

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Minutes of the **COMMUNITY AND PROTECTIVE SERVICES COMMITTEE** Meeting
Monday, May 31, 2004 at 7:56 p.m.
Central Saanich Municipal Council Chamber

PRESENT: Councillor Zeb King, Chair
Mayor Allison Habkirk
Councillors: Graham, Haddon, Korol, Mason and Thompson
Gary C. Nason, Administrator
Trish Flanders, Municipal Clerk
Nirmal Bhattacharya, Municipal Engineer
Ed Sykora, Director of Financial Services
Ron French, Fire Chief

APPROVAL OF THE AGENDA:

709.04 MOVED BY COUNCILLOR MASON
 NO SECONDER
 That the Agenda for the Community & Protective Services Committee Meeting held on May 31, 2004 be approved as circulated.
 CARRIED UNANIMOUSLY

1. Capital Region Emergency Services Telecommunications (CREST) Discussion Paper – 2005 and Future Revenue Strategy

- a) Copy of Discussion Paper dated March 31, 2004 (received at the April 19th, 2004 Regular Council Meeting);
- b) Email Correspondence dated April 19, 2004 from Ed Sykora, Director of Financial Services Re: CREST Funding (received at the April 19th, 2004 Regular Council Meeting);
- c) Excerpt from the April 26th, 2004 Committee Meeting;
- d) Correspondence dated May 4, 2004 from Ron Cullis, General Manager – CREST Re: CREST Revenue Strategy and Draft Financial Forecast.

The Administrator referred to the May 17th, 2004 Council motion which requested that CREST representatives be invited to a future Committee Meeting to make a presentation on the CREST Discussion Paper and the Draft Financial Forecast. He advised that CREST has requested a meeting of the Chief Administrative Officers in the Capital Region, which will take place on Thursday of this week. He then introduced Mr. Ron Cullis, General Manager of CREST, who proceeded to give a comprehensive overview of the various Options contained in the CREST Discussion Paper, as follows:

Alternatives Directly Controlled by CREST

Option A (Reduce Extended Warranty Costs)

- Software infrastructure annual fee of \$200,000;
- equipment and extended warranty of \$597,000 - CREST is trying to negotiate a local service provider for this option;
- Due to operational problems with the system, CREST is able to defer the start date for the extended warranty by 90 days, which will provide a savings of \$149,000 against the 2004 budget;

Option B (Restructure Annual Cost of Debt Financing)

- Debt financing can be reduced by amortizing the debt over fifteen years or by reorganizing when principal payments are made; or alternatively,
- Debt payments can be restructured to back load the principal payments;

Option C (Annual Shareholder Billing)

- This option would allow the CREST Board to equally apply a levy to all member participants in CREST (20 shareholders);
- If \$1 million was required, each shareholder would be required to pay \$50,000 in 2005, and this figure would be adjusted depending on the revenue that the Board would have available in subsequent years;
- This alternative is acceptable for some of the larger municipalities but poses a real hardship for smaller municipalities, in particular the Districts of Highlands and Metchosin which may cause them to reconsider the benefits of CREST;

Option D (Use Prior Year Surplus/Reserves)

- The amount of the reserves/surplus at the end of 2004 is unknown at this time;

Option E (Obtain Federal and/or Provincial Funding Assistance)

- CREST has previously requested funding assistance from both levels of government;
- Due to impending Federal election, a response from the Federal government will not likely be forthcoming until September;
- The Provincial government has agreed to conduct a PST audit with respect to the Provincial Sales Tax which will result in funding being returned to CREST;
- If capital funding was received from either level of government, this would significantly reduce the debit financing costs and would reduce the need to seek funding from the municipalities and other CREST partners;

Alternatives Not Directly Controlled by CREST

Option F (Level Playing field to Include all Telephone Service Providers)

- The provision of 911 in the Capital Region is a CRD function, however the CRD collects through the 911 requisition a considerable amount of money from the wireline phone service providers, and a smaller amount of money is received from the wireless phone service providers;
- CREST is looking for a level playing field with respect to this – there are 29 service providers in the Province and fall under the BC911SPA (BC 911 Service Provider Association) and through this Association CREST is seeking to get the wireless service providers to come forward and agree to a call answer levy, however the preliminary response received is that this would need to be legislated;
- 911 Operators have confirmed that when an incident is reported via a cell phone, the operators do not receive the same data as they get from a wireline, which results in additional work for the 911 operators;

Option G (Increase Radio Charge)

- Each of the users currently pay a \$350 annual user fee for all of the radios that exist within their inventory;
- If the radio charge was increased by \$550 per radio (a total of \$900 per radio), CREST would end up with an additional \$920,000 (approx.);
- For the 46 radios in Central Saanich, this would cost the District an additional \$25,300 per year over and above what the District currently pays;

Option H (Establish CRD Requisition)

- This option is problematic, as the approval process requires the unanimous agreement of all shareholders and would be shared on a weighted cost basis that does not match the equal voting structure of CREST;
- A requisition of \$1 million based on population would cost the District \$47,520;
- A requisition of \$1 million based on 50% population/50% converted assessments would cost the District \$48,267;
- A requisition of \$1 million based on converted assessments would cost the District \$49,281.

A very lengthy question and answer session took place.

710.04

MOVED BY MAYOR HABKIRK
NO SECONDER

That It Be Recommended To Council:

That Council communicate to CREST its concerns in regards to the various options set out in the Discussion Paper, and CREST be urged to continue to pursue other potential means to address the anticipated revenue shortfall in 2005 based on the two principles that all of the CREST shareholders must contribute to addressing the shortfall, and that stakeholders' contributions should be on an appropriate proportionate cost-sharing basis based on such potential options as call volumes, number of radios, and population.

CARRIED UNANIMOUSLY

711.04 MOVED BY MAYOR HABKIRK
NO SECONDER
That It Be Recommended To Council:

That Council communicate to both CREST and the Capital Regional District its continued support for the efforts to negotiate an increase in the call answer levy and the inclusion of all wireless phone providers in the levy.

OPPOSED: COUNCILLOR GRAHAM

712.04 **** DEFEATED ****
MOVED BY COUNCILLOR GRAHAM
NO SECONDER
That It Be Recommended To Council:

That CREST be requested to investigate, for the longer term, alternative methods of funding this service, including in particular, serious consideration be given to a combination of Option H (the establishment of a Capital Regional District requisition for this service based on an appropriate cost-sharing formula), and Option G (an appropriate increase in the radio charge).

MOTION DEFEATED

OPPOSED: MAYOR HABKIRK, COUNCILLORS HADDON, KING, KOROL,
MASON AND THOMPSON

2. Update on Proposed 2004 Community to Community Forum

The Chair provided a brief update on the recent meeting of the 2004 Community to Community Forum Sub-Committee and the suggested budget for the proposed Forum. In a lengthy discussion around the table, the following issues and concerns were noted:

- No rental facility charge should be included in the proposed budget for the Forum as existing municipal facilities could be utilized;
- The degree of commitment and extent of financial and "in kind" participation by the two Bands needs to be determined and specified in greater detail;
- If the Bands are prepared to provide "in kind" services, the specific nature of these services needs to be better clarified;
- Definitive confirmation from the Bands needs to be obtained in regards to their interest, participation and degree of support for the Forum, and any agenda topics that the Bands wish to discuss.

713.04 MOVED BY MAYOR HABKIRK
NO SECONDER
That It Be Recommended To Council:

That the 2004 Community to Community Forum Sub-Committee be requested to consider the various issues and concerns raised at the Committee Meeting in regards to moving forward with the next steps in the planning and grant application processes for the proposed Forum, and further discussion on this issue be referred to the next Regular Council Meeting to be held on June 7, 2004.

CARRIED UNANIMOUSLY

NEW BUSINESS/OTHER COMPETENT BUSINESS: None.

ADJOURNMENT:

On motion, the Community & Protective Services Committee Meeting held on May 31, 2004 adjourned at 9:01 p.m.

Councillor Zeb King, Chair

Recorded By: Trish Flanders
Municipal Clerk