



CENTRAL YORK FIRE SERVICES

CYFS Draft 2022 Operating and Capital Budgets Fire Services Report

Report Number: JCC-2021-10
To: Joint Council Committee
Author: Central York Fire Services - M. Mayes, Director of Finance
Meeting Date: Tuesday, September 7, 2021

Recommendations

1. That Fire Services Report JCC-2021-10 CYFS Draft 2022 Operating and Capital Budgets dated September 7, 2021 be received.
2. That the Joint Council Committee (JCC) receive the draft budgets; and,
3. That the JCC recommend the draft budgets to Aurora Council for review and then to Newmarket Council for approval, per the Joint Services Agreement.

Purpose

The purpose of this report is to seek the Joint Council Committee's (JCC) approval of the Operating and Capital Budget requests for 2022.

It is understood that JCC may require more time for deliberation. Past practice has included setting a separate meeting for budget discussions.

Background

The proposed 2022 Operating Budget targets were presented to JCC at the July 6, 2021 meeting. Based on the CYFS 10-year forecast, the 2022 budget will include considerations for the Base budget, Growth and contributions to Asset Replacement Fund ("ARF"). Outlined in the chart below.

In setting the budget targets for 2022, Newmarket Council required reductions, which resulted in reducing the budget allocation by \$40,000 to \$674,500. The proposed budget is \$676,601.

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Base	567,500
Growth	112,000
ARF	35,000
Per 10-year plan	714,500
Reductions	- 40,000
Revised Target	674,500

CYFS was able to absorb a \$65,000 loss in revenue and \$46,000 in growth-related expenditures for Station 4-5. This was achieved by JCC’s direction to defer additional hires and other budget reductions.

Cost allocations between the Town of Newmarket (“Newmarket”) and Town of Aurora (“Aurora”) are based on the 2022 respective allocation splits. The 2022 budget reflects a 0.2% change in the cost allocation – Newmarket’s share being decreased to 58.38% (2021 - 58.58%) and Aurora’s share increasing to 41.62% (2021 – 41.42%). This results in a shift of \$59,000 in annual operating costs between the two municipalities. The impact on Aurora is partially offset by its share of the overall budget reduction (\$17,000 of the \$40,000).

Financial Impact

Operating Budget

Efforts have been made to align budget lines to represent actual spending trends.

Wages and benefits

Increases to the base budget are largely for salaries and benefits, which is based on the most recent contract. Savings of deferred hiring of staff for station 4-5 (aka “wage gapping”) will continue to be transferred to reserve until Station 4-5 opens.

Overtime & Lieu Time Paid

The 2022 budget request was adjusted for inflation and the roll-out of the new crews at Station 4-5.

New hires

A request has been made to convert an Administrator position from a 0.8 FTE to 1.0. This position administers the motor vehicle cost-recovery program. This increase has been offset by reducing other budget line items.

Fleet Maintenance

An inflationary increase was added to the budget to account for the size of fleet and align with previous year’s spending trends. If the electric vehicle capital requests are approved, there is a potential for savings on the conversion.

Building Repairs & Maintenance

An increase to the budget was made to align with previous year's spending trends and the opening of Station 4-5 (growth expense).

Hydro, Heat & Water

An increase to the budget was made due to the increased costs associated with the opening of Station 4-5 (growth expense).

Dispatch services

An increase to the budget was made due to population growth and future cost increases for required system upgrades.

Snowplowing contract

An Increase to budget was made due to new contract terms.

Support costs

The Town of Newmarket allocates a proportional share of its overhead costs to CYFS. This includes a share of human resources, payroll, accounting, procurement, legal, insurance, and communications. These costs have been increased by 1.7%. Support costs as a percentage of total expenses remain at 4.0%.

Infrastructure Levy / Asset Replacement Fund (ARF)

CYFS / Finance Report 2017-14, Capital and Asset Replacement Fund Forecast, presented options to JCC on how to deal with the infrastructure deficit. The contributions to the Asset Replacement Fund were increased by \$35,000 based on CYFS 10-year forecast.

MVC Program (MTO Recoveries)

Costs to administer this program have been added to the budget; however, revenue has not been adjusted. At this time, due to pandemic delays there is not sufficient experience to securely forecast additional revenues.

Fire Recoveries

A decrease to the budget was made to recognize the terms of the new contract with Whitchurch-Stouffville.

Capital Budget

Capital replacements are funded by the Asset Replacement Fund (ARF). This includes the following for 2022:

- Assistant Deputy and Deputy Chief Vehicle Replacement - \$180,000
- Lifecycle replacement of Personal Protective Equipment - \$180,000
- Recruit Firefighter Uniforms, PPE and Equipment - \$75,000
- Station 4-1 Renovations - \$200,000
- Fire Investigation/Prevention vehicle - \$70,000

Capital request funded by Development charges:

- Recruit Firefighter Uniforms, PPE and Equipment - \$75,000

Capital requests funded by the CYFS Reserve fund:

- Firefighter PPE Washing System - \$100,000
- Upgrade to Electric vehicles; Assistant Deputy, Deputy Chief and Investigation Vehicles - \$70,000

The CYFS Reserve has sufficient funds to cover these requests.

In addition to the above new requests for 2022, the following capital request has been carried forward to 2022:

- Station 4-5 Constructions - \$2,700,000

Conclusion

Newmarket will be presenting to council the preliminary draft budgets on October 3, 2021. Currently, the next scheduled JCC meeting is November 2, 2021. However, as previously mentioned, if JCC requires more time for budget deliberations a separate meeting for budget discussions may be scheduled.

Consultation

This report has been prepared by Newmarket finance staff based on budget submissions from Fire Services Management, and reviewed by Aurora finance.

Impact On The Master Fire Plan

This report is consistent with the budget methodology set out in the Joint Services Agreement and the budget incorporates recommendations from Fire Master Plan.

Attachments

Draft 2022 CYFS Operating Budget
Draft 2022 CYFS Capital Budget

Contact

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