

PRESENTATION TO COUNCIL

Local Helicopter Emergency Response Organization (**HERO**) Foundation

November 28, 2016

Paul Spring
President and Board Chair

Andrea Montgomery Spring
Director of Stakeholder and Community Relations



MANDATE



Community awareness and fundraising to support the delivery of 24/7 Helicopter Emergency Medical Services (HEMS) for the people of Northeastern Alberta.

Fort McKay Band Office





Imperial Oil Kearl Lake Plant

Conklin Corner



HWY 63 at Hangingstone River



Hwy 63 at House River



BUDGET



Revenue

• RMWB Municipal Grant	\$ 1,500,000
• AHS Fee For Service (projected)	\$ 950,000
• Industry Funding	<u>\$ 730,000</u>
	\$ 3,180,000

Expenses

• Fixed Costs (crew and equipment)	\$ 3,000,000
• Variable Costs (flight time driven)	\$ 190,000
• Legal, Advertising, Accounting, GST	<u>\$ 160,000</u>
	\$ 3,350,000

Legacy debt from start-up year \$1,608,400, down \$161,600 from 2015

PERSONNEL COSTS



Transport Canada mandated positions

• Operations Manager (25%)	\$ 8,500
• Director of Maintenance (25%)	\$ 40,500
• Chief Pilot (50%)	\$ 89,500

Administration

• President (25%)	\$ 0
• Accounting/Payroll/Travel (35%)	\$ 32,500
• Stakeholder Relations	\$ 95,000
• Safety/Quality Assurance (30%)	\$ 27,000

Pilots (8)	\$1,280,000
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Mechanics (2 x 50% each)	\$ 141,500
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OPERATING COSTS



Variable Costs (per average annual flight hours)

• Fuel	\$ 47,500
• Scheduled Maintenance (parts)	\$ 16,500
• Dynamic Components	\$ 75,000
• Engine Overhaul Reserve	\$ 41,000
• Avionics Maintenance Reserve	\$ 10,000

Fixed Costs

• Training and Flight Checks	\$ 162,500
• NVG Training and Maintenance	\$ 54,000
• HERO 1 Helicopter -	\$ 936,000
• Hangar Facilities, Utilities, Taxes	\$ 60,000
• Liability/Hull Insurance Premium	\$ 73,000

STAFF



Current

- 16 Staff
- 11.9 Full-time Equivalents

The existing staff are meeting the needs of the program, therefore no additional hiring is anticipated.

NEGATIVE IMPACTS



- Local HERO has been warned that continued landings at the Firehall 1 parking lot will result in prosecution and possible fines of \$30,000 for each medevac landing.
- To avoid prosecution, time-sensitive critical patients will have to be transferred by ambulance from HERO's airport helipad to the hospital.
- Patient transports declined due to size and/or weight.
- In the current economy of low oil prices, soliciting donations is more challenging.
- USD foreign exchange rates remain high.

POSITIVE HAPPENINGS



- Recognition by media and local businesses has raised public awareness of Local HERO's contributions to search and rescue, evacuation and medevac during the May fires.
- CRA charity status was achieved in August 2016, allowing Local HERO to seek additional funding by donation, fundraisers and lotteries. Save the date for HERO's first charity fundraising event on March 4, 2017.
- Transport Canada is using HERO's operation as the benchmark for new regulation governing the use of night vision goggles in commercial air transport.

**May 4 - Last stop
for available
medical supplies**



Patient evacuation transfer at Fire Bag Airport



MORE POSITIVES



- The excellent working relationship between HERO and the FMFD continues to utilize existing resources to keep program costs at a minimum while providing top-notch emergency medical services to our clients.
- HERO continues to provide industry leading personnel and equipment at the lowest comparable cost in Canada, including no fee backup helicopters with multi-dispatch capacity.
- A similar medevac program in Winnipeg using a much older helicopter costs Manitoba tax payers \$12.6 million/year more than Local HERO's operating budget.

QUESTIONS?

