

June 10, 2014

To: Members,
Community and Protective Services Committee

Re: Interim Fire Services Agreement - Global Transportation Hub Authority

RECOMMENDATIONS

1. Council direct the City Manager or designate to negotiate a Fire Services Agreement (FSA) with the Global Transportation Hub Authority (GTHA).
2. Council approve an extension of the current interim Fire Services Agreement between the City of Regina and the Global Transportation Hub Authority to the end of September 2014.
3. This report be forwarded to the June 23, 2014 meeting of City Council for consideration.

CONCLUSION

An agreement to provide Fire Services to the GTHA will support their fire protection and code enforcement requirements that the GTHA desires in order to operate as an authority. The agreement would reflect the cost recovery for direct response services provided, that include both fixed and variable costs. An interim extension to a temporary agreement is required given the turnover of staff at the GTHA and the high level of activity for both the City and GTHA, which has delayed negotiations towards establishment of the permanent agreement.

BACKGROUND

The Provincial Government enacted Bill 83 in August of 2013. As part of this Act, the GTHA was directed to seek service agreements with service providers for various services, including fire protection. The Administration has been negotiating with the GTHA towards a Fire Services Agreement, however, to ensure Fire Service is provided to the area post adoption of the Act, an interim agreement was struck. The interim agreement established a fee of \$10,000 per month, which was simply negotiated as an interim rate in the absence of the analysis that is being used towards the final agreement currently under negotiation. Because of the uncertain nature of this interim rate, there is a provision in the agreement to retroactively charge for the difference between the negotiated amount and the current amount. The interim agreement is set to expire at the end of June 2014.

Owing to staff turnover at the GTHA and other competing priorities within both organizations, an extension to the agreement is required while the two parties continue to negotiate towards a final agreement. The existing terms of the interim agreement were established by the Administration, however, *The Regina Administration Bylaw* limits the dollar value of a revenue contract that Administration can enter into to \$100,000. An extension of the interim agreement will bring the value of the agreement above \$100,000, hence the need for City Council approval.

DISCUSSION

The Provincial Government enacted Bill 83 in August of 2013. As part of this Act, the GTHA was directed to seek service agreements with service providers for various services, including fire protection. Prior to the enactment of Bill 83, the city and GTHA were in talks to determine the level of service, range of services and remuneration. The timeline to negotiate an agreement changed rapidly as Bill 83 was brought forward in August of 2013 and the negotiation changed from a formal long term agreement to an interim agreement with an arbitrary service fee with provisions to retroactively bill for the difference in the permanent agreement and the interim agreement.

As noted above, *The Regina Administration Bylaw* allows the Administration to enter into revenue agreements that do not exceed \$100,000 in value or five years in length. In the case of the GTHA, the value of the interim agreement has now reached \$100,000. As such the Administration is requesting Council to approve an extension to the interim agreement until such time that a permanent fire service agreement can be reached.

Because the cost of Fire Service is not a direct user pay system, determination of fees for service is not a straightforward exercise. The Administration is negotiating with the GTHA to reach an agreement that accounts for all costs associated with maintaining and operating a fire service. Specifically, the terms of the agreement will take into consideration full cost recovery of fixed and variable costs. Because there is a standing cost of maintaining a Fire Service regardless of frequency of use, there is a general fixed cost that should be attributed to all properties that are afforded access to the service regardless of the level of use of each property, similar to an insurance policy.

The Administration continues to negotiate with the GTHA in an effort to reach an agreement that fairly covers the costs associated with accessing and using the service. Once a contract is reached, the Administration will bring a report forward to Council for consideration.

RECOMMENDATION IMPLICATIONS

Financial Implications

This interim agreement generates General Revenue of \$10,000 per month, which is not reflective of the final agreement. Once a permanent agreement is reached the amount will likely increase. Any differential between the interim payment and the final negotiated price will be retroactively adjusted once an agreement is reached.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

Fire Administration views the provision of fire services as a system. Given the citizen requirements and requirements of those who seek Fire Service Agreements, Mutual Aid Agreements or other fee for service arrangements, fire must balance the availability and deployment of resources. As fire begins to revisit existing agreements and enters into new agreements, a mindful approach will be used to ensure the community receives the highest level of service and uncompromised response,

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,



Gerard Kay, Deputy Chief
Fire & Protective Services Department

Respectfully submitted,



Jason Carlston, Executive Director
Community Planning & Development

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