

# HALIFAX

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**Item No. 3 (iii)**  
**Budget Committee**  
**May 26, 2020**

**TO:** Chair and Members of Budget Committee (Standing Committee of the Whole on Budget)

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

**DATE:** May 22, 2020

**SUBJECT:** Supplementary Report from HRFE Staff with Additional Budget Considerations

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## **SUPPLEMENTARY INFORMATION REPORT**

### **ORIGIN**

On May 20, 2020, Halifax Regional Council passed the following motion:

THAT the Budget Committee request a Supplementary Report from Halifax Regional Fire & Emergency to provide Regional Council with additional budget considerations of the proposed budget reduction for a reduction of \$4.5 million and \$3.5 million in comparison to the proposed \$5 million budget reduction.

### **LEGISLATIVE AUTHORITY**

The Halifax Regional Municipality Charter 2008, c. 39, 5. 1. confers legislative authority to maintain and provide fire and emergency services by providing the service, assisting others to provide the service, or working with others to provide the service.

Administrative Order 2018-OP-006 Respecting Halifax Regional Fire & Emergency in Halifax Regional Municipality Section 4 (3) The Fire Chief will advise the Chief Administrative Officer or their delegate, and Council at least annually with respect to the provision of efficient, effective, and economical fire and emergency services.

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

### **BACKGROUND**

Due to the COVID-19 pandemic's economic impact on the municipal budget, business units were directed to recast their 2020/21 budgets to reflect the loss in revenue and other economic impacts to the municipality as a result of COVID-19.

On May 20<sup>th</sup>, 2020 Halifax Regional Fire & Emergency (HRFE) presented the revised budget with a budget cut of \$5,386,900.00 from what was previously presented as part of the budget deliberations. The following report will provide Council with the ability for a comparative analysis of the previous budget projections of a \$5,386,900.00 reduction to that of a \$4,500,000.00 or a \$3,500,000.00 reduction.

## **DISCUSSION**

Staff have reviewed all aspects of HRFE's budget to address the two new budget scenarios.

Option A (in the table below) was discussed during the Regional Council meeting on May 20<sup>th</sup>, 2020.

Option B (in the table below) provides some relief to station closures but would still see closure of station 11 and 60 or 50, the volunteer recognition program would still be cut by 425,000, and the GSAR grants and the PTSD support would be as presented in the original target.

Option C (in the table below) would mean that HRFE would not need to close any stations, or see a reduction in service, volunteer honorariums would return to their original funding as well as the GSAR grants and PTSD would be mostly covered.

As identified in our presentation to Council this is a best-case scenario presuming normal sick time usage and no unforeseen events that would lead to a spike in overtime.

## **FINANCIAL IMPLICATIONS**

This report provides: additional budget considerations of the proposed budget reduction for a reduction of \$4.5 million and \$3.5 million in comparison to the previously presented \$5,386,900 million budget reduction.

As part of the budget process funding for any increase to a business unit's budget or BAL item must be funded within the overall funding envelop. As part of the budget process once Budget Committee has determined which items, if any, are to be added back to the budget. Finance staff will look at impacts on the tax rate, withdrawal from reserves, reductions in other business units and use of surplus funds to offset any budget increases.

If HRFE's budget was reduced by \$4.5M (\$887K reduction from current target), the average residential tax bill would increase by \$2.97 and the average commercial tax bill by \$63.60. If HRFE's budget was reduced by \$3.5M (\$1.887 M reduction from the original target), the average residential tax bill would increase by \$6.31 and the average commercial tax bill by \$135.20.

## **RISK CONSIDERATION**

As explained to Council on May 20, 2020 for the original budget target options were developed based on the following criteria:

- Adherence wherever possible to the emergency response time targets established by Regional Council in 2018
- Balancing community risk and emergency essential services with available resources.
- Address critical need for emergency response in Fire District 5 East (previously shared).
- Preservation of current career firefighter and fulltime positions to maintain our essential service and legislated responsibilities.
- Preservation of volunteer firefighting positions to maintain our service.
- Contractual and collective agreement obligations.

The new target options followed the same criteria and considered reducing impacts to the following areas as expressed by Council and outlined in the previous report (not in priority order) to the extent possible:

- Reduction to HRFE Volunteer Recognition Program
- Reduce Overtime & close station 11 (24 hrs) to relocate staff to Sheet Harbour with day staff from stations 50 or 60 & 56
- Reduce Grants - Ground Search and Rescue by 1/2
- Withdraw funding request for increase to Professional Services (EFAP) for treatment of PTSD

Option C would provide the least impact to public and firefighter safety by maintaining the current practice of honorarium distribution and ability to recruit and retain volunteers, maintain current emergency response capabilities in stations 11, 50 or 60 and station 56 while addressing community risk in the far eastern region (the Eastern Shore, Middle and Upper Musquodoboit) of HRM.

### **COMMUNITY ENGAGEMENT**

There has been no direct public engagement on the recast budget, however, Halifax Regional Council meetings are open to the public via a live webcast is provided of the meeting, and Council members have provided the residents within their districts with various informational updates such as newsletters, media calls and social media posts, as the deliberations on the budget continue. The agenda, reports, minutes, and meeting video are posted on Halifax.ca. Halifax Professional Fire Fighters Union President Brendan Meagher has provided some information to council members and Chief Stuebing, and a number of Council Members have indicated they have heard from residents concerned about cuts to essential fire and emergency services.

### **ENVIRONMENTAL IMPLICATIONS**

No environmental risks identified.

### **ATTACHMENTS**

<b>Halifax Regional Fire &amp; Emergency</b>	<b>Original - A</b>	<b>Scenario B</b>	<b>Scenario C</b>
<b>2020/21 Budget</b>	<b>\$ 74,506,000</b>	<b>\$ 74,506,000</b>	<b>\$ 74,506,000</b>
<b>Service Changes</b>			
Withdraw funding request for increase to Uniforms & Clothing	(202,500)	(202,500)	(202,500)
Withdraw funding request for increase to Training Materials and Services	(290,000)	(290,000)	(290,000)
Reduction to HRFE Volunteer Recognition Program	(770,000)	(425,000)	-
Reduce Mutual Aid Agreement	(21,200)	(21,200)	(21,200)
Reduce Grants Ground Search and Rescue by 1/2	(70,000)	(70,000)	-
Reduce OT & close stn 11 (24 hours) to relocate staff to Sheet Harbour with day staff from stn 50 or 60 & 56	(1,000,000)	(458,300)	-
Increase Vacancy Target for Hiring Freeze, Retirements & Other Absences	(2,400,000)	(2,400,000)	(2,400,000)
<b>Other Mitigation</b>			
Withdraw funding request for increase to Professional Services (EFAP) for treatment of PTSD	(60,000)	(60,000)	(13,300)
Withdraw funding request to fund Logistics Pressures	(230,000)	(230,000)	(230,000)
Defer EMO Reserve Contribution	(25,000)	(25,000)	(25,000)
General Expenditure Reductions	(318,200)	(318,000)	(318,000)
<b>Total Changes</b>	<b>\$ (5,386,900)</b>	<b>\$ (4,500,000)</b>	<b>\$ (3,500,000)</b>
<b>Revised Budget</b>	<b>\$ 69,119,100</b>	<b>\$ 70,006,000</b>	<b>\$ 71,006,000</b>

A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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Financial Approval by: Original Signed  
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