



The County of Peterborough  
Joint Services Steering Committee

To: Chair and Members of Committee  
From: Trena DeBruijn, Director of Finance/Treasurer  
Randy Mellow, Chief of Paramedics  
Date: September 12, 2019

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**Subject: Peterborough County/City Paramedics Service (PCCP) Preliminary Draft 2020 Budget**

**Recommendation:** That the Joint Services Steering Committee (JSSC) receive the preliminary draft 2020 PCCP budget proposal and approve it to be forwarded to the City of Peterborough and the County of Peterborough to act as a preliminary estimate to assist in their 2020 budget development.

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**General Overview:**

The 2020 PCCP service departmental budget estimates provided in this report are to be considered preliminary only. The final draft PCCP budget is not expected to be presented until December 2019, as a component of the County's 2020 budget process.

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 draft budget estimate is based on each municipality's proportionate percentage of population for the Peterborough area.

The Municipal cost sharing ratio for the land ambulance service is adjusted commensurate with the publication of the most recent census data in the first budget subsequent to the updated data's release. The revised ratio then remains in place until the next census data update. Statistics Canada generally updates its published population data once every five years. The change in sharing ratio based on the 2016 census data was incorporated into the 2019 preliminary paramedic services budget.

Population data has been drawn from the 2016 Statistics Canada Population Census information. In the 2016 census, the total population of the County and City is reported as 138,236 residents. Of this, the City of Peterborough is noted to have 81,032 residents or 58.62% of the total population (up from 58.32% in 2011 Census), with the remaining 57,204 or 41.38% of the population in the County (down from 41.68 in 2011 Census).

### **2019 Land Ambulance Service Grant:**

In late August 2019, the County received a notice from the Ministry of Health, indicating 2019 grant funding of \$7,948,054, which represents an increase of approximately 1.43% over the 2018 grant of \$7,835,937 (however, a short fall of approximately \$144,021 over 2019 budget forecast). The letter did indicate that municipalities could expect further growth for 2020, however, no estimates of this proposed growth were provided.

### **2020 Land Ambulance Service Grant:**

The Provincial operating grant transfer for 2020 is estimated at \$8,092,075 and represents a 1.8% increase over the 2019 Land Ambulance Service grant.

Staff understand that, in his speech at the AMO Conference in August, the Premier indicated that Paramedic Funding would be increasing by 4% for 2019, however, based on the letter from the Ministry of Health, it is understood that this 4% represents a Provincial average and not for each individual municipality. As the County/City Paramedics did not receive a 4% increase for 2019 (our increase is approximately 1.43% over 2018), staff have conservatively estimated an increase for 2020 of 1.8% over 2019.

### **Dedicated Offload Nurse Program:**

In 2015, the Province committed separate funding support of \$450,600 for the Dedicated (or Offload) Nurse Program (DNP). The DNP initiative has proven to assist in managing the impact of patient offload delays at the Peterborough Regional Health Centre. Commencing with the 2014 level of MOHLTC grant commitment, the DNP was sufficiently funded to extend the nurse's operational hours to 24 hours a day, 7 days a week. While the 2020 Offload Nurse funding is yet to be confirmed, we are cautiously optimistic that it will continue at the 2019 transfer level and has been budgeted accordingly.

### **Administration:**

Administrative expenses are expected to increase by \$26,364 or 0.83% over 2019. This includes wage and benefit costs for administration that are expected to increase by \$22,718 or 1.07%.

General administration expenses are increasing overall by \$3,454 or 0.33% and contributions to reserves are forecasted to increase by \$191.

The primary increases in general administration expenses relate to the following:

- Auditing expenses;
- Software expenses; and
- Internal transfers (as a result of salary and benefit increases in other functional departments)

### **Paramedic Expenses:**

Overall paramedic expenses are expected to increase by \$360,811 over 2019 or 3.13%.

The draft budget includes an estimated increase for the unionized paramedic staff as well as the annualized salary for the eight (8) new full-time paramedics hired in 2019, following the service enhancement.

The collective agreement expires on December 31, 2019 and the final wage increase for 2020 will be determined through collective bargaining.

Paramedic supplies expenses are expected to decrease by \$6,050 (primarily as a result of a reduction in uniform expenses for 2020) while wages and benefits (including CPP, OMERS, EI, etc.) are expected to increase by \$366,861.

### **Vehicle Operating Expenses:**

Vehicle operating expenses are estimated to increase by approximately \$7,300 over 2019. This is primarily due to increases in fuel and insurance. As call volumes increase, the cost of vehicle fuel and maintenance (and tires) increase accordingly.

### **Vehicle Capital and Reserve Expenses:**

Vehicle capital purchases are funded by reserves in the 2020 budget and are expected to decrease by approximately \$64,693 for 2020. Included in this amount, is a decrease for capital purchases of \$93,694 and an increase to vehicle reserves of \$29,001.

The vehicle replacement schedule indicates that three ambulances with power stretchers are due for replacement in 2020. The estimated replacement cost of each of the ambulances (and power stretchers) is \$171,000 and there is also funding of \$39,000 for energy retrofits to the command trailer.

### **Patient Care Equipment and Supplies:**

The patient care section of the 2019 preliminary budget estimates an increase of \$823,234 or 121.8% in gross spending. Approximately \$803,786 (or 97.6%) of this increase is due to capital purchases for patient equipment such as Defibrillators , Infant Intubation Trainer, PAD devices, gas flow analyzer and simulation equipment. The capital equipment of \$813,450 included in the 2020 budget is entirely funded by reserves.

As call volumes continue to increase, the costs for drugs, medical disposable supplies, laundry and bedding and equipment maintenance are all affected. Operating expenses are forecasted to increase by \$17,000, while capital purchases (and reserve contributions) are increasing by \$806,234 over 2019 (reserve contribution accounts for \$2,448 of this increase).

## **Facility Expenses:**

The facility expenses section of the 2020 preliminary budget estimates a decrease of \$6,946 or -0.54% over 2019. Operating expenses are increasing by \$52,107 while capital purchases and reserve contributions are decreasing by \$59,053. The main facility operating expense increase are due to lease indexation at the Clonsilla facility, which did not occur for the past two years.

## **Reserves:**

Overall contributions to reserves, included in the 2019 preliminary budget, have increased by 4% or \$32,587 (\$29,001 of which is related to reserve contribution increases for rolling stock). Future equipment replacements are forecast over a 10 year horizon with funding for asset replacements flowing from the reserve account as contributions from reserve. Contributions to reserve provide the annual reserve replenishment dollars and are sourced from municipal tax dollars.

## **In consultation with:**

1. CAO, Troy Speck
2. Director, Corporate Projects & Services, Sheridan Graham
3. Deputy Chief, Operations, Chris Barry

## **Attachments**

Appendix A

Respectfully Submitted,  
Original Signed by

Trena DeBruijn  
Director of Finance/Treasurer

For more information, please contact  
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Respectfully Submitted,

Randy Mellow  
Chief of Paramedics

Appendix A: PCCP Preliminary Draft 2020 Budget - SUBJECT TO CHANGE

Estimated Revenues:	Budget 2019	Budget 2020	Budget \$ Change (decrease) / increase	Budget % Change (decrease) / increase	Comments
County funding requirement - ambulance	3,497,732	3,814,793	317,061	9.06%	Population split based on 2016 census (58.62% City/41.38% County)
City funding requirement - ambulance	5,370,226	5,624,834	254,608	4.74%	Population split based on 2016 census (58.62% City/41.38% County)
Contribution from shared capital reserve	730,117	1,418,850	688,733	94.33%	
Contribution from County Cross Border Reserve	202,800	107,157	-95,643	-47.16%	County Reserve
Contribution from LSR reserve (County Only)	90,323	48,635	-41,688	-46.15%	
Contribution from Sale of Ambulances	0	0	0	0.00%	
Contribution from Reserve	0	0	0	0.00%	
Development charges reserve	0	0	0	0.00%	
Province ambulance grant transfer	8,092,075	8,092,075	0	0.00%	Estimated Forecast
Dedicated nurse program funding transfer	450,683	450,683	0	0.00%	Budgeted at 100% of estimated cost (unchanged from 2017)
FCM Funding - Solar Project	0	0	0	0.00%	
Recoveries amounts and Refunds	67,000	90,000	23,000	34.33%	Estimated recovery for services provided on a charge out basis and cross border billing.
<b>Total Estimated Revenues</b>	<b>18,500,956</b>	<b>19,647,027</b>	<b>1,146,071</b>	<b>6.19%</b>	
<b>Estimated Expenses</b>					
Administration expenses	3,189,305	3,215,669	26,364	0.83%	Chief, 2 x Deputy Chief, 6 x FTE Superintendents, 2.4 FTE Superintendents (P/T), 1 x FTE Executive Assistant, 1 FTE Clerical, 1 Professional Standards, 1 F/TFleet Coordinator, 1 P/T Fleet Technician, plus estimated 2020 OMERS pension plan and employee benefits premium rates. Includes Off Load Nurse program of \$450,600 (100% Provincially funded), and admin equipment reserve contribution of \$12.893
Paramedic expenses	11,518,269	11,879,080	360,811	3.13%	68 F/T Paramedics, 25.9 FTE (P/T Paramedics). Includes estimated increases to OMERS pension plan and employee benefits premiums in 2020. Also includes uniforms, professional fees, and health and safety costs.
Vehicle Operating Expenses	575,432	582,732	7,300	1.27%	Includes fuel, vehicle maintenance, licensing and insurance expenses.
Vehicle Capital and Reserve Expenses	1,225,713	1,161,020	-64,693	-5.28%	Replacement of three ambulances with power stretchers @ \$171,000 each plus energy retrofits to the command trailer of \$39,000. Future reserve contribution to rolling stock of \$609,020
Patient care equipment and supplies expenses	675,863	1,499,097	823,234	121.80%	Patient Care Equipment and Supplies of \$520,000, RESPI Infant Intubation of \$7,699, Simulator of \$38,866, PAD of \$80,000, \$9,859 for Gas Flow Analyzer and Defibrillator Replacement of \$677,005. In addition, this includes a contribution of \$165,647 to the patient care equipment reserve.
Cross Border Billings expense	35,000	35,000	0	0.00%	
Facility expenses	1,281,375	1,274,429	-6,946	-0.54%	Includes facility expenses for 6 bases @ \$1,189,085 and reserve contribution of \$64,051
<b>Total estimated expenses</b>	<b>18,500,956</b>	<b>19,647,027</b>	<b>1,146,071</b>	<b>6.19%</b>	