

TO: CITY MANAGER

2004 March 10

FROM: DIRECTOR FINANCE

File: 2100 50

SUBJECT: 911 ADMINISTRATION/ECOMM GOVERNANCE

PURPOSE: To provide Council with an update on the transfer of 9-1-1 call answering administration and the governance structure of EComm

RECOMMENDATION:

THAT this report be received for information

REPORT

At its meeting of 2004 February 09 Council received a report regarding an initiative to transfer the responsibility for the administration of the 9-1-1 call answering function from the GVRD to EComm and shift its financing from the property tax base to a telephone levy.

Out of the discussion Council moved:

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 including accountability to the public and governance structure.

At the GVRD Board meeting of 2004 February 27 a motion to defer the decision on the 9-1-1 administrative transfer and change of funding was adopted in order to provide members more time to consider the matter.

At the next meeting of the GVRD Board, 2004 March 26, the Board adopted the following motion, deferring the decision on the administrative transfer and requesting further information:

That the GVRD Board defer consideration of the matter of 9-1-1 Governance to a future meeting pending further information including clarification of the actual cost of running 9-1-1, call answering, the involvement of the CRTC in setting and administering the phone levy, the transitional requirements to make the change, the cost to municipalities as a consequence of the GVRD contract, the impact of switching from property tax to call answer and if service delivery will improve as a result.

Consideration of the transfer of 9-1-1 administration and change of funding source is scheduled to be brought forward at the GVRD Board meeting of 2004 April 30.

The current status of the issues brought forward by Burnaby are:

Clarification of the actual cost of running 9-1-1 call answering

The GVRD collects about \$2.6 million per year from municipalities and remits \$2.1 million to EComm for the 9-1-1 function. The remainder of the funds collected covers the cost of GVRD staff education program, brochures and an accrual to cover a portion of the difference in what is paid to EComm and the amount that EComm has determined is the actual cost of providing the 9-1-1 function. The GVRD has been paying \$2.1 million a year to EComm based on their, now expired, 2001 contract with EComm.

Ecomm has calculated the cost of providing the 9-1-1 function to be:

Capital costs (CAD, dispatch consoles & voice logging)	\$543,000
Call answering staff, supervisors, training, support & operations	2,168,000
Operating costs (IT systems, maintenance, facilities operations)	465,000
Administrative costs (9 -911 workstations of 61 total workstations)	<u>390,000</u>
	<u>\$3,566,000</u>

The use of a telephone levy to fund the 9-1-1 function will incur additional expenses payable to Telus for the billing function. The costs are set, by the Canadian Radio-television and Telecommunications Commission (CRTC) at \$0.07 per bill. The total billing, including the costs payable to Telus is estimated to be \$0.32 per month per telephone, which although comparable with charges for this type of service in other areas of the province and Canada, equates to about \$5.0 million per year for the residents of the GVRD.

Involvement of the CRTC in setting and administering the phone levy

The CRTC is responsible for determining the charge that telephone companies levy to provide the billing service, the amount is set nationally at \$0.07 per line, per bill. The CRTC also determines the type of charges that are eligible to be included on the telephone bills. However, the CRTC is not involved in the magnitude of the charges billed (i.e. the \$0.25 (.32-.07) that is remitted to EComm).

Transitional requirements to make the change

The transitional requirements are largely technical legal issues that will be detailed in the upcoming GVRD Board report. They do include the requirement, under the Local Government Act, of the consent (by simple majority) of at least 2/3rds of the participants in the service followed by the adoption of the changes by the majority of the GVRD Board (by way of weighted vote).

Accountability to the public and governance structure

EComm is incorporated under both the Emergency Communications Corporations Act (1997) and the BC Companies Act. It is a privately held Corporation with an annual operating budget of about \$36 million and operates under a cost recovery model that credits back any net surplus to shareholders at the end of each fiscal operating year while any shortfalls are recovered through a special levy assessment in the following year.

E-Comm has 14 Class A shareholders and 33 Class B shareholders. Class A shareholders are investors in EComm who are bound by the terms and conditions of the Members Agreement, Class B shareholders are not financially bound to E-Comm until they join the Wide-Area Radio System. Burnaby has joined the Wide-Area Radio system through the RCMP.

Members of EComm are charged for their share of the radio system based on a weighted distribution cost allocation model that considers such factors as the coverage area (geography) and radio traffic of their region. Traffic factors are further broken down into the number of radios, radio traffic and population as these all impact system usage.

Shared radio infrastructure costs are allocated based on the following factors:

- Coverage area (50%)
- Radio traffic (20%)
- Number of radios (20%)
- Population (10%)

Dispatch equipment and building costs are allocated based on the number of dispatches.

Radio user equipment is specific to an agency and is therefore a direct cost to each agency.

A 15 member Board of Directors provides governance to EComm and is responsible for ensuring the overall financial health of the Corporation and its operating results. The members of the Board of Directors are nominated by EComm shareholders. In the pursuit of an efficient governing model the size of the EComm's Board is limited through regional representation. If Burnaby was to become a Class A shareholder our direct representation on the Board would be at the voting discretion of the other shareholders. However we would be assured indirect representation through the board representative for Coquitlam, Port Moody, Port Coquitlam, New Westminster and Belcarra.

The current governing EComm Board members are:

Mr. David Korbin,	Independent Director, Chair
Directors:	
Dan Cunningham	Emergency Health Services Commission (representing BC Ambulance Service)
Don Bell	Mayor of North Vancouver District (representing District of West Vancouver, North Vancouver City and District)
Gary Briggs	RCMP
Murray Day	Vancouver Police Board
Don Evans	(past chair) Independent
Len Garis	Fire Chief, Surrey (representing Surrey)
Jon Harris	Councillor, (representing Maple Ridge, Pitt Meadows)
Tony Heemskerck	Assistant Deputy Minister, Ministry of Public Safety and Solicitor General
David Hodgins	Fire Commissioner (Ministry of Community, Aboriginal and Women's Services)
Lois Jackson	Mayor of Delta
Jon Kingsbury	Mayor of Coquitlam, (representing Coquitlam, Port Moody, Port Coquitlam, New Westminster, Belcarra)
Penny Kirkpatrick	Councillor, Township of Langley (representing Township of Langley and the City of White Rock)
Kiichi Kumagai	Councillor, City of Richmond
Patti Marfleet	City of Vancouver
Joe Trasolini	Mayor of Port Moody (representing Independent Police Boards in Port Moody, Corporation of Delta, District of West Vancouver, New Westminster)

Summary

The change to a telephone levy to fund the 9-1-1 function more closely follows a user-pay approach to services. The transfer of the administration of the function to the agency responsible for the 9-1-1 call answering seems intuitively logical. However the additional expenses payable to Telus for the billing (about \$1 million per year), the decrease of accountability due to a lack of direct city representation on the EComm governing board and no stated improvement in operating efficiency or improved services need to also be considered in the decision.



Rick Earle
DIRECTOR FINANCE