



Town of Newmarket
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CYFS Budget Report – Second Quarter 2020 Staff Report to Council

Report Number: JCC-2020-04

Department(s): Joint CYFS, Financial Services

Author(s): Dawn Schellenberg, Manager, Finance & Accounting

Meeting Date: September 1, 2020

Recommendations

1. That the report entitled CYFS Preliminary Budget Report – Second Quarter dated September 1, 2020 be received for information purposes.

Executive Summary

See below.

Purpose

The purpose of this report is to provide JCC with the second quarter operating and capital results for Central York Fire Services for the period ending June 30, 2020.

Background

See below.

Discussion

Operating

Net expenditures are below budget by \$1,281,438 at the end of the second quarter of 2020. Revenues were \$212,960 compared to a budget of \$174,751 and include invoicing for motor vehicle collisions which were not budgeted in the startup year.

Total expenses were \$1,243,229 below budget at the end of June. Wages and benefits are well below budget. Vacant positions (12) were not filled until April 14 and the budget includes the hiring of the final cohort of 4 additional firefighters for the new fire hall, as well as the 4 included in the 2019 budget. The final 8 are not anticipated to be hired until sometime in 2021, to coincide with the completion of Station 4-5.

While somewhat higher at the end of the first quarter, overtime has been successfully brought back closer to budget. The portion of salaries recovered for employees injured at work, while they receive their full-time wages, is included in Workplace Safety & Insurance Board reimbursements (\$109,778). Part-time wages reflect the addition of a staff member to process the paperwork for motor vehicle collision invoicing and are offset by the lack of casual wages. No summer students were hired, due to the pandemic. Neither the approved part-time position nor the revenue was included in the 2020 budget.

At this point in the year, vehicles repairs are below budget. This expense category has trended higher than budget in recent years and will be watched closely. The majority of the other variances are due to timing. The wellness program is still on hold, due to the pandemic and difficulty securing a company to meet the requirements of the program.

The following chart summarizes the significant variances:

Line items	Actual	Budget	Variance
Salaries and Benefits	\$ 10,631,948	\$11,522,281	\$ 890,333
Emergency Management Materials	61,903	2,082	-59,821
Vehicle Repairs & Maintenance	147,289	246,585	99,296
Equipment Repairs & Maintenance	38,982	66,625	27,643
Hydro	36,006	65,644	29,638
Consulting Services	0	31,212	31,212
Wellness Program	0	73,950	73,950
Training	19,008	50,021	31,013
Other	1,574,698	1,694,663	119,965
Total Expenses	\$ 12,509,834	\$ 13,753,063	\$ 1,243,229
Total Revenues	\$ 212,960	\$ 174,751	\$ 38,209
Net Expenditure	\$ 12,296,874	\$ 13,578,312	\$ 1,281,438

Capital

In the first half of 2020, expenditures of \$297,863 were incurred for personal protective equipment and the replacement of auto extrication equipment. [Insert main content and include options where applicable]

Conclusion

At this point, a year-end surplus is anticipated due to staff vacancies, delays in hiring and impacts of the pandemic. It is too early to forecast the amount, however. The plan enhancement to the post-retirement benefits has not been fully funded and will impact year-end results.

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

It is too early to project year-end results at this point. Net expenditures are tracking under budgeted levels and this trend is expected to continue until the end of the year, primarily due to delays in staff hiring and the impact of the Covid-19 pandemic. The plan enhancement to the post-retirement benefits has not been fully funded and will impact year-end results.

Attachments

Operating Results for the Six Months ending June 30, 2020

Status of Capital Projects as of June 30, 2020

Approval

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

Contact

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