



# CENTRAL YORK FIRE SERVICES

## Preliminary Fourth Quarter 2023 CYFS Financial Update Fire Services Report

Report Number: Report Number to be Assigned by Legislative Services  
To: Joint Council Committee  
Author: Newmarket Financial Services - Anita Gibson, Supervisor, Financial Reporting & Analysis  
Meeting Date: Tuesday, March 5, 2024

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### Recommendations

1. That Fire Services Report JCC-2024-01 Preliminary Fourth Quarter 2023 Financial Update dated March 5, 2024, be received for information purposes; and,
2. That Joint Council Committee (JCC) approve the 2023 Operating Surplus transfer to Central York Fire Services (CYFS) General Reserve Fund; and,
3. That JCC approve funding additional costs for Station 4-5 Capital of up to \$273,064 from the CYFS General Reserve Fund; and,
4. That JCC approves funding for the Capital projects identified in the report that are over budget requiring additional funding from CYFS Asset Replacement Fund of \$39,444, subject to finalization of year-end results; and,
5. That JCC approve the 2023 Capital Carryovers and 2024 new Capital Budget requests as additions to the 2024 Capital Budget program.

### Purpose

This report is to provide the JCC with the Preliminary Fourth Quarter Operating and Capital results for Central York Fire Services for the period ending December 31, 2023. Although the financial results are unaudited at this time, this information is being provided to expedite the year-end process and closing of accounts.

### Background

Highlights from Q1-Q3 2023 Financial Update Reports include:

- Janitorial Supplies: Supply costs increased due to contract renewal pricing increases, and the impact of Station 4-5.
- Machine Oil & Fuel: Costs continue to be impacted by fluctuating diesel prices.

- Vehicle, Building, and Equipment: Repairs and maintenance costs are over budget due to:
  - emergency tire repairs, battery replacements, and timing of annual maintenance contracts.
  - air conditioning unit replacement, overhead door maintenance, and air compressor purchases
  - maintenance contracts for defibrillators, bunker gear maintenance, and calibration gas price increases
- Water: CYFS is higher due to increased costs for training exercises at Station 4-5, previously water was not budgeted for training.
- Fire Prevention/Public Education: The cost of purchasing smoke alarms and combination smoke/CO alarms was covered by the Firehouse Subs Public Safety Foundation of Canada Grant (\$13,650). Additionally, there has been an increase in the number of home visits which includes the increased cost of public education materials.

## Financial Impact

The net expenditures compared to the budget at the end of the fourth quarter of 2023 were favourable to budget by \$651,957.

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### Expenditures

Total expenses were \$576,340 favourable to budget which was mainly due to the following:

#### Wages & Benefits

Wages and benefits were below budget due to temporary vacancies. There are currently five vacant positions, two suppression staff, one executive, and two employees on leave (long-term disability (LTD), maternity, and/or parental leave).

These budgetary savings are not sustainable.

#### Building Repairs & Maintenance

Costs are unfavourable due to emergency replacement of SCBA compressor at 4-1, and the replacement of an air conditioning unit at 4-4. Other repairs and maintenance costs are highlighted in the background section.

#### Equipment Repairs & Maintenance

Costs are unfavourable to budget due to increased cost of maintenance and calibration gas for gas meters, phasing out of firefighting foam containing PFAS (per- and poly-fluoroalkyl substances), and higher than normal damage to bunker gear identified

during annual inspection and maintenance. Other repairs and maintenance costs are highlighted in the background section.

#### Vehicle Repairs & Maintenance

Costs are unfavourable to budget due to increased mechanics rates, increased cost of parts, suspension issues and coolant leaks requiring unforeseen maintenance, and engine and transmission issues with two Ford Explorers while awaiting the delivery of the new replacements. Other repairs and maintenance costs are highlighted in the background section.

#### Consulting Services

Costs include insurance premiums for the Station 4-5.

#### Training

Training is unfavourable to budget due to additional course materials and training materials for recruit classes, exams, and certification courses.

#### Contingency Account

The Chief's memorial service expenditures have been included in this account.

#### Allowance for Doubtful Accounts

A provision on the cost recovery program has been included. A conservative approach has been taken, as the program has no track record.

### **Revenues**

Total revenues are higher than budget by \$75,617 this includes \$20,879 in grants from Firehouse Subs for Fire Prevention and a Federal Grant for Summer Jobs with direct offsets in expenses. The cost recovery program revenues exceeded the budget by \$100,000, which has offset the unfavourable variance for reduced retainer and response expenditures from the Whitchurch-Stouffville contracted area.

### **Operating Reserve Transfer**

The 2023 Operating favourable variance of \$651,957 is proposed as a transfer to CYFS general reserve fund.

### **2023 Capital**

The total 2023 Capital Budget is \$1,493,000. Expenditures of \$1,634,098, were incurred as of the end of December 31, 2023.

Some of the projects were:

- Station 4-5 expenditures \$423,000
- Hazmat Truck \$363,000
- Deputy, and Assistant Deputy Vehicle replacements \$261,000
- Lifecycle replacement of Personal Protective Equipment (PPE) \$203,000
- Fire Fighter PPE Washing Station \$147,000

For further details on the capital expenditures, refer to Appendix 2 – Status of Capital Projects as of December 31, 2023.

### Station 4-5 Unfavourable Variance

- unfavourable budget variance in 2023 of \$273,064 is recommended for funding from the CYFS Reserve Fund.

### 2023 Completed Capital Project Unfavourable Variances

- Lifecycle Replacement PPE, and Recruitment Attrition costs have an unfavourable variance to budget due to increased costs for bunker gear, and unplanned replacements for damaged bunker gear.
- Deputy Vehicle replacements have an unfavourable variance to budget due to increased cost due to delivery delays. This resulted in an additional draw from the Asset Replacement Fund.

Currently, the draw from the CYFS Asset Replacement Fund is \$39,444, however, this is subject to the finalization of the year-end results.

For details on the completed capital expenditure asset replacement draw, refer to Appendix 3 – Completed Capital Project – Additional Funding from Asset Replacement Fund.

### **2024 Capital**

The below table summarizes the 2023 Capital Project carryover requests and 2024 New Capital Requests.

<b>Capital Projects:</b>	<b>Original 2024 Capital Budget</b>	<b>2023 Capital Carryovers</b>	<b>2024 New Capital Request</b>	<b>Revised 2024 Capital Budget</b>	<b>Funding Source</b>
Station 4-5 Remediation	-	-	100,000	100,000	Reserve Fund
CYFS Master Fire Plan	-	6,400	40,000	46,400	DC
Fire Prevent/Invest. Vehicle	-	90,000	-	90,000	ARF
Replacement of Firefighting Equipment	1,665,000	-	-	1,665,000	ARF
High Rise Firefighting Equipment	20,000	-	-	20,000	ARF
Laptops for Online and Virtual Training	10,000	-	-	10,000	ARF
Renovations to Station 4-1	1,100,000	75,000	-	1,175,000	ARF
Training Building and Fence	250,000	-	-	250,000	Reserve Fund
	<b>\$3,045,000</b>	<b>\$171,400</b>	<b>\$140,000</b>	<b>\$3,356,400</b>	

\*ARF = Asset Replacement Funds, DC= Development Charges

### **Conclusion**

At this time, it is anticipated the CYFS reserve fund will have a balance in excess of projected requirements; however, it is recommended that no action, other than the recommendations in this report, be taken until the 2023 results are finalized. This will also be contingent on updating the 10-year budget, specifically for capital requirements.

The Financial results disclosed in this report are subject to the external financial audit, which will commence in early April. At this time, there are no anticipated changes to the results presented in this report. Should the numbers change, the results will be provided and reported to JCC.

## **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 2014 Master Fire Plan.

## **Attachments**

Appendix 1 – Preliminary Q4 Operating Results for the Twelve Months ending December 31, 2023

Appendix 2 – Status of Capital Projects as of December 31, 2023.

Appendix 3 – Completed Capital Projects – Additional Funding from Asset Replacement Fund

## **Contact**

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