

The County of Peterborough
Joint Services Steering Committee

To: Chair and Members of Committee
From: John Butler, Director of Finance/Treasurer
Date: November 18, 2010

Subject: Preliminary Possible 2011 Budget – Emergency Medical Service (EMS)

Recommendation:

That the Joint Services Steering Committee recommend the preliminary 2011 EMS budget to the City of Peterborough for budget deliberations and that the County of Peterborough receive the budget as information as the County of Peterborough's budget process is ongoing and will not be finalized until 2011.

Financial Impact:

Preliminary Possible 2011 Tax Requirement for the County and City of Peterborough with regard to EMS:

	2010 Tax Requirement	2011 Tax Requirement	\$Change	%Change
County	\$2,779,191	\$2,873,385	\$ 94,194	3.39%
City	\$3,577,666	\$3,698,923	\$121,257	3.39%

Background/Analysis:

The County of Peterborough's EMS departmental budget estimates provided in this report are to be considered preliminary. The draft EMS budget is not expected to be completed until January 2011. The attached preliminary budget does not take into consideration additional provincial funding beyond the amount approved and budgeted in 2010. We are following up with the Ministry of Health and Long Term Care (MOHLTC) to determine what our actual funding level for 2011 will be however a response is not anticipated until December of 2010 at the earliest.

Reserve contributions and allowances contained within the 2011 preliminary budget figures have been calculated in compliance with the revised MOHLTC reporting standards as released by the Ministry in 2010. MOHLTC staff is currently reviewing transitional issues brought to their attention by the Eastern Ontario Warden's Caucus Treasurer's group regarding budgetary implications of the new PSAB reporting guidelines as interpreted by the ministry. At the moment however, there is insufficient information to predict an outcome. Estimates and provisions have therefore been calculated based on the best information available at this time.

Appendix A to this report provides preliminary numbers for your review. The estimates summarized in Appendix A are formulated with consideration for such factors as: wage and salary forecasts, a one percent (1 %) increase in the Ontario Municipal Employee Retirement System (OMERS) contribution rate, an overall 3.7% increase in employee benefits premiums as specified in the benefit provider's renewal agreement, recently announced rate increases in both Canada Pension Plan and Workers Safety Insurance Board premiums, incremental legal costs, software license renewal increments, and various other operational expenses. The OMERS contribution rate noted above is an unavoidable incremental cost expected to increase the operating expenses of the service by up to \$66,000 in 2011. Similarly, estimates indicate that the increase in employee benefits premiums can be expected to add approximately \$21,000 to overall operating expenses.

The service is expecting further financial pressures with regard to vehicle maintenance and fuel costs. With the pending implementation of new ambulance response time standards being introduced by the Province of Ontario and in response to periodic local call pressures, it has been necessary to modify the existing responder deployment plan. As a result, it is anticipated that this will impact the fleet fuel and maintenance costs, increasing them by approximately 7% in the 2011 period. All efforts are being made to ensure these increases are kept to a minimum and fleet performance will be monitored closely.

In an attempt to mitigate increases, efforts have been made to cut and or economize on costs at every opportunity. To this end annual severance and capital reserve provision have been reduced significantly in the 2011 preliminary budget. In general, spending trends across the board have been examined and reduced where ever possible. Where increases are evident, efforts are being channelled into developing future costs saving strategies. Current investigations are focused on such areas as; power consumption, maintenance and janitorial services, vehicle maintenance, heating costs, and waste disposal.

Two ambulances are scheduled for decommissioning in 2011 thus reducing the capital outlay from the three replaced in 2010. While both of these units are funded from the County/City capital equipment reserve and thus have no

incremental effect on the proposed tax requirement, an additional emergency response unit (ERU) added in 2010 and funded entirely from municipal tax revenues is not included in the 2011 budget.

While there are numerous pressures driving the various financial elements of the EMS service's 2011 preliminary budget estimates, senior management and staff remain dedicated to ensuring that the County and City of Peterborough enjoy the highest standard of performance provided both professionally and cost effectively.

Further details will be released as the County's 2011 budget process moves forward to completion and more detailed information becomes available from our external partners and service providers.

Respectfully submitted,

Original signed by

John Butler
Director of Finance/Treasurer
County of Peterborough

Appendices:

Appendix A - EMS 2011 Preliminary Budget
Appendix B - EMS Response time Plan report
Appendix C - Correspondence from the Director of Emergency Health Services Branch, Ministry of Health and Long-Term Care

Appendix A

EMS 2011 Preliminary Budget