1
CENTRALIZED FIRE DISPATCH

1. RECOMMENDATIONS

Whereas the business case analysis for a 7 Member Fire Dispatch Centre indicates a potential cost savings, and whereas there are a number of intangible benefits available to member municipalities. It is recommended that:

1. The Region of York proceed with the formation of a 7 Member Fire Dispatch Service to be co-located with 9-1-1 and York Region Police Dispatch subject to
   a) receiving approvals from the local Councils of Aurora, East Gwillimbury, Georgina, King, Newmarket, Vaughan, and Whitchurch Stouffville to enter into a satisfactory agreement with the Region of York covering the terms of a single Cost Sharing Formula and a Special Area Levy; and
   b) a satisfactory resolution of all labour issues
2. An implementation plan is prepared in the first quarter of 2004 for start up of a 7 Member Fire Dispatch Centre by late 2005.

2. PURPOSE

This report provides an overview regarding the merits of establishing a centralized fire dispatch service for the municipalities of Vaughan, King, East Gwillimbury, Aurora, Newmarket, Whitchurch Stouffville, and Georgina.

3. BACKGROUND

On June 12th, Regional Council directed staff to investigate the efficacy of a Centralized Fire Dispatch service for seven of the area municipalities (excluding Markham and Richmond Hill). This analysis was to include a further cost benefit analysis and was to incorporate discussions with the interested local municipalities. Staff were also directed to request the Ontario Fire Marshal's Office to provide comments on the merits of Centralized Fire Dispatch.

3.1 Meeting with the Area CAO's and Fire Chiefs

On July 11th, Regional staff arranged a meeting with the seven area municipal CAO's and Fire Chiefs to discuss Centralized Fire Dispatch. It was agreed by those present that the benefits of improved service levels and future opportunities for integrated communication with other emergency service providers, previously identified for a centralized fire dispatch service, would still be available in a smaller facility. A Business Case for a seven Member Fire Dispatch Centre was presented and endorsed by the group. However, it was agreed that further work was required regarding 1) Cost Sharing Options, 2) a Cost Transition Strategy, 3) Payment Mechanisms and 4) Governance Options. It was also agreed that the six area Fire Chiefs would continue to meet to examine these points.

3.2 Meetings with the Area Fire Chiefs

In August, there were two meetings between Region staff and the six area Fire Chiefs. The Fire Chiefs indicated their preferences regarding the distribution of costs and governance for a seven Member Fire Dispatch facility

4. ANALYSIS AND OPTIONS

4.1 Approach

The analysis for a seven Member Fire Dispatch Centre followed the pattern created in the original exercise, which examined both nine and eight member facilities. Governance, operational, legal, labour and financial aspects were analyzed and are outlined in the following sections.

4.1.1 Fire Marshal's Office

After obtaining area municipal staff endorsement of the business case and determining the Fire Chiefs' governance option preference, the Fire Marshal's office was requested to provide comments on the merit of a centralized dispatch service managed by the Region. Unfortunately, due to the events surrounding the power outages, it has not been possible to schedule a meeting prior to the preparation of this report. However, one has been arranged for September 19th.

4.1.2 The Region's Ability to Act under the Fire Prevention and Protection Act

The Region has provided the Fire Marshal's Office with background material regarding the work undertaken by the Region and area municipalities on centralizing fire dispatch. The primary reason for the meeting is to discuss the Region's interpretation of the *FPPA,* which may require provincial clarification concerning fire protection services employees being governed by the labour framework of the *FPPA*, when their employer is not a fire department. If clarification of the legislation is required, the extent and timing of such an effort will need to be determined by the Ministry. After the September 19th meeting, Region staff will formally request the Fire Marshal's comments regarding the merits of this initiative.

4.1.3 Operation of a 7 Member Fire Dispatch Centre

The Fire Chiefs strongly support the approach that the Region manage the fire dispatch service. The organizational structure would be such that a fire dispatch service would operate much like a department within the Region, managed and staffed by Regional employees. This unit would be located within the Joint Communications Centre. A Steering Committee would be formed, comprised of the local municipal Fire Chiefs, and would provide guidance for the operation of the service. A formal agreement would be executed between all eight parties outlining the full terms of the arrangement.

4.1.4 Labour

Subject to the full support of the 7 municipalities, the City of Vaughan and the Vaughan Professional Firefighters Association, it is proposed that the Vaughan alarm room operators would become Region of York employees, with bargaining rights as dictated under the terms of the FPPA. In this instance, there would no requirement to reconcile multiple collective agreements, as was the case for the eight and nine member central fire dispatch models.

5. FINANCIAL IMPLICATIONS

A similar analysis to the eight and nine member Central Fire Dispatch Business Case was undertaken for seven municipalities and models were prepared. In this Business Case, the models are described as:

1) Base Case - is an extrapolation of the status quo situation. It calculates the future collective costs that the seven area municipalities would expect to pay in delivery or fees for service, under a full cost recovery regime.
2) 7 Member Fire Dispatch Centre (7M FDC) – calculation of the costs to operate a centralized fire dispatch centre for seven municipal members, working in cooperation with the Markham and Richmond Hill dispatch facilities.

The business case included the three primary costing areas of Staffing, Space and Technology. Both capital (currently estimated to be in the order of $1M) and annual operating expenses have been included. The Region has also included implementation costs currently estimated to be in the order of $300K.

5.1 Potential Cost Savings

Potential cost savings available through the establishment of a seven Member Fire Dispatch Centre for three benchmark years are shown in Table 1.

Table 1
Potential Cumulative Savings at Milestone Years

Model	Cumulative Cost by 2014	Cumulative Costs by 2019	Cumulative Costs by 2026
Base Case*	$16,227,646	$25,264,542	$38,644,272
7 Member Dispatch Centre	$14,993,105	$22,725,062	$35,187,163
Differential	$ 1,234,541	$2,539,480	$3,157,109
Percentage	8%	10%	8%

* The Base Case costs represent future full costs and are not an extrapolation of current fees

The savings are not in the same order of magnitude as a larger centralized fire dispatch service. However they are an improvement over what would be the projected costs of the Base Case or status quo situation.

Attachment 1 provides the basis for these cost savings.

5.2 Cost Sharing Formula Options

A great deal of discussion has ensued over the summer regarding an equitable method for distribution of costs amongst the seven member municipalities. Initially a proposal was tabled based on service demand i.e. Call Volumes. The Region staff believe this to be a fair formula; however, the Fire Chiefs feel this is not a comprehensive approach. In turn, several other Cost Sharing options have been prepared including:

- Call Volumes
- Taxable Assessment Value
- An equal weighting of Taxable Assessment/Population/Call Volumes
- Non Residential Taxable Assessment Value
- An equal weighting of Non Residential Taxable Assessment/Population/Call Volumes

Attachment 2, based on 2002 information, provides some indication of the probable charges for the municipalities for each of the options.

5.1.2 Full Cost Recovery for Fire Dispatch Service

Close scrutiny of Attachment 2 indicates that regardless of the cost sharing option chosen, there will be an increase in costs for fire dispatch service – under any scenario. Currently, the fees paid by area municipalities are not based on actual full costs. At the July 11th meeting, the CAOs and Fire Chiefs acknowledged that costs for any fire dispatch service would rise because of technology, labour increases, space improvements, and the requirement to fully recover costs. Payment for fire dispatch service will include both capital and operating costs and will be calculated on a full costing basis. All area municipalities should anticipate allocating more funding support to pay for the required technology and it's implementation costs.

5.1.3 Fee Collection Mechanism

The area municipal staff have expressed a preference that chargeback for fire dispatch service, be under the terms of a "Special Area Levy". The existing local municipal tax base would be restated, by shifting to the Regional tax base, what is currently being spent on fire dispatch service by each municipality. A separate identification on the local tax bill would indicate a specific charge for a Regional Fire Dispatch service. Region staff have not had an opportunity to fully explore all aspects of this concept, however initial investigation is positive, in that it would appear the revised Municipal Act allows for this approach. However, there is a need to discuss this further with area Treasurers to ensure that the required changes to tax billing procedures are possible.

6. LOCAL MUNICIPAL IMPACT

At this point in the analysis of a 7 Member Fire Dispatch Centre, Region staff believe the opportunity exists for 6 of the interested municipalities to experience improved fire dispatch service at a slightly reduced cost compared to what they each could anticipate under the status quo situation. Whitchurch Stouffville is the exception due to their current fee arrangement with the Town of Markham.

To reduce the impact to the seven municipalities, it is suggested that the initial capital costs for technology purchases and space improvements, as well as, implementation costs be removed from the annual operating expenses. Each municipality would pay its share of the reduced annual operating expenses, as determined by the chosen Cost Sharing Formula. The removed costs, and any interest charges, would in turn be distributed to the area municipalities, using the same Cost Sharing Formula, and repaid to the Region under alternate payment terms.

An example of the effects of the removal of capital and implementation costs for each municipality is summarized in Attachment 3.

The seven municipalities involvement in this proposed fire dispatch centre may have a negative financial impact on Richmond Hill and Markham because they would no longer receive service fees from these municipalities. It is anticipated that these municipalities would benefit from a third fire dispatch centre in light of future opportunities for advancements in coordinated communication between Police, Fire and Ambulance. Staff believe a good working relationship can be established between the existing fire dispatch facilities and a regional facility.

7. CONCLUSION

A 7 Member Fire Dispatch Centre has merit. Intangible benefits such as improved response times, enhanced information management and more consistent service levels, all of which cannot be costed, nonetheless would still provide good value to the recipient municipalities. The financial analysis supports proceeding, however the savings should not be considered as the only reason for moving forward.

From the Region's perspective, the opportunity to "keep the dream alive" and pursue future opportunities to co-locate all emergency communications is still attractive. The creation of a fire dispatch service in a joint emergency communications facility represents an innovative approach to improving service for York taxpayers and in this regard the Region would be a leader.

The key components of centralizing fire dispatch have been investigated, albeit not finalized. Staff believe that outstanding issues can be addressed through continued dialogue with area staff, Vaughan PFFA representatives, and the Fire Marshal's Office. Should Regional Council support the formation of a 7 Member Fire Dispatch Centre, staff will pursue resolution of all remaining matters and report accordingly in 2004.

(A copy of the attachment referred to in the foregoing is included with this report and is also on file in the Office of the Regional Clerk.)