

November 30, 2017

Laurie Hurst  
Chief Administrative Officer  
The Corporation of the Township of Esquimalt  
1229 Esquimalt Road  
Victoria, B.C. V9A 3P1

Dear Ms. ~~Hurst~~: **LAURIE.**

I am writing to follow up on the November 6, 2017 meeting in Saanich regarding proposed cost allocation and contractual agreement changes for delivery of fire dispatch services.

The District of Saanich has been pleased to provide fire dispatch services to the Township of Esquimalt for the past 11 years and have very much enjoyed the professional working relationship we have developed with Township staff and members of the Esquimalt Fire Department.

Saanich is extremely proud of its Fire Department and the professional fire dispatch services it provides. In 2003, Saanich and the City of Victoria undertook a joint review of our respective fire dispatch programs and as a result an agreement in principle was reached between the Fire Chiefs to consolidate fire dispatch operations and establish a regional fire dispatch capability. In the end, Victoria chose to withdraw and remain with their status quo for various reasons. Saanich, on the other hand, saw the need for leadership in establishing a regional fire dispatch capability in the Capital Region. With Mayor and Council support we have forged ahead with this vision.

Since 2003, Saanich has invested significantly in our fire dispatch program and infrastructure, including: construction of a fully redundant purpose built post disaster dispatch facility, modern dispatch equipment; and state of the art dispatch and information technology systems. We are equally proud to be directly affiliated with E-Comm British Columbia and being the only National Fire Protection Association compliant fire dispatch service provider in the Capital Region. Saanich's fire dispatch service has the capability to provide service for the entire Capital Region and potentially beyond. In addition, it has been structured in a manner that is scalable and can be upsized or downsized to meet the collective service delivery needs of those who choose to receive its services.

I understand the concerns of those who attended the November 6<sup>th</sup> meeting in Saanich. It was not Saanich's intention to surprise our client fire dispatch agencies with last minute information or attempt to leverage a certain position. The purpose of this meeting was very simply one of presenting the facts surrounding the cost of this service and a proposed model for cost recovery and a broader service delivery prospect moving forward. While it appears this meeting was not well received by some, I hope you can appreciate its intended purpose was one of openness and transparency.

I also want to acknowledge that the updated cost allocation model was perhaps new information to you and the magnitude of proposed service cost increases is considerable for some, more so than others. Given that situation, Saanich is prepared to discuss the implementation period for the new cost model in support of the financial transition of your organization once your commitment is in place.

For background purposes, the District's Fire and Finance Departments initiated an independent financial and efficiency review of its fire dispatch service with KPMG LLP in March of 2015. Many of the Fire Chiefs of departments receiving our fire dispatch services participated in an interview with KPMG and had input into the service review process, where among other things, cost allocation deficiencies and service levels were discussed.

I am aware our Fire Chief has maintained regular contact with your Fire Chief and the others since the KPMG review was initiated in March of 2015, and that he has endeavoured to answer their questions along the way relating to the potential service and cost allocation changes. It has only been since this past October that we have been able to accurately determine and share with you the full cost of providing this service and the different cost allocation scenarios that arise and are dependent on the weighted share metrics for participating agencies.

We would like Esquimalt to be aware that the independent financial review of our fire dispatch program conducted by KPMG LLP has identified that Saanich is significantly subsidizing this program at varying degrees for each participating agency. For the 2017 calendar year, based on a full cost recovery model, subsidies range between 29-56% for individual agencies. In Esquimalt's case, without the full cost recovery model in place, the Saanich subsidy to Esquimalt is equivalent to \$96,165 or 49.6% in 2017.

Understandably, moving forward, Saanich cannot justify this degree of subsidization for its fire dispatch program and must move towards a more equitable and sustainable cost allocation model for those who choose to receive these services.

Saanich has a keen interest in maintaining professional and collegial relationships with all of our regional partners. We are sensitive to the concerns of Esquimalt and others relating to the proposed increase in cost for this very important public safety dispatch service and the need to be accountable to residents for how their tax dollars are spent. Saanich as well has this same fiscal accountability to its residents. While we are aware that some of our client agencies may choose to test the market for equivalent

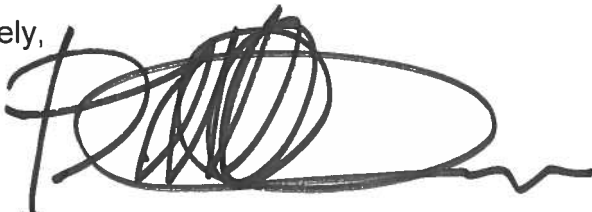
professional dispatch services, we are confident that if Esquimalt chooses to do so that you will find considerable value in the services provided by Saanich in this regard.

Moving forward, Saanich and Esquimalt currently have an agreement in place for fire dispatch services that expires on December 31, 2017. A new agreement is required for continuation of service into 2018, and steps need to be taken without delay in order to put that agreement in place. In that regard, enclosed for approval and signature on behalf of Esquimalt is a Fire Dispatch and Communications Services Agreement Amending Agreement. The only purpose of the Amending Agreement is to extend the term of the current agreement for dispatch services with Saanich until March 31, 2018, and to hold the current fee structure until that time as well.

Council for the District of Saanich have approved granting this extension to provide dispatch clients additional time to consider the terms of the proposed new agreement and cost recovery structure. Our hope is that Esquimalt will choose to proceed with a new agreement under the new cost recovery model, and that we can have it in place effective April 1, 2018. We believe there is sufficient time over the next four months to accomplish that goal, if both parties are committed to moving things forward expeditiously. Saanich is certainly willing and able to do so. If, however, Esquimalt chooses not to continue receiving dispatch services from Saanich, or if you are unable to execute a new agreement by April 1, 2018, we will need to negotiate an additional extension of the existing agreement at mutually agreeable rates (aligned with the new cost allocation model), in order to facilitate an orderly transition to your new service provider, or to allow additional time to finalize the new agreement and cost recovery structure, as the case may be.

I do wish to emphasize that it is Saanich's strong preference to continue providing fire dispatch services to the Township of Esquimalt both now and in the future. We look forward to working with you to achieve this goal and would be happy to meet with you and your Fire Chief at a convenient time to discuss this matter and answer any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul H. Thorkelsson', with a stylized, looping flourish at the end.

Paul H. Thorkelsson  
M. Arch., MPA, Architect-AIBC  
Chief Administrative Officer

Enclosure

c: Her Worship, Mayor Barbara Desjardins and Council, Township of Esquimalt  
Chris Jancowski, Fire Chief, Esquimalt Fire Department  
His Worship, Mayor Richard Atwell and Council, District of Saanich  
Michael Burgess, Fire Chief, Saanich Fire Department

**FIRE DISPATCH AND COMMUNICATIONS SERVICES AGREEMENT  
AMENDING AGREEMENT**

**THIS AGREEMENT** made this            day of            , 2017.

BETWEEN:

**THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT**

1229 Esquimalt Road  
Esquimalt, B.C., V9A 3P1

(hereinafter called "**Esquimalt**")

OF THE FIRST PART

AND:

**THE CORPORATION OF THE DISTRICT OF SAANICH**

770 Vernon Avenue  
Victoria, British Columbia  
V8X 2W7

(hereinafter called "**Saanich** ")

OF THE SECOND PART

**WHEREAS** the parties hereto entered into a Fire Dispatch and Communications Services Agreement dated December 6, 2016 (herein called the "**Fire Dispatch and Communications Services Agreement**") under which Saanich provides fire dispatch and communications services to Esquimalt;

**AND WHEREAS** the parties have agreed to amend the Fire Dispatch and Communications Services Agreement on the terms set out in this amending agreement (the "**Amending Agreement**");

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises, the terms and conditions hereinafter contained (the receipt and sufficiency of which is hereby acknowledged) the parties hereto covenant and agree each with the other as follows:

1. The Fire Dispatch and Communications Services Agreement is amended by deleting section 2.1 and replacing it with the following:

“2.1 This Agreement is for a term commencing on January 1<sup>st</sup>, 2017 and terminating on March 31, 2018, subject to early termination in accordance with this Agreement.”

2. The fee payable by Esquimalt for the period of January 1, 2018 through March 31, 2018 shall be the sum of \$23,747.17, and Esquimalt shall pay such amount to Saanich on or before January 1, 2018.
3. Except as expressly amended by this Amending Agreement, the parties ratify and confirm the Fire Dispatch and Communications Services Agreement. The Fire Dispatch and Communications Services Agreement and this Amending Agreement shall be read and construed as one document.
4. This Amending Agreement may be executed in counterparts and when the counterparts have been executed by the parties, each originally executed counterpart, whether a facsimile, photocopy or original, will be effective as if one original copy had been executed by the parties to this Amending Agreement.

**IN WITNESS WHEREOF** the parties hereto have caused this Amending Agreement to be executed with effect the day and year first above written.

Executed by **THE CORPORATION OF** )  
**THE TOWNSHIP OF ESQUIMALT** this \_\_\_\_ )  
day of \_\_\_\_\_, 2017: )  
)  
)  
)  
)  
\_\_\_\_\_  
Fire Chief )  
)  
)  
\_\_\_\_\_  
Corporate Officer )

Executed by **THE CORPORATION OF** )  
**THE DISTRICT OF SAANICH** this \_\_\_\_ day )  
of \_\_\_\_\_, 2017: )  
)  
)  
)  
)  
\_\_\_\_\_  
Mayor )  
)  
)  
\_\_\_\_\_  
Municipal Clerk )

**END OF DOCUMENT**

400-50  
7200-01 UH

## Meghan Wylie

**From:** Laurie Hurst  
**Sent:** November-30-17 08:54  
**To:** Meghan Wylie  
**Subject:** FW: Fire Dispatch Services  
**Attachments:** Laurie Hurst, Esquimalt Nov. 2017.pdf; Fire Services Agreement - Amending Agreement - Esquimalt Nov\_2017 FINAL.pdf

For login and processing, thanks.

**Laurie Hurst, CPA, CGA**  
Chief Administrative Officer  
Tel: 1-250-414-7133

CORPORATION OF THE TOWNSHIP OF ESQUIMALT		
For Information:		
<input type="checkbox"/> CAO	<input type="checkbox"/> Mayor/Council	
RECEIVED: NOV 30 2017		
Referred: <i>Anja</i>		
<input type="checkbox"/> For Action	<input type="checkbox"/> For Response	<input type="checkbox"/> COTW
<input type="checkbox"/> For Report	<input checked="" type="checkbox"/> Council Agenda	<input type="checkbox"/> IC

**From:** Jennifer Downie [mailto:[Jennifer.Downie@saanich.ca](mailto:Jennifer.Downie@saanich.ca)]  
**Sent:** November-30-17 8:49 AM  
**To:** Laurie Hurst  
**Cc:** Barb Desjardins; Chris Jancowski; Colin Plant; Dean Murdock; Fred Haynes; Judy Brownoff; Karen Harper; Leif Wergeland; Mayor; Michael Burgess; Susan Brice; Vicki Sanders  
**Subject:** Fire Dispatch Services

Laurie

Attached, please find correspondence from Paul Thorkelsson, CAO, District of Saanich.

I have sent your Mayor a copy of this correspondence, but would ask for your assistance in providing this information to all members of Council.

Kindly confirm receipt of this email.

Thanks,  
Jennifer

Jennifer Downie

Administrative Assistant to the Mayor and CAO  
Administration Department  
District of Saanich  
770 Vernon Ave.  
Victoria BC V8X 2W7

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[www.saanich.ca](http://www.saanich.ca)