

**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 02, 2022**

SUBJECT Capital Region Emergency Service Telecommunications Inc. (CREST) Service Agreement Renewal

ISSUE SUMMARY

The service agreement between the Capital Regional District (CRD) and Capital Region Emergency Service Telecommunications Inc. (CREST) expired on Dec 31, 2021, and requires renewal.

BACKGROUND

At the December 8, 2021, CRD Board meeting, the Board approved a recommendation from the Planning and Protective Services Committee:

That the Chief Administrative Officer be authorized to enter into a new regional service agreement with CREST to provide general emergency radio communications services, with annual contributions limited to inflationary adjustments.

Subsequent to Board approval, staff have continued to negotiate with CREST on finalizing an agreement. Changes from the previous draft agreement are highlighted in the staff report below and appendix B. These changes include an upper limit on inflation impacts (3%), reporting on financial accountability, and an annual presentation or update to the CRD Board.

For additional reference, staff have included in appendix A the previous staff report detailing the history and formation of CREST in the member agreement bylaw, where the commitment to fund was capped to the Call Answer Levy (CAL) revenue received. The agreement in appendix B would fund CREST beyond the (CAL) and increase annual contributions by CPI with an upper limit of 3%.

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the Capital Regional District Board:
That the Chief Administrative Officer be authorized to enter into a service agreement as attached to provide general emergency radio communications services.

Alternative 2

The Finance Committee recommends to the Capital Regional District Board:
That this report be referred back to staff for additional information.

IMPLICATIONS

The revised 2022 agreement with tracked changes is included in Appendix B. The following concordance table summarizes revisions since December.

Section	Draft (December 2021)	Final (March 2022)
3. Services	No change from the 2017-2021 agreement	Keeps 3.1, but adds new 3.2 and 3.3; old 3.2 becomes 3.4
<ul style="list-style-type: none"> consistent with existing CRD governance requirements of other like services; annual reporting to the Board is now included now includes the option for CRD to request financial information in alignment with the provisions of the <i>Financial Information Act</i> as if it applied to CREST; information to be provided upon request 		
4. Payment Matters	Adds sub-sections 4.1.(i), (ii), and (iii)	Adds text to 4.1.(ii) and revises a phrase in 4.1.(iii).
<p>Incorporates additional terminology to:</p> <ul style="list-style-type: none"> actual increases of the annual contribution will be the actual measure of CPI from BC Stats versus an estimate in the case of negative CPI, guarantees the base prior year fee, and in the case of excess inflation, the index used to calculate the increase is capped at 3%, in alignment with CREST's targeted operational cost increase of 2.9% 		

Service Delivery Implications

The CRD has the authority within Bylaw No. 2891, "Capital Regional District Service of Emergency Communications Service Establishment Bylaw No. 1, 2001", to provide an emergency communication service or to make a financial contribution towards the cost of an emergency communication service operated by another person or organization. CREST, under agreement with the CRD, and as a Not for Profit and primarily publically funded Corporation, is delivering this service to users within the regional district. However, the agreement expired on December 31, 2021.

Renewal of the service agreement (Appendix B) will result in continuance of CRD contributions to CREST and in turn, the required operations of an emergency communications service on behalf of the CRD. Service levels and operational oversight are provided by and approved by the CREST Board annually through their planning approval processes.

All other implications have already been included in the initial report to Board in December 2021.

CONCLUSION

The service agreement between the Capital Regional District (CRD) and Capital Region Emergency Service Telecommunications Inc. (CREST) was set to expire on Dec 31, 2021, and requires renewal. The CRD has the authority within Bylaw No. 2891, "Capital Regional District

Service of Emergency Communications Service Establishment Bylaw No. 1, 2001”, to provide an emergency communication service or to make a financial contribution towards the cost of an emergency communication service operated by another person or organization. CREST, under agreement with the CRD, is delivering this service to users within the regional district. Renewal of the service agreement will result in continuance of CRD contributions to CREST and in turn, the required operations of an emergency communications service on behalf of the CRD.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:
That the Chief Administrative Officer be authorized to enter into a service agreement as attached to provide general emergency radio communications services.

Submitted by:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: November 2021 Staff Report 21-685

Appendix B: Revised 2022 Service Agreement, with tracked changes