

**Saskatoon Fire Business Line**

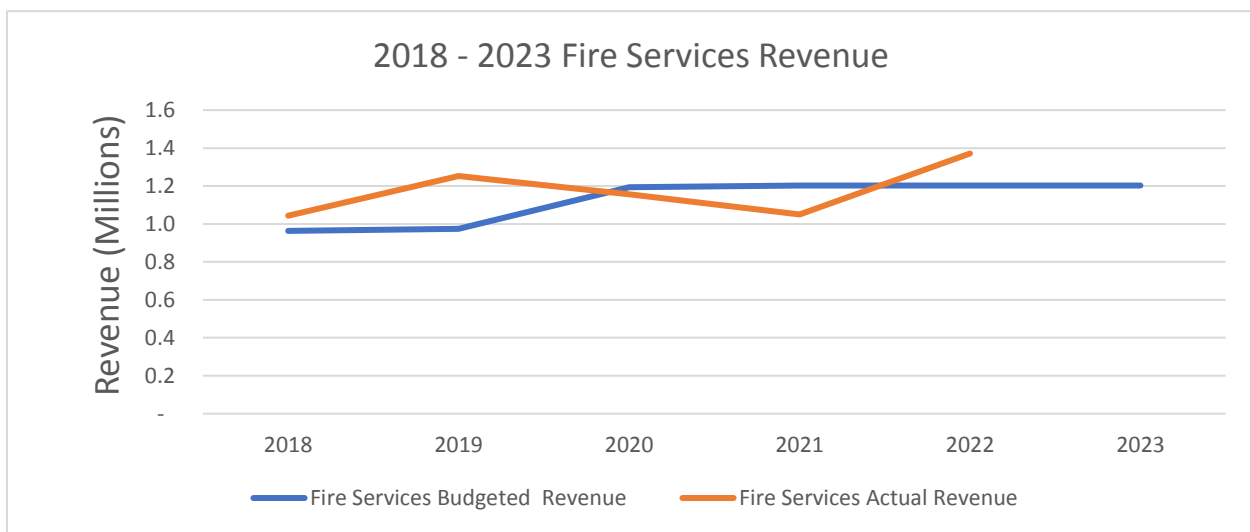
The 2023 Budget for the Saskatoon Fire Business Line included \$57.62 million in expenditures and \$1.27 million in operating revenues. The remaining costs of \$56.35 million was funded by general revenues including property taxes.

**Revenue Overview**

In 2023 the Saskatoon Fire Business Line was budgeted to generate \$1.27 million in operating revenue. \$1.20 million comes from the Fire Services service line, which is approximately 94.5% of all operating revenue in this Business Line. A full breakdown of operating revenue can be seen below.

<b>Service Line</b>	<b>2023 Op Rev (in millions)</b>	<b>% of Overall Op Rev.</b>
Fire Services	\$1.20	94.49%
Emergency Management	\$0.07	5.51%
<b>Saskatoon Fire Business Line</b>	<b>\$1.27</b>	<b>100.00%</b>

As outlined above Fire Services Revenue is one of the biggest operating revenue sources in this Business Line. This business line’s revenues were not impacted by the Covid 19 pandemic:



Revenues consist of permit and inspection fees, agreements with other municipalities for services and incident charges.

Emergency Management revenues consist of sponsorships and contributions from regional partners. In 2024 it is anticipated that this revenue will be decreased by \$19.5 to adjust for lower sponsorship revenue and removal of the contribution from one regional partner.

## Expenditure Overview

The largest service line, Fire Services, makes up most of the expenditures in this Business line (97%) at \$56.05 million. An overview of both the service lines 2023 operating expenditures can be seen below:

<b>Service Line</b>	<b>2023 Op. Exp. (in millions)</b>	<b>% of Overall Op. Exp.</b>
Emergency Management	\$1.57	2.72%
Fire Services	\$56.05	97.28%
<b>Saskatoon Fire Business Line</b>	<b>\$57.62</b>	<b>100.00%</b>

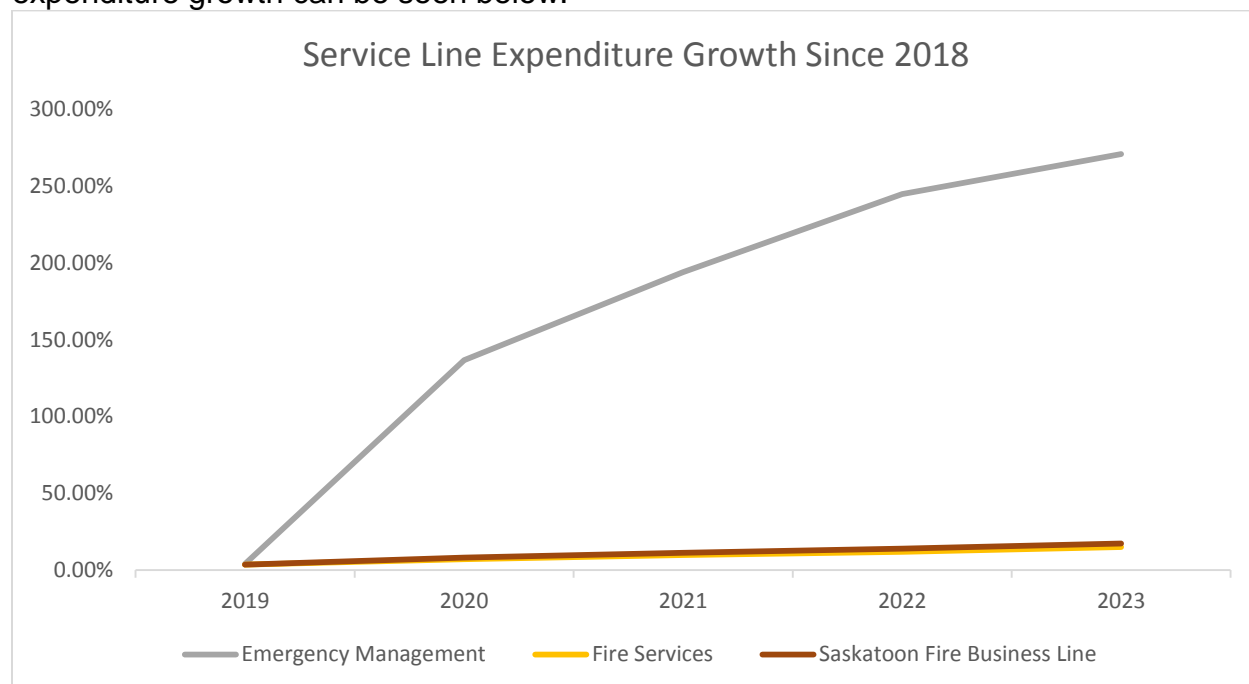
Another way to look at this information is by Budget Category. As seen below approximately 95% of total expenditures in the Saskatoon Fire Business Line are for the following: Wages and Benefits (87%) and Contracted Services (8%).

<b>Budget Category</b>	<b>2023 Budget (in millions)</b>	<b>% of Overall Expenses</b>
Wages & Benefits	\$50.13	87.00%
Contracted & General Services	\$4.84	8.40%
Utilities	\$0.07	0.12%
Materials Goods & Supplies	\$0.52	0.90%
Transfers to Reserve/Capital	\$2.11	3.66%
Cost Recoveries	(\$0.05)	(0.08%)
<b>Saskatoon Fire Business Line</b>	<b>\$57.62</b>	<b>100.00%</b>

A couple of additional key observations are:

- 83% of Wages and Benefits are for Operations (Firefighting/ Paramedics), 6% for Fire Prevention/ Fire Bylaw, 4% for Dispatchers, and 1% for Staff Development and Safety, all under the Fire Services Service Line. Emergency Management makes up 2% of the total Wages and Benefits.
- 60% of all expenses under Contracted and General Services are for the maintenance of apparatus, vehicles, equipment, and Fire Stations; 15% is a hydrant charge paid to Saskatoon Water; 6% are cross charges for Human Resources and IT services; 5% is for training, all included under the Fire Services Business Line.
- 5% of Contracted and General Services are for Commissionaires under the Emergency Management Service Line.
- Transfers to reserve/capital for the Saskatoon Fire Business Line are for replacement of large apparatus, radios and equipment, uniform purchases including turnout gear, and other capital needs.

Overall, since 2018, the expenditures in the Saskatoon Fire Business Line have grown by 17.33% or an average of 3.47% per year. A graphical overview of each service line's expenditure growth can be seen below:



There are only two service lines in this Business Line. Their increases are discussed below:

- 271% increase in Emergency Management from 2018 to 2023.
  - Although a significant percentage increase (271%) it is important to note that the Emergency Management budget was \$424,400 in 2018 and has grown to \$1.57 million in 2023.
  - This increase is largely due to a restructuring that occurred in 2020 whereby 3.0 FTE's were transferred from the Facilities Management Service Line (which saw a corresponding decrease) to Emergency Operations for Corporate Security. In addition to the restructure, 1.0 FTE for an EMO Regional Coordinator was added as part of the 2020 budget.
  - Other increases relate to the Director of Community Relationships added in 2022 and a Business Continuity Manager in added in 2023. The Director of Community Relationships will be transferred from the Emergency Management Service Line to the Fire Services Service Line in 2024 as this position supports all aspects of the Saskatoon Fire Business Line.
  
- 15% increase in Fire Services from 2018 to 2023.
  - The increase in Fire Services expenses from 2018 to 2023 is largely related to staffing needs as the Service Line has grown from 333.0 FTEs in 2018 to 345.0 in 2023 in addition to negotiated collective bargaining

increases. The 2022 budget saw the most significant increase with 7.0 positions added for:

- 5.0 FTE for Fire Fighters to relieve the overtime pressure and support training, inspections, and other operational needs that has been existing and growing over the previous three years; and
  - 2.0 FTE for additional Fire Bylaw Inspector positions.
- Additionally, the Fire Apparatus Reserve saw increased contributions of \$75,000 each year beginning in 2018 due to rising costs of apparatus primarily due to exchange rate increases, and the Small Equipment Replacement Reserve saw increases of \$65,000 in each of 2022 and 2023 due to primarily due to the increasing cost to replace the radio system.

### **Pandemic Challenges**

The Saskatoon Fire Business Line experienced minimal budgetary pressures during the pandemic as revenues were unaffected and the majority of the Saskatoon Fire Department (SFD) proceeded with normal operations. Additional expenses were incurred to reflect the need for enhanced Personal Protective Equipment and Facility Equipment/Cleaning, however, these were funded via a Corporate allocation for additional Pandemic related expenditures. The final \$1.0 million in Pandemic related expenditures is being removed from the budget as part of the overall 2024 budget forecast.

### **2024/2025 Pressures Included in the Budget Status Update**

This Business Line has two Financial Pressures that have been previously outlined and options provided in the June 22, 2023 Governance and Priorities Committee report entitled “2024 and 2025 Inflationary and Phase-in Decisions”.

- As part of the City’s Major Capital Prioritization Process, the construction and opening of two new fire stations on the west side of the city were identified as priority number one and two for Saskatoon Fire. While one of these stations will be staffed through the redeployment of an existing crew, the other station will require a deployment of a new Fire Fighter crew which is funded through the operating budget. With operations forecasted to begin as early as 2026, the annual operating budget of \$3.78 million is being recommended to be phased in from 2024-2026 with \$1.26 million included in each year. Funding contributions in 2024 and 2025 will be utilized to offset the capital cost of construction and phase-in the hiring of new Fire Fighters in 2025, until the funding is required in 2026.
- The inflationary impact on the replacement of Fire Apparatus has been significant in recent years with the cost to replace an Engine increasing from approximately \$900,000 to \$1.5 million per unit. To maintain Saskatoon Fire’s current replacement strategy, an additional \$770,000 (67% increase) is required in 2024. In addition, a smaller inflationary amount has been included in 2024 and 2025

(\$50,000) due to inflationary pressures felt by the Small Equipment Replacement Reserve.

SFD is responding to an increasing number of calls year over year, resulting in increased operating hours on fire apparatus. NFPA 1901 recommends that apparatuses greater than 15 years old that have been properly maintained and that are still in serviceable condition be placed in reserved status. Currently SFD is exceeding this and is keeping frontline apparatus operational for a minimum of 18 years.

An Alternative Response Vehicle pilot project will be proposed through the RCE options process. The project is a green initiative involving smaller vehicles which will reduce emissions. This will reduce the fire apparatus hours, maintaining the existing useful life of large apparatus and reduce the impact on maintenance and mechanical schedules.

An overview of the remaining pressures that have not been included in previous reports include:

- The 2024 budget includes three positions within the Fire Services Business Line. These include:
  - An Asset Manager to lead Saskatoon Fire's Enterprise Asset Management, associated processes, and daily logistics, with regards to all aspects of Fire equipment and apparatus. This position will lead Saskatoon Fire towards a pro-active Asset Management process as opposed to the reactive environment today, which will result in more efficient planning, enhanced data capabilities and ensure efficient and effective maintenance and operations of Saskatoon Fire's assets.
  - An Operations Dispatch Manager responsible for the Saskatoon Fire 911 call taking and dispatch services. This position will be a key contributor to the implementation and continued operations of NG911 as well as responsible for the staff who are providing emergency call taking and dispatching of fire emergencies and non-emergencies. The position will be responsible for the strategic planning, governance, policies and work towards mitigating risks. This dispatch group currently does not have direct supervision in place and recent contract changes will increase the complexity of the reporting structure to the Battalion Chiefs.
  - Fire has been supported by a temporary Communications Consultant since June 2018. This position is responsible for directing internal and external communications initiatives and strategies that support Saskatoon Fire, including crisis communications. Adding this position to the budget permanently allows Fire to maintain current service levels with regards to internal engagement, communications, marketing, and media relations. The position falls under the Communications & Public Engagement department and will be cross charged in full to Saskatoon Fire.

- The Community Support Program, currently contracted to the Downtown Saskatoon Business Improvement District, is proposed to transition to the Saskatoon Fire Department beginning in 2024. This change is driven by the increasing complexity of the work which requires greater capacity and expertise to address the needs of those requiring supports. SFD can provide that expertise and are already playing a role in response and outreach for those in need. Six FTEs comprised of a Supervisor and five Bylaw Officer positions will be included with the budget. The costs to deliver this service as a City program will be partially offset by the removal of the grant paid to the BID to provide this service. Due to requirements of the collective agreements and higher benefits, it is anticipated that there will be an increased cost with this change.
- Saskatoon Fire is currently projecting a requirement to maintain Fire Stations 3 and 5 even though operations have since moved to new locations. The cost of retaining these stations is expected to be approximately \$150,000 for Fire Station 3 and \$99,300 for Fire Station 5, per year, to cover maintenance, utilities and other operating expenditures. The requirement to keep Fire Station No 3 is to provide space for the Fire Prevention team which includes the Fire Marshal and a number of Fire Inspectors along with equipment and the Fire Investigation vehicle. Also, space is currently being shared with Saskatoon Search and Rescue through an Memorandum of Understanding. Fire Station No 5 is required for the Maintenance team to move from the current shop at 125 Idylwyld Drive South. The current space is not adequate for Maintenance staff, equipment storage, supplies, repair area, and employee amenities. Also, a team of Fire Inspectors will work from this location as a hub. Both of these facilities will be temporary until an overall accommodations plan is implemented through the Strategic Facilities Plan.
- The operating impact from P.10028 Fire Communications Centre Technology of \$277,500 in 2024 and \$187,500 in 2025 has been included in the budget status update. These expenditures are required for the tariffs, licensing, and support for Next Generation 9-1-1 system.
- Remaining expenditure pressures within the Fire Services Business Line relate to increased fuel, maintenance, and software licensing costs.

### **Additional 2024/2025 Pressures Not Included in the Budget Status Update**

The Budget Status Update presented is Administration's estimate on the costs to maintain existing services when considering growth, inflation, and base budget adjustments. The previous section outlined some of the significant pressures included with that estimate, however, it is important to note that there are additional pressures required to move towards achieving the City's Strategic Priorities, address growing service level expectations such as asset management funding gaps and respond to everchanging community needs that were not included. These options will be quantified and presented in a future report which will give City Council the option to discuss and potentially add these items to the 2024/2025 budget. For the purpose of this report a

high-level contextual overview of some of these key pressures not included in the Budget Status Update can be seen below.

- Two Emergency Management Coordinators –
  - Saskatoon EMO is responsible for the City of Saskatoon Emergency Management program and assists in building resiliency in both the City of Saskatoon as an organization and the community as a whole. In the last five years Saskatoon EMO has worked to establish and continue to build a whole community approach. This requires engaging additional non-traditional partners and processes. Saskatoon EMO has one Coordinator and a Director. The Director is also responsible for Corporate Business Continuity Program, Corporate Security and Regional Emergency Management. EMO has also taken on responsibility for leading and coordinating the new municipal plan for Community Safety and Well-being and Extreme Weather Response while continuing to attempt to balance traditional emergency management responsibilities. With the role of providing coordination for planning, preparedness and response to multiple complex evolving community resiliency events, Saskatoon EMO requires two EMO Coordinator positions. One position would be designated for Community Safety and Well-being and one for Preparedness and Planning.
- Staff Development and Safety Manager –
  - The opening of the Regional Training Facility, a provincial move to Declared Levels of Service for fire departments, and the corresponding training standards associated, will create new revenue opportunities for SFD. A manager is required to create an appropriate supervisory structure to oversee current internal commitments and future external opportunities.
  - Industrial, educational, transportation and safety sector interests have reached out with interest in engaging in the next steps of this training facility project.
  - Capital sponsorship opportunities exist that cannot be fully explored currently due to lack of managerial support to oversee current commitments and internal initiatives.
  - The opening of the Regional Training Facility will allow SFD to explore moving away from hiring candidates from out of province colleges. This new model will support REDI priorities by eliminating some pre-hire barriers.
- Service Coordinator-
  - A service coordinator (SC) is a best-practice resource within asset management. The necessity of a SC position for the SFD results from:
    - an increase in SFD incidences,
    - the need to support the SFD's implementation of the Enterprise Asset Management (EAM) module and,
    - the need for a designated position for the ongoing EAM operation.

This model is utilized by Facilities and Roadways, Fleet & Support Services. Without this position we will be challenged to effectively implement EAM.

**Potential Options:**

Some of the potential options for Committee's consideration to reduce the operating requirements for this Business Line include:

Option 1 – Deferral of New Property Tax Funded Positions

This option would include the deferral of any of the recommended positions included in the budget status update.

Option 1A - Deferring the Asset Management position (\$140,300) will not allow for Fire Services to pro-actively plan or manage their asset management requirements with the present model is placing service and maintenance schedules beyond recommended cycle periods. The current reactive approach will be maintained, and full implementation and adoption of an Enterprise Asset Management approach will be deferred.

Option 1B - Deferral of the Emergency Dispatch Manager (\$140,300) will continue with the status quo approach. Battalion Chiefs will continue to provide oversight to this area, however, a dedicated Manager and subject matter expert for the City's Next Generation 9-1-1 initiative will not be in place. The current model does not have direct supervision and oversight related to daily operations, training, and quality assurance.

Option 1C - Deferral of the Communications Consultant position (\$115,700) would result in a reduced supports for Fire in the areas of both internal and external engagement and communications, social media and media relations, recruitment and marketing plans, special event planning and coordination, and crisis communication. These functions would either not be done, provided at the expense of other Divisions within the City, or done on an as-needed basis by Fire staff.