Central York Fire Services Draft 2021 Budget

Presented to Joint Council Committee

October 13, 2020

Presenters:

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Agenda

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

Updates

What has changed since September 1

A clarification

Newmarket

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

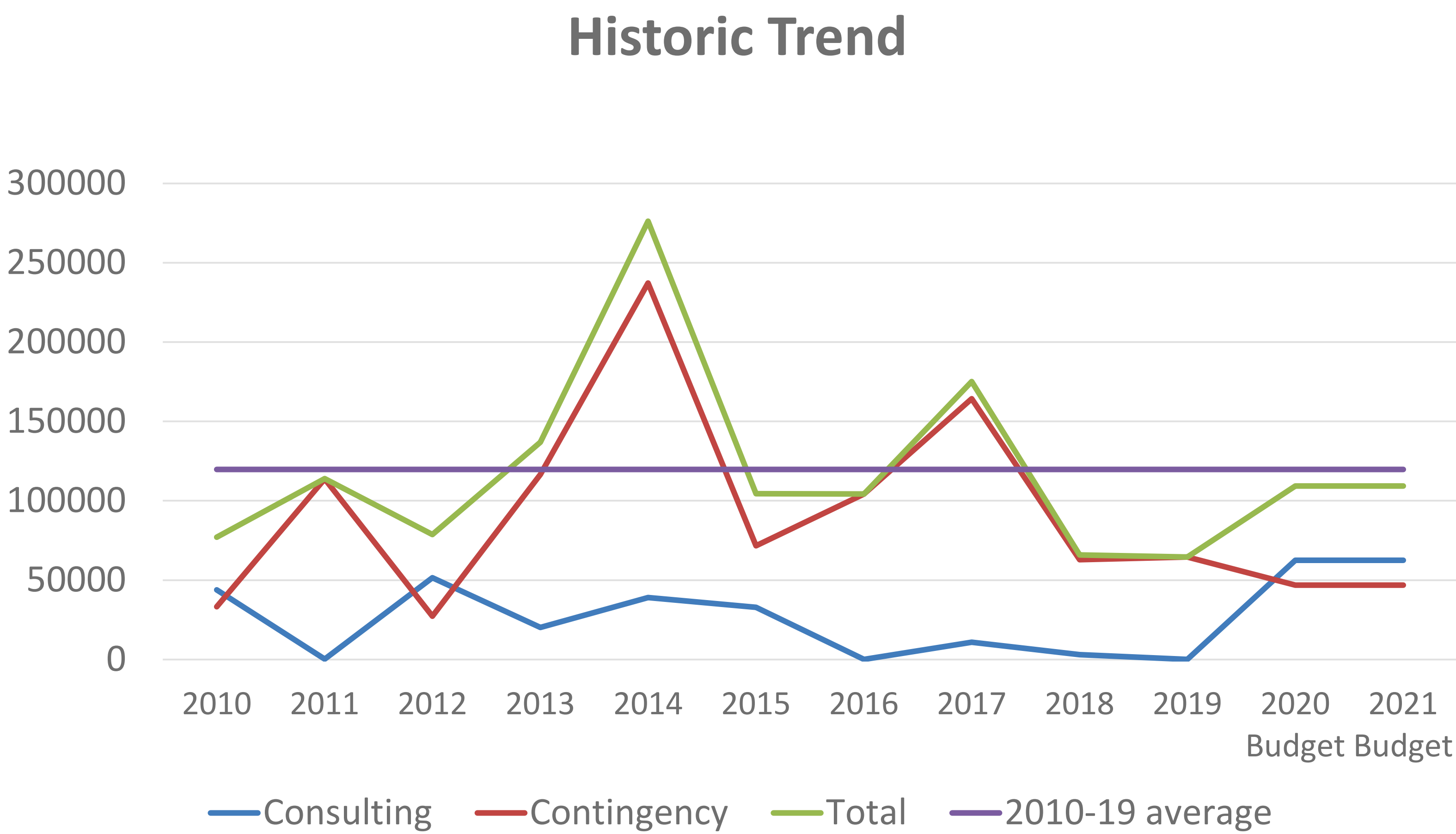
Wellness program

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



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

Newmarket

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

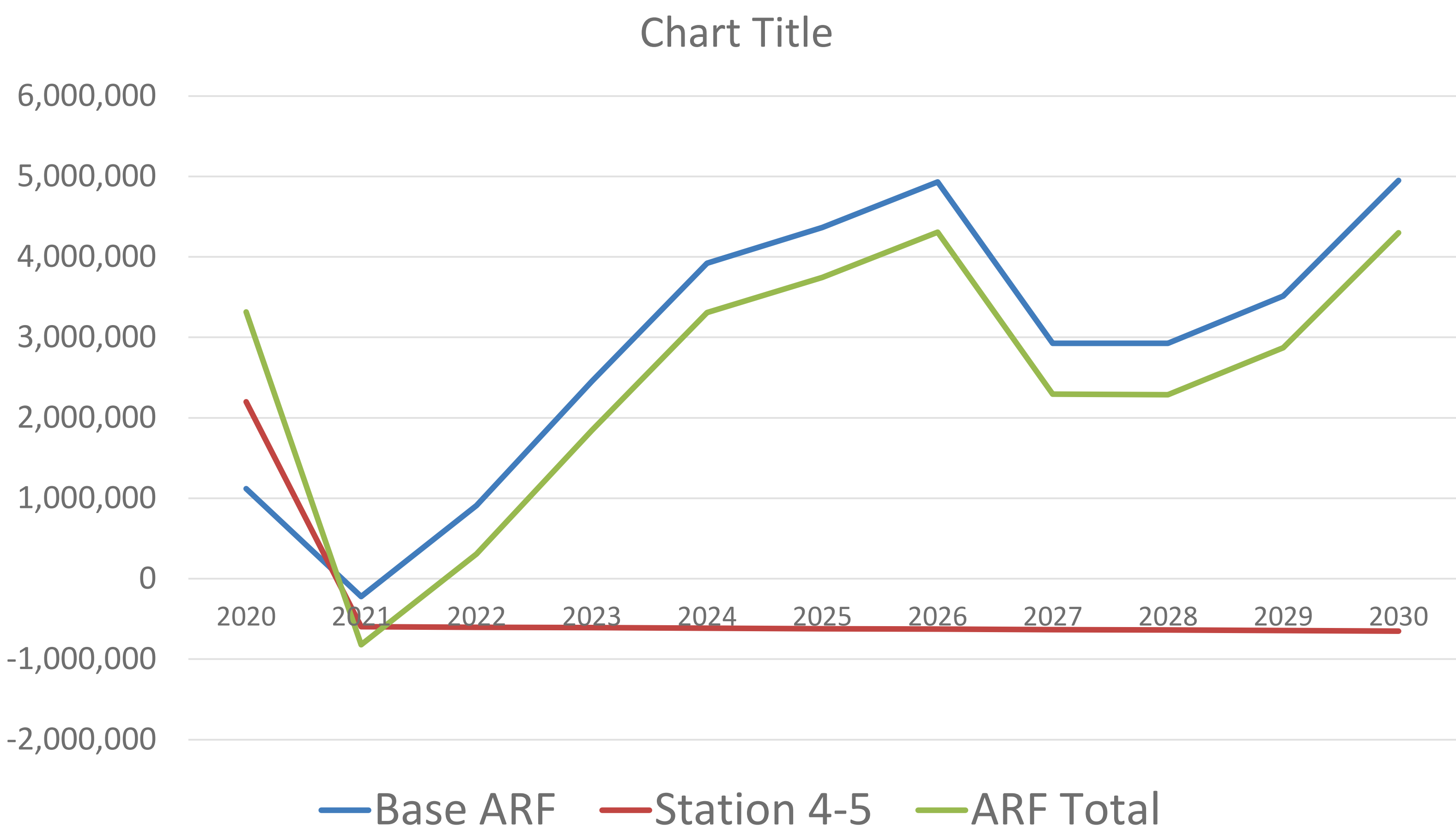
6. Revenue – no significant changes, indexed

Assumptions (cont'd)

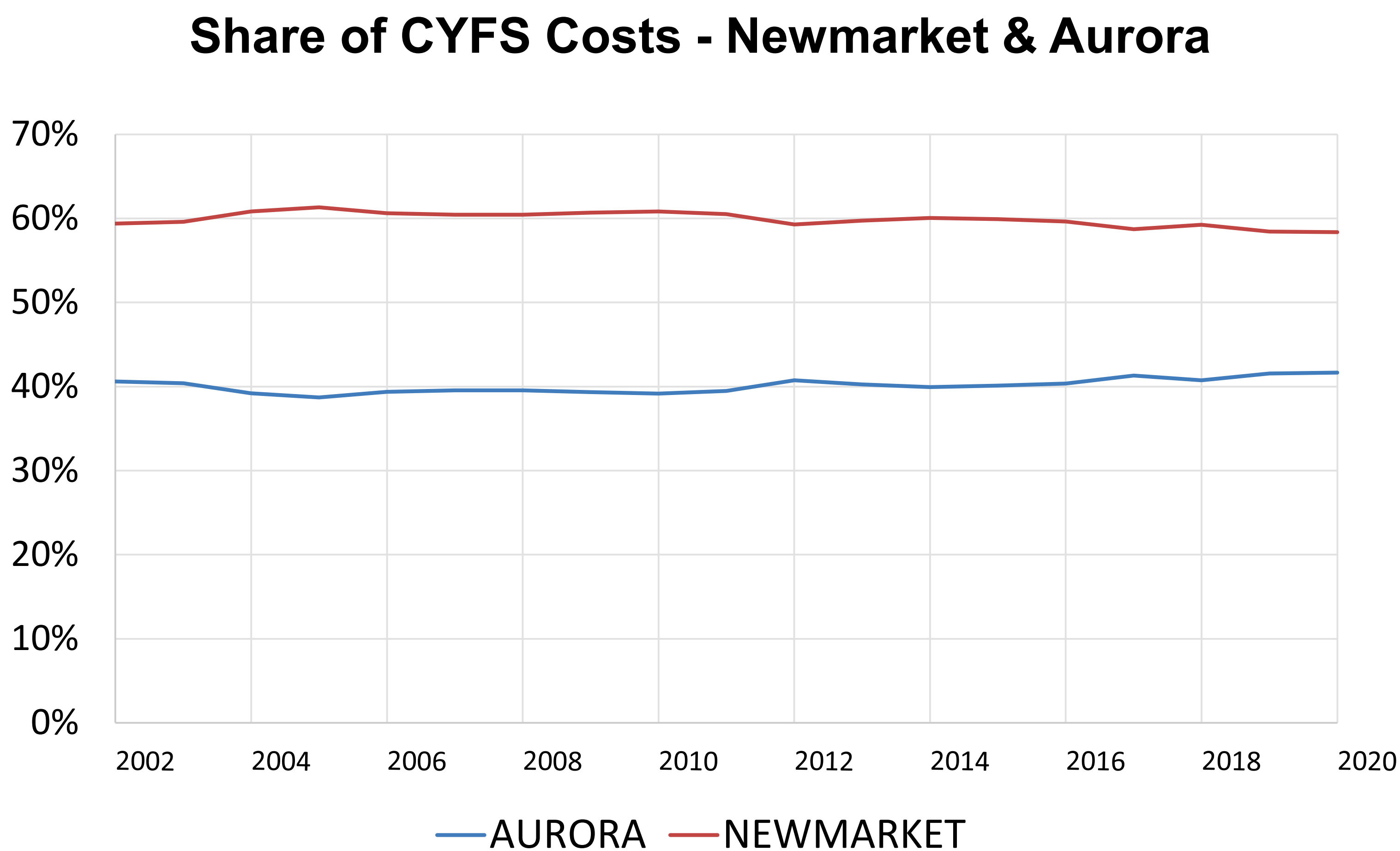
7. Growth costs as required – **no set annual allocation**, based on
   - Operating costs for Station 4-5
   - Expanded fleet maintenance
   - Additional staffing for new stations **TBD**

8. Cost sharing – no change

Projected ARF Balances



Cost Allocation - Historic



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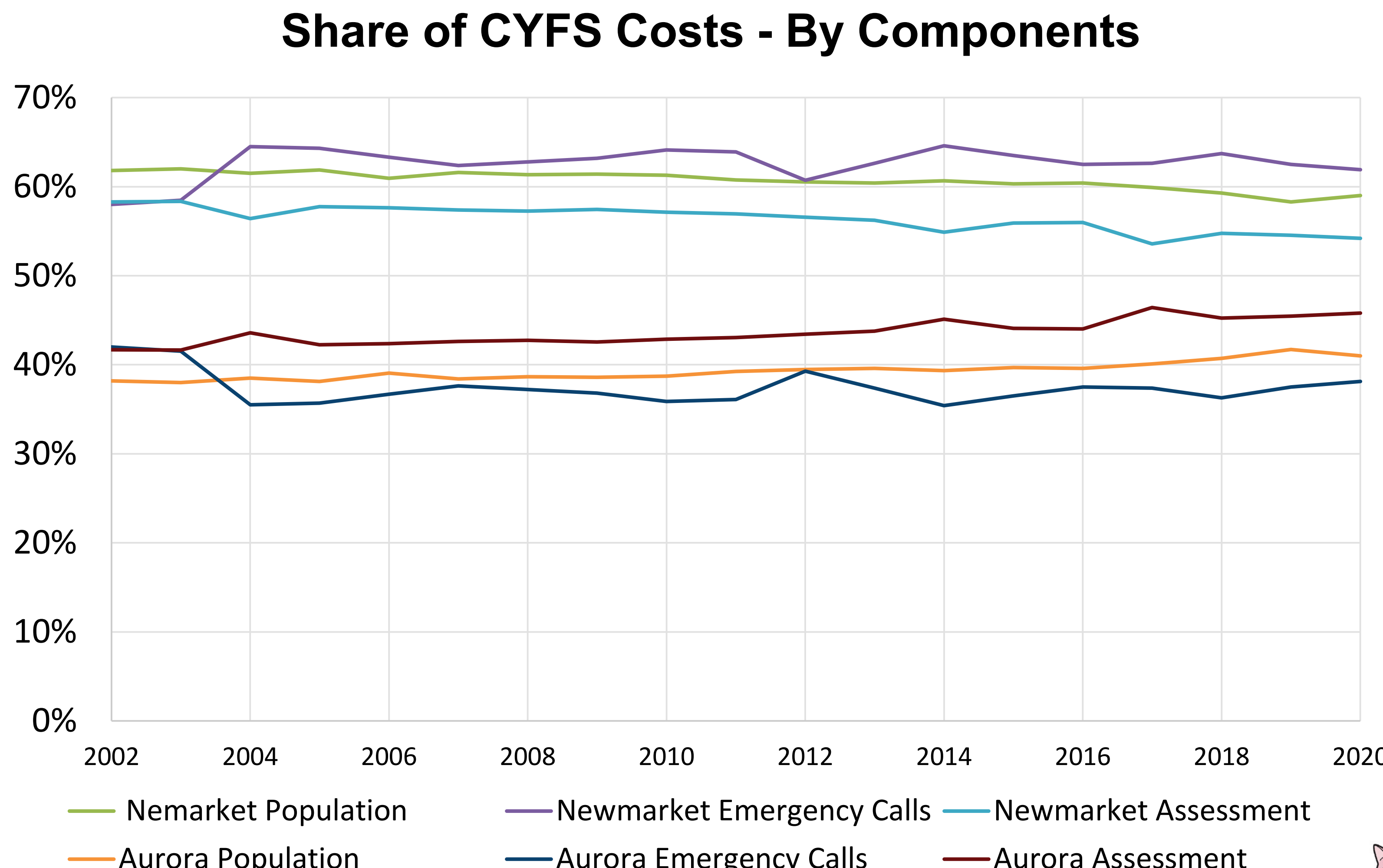

Next Steps

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