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Item No. 4

**Committee of the Whole
March 25, 2015**

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Doug Trussler, Chief, Halifax Regional Fire & Emergency

DATE: March 9, 2015

SUBJECT: Proposed 2015/16 Fire & Emergency Business Unit Budget and Business Plan

ORIGIN

At the October 21, 2014 Committee of the Whole, Council directed staff to present the 2015/16 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 2015/2016 Halifax Regional Fire & Emergency Business Unit 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 15/16 Budget and Business Plan documents.

BACKGROUND

As part of the design of the 2015/2016 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 18, 2014 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and directed staff to: "develop the 2015/16 Budget and Business Plans in support of these priorities."

DISCUSSION

Staff has prepared the proposed 15/16 Budget consistent with the preliminary fiscal direction received from Council on October 21, 2014 and aligned with Council Priorities as directed on November 18, 2014.

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 2015/16 Budget and Business Plan documents to be presented to Council, as per the process and schedule endorsed by Regional Council on October 21, 2014.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed budget for 2015-16. 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.

ATTACHMENTS

Halifax Regional Fire & Emergency Business Unit 2015 – 2016 Budget and Business Plan Presentation

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Rita Clarke – Coordinator, HRP, 902.490.5614

Original Signed

Report and Financial
Approval by:

Greg Keefe, Director of Finance & ICT/CFO, 902.490.6308

The logo for the City of Halifax, featuring the word "HALIFAX" in a bold, white, sans-serif font. The text is positioned within a dark blue geometric shape that forms part of a larger background design consisting of overlapping triangles in various shades of blue.

2015/16 Halifax Regional Fire & Emergency Draft Budget and Business Plan

Committee of the Whole

January 28, 2015

Business Unit Overview

- ❑ Halifax Regional Fire & Emergency (HRFE) provides a full range of emergency services including: fire prevention, fire suppression and rescue, technical rescue, hazardous materials response including CBRNE (chemical, biological, radioactive, nuclear, & explosive), pre-hospital emergency medical services, and emergency preparedness.

Service Areas

- ❑ **Operations** - Provides emergency service protection.
- ❑ **Operations Support** – Provides public fire safety information and prevention services in addition to supporting emergency operations.
- ❑ **Emergency Management Office** – Coordinates multi-agency / multi-jurisdictional response, and ensures a professional municipal response to emergencies by providing leadership to HRM and agencies to ensure readiness in the event of a disaster or large scale emergency situation.

14/15 Progress Update

14/15 Plan	Progress Update
Operational Review/Strategic Master Plan	<ul style="list-style-type: none"> • Executive Council Dec 15, 2014 • COW March 10, 2015
Fire Underwriters Study (FUS)	<ul style="list-style-type: none"> • In receipt of final draft copy
Human Resource Initiatives	<ul style="list-style-type: none"> • Volunteer recruitment ongoing • Outreach committee to be re-enacted Jan, 2015 • Succession Planning ongoing • Professional Certification has begun
Communications and Technology Roadmap	<ul style="list-style-type: none"> • 5 Year Plan developed • Portion of Year 1 approved in Capital Budget • Seeking endorsement from Council for 5 year plan

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Operating Budget Overview

Cost Element Groups	2013-14		2014-15		2015-16
Expenditures	Budget	Actual	Budget	Q3 Projection	Proposed
* Compensation and Benefits	52,110,400	51,801,300	54,258,400	54,190,900	54,827,900
* Office	456,300	422,700	272,100	270,900	272,100
* External Services	271,000	295,500	517,500	508,100	542,500
* Supplies	497,500	606,400	492,000	598,400	552,000
* Materials	0	8,000	0	11,100	0
* Building Costs	152,100	168,000	170,600	174,600	171,600
* Equipment & Communications	909,300	551,400	409,300	416,800	408,300
* Vehicle Expense	0	700	0	300	0
* Other Goods & Services	1,189,300	989,200	1,114,900	974,600	944,900
* Interdepartmental	0	7,400	0	800	0
* Debt Service	981,000	981,500	907,700	907,700	726,400
* Other Fiscal	48,500	470,500	152,500	152,500	167,500
** Total	56,615,400	56,302,600	58,295,000	58,206,700	58,380,700
Revenues					
* Tax Revenue					
* Area Rate Revenue					
* Fee Revenues	-81,100	-79,100	-81,100	-81,100	-81,100
* Other Revenue	-566,300	-297,300	-461,600	-265,000	-261,600
** Total	-647,400	-376,400	-542,700	-346,100	-342,700
Net Surplus/Deficit	55,968,000	55,926,200	57,752,300	57,860,600	58,270,500

2015/16 Halifax Regional Fire & Emergency Draft Budget and Business Plan

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Staff Counts (FTEs)

Service Area	2014/2015 FTEs	2015/2016 FTEs
HRFE Business Unit Total		
Operations	406	406
Operations Support		
Training	12	12
Fire Prevention	17	17
Administration	36	36
Logistics	9	9
Communications	1	1
EMO	1	1
Total	482	482

Service Area Budget Overview

Net HRFE Expenses by Service Area	13/14		14/15		15/16
	Budget	Actual	Budget	Q3 Projection	Proposed Budget
Operations	45,191,200	45,114,600	46,592,200	46,710,500	46,907,900
Operations Support	10,568,200	10,663,000	10,806,700	10,797,200	11,134,000
Emergency Management Office	208,600	148,600	353,400	352,900	228,600
Business Unit Total	55,968,000	55,926,200	57,752,300	57,860,600	58,270,500

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15/16 Operating Budget Highlights

- ❑ The Fire Budget is comprised of over 94% compensation and benefits.
- ❑ The 2015/16 net budget reflects an increase of \$518k from the 2014/15 net budget, primarily related to salary/step level increases for the IAFF (\$550k) and Non Union and NSUPE groups(\$100k).
- ❑ A reduction in revenue(\$200k) for Fire Prevention Inspections that has not gone forward has been removed.
- ❑ Expense reductions of \$331k are the result of reduced debt charges (\$181k) and line item efficiencies identified(\$150k).

Year to Year Base Comparison

14/15 Services at 15/16 Costs including Inflation, Contracts, etc.

Service Area	14/15 Budget	15/16 Cost	15/16 Proposed
Operations	46,592,200	46,932,900	46,907,900
Operations Support	10,806,700	11,459,000	11,134,000
Emergency Management Office	353,400	228,600	228,600
Business Unit Total	57,752,300	58,620,500	58,270,500

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15/16 Cost Reduction Initiatives

Cost Reduction Initiative	Proposed 15/16 Saving	Projected 16/17 Saving	Projected 17/18 Saving
Line item reductions.	150,000		
Total to offset Base Cost increase	150,000		

15/16 Priority Initiatives

Priority Outcome (Why we are doing it)	Strategic Initiative (What we propose to do)	Proposed 15/16 Cost	Projected 16/17 Cost	Projected 17/18 Cost
Healthy Communities – Public Safety	HRFE Operational Review / Strategic Master Plan	0	0	0
Healthy Communities – Public Safety	HRFE Communications and Technology Roadmap	0	0	0
Healthy Communities – Public Safety	HRFE Human Resources Initiatives	0	0	0

15/16 New or Expanded Services(Base)

Priority Outcome Supported	New or Expanded Service	Proposed 15/16 Cost	Projected 16/17 Cost	Projected 17/18 Cost
Healthy Communities – Public Safety	Hire 5 for Station 28 (Sheet Harbour) Firefighters (Assumes Oct 1, 2015 hire date) based on Operational Review original recommendation.	189,000	249,600	45,400
Healthy Communities – Public Safety	Two new replacement stations for station 8 (Bedford) and station 9 (Sackville) based on Operational Review original recommendation. Capital Budget.		10m to 14m	
Healthy Communities – Public Safety	Service Delivery Standard & Admin Order 24 Review- Consultant Cost.	200,000		

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15/16 New or Expanded Services (Resulting from Council Recommendations following Operational Review)

Priority Outcome Supported	New or Expanded Service	Proposed 15/16 Cost	Projected 16/17 Cost	Projected 17/18 Cost
Healthy Communities – Public Safety	Additional Costs resulting from Council's direction following Fire Services Operational Review- Supplementary Report presentation will be tabulated and added here.	TBA	TBA	TBA

Questions and Discussion

