



CENTRAL YORK FIRE SERVICES

Fourth Quarter 2020 Results Fire Services Report

Report Number: JCC-2021-03
To: Joint Council Committee
Author: Anita Gibson, Sr. Financial Analyst
Meeting Date: Tuesday, May 4, 2021

Recommendations

1. That Fire Services Report JCC-2021-03 entitled Fourth Quarter 2020 Results dated May 4, 2021 be received for information.

Purpose

This report is to provide the Joint Council Committee (JCC) with the final 2020 Operating and Capital results for Central York Fire Services for the period ending December 31, 2020.

Background

To provide the JCC with the 2020 operating and capital results. Final unaudited deficit of \$80,085 was drawn from CYFS reserve.

Financial Impact

Operating

Revenues

Revenues totalled \$449,711 and were \$100,208 higher than the budget at the end of the fourth quarter, which includes invoicing for motor vehicle collisions, which were not budgeted in the start-up year.

Expenditures

Expenses were \$27,736,454 compared to a budget of \$28,743,161 for the same period. 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. The savings due to gapping was transferred to reserve totalling \$1,187,000 for the year.

Workers' Compensation payments of \$239,000 for employees on leave and receiving their full salary also contributed to the favourable variance. Lieu time was \$143,000 over budget. Part-time wages reflect the addition of a staff member to administer the paperwork for the 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. In 2021, budget includes the part-time wages as well as a conservative amount of revenue from the new cost recovery program.

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 was issued to procure the services of a new provider. The wellness savings total of \$130,000 was transferred to asset replacement reserve.

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 variance are due to timing.

Emergency Mgmt. material is over budget by \$90,000 due to pandemic related costs, which accounts for the majority of the deficit.

Post-retirement benefits

The new collective agreement included the provision of post-retirement benefits to employees retiring on an OMERS pension, with a minimum of 15 years' service, until age 65. In 2019, \$500,000 had been accrued for this expense. An actuarial review determine that an additional \$600,000 is required. Although the Municipal Act does not require funding this liability, it would be prudent to do so as the opportunity presents itself. A top-up of \$45,000 was allocated as a provision in 2020.

CYFS Reserve & Asset Replacement

It was recommended in Financial Services – Fire Services Information Report 2019-19 and discussed in Joint CYFS and Corporate Services Report 2019-27 that the funds in the CYFS Reserves in excess of the 2020 budget target for volatile expenditures (\$703,000) be transferred to the Asset Replacement Fund. This will assist with their deficit position, allow for smaller increases to the Asset Replacement Fund contributions in future budgets, and provide funding for some of the construction costs associated with Station 4-5.

The following table summarizes 2020 Reserve Transfers:

• Contribution for station 4-5, from wage gapping	1,187,000
• Annual ARF contribution	1,399,600
• Additional ARF contributions, from wellness savings	130,000
• Deficit, draw on CYFS Reserve	-80,085

Capital

2019 was a transition year for capital, with the elimination of carry-overs and the introduction of a capital spending authority. This resulted in a 2020 total approved capital spending authority of \$8,087,601. During the year, revisions to the total budget resulted in a reduction of \$2,907,064 mainly due to delays because of the pandemic. The revised budget total for 2020 is \$5,180,537. \$3,582,244 was spent, with the majority comprised of Station 4-5 Design & Construction costs, and the new Fire Truck for Station 4-5.

Conclusion

COVID related expenditures account for the majority of the deficit. The unaudited deficit was drawn from the CYFS Reserves.

Consultation

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

Impact On The Master Fire Plan

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

Attachments

Operating Results for the twelve months ending December 31, 2020

Capital Projects as of December 31, 2020

Contact

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