

Local HERO Foundation



Paul Spring
Board Chair and CEO

Andrea Montgomery Spring
Director, Stakeholder and Community Relations

November 28, 2018

Organization Mandate



- **Mandate:** The Foundation supports dedicated 24/7 helicopter emergency medical services (HEMS).
- **Service area and demographics:** The residents, workers and visitors in the Regional Municipality of Wood Buffalo.
- **Goals for 2019:** Maintain availability of the helicopter and crew; meet the full cost of the program; continue to grow community awareness and charitable support; hold 3rd major fund raiser
- **The grant:** Will cover one-third of the fixed base cost of the HEMS program.

Community Impact



HERO 1 is the **Region's sole provider** of HEMS, helping save lives and improve health outcomes since 2013. The well-equipped EC135 carries a crew of 2 pilots and **2 Fort McMurray Fire Department paramedics**. **Vital life or death drugs** for pain, heart attacks, drug overdoses, asthma etc. can be administered on scene. Patients may require extrication from a vehicle. Night flight capability using **night vision goggles** (NVG) is crucial, especially during the long winter nights when missions are flown to **remote, inaccessible** backcountry sites, highways or industrial camps after sunset.

As of October 31, 2018, **61** life-saving missions have been flown, at **no cost to the patient**.

2019 Grant Request



2019 Grant Request

Revenue	\$3,599,100
Expense	\$3,816,040
Subsidy Requested	\$1,000,000
Subsidy represents 26% of total expenses	

Previous Year's Financial Information

Last Fiscal Year End Date	December 31, 2017
Total expenses from previous year	\$3,402,855
Unrestricted Net Assets	\$(1,441,874)

Expense Summary



Cost Category	Total Expense	Funded by RMWB
Salary/Wages (9 full time, 7 part time)	\$1,335,940	\$400,000
Program Costs	\$1,810,500	\$300,000
Overhead (utilities, insurance, etc.)	\$669,600	\$300,000
TOTAL	\$3,816,040	\$1,000,000

Community Investment History



2019 Request	2018	2017
\$1,000,000	\$1,500,000	\$1,500,000

The decrease in 2019 of \$500,000 is due to the Foundation’s success in attracting support from other sources and transitioning Alberta Health Services from a fee-for-service funding agreement to stable monthly payments.



Local HERO Foundation
2019 Sustaining Grant Analysis

CIP Grant Summary:

2016	2017	2018	2019 Request	2019 Recommended by CIP	Variance Recommended vs. Requested
1,500,000	1,500,000	750,000	1,000,000	1,000,000	-

Fiscal Year End	Total Expenses	Unrestricted Net Assets
December 31, 2017	3,402,855	(1,441,874)

Notes:

In 2018, Local HERO Foundation received half-year funding, in order to change its RMWB grant cycle from July-June annually, to January to December annually. Therefore, the 2019 request represents a \$500,000 reduction from the prior years' funding.

Recommendation is that RMWB Sustaining Grant be used to support salaries and other operating costs, while other funding sources be used to finance the capital lease payments.

Budget Line Description	2019 Budget Request	2019 Recommended
Revenues		
Industry Partners	1,000,000	-
Alberta Health Services	1,000,000	-
RMWB Sustaining Grant	1,000,000	1,000,000
United Way	300,000	-
Fundraising/Other Donations	299,100	-
Total Revenues	3,599,100	1,000,000
Expenses		
Staffing	1,335,940	400,000
Building	108,520	50,000
Helicopter Payments	1,167,500	-
Other Program Costs	643,000	300,000
Administration	284,155	128,000
Other Expenses	276,925	122,000
Total Expenses	3,816,040	1,000,000
Total Surplus (Deficit)	\$ (216,940)	\$ -

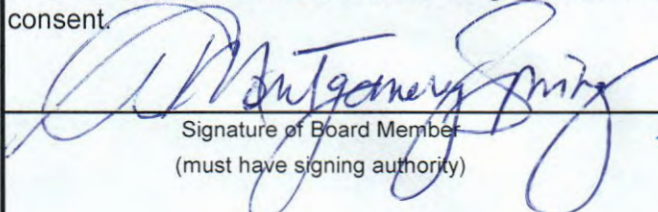
Sustaining Grant Part A - Organization Summary

Organization Name:	Local HERO (Helicopter Emergency Response Organization) Foundation
Street Address:	1001 Saline Creek Parkway
City/Hamlet:	Fort McMurray
Province:	Alberta
Postal Code:	T9H 0H8
Phone Number:	780 799-0141
Website:	www.localheroofoundation.com
Fiscal Year End:	December 31
Act Registered Under:	Societies Act (Alberta)
Registration Number:	81810 3566 RR0001

Note: Organization must be in good standing to receive funding.

Main Contact	
Title:	Director, Stakeholder and Community Relations
Name:	Andrea Montgomery Spring
Daytime Phone:	17(1)
Email Address:	ams@ymmhero.com
Executive Director	
Name:	Paul Spring
Daytime Phone:	17(1)
Email Address:	p.spring@ymmhero.com
Board Chair / President	
Name:	Paul Spring
Daytime Phone:	17(1)
Email Address:	p.spring@ymmhero.com

Declaration of Board Members - In making this application, we, the undersigned, confirm that we are authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.



Signature of Board Member
(must have signing authority)

Andrea Montgomery Spring
Print Name

2018-10-17

Date: (Year-Month-Day)



Signature of Board Member or Executive Director
(must have signing authority)

Paul Spring
Print Name

2018-10-17

Date: (Year-Month-Day)

Part B - Board Questionnaire

Are any board members being paid, or receiving an honorarium, for being on the Board or for other positions in the organization outside of their role on the Board? Yes ☒ No ☐

If yes, complete the following table:

Board member name	Paid role on the board / organization	Amount received
Andrea Montgomery Spring	Director	17(1)

What are the restrictions (if any) on becoming a member of your organization or participating in programs or services?

Unable to participate in the delivery of Local HERO Foundation's services unless properly trained and certified.

There are no restrictions to becoming a member.

How often does the Board review the financial position of the agency? What efforts have been made in the past fiscal year to increase the number and types of financial support for your organization?

The financial position is reviewed quarterly and shared with the board. The Foundation accountant is also a board member. Application was made to three new grant sources. Two were successful. New potential grant sources shared by OSCA staff are being followed up on. This was Local HERO's first year as a United Way agency. It has been a great learning and networking opportunity, in addition to the funds. A new campaign called 'Speed of Life' was launched at our major annual fundraising event. Most of HERO's life saving missions are about an hour; this costs approximately \$1,200.00. Attendees were encouraged to pledge the cost of an hour flight, with the affordable option of paying \$100 monthly, in order to save a life. It was preceded by a moving testimonial video about a particular mission. The response was tremendous with 100 hours being pledged that night. Agreements for multi-year donations were made with two new entities who may require a medevac flight in the course of doing business remotely. A letter has been sent to the provincial Minister of Health regarding non-payment of flight invoices from 2016 during the fire, when other efforts to obtain payment were unsuccessful. Radio, print and social media program promotion happens regularly all year. There were five speaking engagements to further awareness of the program and advocate for support.

The personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Community Investment Advisor, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (780) 788-4309.

Part C - Strategic Plan

The Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan focuses on the vision of a vibrant, sustainable region we are proud to call home. It identifies four key strategic priorities to achieve this goal: Responsible Government, Downtown Revitalization, Regional Economic Development, and Rural and Indigenous Communities and Partnerships. The Community Investment Program aims to assist non-profit agencies to achieve the goals and objectives outlined in the Municipal Strategic Plan.

The Sustaining Grant subsidizes organizations to operate and maintain Municipally-owned assets and/or contribute toward the key strategic priorities identified above. Please indicate which category that is applicable to the organization.

- ☐ Operator of a Municipally-owned asset (Please continue to Part E on page 7)
- ☐ Provide programs and services related to the collection, preservation and display of regional heritage and culture in a museum setting (Strategy & Initiatives #1a and #1c)
- ☐ Acts as a collective voice for:
 - a) the development of the arts community (Strategy & Initiative #1f);
 - b) advancement of cultural diversity (Strategy & Initiative #3f); or
 - c) promotion of tourism potential of the Municipality (Strategy & Initiative #3b)
- ☒ Provides strategic programs/services that are of benefit to the entire region

Part D - Organization Questionnaire

What year did the organization complete its last strategic plan?

2013

Provide a brief overview of the organization's strategic priorities:

To continue our development as an exceptional service provider we will:

- Maintain a state-of-the-art helicopter and an experienced, well trained, engaged team committed to providing best practice service.
- Collaborate with our board, the community, government and industry to inform and seek support.
- Maximize the power of social media and re-vamp existing website.
- Sustain existing key partner and financial relationships with consistent and clear communications.
- Strategically develop diversified sources of stable funding.
- Continue holding an annual major fund-raiser to promote awareness and support.
- Plan for the future acquisition of an advanced helicopter with increased capacity for passengers, speed and distance. Procure once funding is stabilized.

Part D - Organization Questionnaire

Describe the elements, activities, or events of general operations that the organization is seeking this funding for:

This funding request is for the delivery of 24/7 helicopter emergency medical services (HEMS) for the people of Northeastern Alberta.
Major program expenditures include staff and their training, the helicopter and its maintenance, facilities, fuel and equipment costs.

Explain how the operations/programming will achieve the objectives of the Municipal Strategic Plan as indicated on page 4:

As the sole provider of helicopter emergency medical services in the Region, the Local HERO Foundation partners with the Fort McMurray Fire Department to ensure a safer and healthier environment for everyone. This life-saving service is 24/7 and particularly critical in such a large territory, where people often work and play in remote locations.

Describe any other funding initiatives the organization has taken or is planning to implement to further support this request for Sustaining Grant funding:

An application to the United Way for their next funding cycle (2019-2020) is in progress.

The new Speed of Life campaign introduced at the annual fund-raiser will be ongoing. It provides an affordable option for individuals and small business to pledge support for the program. Buying a life-saving hour of flight is something donors perceive as a tangible benefit, in addition to the tax receipt.

Talks are under way with Canadian Brewhouse management about collaborating on some fundraising for Local HERO. Provincially, they had previously been directed to support STARS; following a tour of the facilities and learning about the Foundation and its mandate they have agreed to assist us locally.

Companies working remotely in northeastern Alberta that are not currently donors will be approached to learn about the charity and encouraged to donate, after an employee benefits from a helicopter medevac.

We are developing a plan to approach the Federal government regarding support for services provided to indigenous patients. Collaboration on this with the RMWB is desirable in order to be more effective.

Current Volunteer Information:

	Per Organizational Needs:	Currently Filled:
Program & Services Volunteers	0	0
Fundraising Volunteers	15	12
Committee Volunteers	4	2
Administrative Volunteers	0	0
Total Organization Volunteers (Count each only once)	19	14

Part E - Financial Information, Budget Request & Cash Flow

Current Staff Information:

	Per Organization Chart:	Currently Filled:
Full Time Positions	9	9
Part Time Positions	7	7

Please explain any cost savings initiatives the organization has, or is planning, to implement:

The current AHS contract specifies that there must be two pilots on board for missions. In order to grant time-off requests for medevac pilots without a gap in service, a new strategy was employed. The hiring and training of a casual standby pilot is not feasible due to cost (over \$90,000 for the training alone; standby costs would be additional). Instead, two pilots from Phoenix Heli-Flight were trained as Safety Pilots. The training was done by the medevac pilots and the chief pilot. It consisted of ground school, simulator practice time and actual flight-time, both day and night. Instruction on the use of night vision goggles was included. On a shift when there is only one medevac pilot, the Safety Pilot acts as an extra set of eyes, ears and hands, monitoring radios, the medevac phone, navigation instruments and the external environment to ensure a successful mission.

The medevac program start-up costs were the lowest possible 5 years ago and have been kept stable. For reasons of safety, there is little can be done to reduce costs. Cost savings can't be realized until start-up debt has been retired.

2019 Grant Request:

Total 2019 Budgeted Revenue (<u>excluding</u> RMWB Sustaining Grant)	\$ 2,599,100.00
Total 2019 Budgeted Expenses	\$ 3,816,040.00
Surplus* / (Deficit)	\$ (1,216,940.00)
2019 Sustaining Grant Request Amount:	\$ 1,000,000.00

* If in a surplus position, organization is not eligible for a Sustaining Grant.

Please Indicate Preferred Cash Flow, if approved**:

January/February	April	\$ 750,000.00
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(no more than 75% of request)

August	October	\$ 250,000.00
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** Must have minimum of 25% to be disbursed between August and December. There will be no funds released in July, as 6-month reports are due by July 31 and require Administrative review prior to August/October disbursements.

Part F - Required Attachments for Application

The following attachment MUST accompany your application:

- ☒ A detailed budget showing projected 2019 revenue and expenses
- ☒ 2019 Business Plan or Strategic Plan
- ☒ Logic Model (if available)
- ☒ Financial Statements of two (2) most recent fiscal years

Local HERO Foundation 2019 Operating Budget

OPERATING REVENUE:		
GRANTS:		
*RMWB Community Investment Program	\$1,000,000.00	Sustaining Grant
*OSCA Members	\$1,000,000.00	
*Alberta Health Services	\$1,000,000.00	Included in RMWB Ground Ambulance contract
Fundraising/Bingo/etc.:		
*Major Annual Fundraiser	\$175,000.00	
*Community Donations	\$20,000.00	PayPal on website and Facebook plus individual cheques or cash
*Coldwell Banker donation	\$10,000.00	Multi year commitment post 2016 fundraiser
*SIPEM	\$13,000.00	Strengthening Indigenous Participation in Environmental Monitoring' program
*LIUNA! Local 92 donation	\$50,000.00	
*Aluma/Safway donation	\$12,500.00	Multi year commitment post 2016 fundraiser
Sale of Product or Fee for Services	\$15,000.00	Agreement with Nuna Logistics
United Way Allocation	\$300,000.00	Notification of actual allocation amount will be March 2019
United Way Designated Donations	\$0.00	
Payroll Donations	\$3,600.00	
TOTAL REVENUE:	\$3,599,100.00	
OPERATING EXPENDITURES:		
STAFFING:		
* Salary (incl Benefits) of Admin Staff	\$110,000.00	20% of office and Safety, 100% Director; no salary for President
* Salaries of Pilots	\$977,200.00	8 IFR Pilots
* Salary of Chief Pilot: 50%	\$95,400.00	Phoenix Heli-flight Chief Pilot- shared 50% with HERO
* Salaries of Maintenance Crew	\$115,940.00	20% of Director of Maintenance, 50% of 2 maintenance engineers
* Employer Benefits (CPP, UIC, WCB)	\$0.00	Included in salaries line
* Supplementary Benefits	\$37,400.00	Housing allowance if local, portion of gym memberships, add'l medical insurance
BUILDING:		
* Facilities Rent, Utilities, Taxes	\$107,000.00	
* Janitor/Maintenance	\$470.00	
* Insurance	\$1,050.00	1/10th of building insurance
VEHICLE (Agency Leased):		
* Lease Charges	\$7,875.00	2 vehicles, 1 per shift; fuel, winter tires, insurance, maintenance included
* Insurance	\$0.00	
* Maintenance	\$0.00	
* Gas & Oil	\$0.00	
Night Shift Crew Quarters:		On-site trailer for rapid crew deployment
* Laundry	\$50.00	
* Bedding & Linen	\$200.00	
* Other	\$100.00	Incidentals

PROGRAM:		
* Helicopter payments	\$1,167,500.00	With capital improvements covered by annual escalation
* Insurance- Hull	\$59,000.00	Helicopter
* Insurance- Liability	\$10,550.00	Helicopter
* Fuel for Helicopter	\$36,800.00	Cost varies directly with number of annual missions
* Scheduled Inspections	\$18,300.00	
* Dynamic components	\$88,700.00	
* Engines	\$47,650.00	
* Avionics	\$17,320.00	
* Medical Supplies	\$1,500.00	
* Housing	\$59,940.00	2 - two bedroom condos for day and night shifts
* Staff Development	\$3,400.00	Air Medical Transport Convention (held in US annually); for 2 participants
* Crew Uniforms	\$3,780.00	3 year amortization
* Maintenance Crew Training	\$15,000.00	
* Pilot Training	\$90,800.00	
* Initial Pilot Training	\$66,280.00	Provision for cost of training new pilot
* Night Vision Goggles	\$18,600.00	Maintenance for certification; 5 year amortization of purchase
*Transport Canada Check Pilot - Simulator PPC	\$6,750.00	Travel, meals, hotel and fees associated with Transport Canada inspector
*NVG Trainer Certification Annual Training	\$20,430.00	Train-the-trainer in Waco, TX at Night Flight Concepts Inc.
* Insurance for Board of Directors	\$1,045.00	
*Special Event Landing Permits	\$2,000.00	Cost of 4; required by Transport Canada for landings in city limits
* Dues & Subscriptions	\$155.00	Foreflight- software for flight planning
*Annual Fundraising Event	\$75,000.00	Expenses related to holding event, not covered by gifts in kind
ADMINISTRATION:		
* Office Supplies	\$6,800.00	
* Freight & Postage	\$600.00	
* Staff Travel/Mileage	\$42,300.00	Training and shift change airfare for pilots
* Telephone	\$780.00	Medevac cell phone and Satellite phone
* Advertising	\$18,695.00	RMWB billboard rental and promotional materials
* Professional Fees	\$33,330.00	Annual audit, legal and accounting fees; social media development
* PayPal charges	\$150.00	
* Bank Charges	\$6,500.00	
* GST	\$175,000.00	
BOARD EXPENSES:		
*Meetings & AGM	\$700.00	
*D & O Insurance	\$2,000.00	
OTHER (SPECIFY):		
Legacy Debt Repayment	\$266,000.00	
TOTAL EXPENSES:	\$3,816,040.00	
SURPLUS/DEFICIT	(\$216,940.00)	