



CENTRAL YORK FIRE SERVICES

CYFS Budget Report – Third Quarter Fire Services Report

Report Number: JCC-2020-08
To: Joint Council Committee
Author: Central York Fire Services/– Dawn Schellenberg, Manager,
Finance & Accounting, Town of Newmarket
Meeting Date: Tuesday, November 3, 2020

Recommendations

1. That Fire Services Report CYFS Preliminary Budget Report – Third Quarter dated November 3, 2020 be received for information purposes.

Comments

This report is to provide the JCC with the third quarter operating and capital results for Central York Fire Services for the period ending September 30, 2020.

Background

Operating

Net expenditures are below budget by \$494,889 at the end of the third quarter of 2020. Revenues were \$252,035 compared to a budget of \$262,127 and include invoicing for motor vehicle collisions which were not budgeted in the startup year. In the first 9 months of the program \$66,468 has been invoiced and \$48,584 (73%) has been collected.

Total expenses were \$1,412,620 below budget at the end of September. Wages and benefits are well below budget and account for 79% of the favorable variance. Vacant positions (12) were only filled in April 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 firefighters are anticipated to be hired to coincide with the completion of Station 4-5 which is currently projected to be at the beginning of 2022.

Savings due to gapping, \$907,639, have been transferred to a reserve fund as part of the strategy to fund the new fire station (see Report 2019-28 – CYFS Reserve Fund). In prior years, this was not done until the end of the year. The transfer is being done earlier, as the savings are realized, in order to provide a more accurate picture of the interim operating results.

Overtime has been successfully brought back closer to budget, after a higher first quarter. 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 (\$178,892). Part-time wages reflect the addition of a staff member to administer 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. To date, net revenue of \$38,298 has been realized. In the 2021 budget the part-time wages, as well as a conservative amount of revenue from the new cost recovery program have been included.

Lower call volume has resulted in less wear and tear on the vehicles. This combined with more in-house mechanical work has resulted in lower than anticipated vehicle repairs and maintenance expenses. Training expenses are lower due to the cancellation of programs and courses due to the pandemic. 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 savings in wellness have been included in the amount transferred to the asset replacement fund, in consideration of recent directives to maintain ARF contributions and Wellness at 2020 budgeted levels next year.

The following chart summarizes the significant variances:

Line items	Actual	Budget	Variance
Salaries and Benefits	\$ 15,776,815	\$ 16,891,586	
Attributable to gapping			\$ 907,639
Attributable to WSIB			178,892
Other factors			28,240
Emergency Management Materials	73,506	3,122	-70,384
Vehicle Repairs & Maintenance	287,178	369,877	82,699
Equipment Repairs & Maintenance	59,308	99,936	40,628
Hydro	58,138	98,465	40,327
Consulting Services/Contingency	4,172	81,931	77,759
Wellness Program	9,775	110,925	101,150
Asset Replacement Fund	1,150,850	1,049,700	-101,150
Training	24,818	75,030	50,212
Other	1,608,716	1,685,324	76,,608

Total Expenses	\$ 19,053,276	\$ 20,465,896	\$ 1,412,620
Total Revenues	-\$ 252,035	-\$ 262,127	-\$ 10,092
Transfer to Reserve Fund	\$ 907,639	-	-\$ 907,639
Net Expenditures	\$ 19,708,880	\$ 20,203,769	\$ 494,889

Capital

In the first three quarters of 2020, expenditures of \$531,140 were incurred for the replacement of personal protective equipment, auto extrication equipment, and 4 light fire prevention vehicles.

Financial Impact

See above.

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

Conclusion

At this point, a year-end surplus of approximately \$600,000 is anticipated due mainly to the impacts of the pandemic. However the planned enhancement to the post-retirement benefits has not been fully funded and will impact year-end results.

Consultation

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

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Impact On The Master Fire Plan

A year-end surplus of approximately \$600,000 is currently projected. 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.

Attachment:

Operating Results for the Nine Months ending September 30, 2020

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