

**VAUGHAN FIRE & RESCUE SERVICE  
2004 OPERATING BUDGET BREAKDOWN OF  
NON-CONTROLLABLE EXPENDITURE IMPACTS**

**Recommendation**

The Fire Chief, in consultation with the Director of Budgeting & Financial Planning, recommends:

1. That the report of the Fire Chief be received.

**Purpose**

Budget Committee, at its meeting on February 27, 2004, requested in Item 3, Clause 7:

“That staff provide a breakdown of the \$750,000 allocated to Fire Station 7-8, including any impact on the pre-budget approval request for the Woodbridge Expansion Area New Fire Station 7-9;”

**Background - Analysis and Options**

The following table of information was provided to Budget Committee on February 27<sup>th</sup>, on page 6 of the ‘Non-Controllable Increases’ report of the Commissioner of Finance:

*Table 1*

<b>Fire and Rescue Service</b>		
Reclassifications, progressions, service pay and acting pay	\$509,475	
Fire Station 7-8, full year impact of 2003 hires and staffing promotions to Captain	\$750,000	
Benefits adjustment (Canada Life and OMERS)	\$402,060	
Increased mtce costs, add'l apparatus/equipment & increased reserve fund contribution	\$200,000	
2004 impact of gapping (Manager Emergency Planning & Fire Prevention Technologist)	\$37,665	
Phase II-Public Access Defib Program Heart Alive Program	\$20,000	
Transfer to reserves - Insurance	\$98,825	<b>\$2,018,025</b>

**Preliminary Budget Estimates:**

In June 2003, the Fire Chief provided a confidential draft memo to the City Manager and Director of Budgeting and Financial Planning, outlining the estimated 2004 budget impacts of various Non-Controllable and Controllable Revenue and Expenditures, in preparation of the Draft 2004 Operating Budget.

The Fire Chief had identified the various impacts which summarized into the above table; however the draft estimates for staffing cost impact originally included \$1,500,000 for both Fire Stations 7-8 (staffing approved in 2003) and Station 7-9 in the draft memo. However, the Fire Chief was directed to only include the staffing costs for Station 7-8 in the ‘Non-Controllable Expenditures’ category and to move the staffing costs for Station 7-9 to the ‘Controllable’ category and to prepare the appropriate Schedule F Request for New Complement.

The \$1.5M estimate for two new fire stations staffing costs were simply cut in half to reflect \$750,000 for the full-year staffing impact of only Station 7-8 in 2004. The balance of the impacts was distributed among the items listed in the table, forming the basis of the 2004 Funding Envelope for the VFRS.

Detailed Budget Estimates Review:

In preparation of this report, the Fire Chief undertook a detailed review of the salary-related components of the draft 2004 Operating Budget, to accurately reflect the current status of all staff, as there have been several resignations/retirements and LTD/LOA absences since preparation of the draft budget. Thus, the actual salary 'gapping' is now included in the estimates that reflect a change for the above-noted increase of \$2,018,025 in Table 1 to the revised amount of \$1,897,453 as presented in Table 2:

Table 2

<b>Expenditure Accounts</b>	<b>Variance 2003/2004</b>	
Salaries & Wages - Permanent	\$561,525	
Salaries & Wages - Overtime	\$16,740	
Salaries & Wages - Part Time	\$0	
Benefits Perm @ 25%	\$824,578	
<b>Salary related variance:</b>		<b>\$1,402,843</b>
Various accounts net-variances:	\$119,855	
Trans. to Reserves - Insurance	\$98,825	
Trans. to Reserves - Other	\$275,950	
<b>Non-Salary related variance:</b>		<b>\$494,630</b>
<b>Total Departmental Variance 2003/2004:</b>		<b>\$1,897,473</b>

As Table 1 presented the distribution of Non-Controllable Costs at a higher level in groupings of generic descriptors, the following Table 3 presents the revised salary cost distribution; including 'gapping', at a more-detailed level of data extracted from the various salary line-item components of the draft 2004 operating budget documents of the VFRS:

Table 3

Collective Agreement rates impact 2003/2004 i.e. Jan'03@\$63,204 & Jul'03@\$64,024 = \$63,614 vs Jan'04@\$64,024	\$73,800	
Progression of 35 employees @ 10% of 1st Class rates@\$64,024	\$224,070	
Benefits increase from 19.5% to 25% & OMERS	\$824,578	
Hire 20 Firefighters Sta 7-8 @ 11.4FTE\$ Budget impact in 2003, now 20FTE\$ in 2004 (including progression, but not benefits)	\$461,850	
Promote 4 Capts @ Sta 7-8 for 2.5 months in 2003, now 12 months in 2004	\$40,375	
Acting pay to replace the 4 Capts @Sta78 on vacation/lieu days/sick leave, etc.	\$7,800	
Overtime/Service Pay/Acting Pay	\$22,240	
Gapping x11: retirees/resignees/LTD/LOA	-\$251,950	
<b>Salary related variance:</b>		<b>\$1,402,843</b>

Station 7-8 Full-Year Impact of 2003 Hires:

In order to understand how the budgeting for firefighter salaries is done, the top chart on *Attachment 1* lists the start date of the firefighters in 2003 (two recruit classes: April and August) and the number of pays each firefighter received at the appropriate job classification salary rate, for the actual time of employment in 2003, including salary costs for the Captains for two months, plus benefits: \$624,934 and 11.4 Budget FTEs.

The lower chart on *Attachment 1* shows the same firefighters and the number of pays they will receive at the appropriate rates, including progressions to the next job classification on their respective anniversary dates in 2004, including Captains for the full 12 months, plus benefits: \$1,290,466 and 20 Budget FTEs.

Compared to the earlier estimate of **\$750,000** for “Fire Station 7-8, full year impact of 2003 hires and staffing promotions to Captain”, as provided in Table 1 above, the year-2003 to year-2004 salary and benefit impact for the staffing of Fire Station 7-8 on Racco Parkway is more-accurately calculated to be **\$665,532**.

The multiple-year costs and year-over-year impacts of the 2003-hires of 20 firefighters for Station 7-8, inclusive of all operating/ maintenance/ reserve fund costs, is detailed on *Attachment 2* and summarized below in Table 4:

Table 4

Station 7-8 Total Budgeted Operating Costs & Annual Impacts 2003-2009						
2003	2004	2005	2006	2007	2008	2009
\$670,934	\$1,385,466	\$1,568,775	\$1,734,838	\$1,804,625	\$1,804,625	\$1,804,625
	\$714,532	\$183,309	\$166,063	\$69,787	\$0	\$0

Station 7-9 Impact of Proposed 2004 Hires:

The multiple-year costs and year-over-year impacts of the approved 2004-hires of 12 firefighters for Station 7-9 (4 to be hired in April and 8 to be hired in August) and 8 firefighters proposed to be hired in January 2005, inclusive of all operating/ maintenance/ reserve fund costs, is also detailed on *Attachment 2* and summarized below in Table 5:

Table 5

Station 7-9 Total Budgeted Operating Costs & Annual Impacts 2003-2009						
2003	2004	2005	2006	2007	2008	2009
\$0	\$370,000	\$1,294,575	\$1,510,900	\$1,675,370	\$1,791,088	\$1,804,625
	\$370,000	\$924,575	\$216,325	\$164,838	\$115,350	\$13,537

Long Range Forecasts:

Attachment 2 includes annual estimated operating budget expenditures for routine maintenance, expendable supplies and operating costs of facilities, equipment and employees (other than salary & benefits). Appropriate allowances for re-capitalization and major repairs/upgrades, for fire vehicles, major equipment and buildings/facilities, are also provided. These funds would be contributions to the Fire Equipment Reserve Fund, which is funded from taxation in the operating budget expense.

In addition, other direct expenses, not budgeted in the fire budget, would impact other departmental budgets, such as: telecommunications and computer replacements, network expenses, utility costs, snow and garbage removal, minor maintenance, etc. Other indirect expenses, such as Human Resources, Payroll, HelpDesk/Technology services, etc., that could be impacted by one new fire station and 20 firefighters, then a second new station and another 20 new firefighters, within a couple of years, would eventually impact the work-load of other departmental budgets, and are not accounted herein.

## **Conclusion**

The Fire Chief was asked to "...provide a breakdown of the \$750,000 allocated to Fire Station 7-8", as a part of the \$2,018,025 non-controllable impact 2003-2004; to which the Fire Chief indicated that the budget report estimate of the \$750,000 is "...more-accurately calculated to be \$665,532" and that the balance of the \$2,018,025 was further reviewed "...to accurately reflect the current status of all staff...that reflect a change for the above-noted increase of \$2,018,025 to the revised amount of \$1,897,453" and thus identifying a reduction of about \$120,000.

The identified reduction of \$120,000 is reflected in the \$10M Budget Shortfall Reduction Initiative which is part of a separate report on the April 8, 2004 Budget Committee Agenda.

The Fire Chief was also asked to "...include any impact on the pre-budget approval request for the Woodbridge Expansion Area New Fire Station 7-9", to which the Fire Chief provided summary tables and detailed attachment, indicating the total annual budget operating costs and year-over-year impacts of Fire Stations 7-8 and 7-9 for the years 2003 to 2009.

## **Attachments**

1. Station 7-8 Full-Year Staffing Impact 2003-2004
2. Stations 7-8 & 7-9 Operating Budget Costs and Impacts 2003-2009

Respectfully submitted,

John B. Sutton  
Fire Chief

## Salary & Benefits Costs for 20 Staff, Station 7-8, 2003 vs 2004

2003	Start Date	# Pays @ %							\$FTE	
New Sta 7-8, 1 of 20	2003/04/07	6	70%	0	70%	13	70%	\$32,751	0.7	
New Sta 7-8, 2 of 20	2003/04/07	6	70%	0	70%	13	70%	\$32,751	0.7	
New Sta 7-8, 3 of 20	2003/04/07	6	70%	0	70%	13	70%	\$32,751	0.7	
New Sta 7-8, 4 of 20	2003/04/07	6	70%	0	70%	13	70%	\$32,751	0.7	
New Sta 7-8, 5 of 20	2003/04/07	6	70%	0	70%	13	70%	\$32,751	0.7	
New Sta 7-8, 6 of 20	2003/04/07	6	70%	0	70%	13	70%	\$32,751	0.7	
New Sta 7-8, 7 of 20	2003/04/07	6	70%	0	70%	13	70%	\$32,751	0.7	
New Sta 7-8, 8 of 20	2003/04/07	6	70%	0	70%	13	70%	\$32,751	0.7	
New Sta 7-8, 9 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 10 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 11 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 12 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 13 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 14 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 15 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 16 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 17 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 18 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 19 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
New Sta 7-8, 20 of 20	2003/07/07	0	70%	0	70%	12	70%	\$20,685	0.5	
Sta 7-8 Officer/Acting Officer salaries only:								\$12,730		
								\$522,958		
Benefits @ 19.5%:								\$101,977	11.4	
								<u>\$624,934</u>		
2004	Start Date	# Pays @ %							\$FTE	
New Sta 7-8, 1 of 20	2003/04/07	7	70%	6	80%	14	80%	\$49,559	1.0	
New Sta 7-8, 2 of 20	2003/04/07	7	70%	6	80%	14	80%	\$49,559	1.0	
New Sta 7-8, 3 of 20	2003/04/07	7	70%	6	80%	14	80%	\$49,559	1.0	
New Sta 7-8, 4 of 20	2003/04/07	7	70%	6	80%	14	80%	\$49,559	1.0	
New Sta 7-8, 5 of 20	2003/04/07	7	70%	6	80%	14	80%	\$49,559	1.0	
New Sta 7-8, 6 of 20	2003/04/07	7	70%	6	80%	14	80%	\$49,559	1.0	
New Sta 7-8, 7 of 20	2003/04/07	7	70%	6	80%	14	80%	\$49,559	1.0	
New Sta 7-8, 8 of 20	2003/04/07	7	70%	6	80%	14	80%	\$49,559	1.0	
New Sta 7-8, 9 of 20	2003/07/14	14	70%	0	80%	13	80%	\$47,899	1.0	
New Sta 7-8, 10 of 20	2003/07/14	14	70%	0	80%	13	80%	\$47,899	1.0	
New Sta 7-8, 11 of 20	2003/07/14	14	70%	0	70%	13	80%	\$47,899	1.0	
New Sta 7-8, 12 of 20	2003/07/14	14	70%	0	70%	13	80%	\$47,899	1.0	
New Sta 7-8, 13 of 20	2003/07/14	14	70%	0	70%	13	80%	\$47,899	1.0	
New Sta 7-8, 14 of 20	2003/07/14	14	70%	0	70%	13	80%	\$47,899	1.0	
New Sta 7-8, 15 of 20	2003/07/14	14	70%	0	70%	13	80%	\$47,899	1.0	
New Sta 7-8, 16 of 20	2003/07/14	14	70%	0	70%	13	80%	\$47,899	1.0	
New Sta 7-8, 17 of 20	2003/07/14	14	70%	0	70%	13	80%	\$47,899	1.0	
New Sta 7-8, 18 of 20	2003/07/14	14	70%	0	70%	13	80%	\$47,899	1.0	
New Sta 7-8, 19 of 20	2003/07/14	14	70%	0	70%	13	80%	\$47,899	1.0	
New Sta 7-8, 20 of 20	2003/07/14	14	70%	0	70%	13	80%	\$47,899	1.0	
Sta 7-8 Officer/Acting Officer salaries only:								\$61,105		
								2004	\$1,032,373	20.0
Benefits @ 25%:								\$258,093		
								<u>\$1,290,466</u>		
								-2003	<u>\$-624,934</u>	
<b>Sta 7-8 salaries/benefits, difference 2003 vs 2004:</b>								<b>\$665,532</b>		



**Operating Budget Costs and Impacts for Fire Stations #7-8 and #7-9 from Year-2003 to Year-2009** Attachment 2

	2007												2008												2009											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
1 Sta 7-8 FF (8 of 20) Start 2003/04/07	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
2 Sta 7-8 FF (12 of 20) Start 2003/07/14	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
3 Sta 7-8 Captains (4)	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C		
4 Sta 7-8 Fire Truck																																				
5 Fire Station 7-8 Opens																																				
6 Sta 7-9 FF (4 of 20) Start 2004/04/19	2	2	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
7 Sta 7-9 FF (8 of 20) Start 2004/08/09	2	2	2	2	2	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
8 Sta 7-9 FF (8 of 20) Start 2005/01/10	3	2	2	2	2	2	2	2	2	2	2	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
9 Sta 7-9 Captains (4)	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C		
10 Sta 7-9 Fire Truck																																				
11 Fire Station 7-9 Opens																																				
12 Sta 7-8 Salary & Benefits:																																				
13 Sta 7-8 Hiring/ Training Start-up Costs:																																				
14 Sta 7-8 Apparatus / Vehicle & Equipment Re- Capitalization Reserve Fund:																																				
15 Sta 7-8 Fire Station Re- Capitalization Reserve Fund:																																				
16 Sta 7-8 Fire Apparatus/ Equipment/ Maintenance/ Training/ Annual Operating Costs:																																				
17 Sta 7-8 Fire Station/ Maintenance/ Annual Operating Costs:																																				
18 Sub-Total Sta 7-8:																																				
19 Sta 7-8 Year-Over-Year:																																				
20 Sta 7-9 Salary & Benefits:																																				
21 Sta 7-9 Hiring/ Training Start-up Costs:																																				
22 Sta 7-9 Apparatus/ Vehicle & Equipment Re- Capitalization Reserve Fund:																																				
23 Sta 7-9 Fire Station Re- Capitalization Reserve Fund:																																				
24 Sta 7-9 Fire Apparatus/ Equipment/ Maintenance/ Training Annual Operating Costs:																																				
25 Sta 7-9 Fire Station/ Maintenance/ Annual Operating Costs:																																				
26 Sta 7-4 Reduced Volunteer Call-Out Costs:																																				
27 Sub-Total Sta 7-9:																																				
28 Sta 7-9 Year-Over-Year:																																				
29 Total Sta 7-8 & 7-9:																																				
30 Sta 7-8 & 7-9 Year-Over-Year:																																				

C = Captain Salary = 120% of 1st Class Rate

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33  
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