 km. This vehicle was formally utilized as the back-up vehicle for the Platoon Chief when the primary response unit was out of service. This scenario is no longer required and we are requesting the vehicle be replaced with a pick-up truck which is more suitable to the needs of the department. The operating budget contains a request for an additional Training Officer position and this vehicle could be repurposed to that new position.

2010 Ford Escape with a current odometer reading of 99,777. This truck has been undergoing warranty repairs for rust perforation for the previous two years. A component of the fleet replacement plan was to cycle the replacement of these vehicles to avoid the high maintenance costs after the expiration of the manufacturer's warranty. This vehicle was scheduled to be replaced in 2014 and was deferred. Recommend replacing this vehicle in the 2015 budget cycle.

2011 Ford Explorer with a current odometer reading of 95,669. This truck recently underwent \$2300 in repairs due to brakes and wheel bearings. There are two identical vehicles in the fleet currently and this one in particular has undergone significantly more repairs than the other vehicle. Service costs for this vehicle are averaging \$900 per year. Recommend replacing this vehicle in the 2015 budget cycle.

2011 Ford Explorer with a current odometer reading of 48,608. This vehicle is scheduled to be repurposed to the Assistant Deputy Chief position requested in the 2015 budget process. Repairs have been significantly less than the vehicle listed above and its condition warrants keeping the truck and reviewing replacement options at a later date.

Appendix B

Capital request - Replacement of a 1996 Telesquirt

Additional information was requested on the apparatus scheduled for replacement. While the budget document outlines the truck as a pumper, it is in reality, an aerial device which accounts for the \$900,000 replacement cost.

The Master Fire Plan outlines the industry standard for apparatus replacement is 15 years of frontline service with a maximum of 5 years as a reserve apparatus dependent on vehicle condition. There are a number of other jurisdictions that shorten this lifecycle timeframe to avoid the most costly maintenance period and take advantage of higher trade-in values to offset the vehicle replacement cost. CYFS regularly analyses apparatus condition as well as operating costs for all of our fleet and make adjustments in the 10 year Capital Asset Replacement plan as required.

The CYFS fleet replacement schedule is a guideline that works toward ensuring the apparatus are replaced when appropriate to ensure the most reliable vehicles are available for use either as frontline apparatus or part of the reserve apparatus fleet. The reserve trucks form the core of the fleet and ensure our frontline apparatus are available for scheduled and non-scheduled maintenance. While these apparatus are not specifically assigned to a station, they are in service regularly as either replacements to the frontline apparatus or available for use for call back events. With most of the reserve apparatus in excess of 15 years of service, they are generally in need of added service and parts availability can become an issue.

The 2015 budget request to replace this 1996 truck was originally scheduled for 2013, however, due to the mechanical condition other apparatus have taken priority and this 1996 apparatus was pushed back to 2015 as the scheduled replacement date.

The apparatus is a 1996 Freightliner FL80 with a hydraulic aerial ladder assembly. We are planning on replacing the current version with a 55 foot aerial device which will be placed in frontline service and the truck being replaced will become a reserve apparatus. Each year the Fleet Services Team assesses the vehicle condition and makes recommendations based on our operating costs and anticipated repairs. This apparatus has cost \$131,000 to maintain over the past 6 years and is due for annual pump and ladder testing this year with a major aerial testing scheduled for next year as the truck will have been in service 20 years.

As noted in the apparatus specifics below, the Fleet Manager has outlined concerns about successfully passing the scheduled annual third party pump testing and aerial ladder testing. The most recent CYFS apparatus acquisition was over 14 months from the contract signing to delivery date. Ordering a replacement apparatus in 2015 should see the replacement apparatus delivered to CYFS by the summer of 2016.

APPARATUS SPECIFICS	
1996 Freightliner FL80	Odometer 173,510 kms.
Engine hours 12,165	Listed by Newmarket Fleet Services as "poor condition"
Parts and Labour: 2009 - \$15,128 2010 - \$13,072 2011 - \$32,674 2012 - \$17,330 2013 - \$43,745 2014 - \$8,717	Third party pump and ladder testing could be a concern

**CENTRAL YORK FIRE SERVICES
2015 DRAFT OPERATING BUDGET**

Updated: 02/26/2015

OBJECT ACCOUNTS	2014		2015 Budget			Increase/(Decrease)	
	Budget	Actual	Base	G & E	Total	\$	%
Expenses							
4011 Management Salaries	427,694	464,568	471,619		471,619	43,925	10.3%
4021 Regular Salaries & Wages	13,073,114	13,057,131	13,411,624	295,699	13,707,323	634,209	4.9%
4024 Standby/Callback	86,000	53,153	86,000		86,000	-	0.0%
4025 Overtime	220,000	175,045	220,000		220,000	-	0.0%
4026 Lieu Time Paid	617,000	603,585	617,000		617,000	-	0.0%
4031 Casual/Seasonal Wage	12,000	39,916	12,000		12,000	-	0.0%
4035 Regular Part-Time Wages	35,671	21,012	52,543	(51,512)	1,031	(34,640)	-97.1%
4106 Workers' Compensation	93,500	93,504	93,500		93,500	-	0.0%
4109 Direct Payroll Benefits	4,183,671	4,170,680	4,296,689	76,924	4,373,613	189,942	4.5%
Sub Total Salaries and Benefits	18,748,650	18,678,593	19,260,975	321,111	19,582,086	833,436	4.4%
4216 Stationery & Office Supplies	15,000	14,407	15,000		15,000	-	0.0%
4217 Photocopier Lease & Supplies	5,000	6,930	5,000		5,000	-	0.0%
4219 Emergency Mgmt. Materials	4,000	3,369	4,000		4,000	-	0.0%
4229 Janitorial Supplies	20,000	13,573	20,000		20,000	-	0.0%
4232 Fuel for Vehicles	110,000	103,445	120,000		120,000	10,000	9.1%
4261 Uniforms, Clothing	130,000	110,521	115,000		115,000	(15,000)	-11.5%
4269 Misc.	4,000	12,070	8,000		8,000	4,000	100.0%
4272 Vehicle Repairs & Maintenance	349,366	304,043	304,656		304,656	(44,710)	-12.8%
4273 Building Repairs & Maintenance	101,700	132,198	101,700		101,700	-	0.0%
4278 Equipment Repairs & Maintenance	102,000	114,670	140,000		140,000	38,000	37.3%
4299 Capital Acquisitions	67,000	68,466	67,000		67,000	-	0.0%
4303 Cell Phone	20,000	19,727	20,000		20,000	-	0.0%
4311 Hydro	70,000	80,712	90,000		90,000	20,000	28.6%
4321 Heat	53,000	28,444	53,000		53,000	-	0.0%
4331 Water	15,000	11,257	17,000		17,000	2,000	13.3%
4404 Consulting Services	60,000	38,942	60,000		60,000	-	0.0%
4425 Education/Corporate Tuition Assist.	11,000	764	11,000		11,000	-	0.0%
4462 Fire Prevention	21,000	27,585	23,000		23,000	2,000	9.5%
4463 Fire Investigation	4,500	1,329	4,500		4,500	-	0.0%
4464 Association Allowance	2,500	3,000	3,000		3,000	500	20.0%
4465 Dispatch Service	505,000	427,106	505,000		505,000	-	0.0%
4466 Wellness Program	14,500	14,783	14,500	130,500	145,000	130,500	900.0%
4471 Mileage/Parking/Tolls	2,600	2,400	2,600		2,600	-	0.0%
4472 Memberships & Subscriptions	1,500	6,013	4,500		4,500	3,000	200.0%
4474 Training	70,000	60,228	70,000	25,000	95,000	25,000	35.7%
4478 Conferences & Seminar Fees	12,000	13,165	15,000		15,000	3,000	25.0%
4511 Street Snowploughing Contract	11,275	9,802	11,275		11,275	-	0.0%
4662 Contingency Account	45,000	237,142	45,000		45,000	-	0.0%
5151- 5162 Support Cost Allocation	832,431	832,431	857,404		857,404	24,973	3.0%
4911 Transfer to Capital	14,000	20,600	6,600		6,600	(7,400)	-52.9%
4936 Asset Replacement Fund	850,000	850,000	850,000		850,000	-	0.0%
Total Expenses	22,272,022	22,247,716	22,824,710	476,611	23,301,321	1,029,299	4.6%
Revenues							
7431 Fire Dept. Recoveries	251,000	254,815	258,530		258,530	7,530	3.0%
7471 Misc. Charges	15,000	8,888	15,000		15,000	-	0.0%
Total Revenues	266,000	263,703	273,530	-	273,530	7,530	2.8%
Net Expenditure Before Transfers	22,006,022	21,984,013	22,551,180	476,611	23,027,791	1,021,769	4.6%
Transfers to/(from) Reserve Fund							
4922 Transfer to Reserve Fund	55,000	65,009	55,000		55,000	-	0.0%
7542 From Reserve Fund	(12,000)		(12,000)		(12,000)	-	0.0%
Net Expenditure	22,049,022	22,049,022	22,594,180	476,611	23,070,791	1,021,769	4.6%
Newmarket's share(2014-60.05%; 2015-59.77%)	13,240,438	13,240,438	13,504,542	284,870	13,789,412	548,974	4.1%
Aurora's share(2014-39.95%; 2015-40.23%)	8,808,584	8,808,584	9,089,639	191,741	9,281,379	472,795	5.4%
	22,049,022	22,049,022	22,594,180	476,611	23,070,791	1,021,769	4.6%

2015 CYFS Growth & Enhancement Summary

Initiative	Growth	Mandatory
Assistant Deputy Chief	\$167,700	
Admin Assistant from Part-Time to Full-Time	15,413	
Training Officer	137,998	
Training Initiative	25,000	
Wellness and Fitness		130,500
TOTAL	\$346,111	\$130,500
Aurora's Share	\$139,241	\$52,500
Newmarket's Share	\$206,871	\$78,000

2015 CAPITAL BUDGET

CENTRAL YORK FIRE SERVICES

Project Description	G/L Account No.	EXPENDITURES		FINANCING					Remarks
		Total Cost	Asset Replace. Fund	Develop. Charges	Reserves & Reserve Funds	Operating Fund	Other		
Replacement of Four Light Vehicles		200,000	200,000						
Replacement of Bunker Gear		44,000	44,000						
Replacement of a 1996 Telesquirt		900,000	900,000						
Replacement of Equipment		50,000	50,000						
TOTAL - CENTRAL YORK FIRE SERVICES		\$ 1,194,000	\$ 1,194,000						