

BOARD REPORT

TO: Chair and Directors

File No: 7200 30 01

SUBJECT: Kault Hill Fire Suppression Agreement – City of Salmon Arm

DESCRIPTION: Report from Darcy Mooney, Manager of Operations, dated January 14, 2020. Agreement between the City of Salmon Arm and the CSRD to provide fire suppression activities to the Kault Hill Fire Suppression Specified Service Area for 2020 – 2024.

RECOMMENDATION: THAT: the Board empower the authorized signatories to enter into an agreement with the City of Salmon Arm for the provision of fire suppression services to the Kault Hill Fire Suppression Service Area for a five year term commencing January 1, 2020 to December 31, 2024. The rate will be the current City of Salmon Arm Fire Protection Tax Rate (based on the Hospital Assessment) times the annual multiplier plus a 10% administration fee as follows:

- 2020 = 1.25 x
- 2021 = 1.40 x
- 2022 = 1.55 x
- 2023 = 1.70 x
- 2024 = 1.85 x

this 16th day of January, 2020.

SHORT SUMMARY:

The City of Salmon Arm has provided fire suppression services to property owners within the Kault Hill Fire Suppression Service Area since 1999. The previous five year agreement expired on December 31, 2019. The City of Salmon Arm has provided a proposal to the CSRD for continued service from January 1, 2020 to December 31, 2024. Costs proposed by the City of Salmon Arm represent a significant increase over previous contracted amounts. By 2024, contracted amounts are expected to be double what was allocated in 2019.

VOTING: Unweighted LGA Part 14 Weighted Stakeholder
 Corporate (Unweighted) Corporate (*Weighted*)

BACKGROUND:

The contract between the City of Salmon Arm and the CSRD to provide fire suppression services to the Kault Hill area expired on December 31, 2019. From 2015 – 2019, the approximate costs for the City of Salmon Arm to provide fire suppression service to 61 properties within the Kault Hill Fire Suppression Service Area was \$8,000 per year. A five year proposal was received by the City of Salmon Arm to continue to provide the same level of service to Kault Hill as previous, but for a significant rate increase based on a multiplier of the current City Fire Protection Tax Rate (based on the Hospital Assessment) plus an additional 10% administration fee as follows:

Year	Cost Increase
2020	1.25 x
2021	1.40 x
2022	1.55 x
2023	1.70 x
2024	1.85 x

CSRD staff has been exploring the option of having the Tappen/Sunnybrae Fire Department provide fire suppression services to Kault Hill. More research is required before this option can be ruled either viable or unviable due to the distance from the fire hall and potential impact to response times and insurance ratings. The new agreement contains a 30 day termination clause without cause, and so if a more economical solution is realized, the CSRD can terminate the agreement upon 30 days' notice to the City of Salmon Arm.

POLICY:

The proposed contract rates are within the allowable bylaw maximum tax rate of \$1.57 per \$1000 of assessment.

FINANCIAL:

Advancing this agreement will result in significant increases to property owners in the Kault Hill Fire Suppression Service area. On average, property owners paid \$123.00 in 2019 for fire suppression. This amount will increase to \$147.00 in 2020 (on average) and \$240 per year in 2024.

KEY ISSUES/CONCEPTS:

The continuation of fire suppression service for the Kault Hill property owners at the most economical costs available.

IMPLEMENTATION:

This agreement is effective January 1, 2020. The City of Salmon Arm has agreed to provide the service uninterrupted between January 1, 2020 and the date the agreement is ratified.

DESIRED OUTCOMES:

The Board approve the recommendation.

BOARD'S OPTIONS:

1. *Endorse the Recommendation.*
2. *Deny the Recommendation.*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

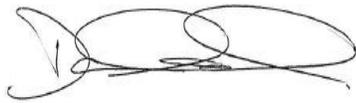
LIST NAME OF REPORT(S) / DOCUMENT(S) AVAILABLE FROM STAFF:

1. Kault Hill Fire Suppression Agreement 2020 - 2024

Report Approval Details

Document Title:	2020-01-16_Board_OM_Kault_Hill_City_of_Salmon_Arm_Fire_Services.docx
Attachments:	
Final Approval Date:	Jan 14, 2020

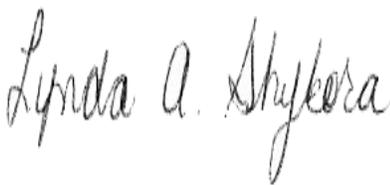
This report and all of its attachments were approved and signed as outlined below:



Darcy Mooney



Jodi Pierce



Lynda Shykora



Charles Hamilton