

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed  
\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** January 25, 2017

**SUBJECT:** Proposed 2017/18 Multi-year Halifax Regional Fire & Emergency Budget and Business Plan

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## **ORIGIN**

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented in the Information Report of November 22, 2016, staff is required to present the 2017/18 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 2017/2018 Multi-year Halifax Regional Fire & Emergency Budget and Business Plan, including 2018/2019 in principle, as proposed in the accompanying presentation and consistent with the preliminary fiscal direction.

## **BACKGROUND**

As part of the design of the 2017/2018 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 December 6, 2016 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and on December 14, 2016 provided fiscal direction for the 17/18 multi-year budget, directing staff to: "develop the 2017/18 Multi-year Budget and Business Plans in support of the fiscal direction and approved priorities."

## **DISCUSSION**

Staff has prepared the proposed 17/18 Budget consistent with the preliminary fiscal direction received from Council on December 14, 2016 and aligned with Council Priorities as approved on December 6, 2016.

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 2017/18 Multi-year Budget and Business Plan documents to be presented to Council, as per the process and schedule in the November 22, 2016 Information Report.

## **RISK CONSIDERATION**

None are specifically associated with this report.

## **FINANCIAL IMPLICATIONS**

The recommendations in this report will lead to the development of a proposed 2017-18 Multi-year budget. 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 2017 – 2018 Multi-year 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, Policy & Business Unit Coordinator, 902.490.5614

Report Approved by: Original Signed  
\_\_\_\_\_  
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Report and Financial Approval by: Original Signed  
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Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308

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**HALIFAX**

# **Halifax Regional Fire & Emergency Multi-Year Budget & Business Plan**

Committee of the Whole on Budget

February 8, 2017

# Business Unit Overview



Our members are dedicated to enhancing and preserving quality of life, property and environment through education, leadership, partnerships and effective response to emergencies to ensure the citizens of HRM live in safe, inclusive and welcoming communities.



# Service Areas

## □ Operations

The Operations Division provides emergency service protection using both Career and Volunteer fire crews, providing a full range of emergency services to every part of HRM operating out of 51 fire stations:

- 8 - 24hr Career Stations
- 10 - 24hr Career Composite Stations (Career & Volunteer)
- 11 - 10.5hr Career Composite Stations (Career & Volunteer)
- 22 - Volunteer Stations



# Service Areas

## □ Operations Support

Support Divisions operate from a number of satellite locations in HRM providing a number of functions including:

- Fire Prevention services (public fire safety education, fire investigation, life safety inspections and plans examination)
- Professional Development, Training and Safety-related services
- Logistics services

## □ Emergency Management Office

The EMO coordinates multi-agency/multi-jurisdictional response, and coordinates 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.



# Accomplishments / Stats

## ❑ **11041 Total Emergency Incidents 2016**

- 2739 fire responses
- 2097 motor vehicle incident responses
- 2773 medical-related responses
- 3149 alarms
- 283 other

## ❑ **Fire Prevention Review**

- Operational crews are now conducting FSMI Inspections
- Improved business processes resulted in increased completed inspections
  - 26% increase in satisfactory inspections
  - 45% increase in total inspections per inspector



# Accomplishments / Stats

## □ Operational Review

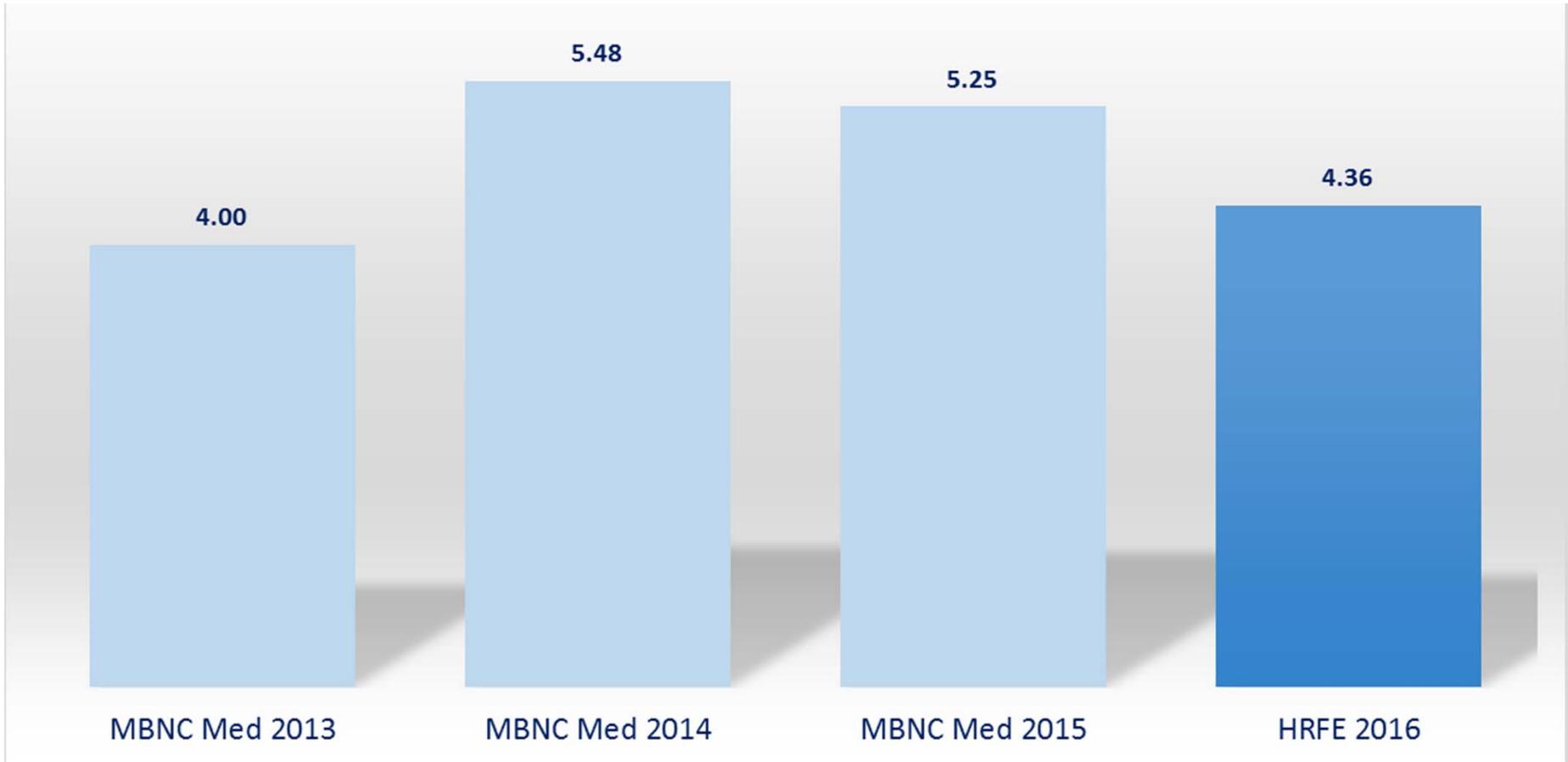
- Completed Phase 2 of Operational Review
- Staffed Station 28 (Sheet Harbour) with E Platoon Crew
- Initiated Service Delivery Standard and Admin Order 24 Review
- Recruited Volunteers for Station 4 (Lady Hammond)
- Completed Year 2 Communications & Technology Roadmap including implementation of Volunteer Notification software

## □ Outreach & Recruitment

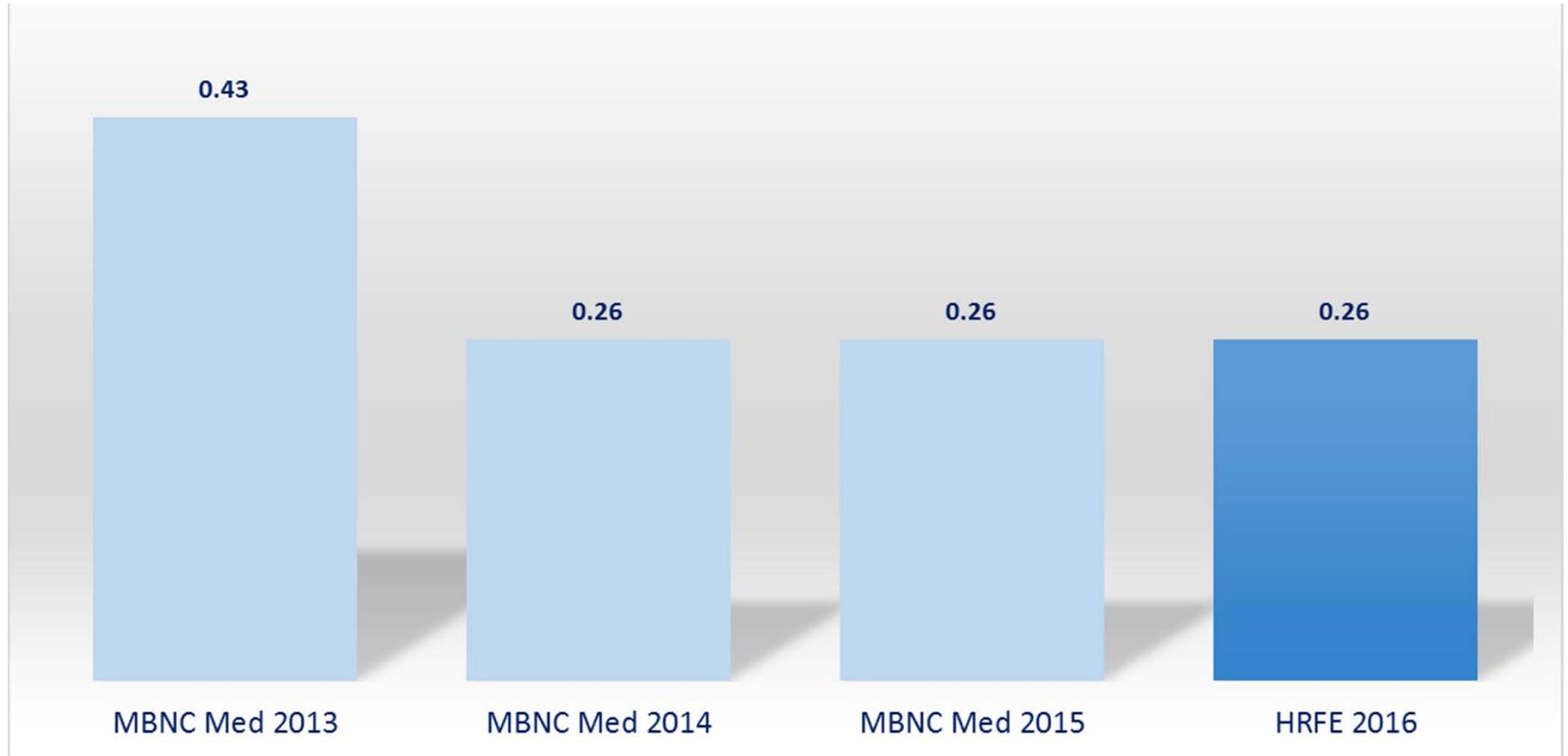
- Utilized New Career Recruitment Process
- 16 new Career / 57 new Volunteer Firefighters
- Implemented New Volunteer Honorarium system
- Created a 2 year temporary special assignment - Diversity & Community Liaison Officer
- Outreach Committee attended 15 community engagements



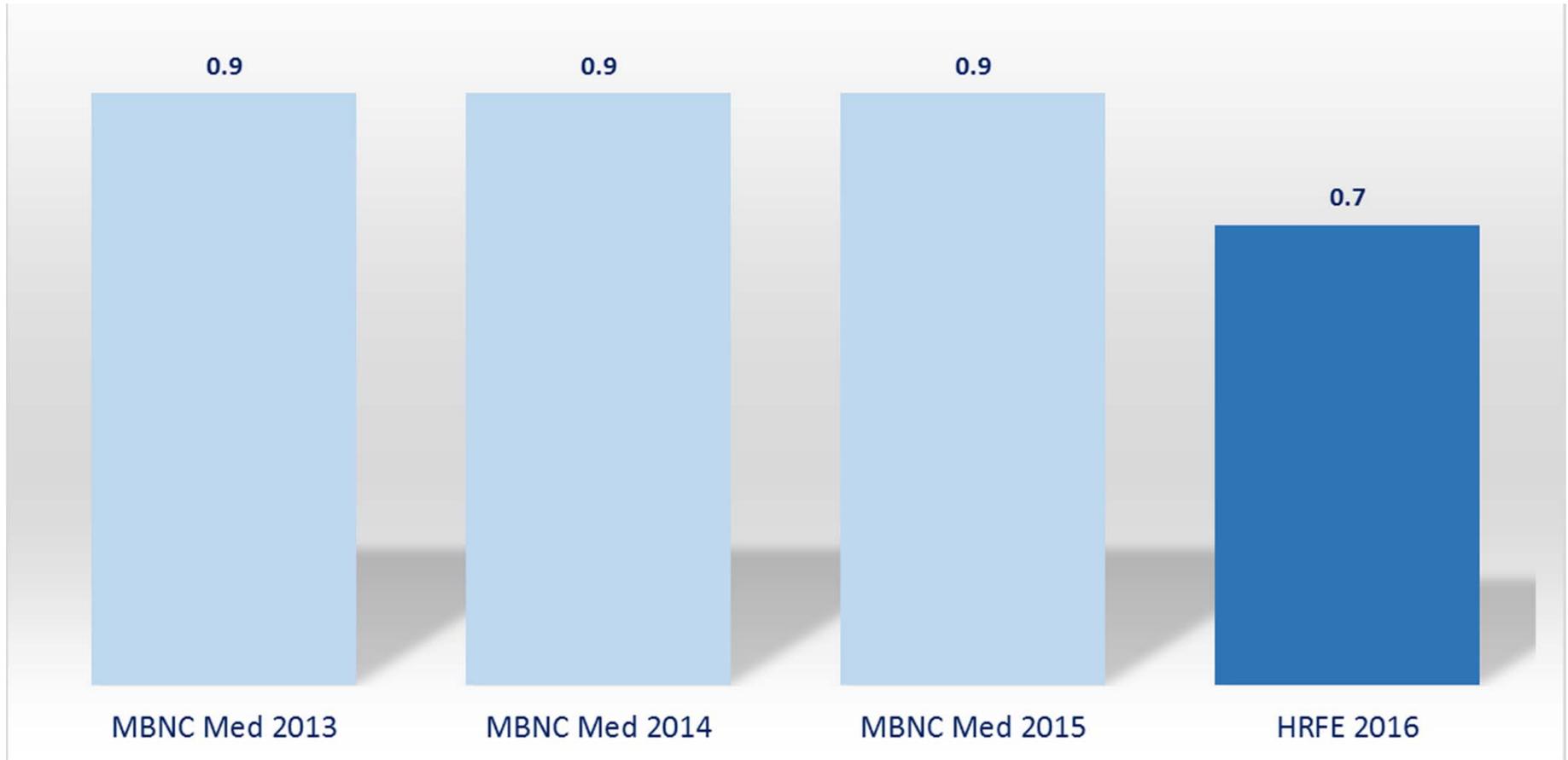
# Residential Fire Related Injuries per 100,000 population (Entire Municipality)



# Residential Fire Related Fatalities per 100,000 population (Entire Municipality)



# Rate of Residential Structural Fires with Losses per 1,000 Households (Entire Municipality)



# 16/17 Update

| 16/17 Plan  | Status Update  |
|---|--|
| <b>HRFE Operational Review</b>                      | <ul style="list-style-type: none"> <li>• Administrative Order 24 &amp; Service Delivery Standard review ongoing</li> <li>• E Platoon at Stn. 28 (Sheet Harbour) operational</li> <li>• Volunteer recruitment for Stn. 4 (Lady Hammond) is complete</li> <li>• Volunteer recruitment for Stn. 13 (King Street) has started</li> </ul> |
| <b>HRFE HR Initiatives</b>                          | <ul style="list-style-type: none"> <li>• New recruitment process successful</li> <li>• 20 career recruits to begin training in March 2017</li> <li>• Created a temporary special assignment for a Diversity &amp; Community Liaison Officer</li> <li>• Succession planning and Career Pathing underway</li> </ul>                    |
| <b>HRFE Communications &amp; Technology Roadmap</b> | <ul style="list-style-type: none"> <li>• Volunteer notification software implemented</li> <li>• FDM review complete</li> <li>• Roster Opportunity Assessment complete</li> <li>• Mobility project has started</li> </ul>   |



# Initiatives

Revised

| Initiative / Priority Outcome                                 | Proposed 2017/18 Cost | Projected 2018/19 Cost | Efficiency Gain / Value for \$ / Comment   |
|---|-----------------------|------------------------|--|
| <b>HRFE Operational Review (Operating)</b>                    | \$466,300             | \$1,619,600            | <p>Increased crew sizes at:</p> <ul style="list-style-type: none"> <li>• Stn. 8 (Bedford)</li> <li>• Stn.16 (Eastern Passage)</li> <li>• Stn. 17 (Cole Harbour)</li> <li>• Stn. 58 (Lakeside)</li> <li>• Stn. 12 (Highfield Park)</li> </ul> |
| <b>HRFE HR (Operating)</b>                                    | No incremental cost   | No incremental cost    | <ul style="list-style-type: none"> <li>• Improved succession and career planning</li> <li>• Improved outreach and community engagement</li> </ul>  |
| <b>HRFE Communications &amp; Technology Roadmap (Capital)</b> | \$900,000             | \$520,000              | <ul style="list-style-type: none"> <li>• Improved KPIs to support data based strategic decisions</li> <li>• Improved rostering and mobility</li> </ul>   |



# Operating Budget Overview

| Expenses by Cost Area      | 2015/16           |                   | 2016/17           |                                     | 2017/18           | 2018/19           |
|----------------------------|-------------------|-------------------|-------------------|-------------------------------------|-------------------|-------------------|
|                            | Budget            | Actual            | Budget            | 3 <sup>rd</sup> Quarter Projections | Proposed Budget   | Proposed Budget   |
| Compensation & Benefits    | 55,130,400        | 54,928,063        | 54,929,700        | 55,494,400                          | 55,788,000        | 56,679,600        |
| Office                     | 272,100           | 216,389           | 252,100           | 253,700                             | 252,100           | 252,100           |
| External Services          | 542,500           | 322,588           | 487,500           | 436,500                             | 487,500           | 487,500           |
| Supplies & Materials       | 559,000           | 740,238           | 589,000           | 841,200                             | 589,000           | 589,000           |
| Building Costs             | 171,600           | 315,099           | 171,600           | 388,900                             | 171,600           | 171,600           |
| Equip & Communications     | 408,300           | 461,053           | 408,300           | 472,800                             | 408,300           | 408,300           |
| Other Goods & Services     | 944,900           | 959,228           | 904,900           | 953,100                             | 904,900           | 904,900           |
| Debt Service               | 726,400           | 726,373           | 682,100           | 682,100                             | 658,800           | 637,200           |
| Other Fiscal               | 167,500           | 156,023           | 192,500           | (463,600)                           | 192,500           | 192,500           |
| <b>Total Expenditures</b>  | <b>58,922,700</b> | <b>58,825,054</b> | <b>58,617,700</b> | <b>59,059,100</b>                   | <b>59,452,700</b> | <b>60,322,700</b> |
| Fee Revenues               | (81,100)          | (68,758)          | (81,100)          | (62,100)                            | (81,100)          | (81,100)          |
| Other Revenue              | (261,600)         | (320,354)         | (231,600)         | (193,100)                           | (231,600)         | (231,600)         |
| <b>Total Revenue</b>       | <b>(342,700)</b>  | <b>(389,113)</b>  | <b>(312,700)</b>  | <b>(255,200)</b>                    | <b>(312,700)</b>  | <b>(312,700)</b>  |
| <b>Business Unit Total</b> | <b>58,580,000</b> | <b>58,435,941</b> | <b>58,305,000</b> | <b>58,803,900</b>                   | <b>59,140,000</b> | <b>60,010,000</b> |



# Service Area Budget Overview

| Expenses by Service Area   | 2015/16           |                   | 2016/17           |                                    | 2017/18           | 2018/19           |
|----------------------------|-------------------|-------------------|-------------------|------------------------------------|-------------------|-------------------|
|                            | Budget            | Actual            | Budget            | 3 <sup>rd</sup> Quarter Projection | Proposed Budget   | Proposed Budget   |
| Operations                 | 47,210,400        | 47,199,592        | 47,057,800        | 47,489,200                         | 47,820,100        | 48,690,100        |
| Emergency Measures         | 228,600           | 205,997           | 254,500           | 257,100                            | 263,400           | 263,400           |
| Training                   | 2,213,000         | 2,271,536         | 2,227,800         | 2,362,900                          | 2,166,700         | 2,166,700         |
| Fire Prevention            | 2,142,100         | 1,817,974         | 1,905,500         | 1,547,900                          | 2,120,800         | 2,120,800         |
| Administration             | 4,429,600         | 4,443,878         | 4,558,500         | 4,310,800                          | 4,480,500         | 4,480,500         |
| Buildings & Logistics      | 2,055,500         | 2,203,846         | 2,000,200         | 2,556,400                          | 1,988,200         | 1,988,200         |
| Communications             | 300,800           | 293,120           | 300,700           | 279,600                            | 300,300           | 300,300           |
| <b>Business Unit Total</b> | <b>58,580,000</b> | <b>58,435,941</b> | <b>58,305,000</b> | <b>58,803,900</b>                  | <b>59,140,000</b> | <b>60,010,000</b> |



# Staff Counts (FTEs)

| <b>Fire &amp; Emergency</b> | <b>2015/16</b> | <b>2016/17</b> | <b>2017/18<br/>(Proposed)</b> | <b>2018/19<br/>(Proposed)</b> |
|-----------------------------|----------------|----------------|-------------------------------|-------------------------------|
| Operations                  | 413            | 413            | 433                           | 445                           |
| Emergency Measures          | 1              | 1              | 1                             | 1                             |
| Training                    | 12             | 12             | 12                            | 12                            |
| Fire Prevention             | 17             | 17             | 17                            | 17                            |
| Administration              | 36             | 36             | 34                            | 34                            |
| Buildings & Logistics       | 9              | 9              | 9                             | 9                             |
| Communications              | 1              | 1              | 1                             | 1                             |
| <b>Business Unit Total</b>  | <b>489</b>     | <b>489</b>     | <b>507</b>                    | <b>519</b>                    |



# Business Unit Capital Budget Implications

| Capital Project Name                           | 17/18 18/19 Capital Budget | OCC in 16/17 (Annualized) | OCC in 17/18 (Prorated) | OCC in 18/19 (Prorated) | Total 2 Year Operating Impact | Outcome Supported / Description of New Cost                        |
|--|----------------------------|---------------------------|-------------------------|-------------------------|-------------------------------|--|
| Fire Station Replacements                      | \$ 2,000,000               | -                         | -                       | -                       | -                             | Public Safety / Land acquisition & preparation, station design     |
| Station 2 Recapitalization                     | \$ 1,780,000               | -                         | -                       | -                       | -                             | Responsibility for resources / State of good repair & upgrades     |
| Consolidated Sambro/Harrietsfield Fire Station | \$ 4,000,000               | -                         | -                       | -                       | -                             | Public Safety / Land acquisition & station build                   |
| FDM Review & Enhancements                      | \$ 300,000                 | -                         | \$ 1,500                | -                       | \$ 1,500                      | Public Safety / Improved data supporting strategic decision making |
| HRFE Rostering / Corporate Scheduling          | \$ 1,120,000               | -                         | \$ 50,000               | -                       | \$ 50,000                     | Responsibility for Resources / Improved rostering capabilities     |



# Business Unit Capital Budget Implications cont.

| Capital Project Name           | 17/18 18/19 Capital Budget | OCC in 16/17 (Annualized) | OCC in 17/18 (Prorated) | OCC in 18/19 (Prorated) | Total 2 Year Operating Impact | Outcome Supported / Description of New Cost   |
|--------------------------------|----------------------------|---------------------------|-------------------------|-------------------------|-------------------------------|---|
| Fire Apparatus Fleet Expansion | \$ 1,400,000               | -                         | -                       | -                       | -                             | Public Safety/ Apparatus for Volunteer crews at Stn. 4 (Lady Hammond) & Stn. 13 (King Street) |
| Fire Apparatus Replacement     | \$ 4,293,000               | -                         | -                       | -                       | -                             | Responsibility for Resources/State of Good Repair   |
| Equipment Replacement          | \$ 2,300,000               | -                         | -                       | -                       | -                             | Responsibility for Resources/State of Good Repair   |
| <b>Total</b>                   | <b>\$17,193,000</b>        | -                         | <b>\$ 51,500</b>        | -                       | <b>\$ 51,500</b>              |   |



# Summary of 2-Year Budget Changes

|                         | <b>Proposed<br/>2017/18 Budget</b> | <b>Proposed<br/>2018/19 Budget</b> |
|-------------------------|------------------------------------|------------------------------------|
| Starting Budget 2016-17 | \$58,305,000                       | \$58,305,000                       |
| Total Change Included   | \$835,000                          | \$1,705,000                        |
| <b>Proposed Budget</b>  | <b>\$59,140,000</b>                | <b>\$60,010,000</b>                |



# Reconciliation of Proposed Budget to 2016-17 Approved Budget

| Proposed Change  | Proposed<br>2017/18<br>\$ Impact | Projected<br>2018/19<br>\$ Impact | 2 Year<br>Cumulative | Impact on Service Delivery  |
|--|----------------------------------|-----------------------------------|----------------------|---|
| Hiring 32 new firefighters   | \$466,300                        | \$1,619,600                       | \$2,085,900          | * Increased staffing levels at Stns. 8, 16, 17 & 58<br>* Staffed aerial in Dartmouth (Stn. 12)              |
| 25 vacancies budgeted at 4th class FF rate and prorated based on expected hire dates | -\$1,480,900                     | -\$1,480,900                      | -\$2,961,800         | This is a reduction over the amount budgeted for these positions in 2016-17. No impact on service delivery. |
| Step Increases (Year 1 only)   | \$359,500                        | \$359,500                         | \$719,000            | No impact on service delivery.  |
| Administrative Services centralization   | -\$109,900                       | -\$109,900                        | -\$219,800           | HRFE will receive payroll services from Finance. No impact on service delivery.                             |
| Reduction in debt payments   | -\$23,300                        | -\$ 44,900                        | -\$68,200            | No impact on service delivery.  |
| Honorariums  | \$1,140,000                      | \$1,140,000                       | \$2,280,000          | Increased incentives to help recruit and retain active volunteers in targeted rural areas.                  |
| Adjustment to overtime budget required.  | \$360,600                        | \$121,900                         | \$482,500            | Required to fund new service level at Stns. 8, 16, 17 & 58 until new firefighters are hired.                |
| Reduction in gapping as vacant positions are filled.                                 | \$122,700                        | \$99,700                          | \$222,400            | No impact on service delivery.  |
| <b>Total Impact of changes</b>   | <b>\$835,000</b>                 | <b>\$1,705,000</b>                | <b>\$2,540,000</b>   |   |



# Changes Included in Proposed Budget

| Proposed Change  | Proposed<br>2017/18 \$<br>Impact | Projected<br>2018/19<br>\$ Impact | 2 Year<br>Cumulative | Impact on Service<br>Delivery   |
|--|----------------------------------|-----------------------------------|----------------------|---|
| Hire 32 new firefighters;<br>20 in 2017/18 and 12 in<br>2018/19. | \$466,300                        | \$1,619,600                       | \$2,085,900          | As per Council direction:<br><br>2017/18 – add career<br>firefighters at Stns. 8<br>(Bedford), 16 (Eastern<br>Passage), 17 (Cole<br>Harbour) & 58 (Lakeside) to<br>staff apparatus with a crew<br>of 4.<br><br>2018/19 – add career<br>firefighters at Stn. 12<br>(Highfield Park) to staff the<br>aerial with a crew of 2. |
| <b>Total Impact of changes</b>                                   | <b>\$466,300</b>                 | <b>\$1,619,600</b>                | <b>\$2,085,900</b>   |   |



# Operating Options Over Budget

| Option Description  | 2017/18 Amount   | 2017/18 Avg Bill Impact | 2018/19 Amount    | 2018/19 Avg Bill Impact | 2 Year Cumulative | Strategic Alignment (Priority Outcome) |
|---|------------------|-------------------------|-------------------|-------------------------|-------------------|--|
| One-time cost to commemorate firefighters' loss of life during Halifax Explosion at various 100 <sup>th</sup> Anniversary events (i.e. Canadian Fallen Firefighters Ceremony & Royal NS Tattoo) | \$150,000        | +\$0.59                 | -\$150,000        | -\$0.59                 | \$0               | Arts, culture and heritage             |
| <b>Total Impact of options</b>  | <b>\$150,000</b> | <b>+\$0.59</b>          | <b>-\$150,000</b> | <b>-\$0.59</b>          | <b>\$0</b>        |  |

\* per \$100 of taxable assessment



# HRFE Top Priorities

- ❑ Continue completing Council-Approved Operation Review recommendations including:
  - Service Delivery Target Recommendations
  - Administrative Order 24 Amendments
  - Career Firefighter Outreach & Recruitment Program
  - Volunteer Recruitment & Retention Initiatives
  
- ❑ 'Stay the Course' – Implement Year 3 Projects of Technology Roadmap
  - Data Collection & Reporting
  - Mobility
  - Rostering
  
- ❑ Continue upward trend of completed Life Safety Fire Inspections
  
- ❑ Systematic, deliberate career development and succession management



# Questions and Discussion

