



2005 BUDGET BRIEFING NOTE: Toronto Fire Services – Fleet Maintenance

Issue/Background:

The responsibility for maintenance of all Fire service vehicles was transferred to the Fire Fleet and Equipment Maintenance Unit in 2002. Prior to that the responsibility for the Fire fleet was shared between Corporate Fleet Services and Fire. Some of the intended benefits of the transfer included:

- (1) consolidating auto parts purchasing for fire vehicles;
- (2) increasing capacity to provide mobile service and reduce towing charges;
- (3) obtaining operational efficiencies and savings by downsizing the spare vehicle inventory;
- (4) providing Toronto Fire Services with sole accountability for its own fleet maintenance; and
- (5) having one unit responsible for doing both chassis and non-chassis work at the same time the vehicle is in for service (this function was split before the transfer).

At the time of the transfer, fleet maintenance charges from Corporate Fleet Services were exceeding the approved budgets. The variances in the first table below indicate that in the 2 years immediately prior to the transfer of fleet maintenance functions in 2002, Corporate Fleet Services charges were \$987.3 thousand and \$1,866.3 thousand over budget for 2000 and 2001 respectively. The variance reflected adjustments of Corporate charges to more closely reflect actual service delivery costs; actual maintenance costs for Fire vehicles were much higher than provided for in the Fire Services accounts. After 2002, the Fleet Maintenance charges were for fuelling at Corporate facilities.

IDC Fleet Maintenance - 7100	1999	2000	2001	2002	2003	Proj. 2004	2005 Rec
Plan	790.0	770.0	385.0	306.9	322.4	345.7	417.4
Actuals	518.1	1,757.3	2,251.3	744.5	283.4	345.7	n/a
Variance over/(under) budget	-271.9	987.3	1,866.3	437.6	-39.0	0.0	

The Fleet Maintenance function in Fire Services itself has been under funded since amalgamation as seen in the table below both before and after the transfer of the functions from Corporate Services. Budget increases have not addressed the funding shortfall in the non-salary accounts. The major change in the plan estimate in 2001 reflects the additional 6 Fleet Maintenance staff to take up the transferred functions and the increased provision to the Fleet Maintenance reserve. From that time on all other annual budget increases have generally reflected scheduled salary adjustments, changes to the fleet replacement reserve provision and inflation. The pressures on the non-salary accounts have not been addressed. The E.M.T. recommended 2005 increase of \$1,218.3 thousand includes:

- \$350 thousand for upgrade of self-contained breathing apparatus to CBRN standards;
- \$170 thousand for salaries, which includes a request for a maintenance captain position at \$93.7 thousand;
- \$71.8 thousand for IDC Fleet Maintenance, and \$126.5 for inflation and contract increases; and

- the balance of \$500 thousand represents the provision to partially address the annual over expenditures in parts, equipment and contracted services.

Fire Fleet & Equipment Main. Plan	1999	2000	2001	2002	2003	2004 Proj	2005 Rec
Plan	6,201.2	6,008.9	8,810.5	9,851.8	11,868.5	13,115.1	14,333.4
Actuals	7,314.4	7,221.7	11,079.1	11,432.0	13,205.2	14,551.8	n/a
Variance over/(under) budget	1,113.2	1,212.8	2,268.6	1,580.2	1,336.7	1,436.7	0.0

Key Point(s):

The Fire Services fleet maintenance costs have been under funded since amalgamation.

Annual increases in the budgets have mainly addressed new pressures and fleet reserve contributions, without addressing the existing annual funding pressure in non-salary accounts.

Conclusion:

The current 2005 E.M.T. recommended budget provision of \$500 thousand to address the budget shortfall in non-salary accounts for fleet and equipment maintenance in Fire Services only partially addresses the average of approximately \$1,400 thousand average annual over expenditure.

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