

TO: CITY MANAGER

2004 February 10

FROM: DIRECTOR FINANCE

File: 2100 50

SUBJECT: 9-1-1 ADMINISTRATION

PURPOSE: To provide Council with information related to the transfer of responsibility for the administration of the 9-1-1 function from the GVRD to EComm.

RECOMMENDATION:

1. THAT the GVRD board be requested to postpone their consideration of the transfer of the administration of the 9-1-1 function to EComm pending the clarification of the actual cost of running 9-1-1 call answering, the involvement of the CRTC in setting and administering the phone levy and the transitional requirements to make the change.

REPORT

At its meeting of 2004 February 09 Council received correspondence from the Greater Vancouver Regional District requesting comments on the proposal to transfer the 9-1-1 emergency telephone administration to EComm and shift the financing from property tax based to a telephone levy.

There are two fundamental components of the 9-1-1 emergency phone service; the contract administration/finance and the initial call answer function. The GVRD undertook the administration and finance of 9-1-1 in 1990 when no other organization existed to fulfill the role on a regional basis. Vancouver police, at the time, fulfilled the initial call answer function, a role they continued until its transfer to EComm in 1999 (the contract administration and financing remains with the GVRD).

The GVRD collects the funds for the 9-1-1 function through their annual property tax levy. In 2003 this amounted to \$2,650,722, Burnaby's share of which is about: \$261,000.

Annually the GVRD remits \$2,150,000 to EComm for the operation of the call answer function, about \$150,000 is retained by the GVRD as compensation for the contract administration costs and the remainder, \$350,700, has been held by the GVRD, for the past three years, pending completion of the negotiations for the contract between GVRD and EComm.

EComm has determined that the actual cost for the call answer function is \$3,560,000 per year, which covers direct staffing, overhead percentage, a portion of the facility operating cost (based on the number of staff answering 9-1-1). and a small portion of the Computer Assisted Dispatch (locator facility).

The difference between the amount collected/remitted by the GVRD and the actual cost of operating 9-1-1 call answering represents an under funding that has persisted in excess of five years. The underfunding has been charged as a deficit to the retained earnings of EComm but will ultimately have to be addressed either through increased GVRD payments or the proposed phone levy.

The GVRD's role in the administration of the 9-1-1 consists of public education materials, translation services and the legal contact to Telus, the CRTC and Industry Canada. The GVRD is also responsible to collect the funds, through property taxes, for the operation of 9-1-1 call answering.

The transfer, being considered by the GVRD board, of the administration of 9-1-1 to EComm would enable EComm to legally deal directly with Telus over service problems rather than going through the GVRD to resolve problems. (Although in practice a working relationship between EComm and Telus is generally established to handle issues that legally should be funneled through the GVRD.)

A change in administration would necessitate changes in financing. The current structure, as stated above, is financed through the GVRD and its property tax levy. Since EComm does not have the legal authority to levy taxes the suggestion being considered is to have the financing transferred to the telephone bills based on a charge of \$0.25 per phone line per month. For this service Telus would charge, as set by the CRTC, \$0.07 per phone line per month. Telus currently collects \$0.16 per line per month to cover the cost of the phone infrastructure related to 9-1-1 service. The total charges (\$0.48) compare favourably with 9-1-1 total charges in other areas of British Columbia.

There is some question regarding the involvement of the CRTC (tariffed versus non-tariffed status of the component charges) in the approval and audit of the charges and/or subsequent changes. The issue is significant when considering the level of control or influence the cities have over changes administered by the GVRD as opposed to EComm.

It should be noted that the above charges are for land lines only, cellular phones are not covered due to legislative requirements. However EComm would pursue, through the CRTC, the inclusion of cell phones in the charge if the changes being considered by the GVRD are adopted. The inclusion of cell phones would lower the per line charge by the ratio of cell phones to land lines; therefore the same amount would be collected, just the per unit cost would be lower.

The cost impact on Burnaby's budget would be positive in that we currently pay about \$261,000 per year (2003) and based on 500 phone lines the phone levy charges could be about $(500 \times .32 \times 12 \times 1.07)$ \$2,000 per year. A net saving of \$259,000, assuming the GVRD passed the entire savings on to the municipalities. The impact on the entire regional district would be an increase from \$2.6 million collected through the GVRD (although EComm's actual cost to operate 9-1-1 is \$3.56 million) to about \$5.0 million collected/charged through a phone levy $(\$0.32 \times 12 \times 1.4 \text{ million phones} \times 1.07)$.

There are a number of issues that remain outstanding or require clarification; the actual cost of running 9-1-1 call answering, the involvement of the CRTC in setting and administering the phone levy and the transitional requirements to move from the GVRD to EComm administration. Given there is no pressing need to make the change immediately it is suggested that the GVRD board postpone their deliberation on the issue pending clarification of the above.

This report is provided for the information of Council.

A handwritten signature in black ink, appearing to read "Rick Earle", followed by a period.

Rick Earle
DIRECTOR FINANCE

