

The County of Peterborough
Joint Services Steering Committee

To: Chair and Members of Committee
From: John Butler, Director of Finance/Treasurer
Date: October 11, 2012

Subject: Preliminary 2013 Budget – Emergency Medical Service (EMS)

Recommendation:

That the Joint Services Steering Committee (JSSC) endorse the preliminary 2013 EMS budget for consideration by both the City and County Councils.

Financial Impact:

Preliminary 2013 Funding Requirement for the County and City of Peterborough with regard to EMS:

	2012 Tax Requirement	2013 Tax Requirement	\$Change	%Change
County	\$2,964,270	\$2,907,296	(\$ 56,974)	(1.92%)
City	\$3,815,920	\$4,068,612	\$252,692	6.62%

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 2013, as a component of the County's 2013 budget process. The attached preliminary budget includes an estimate of the provincial funding for 2013 however the actual grant amount will also not likely be known until early in 2013. Staff will continue to follow up with the Ontario Provincial Ministry of Health and Long Term Care (MOHLTC) to obtain the final approved grant amount.

The Consolidated Municipal Service Manager (CMSM) agreement between the County and City of Peterborough identifies permanent population as the method

of distributing EMS municipal costs. This is expressed in the preliminary budget estimate as a proportionate percentage of population for both the County and City. In accordance with the CMSM agreement, the 2013 EMS preliminary budget has been prepared to reflect the most recent, 2011 Statistics Canada Population Census information. The 2011 census data indicates a shift in relative population from the County to the City. In the 2011 census, the total population of the County and City is identified as 134,933 residents. Of this, the City of Peterborough is noted as having 78,698 residents or 58.32% of the total population leaving 56,235 or 41.68% of the population in the County. These updated population statistics represent a significant swing in population from the County to the City from the previous 2006 Statistics Canada Census data (2006 census data identified 56.28% of the area's population in the City and 43.72% in the County). As with the swing in population, so too changes the municipal cost sharing distribution, reducing the County's proportionate share and increasing the City's proportionate share.

The change in relative proportion of population accounts for approximately \$142,541 of the City's 2013 proposed \$252,692 funding increase over the 2012 budgetary amount. It also accounts for a corresponding reduction in the County's proposed funding requirement for 2013, resulting in an overall net reduction in the County's proportionate contribution amount. It should be noted, based on the 2006 Census data used in the 2012 budget preparation, the proposed funding requirement for both County and City would be an increase of **2.89%** over the approved 2012 budget. Gross spending in this proposed budget represents an overall increase of 3.69% over the 2012 gross budgeted expenditures. This gross increase in expenditures also includes an additional \$135,711 for the Off Load Nurse program that is 100% provincially funded.

Reserve contributions and allowances contained within the 2013 preliminary budget have been calculated in compliance with the revised MOHLTC guidelines. To reduce the impact of future service enhancements an additional reserve transfer amount of \$35,000 was considered. These funds were to be utilized to establish a municipal only, future service enhancement reserve fund. Provincial guidelines prohibit the use of provincially subsidized reserve funds to acquire capital enhancements. Accordingly, any future incremental vehicles or other capital equipment added to the service comes with a 100% municipal funding requirement. In consideration of the impact of the new census data on the City's funding requirement however, this cost will be deferred to a future budget for the committee's consideration.

Appendix A to this report provides preliminary numbers for your review. The estimates summarized in Appendix A are formulated with consideration for wage and salary increases (per the CUPE-4911 Collective Agreement Schedule-A wage increases and approved non-union cost of living increases), plus an early estimate of the impact from increased Ontario Municipal Employee Retirement System (OMERS) contribution rates for 2013 (OMERS could amount to up to

\$56,000 of incremental costs in 2013). Further adjustments are expected relating to employee benefits costs premiums, Canada Pension Plan premiums, Employment Insurance contributions, and WSIB surcharges.

Included in the proposed increase in administration expenditures is the full year cost of the Commander position. The Commander was phased in over the latter six months of 2012 and is budgeted for a full 12 months in 2013. This carries an incremental cost of approximately \$69,100. Also included in the cost of administration is a bump up of 288 part time superintendent hours to provide extra shift of coverage for the existing full time superintendent compliment and accounts for an incremental cost of \$18,300. Other administrative costs increases, primarily driven by cost of living wage increments, are partially offset by reductions in IT hardware expenditures, photocopier costs, public relations spending, audit fees allowance, and consulting fees.

Paramedic wages are increased from 2012, based on Schedule-A of the CUPE-4911 Collective agreement, along with projected increases in the OMERS pension plan employer contribution rate. An allowance of \$25,000 has been added to the paramedic costs to facilitate the training of 12 primary care paramedics in advanced intravenous techniques. This is anticipated to be an annual occurrence going forward to successive budgets. An allowance of \$35,000 has also been added to address the reality of part time up-staffing requirements by the service. This has been reduced from our original estimated cost of \$70,000 in view of the increased support provided by the Provincial with respect to the Off Load Nurse program funding.

Three ambulances are scheduled for replacement in 2013 at an expected cost of \$130,000 each. This is fully funded from the County/City shared equipment reserve. While the reserve contributions and fuel costs are proposed to increase, offsetting cost savings are expected in the area of vehicle maintenance and repairs, and insurance claims defence.

In the patient care area, the scheduled replacement of the bariatric stretcher is accommodated at an expected cost of \$13,500, also funded fully from the County/City shared equipment reserve. Reductions projected in the patient care area consist of decreases in pandemic drug supplies, non-disposable medical equipment, and laundry and bedding spending. Much of these savings may be attributed to the efforts of the new materials management program. Costs savings in this area are partially offset by projected increases in the cost of medical gases, and other disposable medical supplies. The net result is an estimated (1.78%) decrease in patient care expenditures.

In spite of an inclusion of \$25,000 in the facilities area for security upgrades, the overall facility spending is expected to decline by (1.74%). This may be attributed to expected savings in the areas of repairs, maintenance, and heating costs stemming from tighter controls and close monitoring of these activities. The

\$25,000 that has been added is proposed to fund the first step in a round of security updates for all of the EMS base facilities which includes card access systems and video surveillance. In 2013 these updates are planned to commence at the Armour Road facility with the other locations following suit in subsequent fiscal years.

While there are numerous pressures driving the various financial elements of the EMS service's 2013 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 2013 budget process moves forward to completion and as 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

Appendix A:
EMS 2013 Preliminary Budget

Appendix A
Emergency Medical Services
(EMS)
2013 Preliminary Budget