

The County of Peterborough
Joint Services Steering Committee

To: Chair and Members of Committee
From: John Butler, Director of Finance/Treasurer
Date: October 10, 2013

Subject: Preliminary 2014 Budget – Peterborough County City Paramedics (PCCP)

Recommendation:

That the Joint Services Steering Committee (JSSC) approves this preliminary 2014 PCCP budget proposal and that it act as a preliminary estimate to assist the City of Peterborough in their 2014 budget development.

Financial Impact:

Preliminary 2014 Funding Requirement for the County and City of Peterborough with regard to PCCP:

	2013 Funding Requirement	2014 Funding Requirement	\$Change	%Change
City	\$4,099,337	\$4,228,687	\$129,350	3.16%
County	\$2,929,251	\$3,021,680	\$ 92,429	3.16%

County Proposed Funding Sources:

County LSR Reserve funding	\$ 31,500	\$ 31,500	
County Tax Requirement	\$2,990,180	\$ 60,929	2.08%

General Overview:

The County of Peterborough's PCCP departmental budget estimates provided in this report are to be considered preliminary. The final draft PCCP budget is not expected to be completed until February 2014 as a component of the County's 2014 budget process. The attached preliminary budget includes an estimate of the provincial funding for 2014 but the actual grant amount will not likely be known until early 2014. Staff will continue to follow up with the Ontario Ministry of Health

and Long Term Care (MOHLTC) to obtain the final approved grant amount as quickly as possible.

The Consolidated Municipal Service Manager (CMSM) agreement between the County and City of Peterborough identifies permanent population as the method of distributing PCCP municipal costs. Following those guidelines, the distribution of municipal funding requirement contained within this preliminary budget estimate is based on each municipality's proportionate percentage of population for the area.

Population data has been drawn from the 2011 Statistics Canada Population Census information. 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, with 56,235 or 41.68% of the population in the County. The Municipal cost sharing ratio for Land Ambulance is adjusted commensurate with the publication of Statistics Canada population census data. This data is published generally once every five years.

In this budget, gross expenditures are forecast to increase by approximately 2.61% or \$373,791. Of this increase in gross expenditures, 1.94%, or \$258,191 relates to operational expenses while capital costs are proposed to increase by 11.8% or \$115,600 over those budgeted in 2013.

Provincial Grants:

The Provincial operating grant is estimated at \$6,509,366, \$122,512 more than that forecast for 2013. Please remember, this is only an estimate and will be updated when the actual funding confirmation is received from the MOHLTC.

The Province has committed \$455,520 in support of the Dedicated (or Offload) Nurse Program. This initiative has proven extremely beneficial in managing the impact of ambulance patient offload delays at the Peterborough Regional Health Centre. With this level of grant commitment, the Dedicated Nurse Program will have sufficient funding to operate on a 24 hour a day, 7 day a week basis in the coming year.

General Operating Costs

Operational gross expenditures are forecast to increase in this proposal by 2.12% over those budgeted in 2013. Contingency amounts have been included to address possible changes in Manulife employee benefits costs, Ontario Municipal Employees Retirement System (OMERS) pension contributions, and long/short term disability premiums. These are estimates however and will change as reliable information becomes available.

Health and Safety training is an area of key concern in the 2014 budget. Incremental training dollars have been added to provide increased ergonomic training to mitigate lifting injuries, special emergency driving tuition to be proactive in the reduction of driver error/vehicle handling incidents, and infectious control training for patient care and handling (i.e. bed bugs).

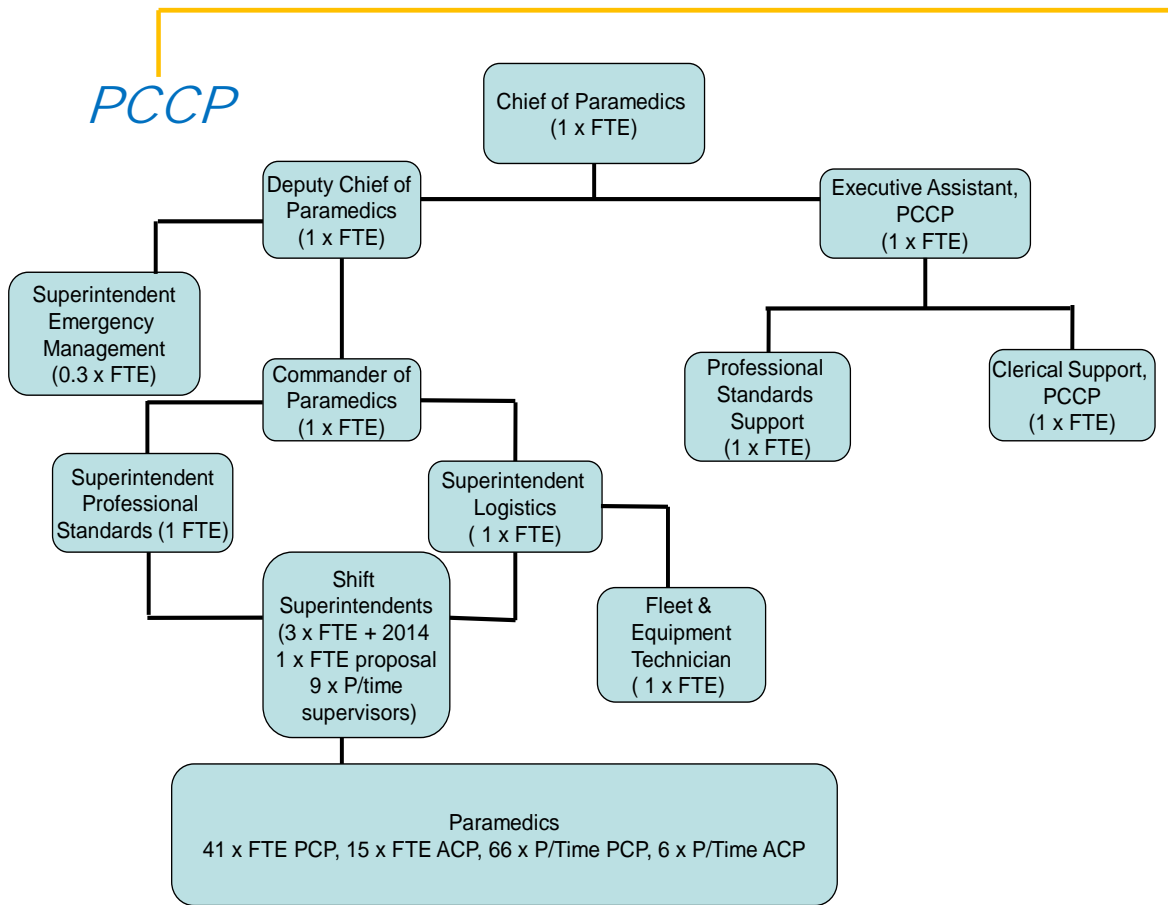
While costs have been increasing in many areas across the board, reductions are anticipated in the areas of vehicle maintenance, tire replacements, and insurance claims defence. Taken as a whole, vehicle related costs are expected to ease by approximately 1.71% or \$22,600. There are number of factors contributing to this reduction but most notably are the efforts of the fleet manager (and fleet management control system), updates to the deployment plan, and the regular scheduled replacement of vehicles.

Staff Complement

The 2014 proposal includes the addition of a 1 x FTE shift superintendent position to be added to the service's management team complement. The proposal is for the new position to be phased in over the latter half (6 months) of 2014 and carries an estimated incremental cost for wages and benefits of approximately \$68,000. With this new supervisory staff member, the complement of full time shift superintendents will be brought to 4, allowing one superintendent for each 12 hour shift in a 48 hour rotation. Currently, one full shift is being back filled by existing full time superintendents where possible and part-time superintendents where necessary. In addition to the three existing full time shift superintendents and one proposed additional full time shift superintendent, the service has one full time professional standards superintendent position and one full-time superintendent of logistics position. The addition of a fourth shift superintendent brings the complement of full time superintendent positions to six in total.

To partially offset the cost of the new shift superintendent, 288 hours of part time superintendent hours added in 2013 have been eliminated. This is a projected savings in 2014 of \$18,600. In addition, a further \$35,000 from the audit line in the administration section has been removed. It is felt that the remaining part time superintendent hours, in conjunction with the hours being delivered by the new FTE shift superintendent will be sufficient to complete the ambulance call reporting (ACR) audit requirements in house. This generates an estimated \$53,600 of potential cost reductions to apply against the incremental \$68,000 relating to the new hire.

The following service organization chart has been provided to illustrate the staff resources and lines of responsibility that exist within the service. The chart also includes the new shift superintendent position proposed for 2014.



Capital Acquisitions

Gross capital expenditures are forecast to increase by up to \$115,600, or 11.8% over those budgeted for 2013. Much of this may be attributed to the power cots noted below with the remainder of the increase due to facilities upgrades, an IT server upgrade, and incremental unit replacement costs (ambulances at \$135,000 each vs. \$130,000 in previous years).

Three ambulances are scheduled for replacement in 2014 at an expected cost of \$135,000 each along with an IT server upgrade estimated at \$8,000. These units are fully funded from the County/City shared equipment reserve.

Also in the capital section, there is sufficient allowance to acquire five power cots at a cost of \$15,000 each (total cost \$75,000). The power cot acquisitions, in conjunction with increased ergonomic training, are proposed as a mitigation strategy aimed at reducing the number of lifting injuries currently being

experienced. Lower back and other strain injuries, often leading to short and long term disability claims, cost the service thousands of dollars each year, and the number of incidents is on the rise. As the cots are incremental to the existing capital register, they carry a 100% municipal funding requirement.

A capital allowance to continue facilities security upgrades is contained within this proposal. The upgrade process commenced in 2013 at the Armour Road base location in the City and is scheduled to proceed during 2014 to the three year round satellite bases located in Norwood, Apsley, and Lakefield. The estimated cost for the 2014 upgrades is \$60,000 (approximately \$20,000 per base).

In addition to the security upgrades, \$12,000 has been allocated to install an emergency backup generator at the Lakefield base. Emergency generators have already been installed at the Apsley, Norwood and Armour Road locations.

Capital facility upgrade costs are being partially offset by the drawing of \$20,000 of Paramedic Development Charges reserve funds.

Reserves:

Reserve contributions and allowances contained within the 2014 preliminary budget have been calculated in compliance with the revised MOHLTC guidelines. While it has not been included in this preliminary estimate, the establishment of a Municipal only capital reserve should be considered by the committee either now or in the near future. This reserve will serve to reduce the impact of future service enhancements and new capital acquisitions that do not attract upfront Provincial support. As you are aware, Provincial guidelines prohibit the use of Provincial funds to acquire capital assets or capital enhancements. Accordingly, any future incremental vehicles or other capital equipment added to the service's asset complement comes with a 100% municipal funding requirement. In this 2014 preliminary budget, the acquisition of 5 stretcher power cots @ \$15,000 each (total estimated cost of \$75,000) is one such example.

Appendix A to this report provides preliminary budget numbers for your review. Very little information regarding potential OMERS increases, changes in health benefits costs, and short/long term disability premiums is known at this time. A modest allowance has been included in our estimates as a place holder, but is subject to change as more reliable information becomes available.

As stated in the general overview, the PCCP departmental budget estimates provided in this report are to be considered preliminary. Further details will be released as the County's 2014 budget process moves forward to completion and as more detailed information becomes available from our external partners and service providers.

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Respectfully submitted,

Original signed by

John Butler
Director of Finance/Treasurer
County of Peterborough

Appendix A:
PCCP 2014 Preliminary Budget

Appendix A

PCCP

2014 Preliminary Budget