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Date October 13, 2021 **Report No.** 2021-640

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 Services Draft 2022 Budget [Financial Impact - \$246,671 Operating Budget increase]

3.0 Recommendation

- A. THAT report 2021-640 titled Paramedic Services Draft 2022 Budget BE RECEIVED; and
- B. THAT Staff BE DIRECTED to prepare a letter for delivery to the County of Brant prior to November 1, 2021 which includes the following comments and concerns respecting the draft 2022 paramedic services budget:
 - i. The increase to the budget significantly exceeds inflation and the City Council budget target
 - ii. The draft budget has not included the required capital contribution for the purchase of an ambulance and should be amended prior to approval
 - iii. Such other matters as deemed appropriate by the City Treasurer.

4.0 Executive Summary

The 2022 draft paramedic services budget approved by the Paramedic Services Committee (PSC) was delivered to the City on September 22, 2021. The budget includes an overall increase of 5.66%, which if approved by County Council will result in a 5.08% increase to the City's contribution to this service over 2021. Prior to November 1, 2021, in accordance with a revised budget timeline approved by both Councils for the 2022 budget year only, City Council must either approve the draft budget in principle, or sends its concerns with the budget back to the County of Brant. The 2022 budget target established by City Council is 2% for City Departments and agencies and boards affiliated with the City, and given that the draft paramedic services budget significantly exceeds this target, staff is recommending that City Council not approve the budget in principle, but rather advise the County of its concerns with the draft budget.

5.0 Purpose and Overview

The purpose of this report is to seek a recommendation from City Council as to whether the draft 2022 paramedic services budget endorsed by the Paramedic Services Committee (PSC) is approved in principle or not.

6.0 Background

The County of Brant is the delivery agent for paramedic services for the designated area comprised of the County of Brant (County) and the City of Brantford 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 based on population. The Agreement sets out a number of duties of the PSC, including the requirement to recommend a draft budget for approval.

On May 25, 2021, City Council approved a request from the PSC to follow a 2022 budget process that differs from the timelines set out in the Agreement. County Council also approved the request of the PSC. The proposal by the PSC provided for a delayed, albeit simplified, 2022 budget process which still provides City Council an opportunity to review and provide input prior to approval by County Council. The modified timelines for the 2022 budget are provided in Table-1.

Date	Deliverable
September 25, 2021	The PSC's draft budget will be delivered to both the City and the County. Note: the draft budget was received by the City on September 22, 2021
November 1, 2021	Deadline for City Council to either 1) approve the draft budget in principle; or 2) send its concerns to the County.
December 1, 2021	Deadline for County approved 2020 paramedic services budget to be delivered to the City.
Within 60 days of receipt of County approved budget	Deadline to provide notice to County should City Council will to refer the County approved budget to dispute resolution.

Table 1- 2022 Paramedic Services Budget approval timeline

7.0 Corporate Policy Context

This report aligns with Desired Outcome #4 of Council Priorities 2021-2022 – There is high trust in the City through demonstrated progress in taxpayer affordability and value for money.

8.0 Input From Other Sources

The draft 2022 paramedic services budget attached as Appendix A was approved by the Paramedic Services Committee on September 15, 2021 and was delivered to the City on September 22, 2021.

9.0 Analysis

The draft 2022 paramedic services budget is outlined in Appendix A. In addition to inflationary increases that would have resulted in an overall budget increase of 2.15%, the PSC approved a decision package for an additional 12-hour staffed ambulance beginning on July 1, 2022. The additional service has pushed the overall 2022 budget increase to 5.66%. The City's portion of the increase is \$246,671 or 5.08% over the previous year.

In addition to the proposed operational requirements, subsequent correspondence with County staff has confirmed that approval of the decision package requires the capital purchase of a new ambulance. This capital budget item was not included in the draft budget approved by the PSC, but should be

included in the final paramedic budget approved by the County as this cost will also be shared between both municipalities.

The 2022 budget target approved by City Council for the City controlled portion of the municipal budget is 2%. Council also approved that the City's local boards be requested to meet the same target. The paramedic services budget follows a different process, and is ultimately approved by the County of Brant in accordance with the process set out in the Agreement. The increase proposed by the PSC, if approved by County Council, may lead to additional pressure being placed on the City controlled portion of the budget to meet an overall target that is desired by City Council.

Under the normal budget process outlined in the Agreement, City Council would have had an opportunity to provide its initial comments and concerns to the PSC first. At this time, however, in accordance with the revised paramedic services budget process for 2022 approved by both Councils, City Council is required to either approve the 2022 draft paramedic services budget in principle, or send its concerns to the County prior to November 1, 2021 as their Council will give final budget approval within the month. Because the increase being proposed is significantly larger than both inflation, and the budget target approved by City Council, staff is recommending that the City deliver a letter to the County outlining concerns with the 2022 draft budget that outlines the impacts of such a large operating budget increase on taxpayer affordability, and the exclusion of the required capital purchase from the draft budget.

County Council is required to approve the 2022 paramedic services budget prior to December 1, 2021. Staff will provide City Council with another report in December outlining the final County approved budget for these services. As part of that report, should City Council feel its concerns with the draft budget were not adequately addressed, there would be an option to refer the matter to dispute resolution if desired.

Option to approve the draft budget in principle

Should the Finance Committee wish to amend the staff recommendation, and instead approve the 2022 draft paramedic services budget in principle, the following amendment would be required:

THAT Clause 'B' BE STRUCK and replaced with Clauses B to D as follows:

B. THAT the 2022 draft paramedic services budget BE APPROVED in principle; and

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- C. THAT pending County approval of the 2022 paramedic services budget, staff BE DIRECTED to include the City's share of a new ambulance purchase in its 2022 Capital Budget; and*
- D. THAT the City Clerk BE DIRECTED to send a copy of this resolution to the County Clerk prior to November 1, 2021.*

10.0 Financial Implications

The 2022 draft paramedic services budget includes a 2.15% inflationary increase, in addition to a new 12-hour staffed ambulance beginning July 1, 2021. The proposed overall municipal increase is 5.66%, or \$379,278 over the previous year. There is also a need for a capital budget item for the purchase of a new ambulance which was not included in the draft budget. It is unknown at this time what the capital budget request will be, but the current development charges background study estimated the cost of an additional ambulance and equipment at \$350,000.

Costs for paramedic services are apportioned between the City and County on the basis of population, with the City's share declining from 72.5% in 2021 to 72.1% in 2022. The impact on only the City's share of the paramedic services operating budget for 2022 is an increase of 5.08% or \$246,671. The capital component is fully growth related, and the costs will be paid from current and future development charges.

11.0 Conclusion

The draft 2022 paramedic services budget approved by the PSC includes both inflationary and service enhancements, which if approved by County Council, will lead to a 5.08% increase to the City's portion of those services. The 2022 budget target approved by City Council is 2%, and staff is recommending the City provide the County its concerns with the draft budget prior to the deadline of November 1, 2021.



Joelle Daniels, Director of Finance/City Treasurer

Attachments (if applicable)

Appendix A – 2022 budget – full submission

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