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Date December 14, 2022 **Report No.** 2022-716

To Chair and Members
Finance Committee

From Joelle Daniels
Director of Finance/City Treasurer

1.0 Type of Report

Consent Item ☐
Item For Consideration ☒

2.0 Topic Paramedic Service Draft 2023 Budget [Financial Impact – up to \$787,985 (15.4%) Operating Budget Increase]

3.0 Recommendation

- A. THAT Report 2022-761 titled Paramedic Services Draft 2023 Budget BE RECEIVED; and
- B. THAT the 2023 Draft Paramedic Services Budget BE APPROVED in principle; and
- C. THAT the City's share of additional costs for the purchase of a new ambulance approved in the 2022 budget in the amount of \$43,981 BE FUNDED from the Development Charges – Ambulance Reserve Fund (RF0412); and
- D. THAT should the final County Approved Budget include the operational costs of staffing an additional 24/7 ambulance, the City's share of the net incremental cost of this be phased in over two years, using the Corporate Contingency Reserve (RF0554) as follows:
 - i. \$288,990 in 2023
 - ii. \$124,020 in 2024

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- E. THAT the City Clerk BE DIRECTED to provide the County Clerk a copy of City Council's final resolution regarding this report prior to December 31, 2022.

4.0 Executive Summary

The 2023 draft paramedic services budget approved by the Paramedic Services Committee (PSC) was delivered to the City on September 28, 2022. The budget includes an overall increase of 15.6% over 2022, which if approved by County Council, would result in a 15.4% increase to the City's contribution to this service. The draft budget approved by (PSC) includes approval of a Decision Package for staffing an additional ambulance 24/7, with a 12 hour increase March 1 and a 12 hour increase July 1, at a total cost of \$650,000. Staff has recommended through this report an approach that would phase the impact of the City's share of the annual costs associated with this Decision Package over two years, reducing the City's 2023 paramedic budget increase to 9.8%.

5.0 Purpose and Overview

As required under the Shared Services Agreement for paramedic services, the purpose of this report is to seek a recommendation from City Council as to whether the draft 2023 paramedic services budget endorsed by the Paramedic Services Committee (PSC) is approved in principle or not prior to December 30, 2022.

6.0 Background

The County of Brant is the Service Manager for paramedic services for the County of Brant (County) and the City of Brantford (City) pursuant to a ministerial order dated January 5, 2000. On September 25, 2018, the County and the City entered into a new agreement governing the management, operation and use of paramedic services, and the apportionment of costs for those services.

The agreement sets out a number of duties of the Paramedic Services Committee (PSC), including the requirement to recommend a draft budget for approval. According to the agreement as amended in June 2022, the timeline for approval of draft budget in an election year stipulates that the PSC approve a draft budget and deliver it to the City and County prior to October 1st. City Council must then approve the draft budget in principle or identify questions, comments or concerns by December 30th and provide notice of this decision to

the County by December 31st. The County must approve the paramedic services budget on or before January 31st after giving consideration to the City's position.

The same timelines are set out in a similar shared services agreement between the City and County for Social Services, in which the City is the designated Service Manager.

7.0 Corporate Policy Context

This report aligns with the budget timelines set out in the Shared Services Agreement between the City and the County for Paramedic Services.

8.0 Input From Other Sources

The draft 2023 paramedic services budget approved by the PSC on September 6, 2022 was delivered to the City on September 28, 2022.

9.0 Analysis

The draft 2023 paramedic services budget is outlined in Appendix A, which also includes the full reports prepared by County staff and presented to the PSC on both August 8 and September 6, 2022 supporting the 2023 budget request. There are three members of City Council that sit on the PSC. In addition to inflationary increases that would have resulted in an overall municipal budget increase of 6.4%, the PSC approved a decision package for staffing an additional ambulance 24/7, with the first 12 hour increase effective March 1 and the second effective July 1. The additional operating impact to provide the additional ambulance is \$650,000, pushing the total operating budget increase in 2023 to 15.6%.

The capital cost of purchasing the new ambulance was included in the approved 2022 budget, however, the actual cost exceeded what was originally approved. An total municipal capital contribution of \$61,000 is required to fund the project deficit.

10.0 Financial Implications

In accordance with the shared services agreement, costs for paramedic services are apportioned between the City and County on the basis of population. For the 2023 budget, the City's share is 72.0%, declining slightly from 72.1% in 2022. The impact on only the City's share of the paramedic services operating budget for 2023 is an increase of 15.4% or \$787,985. As noted, a significant portion of

the increase is related to the costs of staffing an additional 24/7 ambulance. The budget approved by the PSC suggests phasing-in staffing of this ambulance between March and July 2023, with the full annualized impact of \$994,500 being recognized in 2024.

It is expected that the Province will provide funding for 50% for these enhanced services, but their contribution begins in the fiscal year following those costs being included in the County budget; meaning the full provincial contribution will not be realized until the 2025 budget. Staff is recommending that the financial impact of staffing an additional ambulance, should it obtain final County approval, be phased-in using the Corporate Contingency Reserve; allowing for a more gradual increase on the tax levy to what is expected to be the net City share once the Province is contributing their full 50% contribution. Table-1 provides a summary of proposed phase-in schedule.

Table 1 - Proposed Budget Phase-in Summary

	2023	2024	2025
Gross Cost of Staffing 24/7 Ambulance	650,000	994,500	994,500
Province Contribution	(0)	(325,000)	(497,250)
Net Municipal Cost	650,000	669,500	497,250
City Share @ 72.0%	468,000	482,040	358,020
Base Budget Phase-in	179,010	358,020	358,020
Contribution from Corporate Contingency Reserve	288,990	124,020	0
Total City Funding Sources	468,000	482,040	358,020

Adopting the phased-in approach outlined in Table-1 would see the City's budget increase for 2023 reduce from 15.4% to 9.8%.

At this time, City Council is required to approve the 2023 draft paramedic services budget in principle, or send it concerns to the County. City Council's final resolution on this matter must be provided to the County prior to December 31, 2022. The current recommendation includes approval of the budget in

principle, however, Committee or Council may revise recommendation 'B' should it wish to send specific concerns to the County prior to their final approval of this budget. If City Council were to provide specific concerns which weren't addressed in the final County approved budget, City Council may wish to refer to the matter to the dispute resolution process that is similarly outlined in both the Paramedics and Social Services shared services agreements.

In a separate matter from the operating budget, the capital project to procure a new ambulance was approved as part of the 2022 budget but is currently in a deficit position. The variance exceeds staff's authority under Finance Policy 3, and requires Council approval to fund. The cost of the ambulance is fully growth related, and the City's portion of the additional capital cost of \$43,981 will be funded from the Development Charges – Ambulance Reserve Fund (RF0412).

11.0 Climate and Environmental Implications

N/A

12.0 Conclusion

The draft 2023 paramedic services budget approved by the PSC includes both inflationary and service enhancements, which if approved by County Council, would result in a 15.4% increase to the City's portion of those services. City staff is recommending that the impact of this increase be phased in over two years using the Corporate Contingency Reserve to ease the operational burden from staffing a new ambulance on City taxpayers.



Joelle Daniels
Director of Finance/City Treasurer

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Attachments (if applicable)

Appendix A – Draft 2023 Paramedic Services Budget

Copy to:

n/a

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required ☐ yes ☒ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk ☐ yes ☒ no

Is the necessary by-law or agreement being sent concurrently to Council? ☐ yes ☒ no