



P.O. Box 1749
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Item No. 4
Committee of the Whole
Hgdt wct { '7, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: _ Original Signed _____
Doug Trussler, Fire Chief

DATE: January 17, 2014

SUBJECT: Proposed 2014/2015 Fire & Emergency Budget and Business Plan

ORIGIN

At the October 22, 2013 Committee of the Whole, Council directed staff to present the 2014/15 draft Business Unit Budget and Business Plans to the Committee of the Whole for review and discussion prior to consideration by Regional Council.

LEGISLATIVE AUTHORITY

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

RECOMMENDATION

It is recommended that the Committee of the Whole direct staff to proceed to prepare the 2014/2015 Fire & Emergency Budget and Business Plan as proposed in the accompanying presentation, incorporating additional direction provided by motion of Committee of the Whole for inclusion in the proposed HRM 14/15 Budget and Business Plan documents.

**Proposed 2014/2015 Fire & Emergency Budget and Business Plan
Committee of the Whole**

BACKGROUND

As part of the design of the 2014-2015 Budget and Business Plan development process, the Committee of the Whole is reviewing each Business Unit's high level budget and proposed plans in advance of detailed HRM Budget and Business Plan preparation.

At the November 19, 2013 Committee of the Whole Regional Council considered and confirmed their Strategic Priority Outcomes and directed staff to: "develop the 2014/15 Budget and Business Plans in support of these priorities."

DISCUSSION

Staff has prepared the proposed 14/15 Budget consistent with the preliminary fiscal direction received from Council on October 22, 2013 and aligned with Council Priorities as directed on November 19, 2013.

Following direction from the Committee of the Whole, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 2014/15 Budget and Business Plan documents to be presented to Council, as per the process and schedule endorsed by Regional Council on October 22, 2013.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed budget for 2014-15. There are no immediate financial implications from these recommendations. The broader financial implications will be discussed and debated as the budget is developed in more detail.

COMMUNITY ENGAGEMENT

None are specifically associated with this report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

The Committee of the Whole can choose to amend the Budget and Business Plan as proposed in the accompanying presentation through specific motion, and direct staff to proceed to prepare the Budget and Business Plan for inclusion in the proposed HRM Budget and Business Plan documents.

**Proposed 2014/2015 Fire & Emergency Budget and Business Plan
Committee of the Whole**

ATTACHMENTS

Fire & Emergency 2014 – 2015 Budget and Business Plan Presentation

A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Doug Trussler, Fire Chief

Report & Financial Approval by: Original Signed

Greg Keefe, Director of Finance & Information Technology/CFO, 490-6308




Fire & Emergency 14/15
Draft Budget and Business Plan

Committee of the Whole | February 5, 2014



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Fire & Emergency

Business Unit Overview

Halifax Regional Fire & Emergency (HRFE) serves and protects 413,700 permanent residents in a 5,577 km² area. Strategically located in 52 fire stations throughout HRM, career and volunteer fire crews provide a full range of emergency and protective services.

HRFE has 481 full time employees, including 406 career fire fighters, and 615 volunteers working out of various fire stations and offices.

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Service Areas - Operations

Fire Chief:	Doug Trussler
Operations Deputy Chief Brian Gray	<p>The operations division provides emergency service protection to every part of HRM, operating out of 52 stations: 18 twenty four hour career stations, 15 composite stations and 19 volunteer stations.</p> <p>Services delivered include:</p> <ul style="list-style-type: none"> • Fire Suppression & Rescue - Structural & Wildland/Urban Interface • Pre-Hospital Emergency Medical Services (MFR) • Technical Rescue - Auto Extrication, Ice/Water (shore based), Confined Space, Trench, High/Low Angle Rope, Heavy Search and Rescue • Marine Firefighting - shore line protection • Hazardous Materials/Dangerous Goods Response • Chemical Biological Radiological & Nuclear (CBRN) - Provincial Response

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Service Areas – Operations Support

Fire Chief:	Doug Trussler
Operations Support Deputy Chief Roy Hollett	<p>The primary role of this division is to provide public fire safety information and prevention services in addition to supporting emergency operations.</p> <p>Services delivered include:</p> <ul style="list-style-type: none"> • Fire Prevention • Professional Development, Training and Safety • Logistics • Communications and Technology • Emergency Management Office • Fire Fighter Assistance Program & Health and Wellness

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13/14 Progress Update

13/14 Plan	Progress Update
Operational Review / Strategic Master Plan	<p>Deliverable 1 – Realignment of non-union staff:</p> <ul style="list-style-type: none"> Phase I - Completed in July 2012 Phase II - Master Fire Plan recommendations <p>Deliverable 2 – Master Fire Plan:</p> <ul style="list-style-type: none"> 70% Complete as of the end of 2013 Working Groups established. The working groups have been meeting regularly. To date, they continue to: <ul style="list-style-type: none"> ✓ Review the internal and external survey contents aligned with their respective working group. ✓ Identify the current key issues for their working group. ✓ Draft strategic directions and statements of intention specific to their respective group to address key issues. ✓ Analyze the key HRFE initiatives aligned with their respective working group.

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13/14 Progress Update

13/14 Plan	Progress Update
Fire Underwriters Study	<p>SCM Risk Management Services (RMS) continues to work on this comprehensive review. An interim update was tabled on November 29, 2013 prior to tabling draft and final reports in the spring of 2014. An overview of the progress to date includes:</p> <ul style="list-style-type: none"> Community Risk Assessment Fire & Emergency Department Assessment Water Supply Assessment Fire Prevention Program Emergency Communications
Recruitment & Outreach	<ul style="list-style-type: none"> No immediate need for recruitment Working with Human Resources to develop a framework for new recruitment processes
Volunteer Recruitment	<ul style="list-style-type: none"> Program Manager in place Reviewing new programs for recruitment Assessing other means of recruitment

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13/14 Progress Update

13/14 Plan	Progress Update
Communication and Technology	<p>ICT Roadmap Project</p> <ul style="list-style-type: none"> Working with HRM ICT to engage consultants to assist in leveraging technology through the development of a technology roadmap <p>Trunked Mobile Radio Rollout</p> <ul style="list-style-type: none"> Our existing trunked mobile radio system has reached end of life and is due for replacement in June 2015 HRM ICT has assigned a project manager to assist in the migration to the new system <p>Integrated Emergency Service Fire Dispatch Study</p> <ul style="list-style-type: none"> A vendor has been selected to provide a review of our Fire Dispatch system. This review will begin in early 2014 and will focus on a review of current 911 Fire and Emergency Dispatch operations processes to determine the effectiveness of policies and procedures, current technology and training initiatives

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13/14 Progress Update

13/14 Plan	Progress Update
Succession Management Program	<ul style="list-style-type: none"> Initiated Professional Certifications for Division Commanders Working with Human Resources on developing a career path for all positions

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14/15 Operating Budget Highlights

Budget Pressures Addressed in the 14/15 HRFE Operating Budget

The Fire and Emergency budget is made up of over 94% in compensation/ benefit costs.

Collective agreement increases (annual 2.21 % for IAFF), and 13/14 salary increases for non-union and NSUPE. (Contractual)	1,442,000
Benefit Increases, primarily Pension Plan Contributions.	853,00
Total Budget Pressures	2,295,000

Potential Service Changes in the 14/15 HRFE Operating Budget

Upon completion of our Operational Review/Strategic Plan, HRFE will present Council with various options relating to the deployment of apparatus and station location, safe and effective staffing levels, organizational structure and support processes.	TBD
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Budget/Service Delivery Pressures

Pressure	Approach	Timeline
Minimum Staffing Standards	Master Fire Plan recommendations	Spring 2014
Response Time Standards	Master Fire Plan recommendations	Spring 2014
Legislated Inspection Requirements	Master Fire Plan recommendations	Spring 2014
Requirements of M-100 Bylaw	In consultation with CRS, there will be proposed bylaw changes(Rewrite)	Bylaw review to be completed in Fiscal 2014/15
Training Division Staffing	Master Fire Plan Recommendations	Spring 2014
IAFF Collective Agreement	Collective Bargaining	June 2016
Volunteer Recruitment and Retention	Master Fire Plan Recommendations	Spring 2014

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Operating Budget Overview

Cost Element Groups	2011-12		2012-13		2013-14		2014-15
	Budget	Actual	Budget	Actual	Budget	Q3 Projection	Proposed
* Expenditures							
* Compensation and Benefits	49,377,900	49,398,415	49,746,800	49,965,938	52,110,400	51,855,800	54,223,100
* Office	312,800	411,689	414,300	365,639	456,300	444,800	456,300
* External Services	291,400	220,543	279,300	211,142	271,000	381,500	271,000
* Supplies	683,200	652,076	585,600	601,278	497,500	559,000	497,500
* Materials	0	17,415	0	23,239	0	10,000	0
* Building Costs	1,038,900	946,595	949,100	1,299,890	152,100	177,200	152,100
* Equipment & Communications	1,650,800	1,373,674	1,166,200	908,204	909,300	896,300	854,300
* Vehicle Expense	0	1,755	0	3,622	0	1,200	0
* Other Goods & Services	926,341	929,415	1,002,600	784,809	1,189,300	1,235,500	1,144,300
* Interdepartmental	2,884,700	2,883,872	0	42,821	0	6,800	0
* Debt Service	816,800	810,783	1,059,000	1,048,516	981,000	981,000	908,000
* Other Fiscal	333,500	333,817	208,500	163,898	48,500	60,100	48,500
** Total	58,316,341	57,980,049	55,411,400	55,418,994	56,615,400	56,609,200	58,555,100
Revenues							
* Tax Revenue	0	0	0	0	0	0	0
* Area Rate Revenue	0	0	0	0	0	0	0
* Fee Revenues	-70,000	-86,509	-81,100	-79,270	-81,100	-77,500	-81,100
* Other Revenue	-583,500	-284,788	-274,400	-254,771	-566,300	-369,900	-466,300
** Total	-653,500	-371,297	-355,500	-334,041	-647,400	-447,400	-547,400
Net Surplus/Deficit	57,662,841	57,608,751	55,055,900	55,084,952	55,968,000	56,161,800	58,007,700

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Service Area Budget Overview

Net Fire Expenses by Service Area	11/12		12/13		13/14		14/15
	Budget	Actual	Budget	Actual	Budget	Q3 Projection	Proposed Budget
Operations Division	44,189,300	44,118,775	44,276,800	44,885,683	45,191,200	45,188,500	47,120,300
Training Division	1,489,649	1,570,590	1,646,900	1,580,712	1,924,000	2,063,500	1,959,000
Fire Prevention Division	1,893,220	1,796,104	1,948,200	1,877,162	1,745,500	1,853,400	1,941,800
Logistics Division	1,969,400	2,026,508	1,449,800	1,537,024	1,741,500	1,844,300	1,760,900
Administration	4,883,046	4,886,632	4,828,900	4,482,204	4,206,200	4,173,900	4,300,200
Other	3,238,226	3,210,142	905,300	722,167	1,159,600	1,038,200	925,500
Fire Net Expenses	57,662,841	57,608,751	55,055,900	55,084,952	55,968,000	56,161,800	58,007,700

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Year to Year Base Comparison

Service Area	13/14 Budget	14/15 Base Cost	Change from 13/14	14/15 Proposed
Operations Division	45,191,200	47,120,300	C/A Increases (\$1.2m), Pension Increase (\$780k), Debt decrease (\$73k)	47,120,300
Training Division	1,924,000	1,984,000	C/A Increases (\$37k), Pension Incr (\$22k), GL efficiencies (\$25k)	1,959,000
Fire Prevention Division	1,745,500	1,841,800	C/A Increases (\$64k), Pension Incr (\$36k), F-100 Fee Rev adj (\$100k)	1,941,800
Logistics Division	1,741,500	1,780,900	C/A Increases (\$24k), Pension Incr (\$15k), GL efficiencies (\$20k)	1,760,900
Administration	4,206,200	4,300,200	Non Union & Nsupe Increases (\$94k)	4,300,200
Other	1,160,200	986,100	Tfr of 2 ICT Positions(\$175k), GL efficiencies (\$55k)	925,500
Business Unit Total	55,968,000	58,013,300		58,007,700

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14/15 Cost Reduction Initiatives

Cost Reduction Initiatives	Proposed 14/15 Saving	Projected 15/16 Saving	Projected 16/17 Saving
A <u>one year only</u> reduction from our Fleet Capital	1,500,000	0	0
Refund Reserve Q128 Rural Fire Reserve	800,000	0	0
GL Line item Efficiencies	100,000	100,000	100,000
Total to offset Base Cost Increase	2,400,000	100,000	100,000

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14/15 Priority Alignment

Priority Outcome (Why we are doing it)	Priority Deliverable (What we propose to do)	Timeline	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
Healthy Communities – Public Safety	Fire Training Centre	Capital (over 4 years)	TBD	TBD	TBD
Healthy Communities – Public Safety	Operational Review / Strategic Master Fire Plan Recommendations	Tentative Spring 2014	TBD	TBD	TBD
Healthy Communities – Public Safety	Fire Underwriters' Survey (FUS) Recommendations	Tentative Spring 2014	TBD	TBD	TBD
Healthy Communities – Public Safety	M-100 Bylaw Respecting Standards for Residential Occupancies - Jurisdiction	Legal Review to be completed in 2014/15 Fiscal year in conjunction with CRS	TBD	TBD	TBD
Healthy Communities – Public Safety	ICT Strategy (Roadmap) for HRFE	Tentative Spring 2014	TBD	TBD	TBD

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14/15 Priority Alignment - Service Enhancements

Priority Outcome	Priority Deliverable	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
Healthy Communities – Public Safety – HRM citizens and visitors feel safe where they live, work, and play	Increase Volunteer Honorariums	200,000		
Healthy Communities – Public Safety	HRM Hazard, Risk & Vulnerability Assessment	125,000		
Healthy Communities – Public Safety	Dry Hydrant Surveys	232,500		
Healthy Communities – Public Safety	E-Learning ICT Business Case 0902 - Training Division - 1 FTE Position	120,000		

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