



Cypress County  
Fire Services Agreement with the  
City of Medicine Hat

Final Report  
March 7, 2017

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[www.tsi-inc.ca](http://www.tsi-inc.ca)

# Letter of Transmittal

March 7, 2017

Mr. Doug Henderson  
CAO, Cypress County  
816 - 2nd Ave  
Dunmore, AB T1B 0K3

Re: Cypress County Fire Services Agreement with the City of Medicine Hat

Dear Mr. Henderson,

We are pleased to present you with the review of Cypress County's fire service agreement with the City of Medicine Hat.

Over the past month, we have reviewed, assessed and developed a fire service agreement for Cypress County. The agreement includes comments from the City of Medicine Hat Fire Department Management as well as the input from Cypress County through interviews and documents provided.

We feel we have captured the intent and the objectives of your original request for proposal and invite any comments on the attached report.

Respectfully,



Erica Thomas  
President, Transitional Solutions Inc.

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# Project Scope

## Scope of Work

Your TSI team understands the scope of the project as follows:

Lead and facilitate interviews with key individuals to determine options available in renewing the Fire Services Agreement between Cypress County and the City of Medicine Hat. Key individuals would include:

- a. Cypress County CAO, Doug Henderson
- b. Cypress County Reeve, Darcy Geigle
- c. Cypress County Administrative Fire Chief, Anna Mast
- d. City of Medicine Hat Deputy Fire Chief, Brian Webster
- e. City of Medicine Hat Fire Chief, Brian Stauth

Our team will;

- Review the fire service area and response statistics
- Review availability of apparatus and manpower
- Review current agreement
- Review levels of service
- Review current funding formula
- Review current fees and revenues

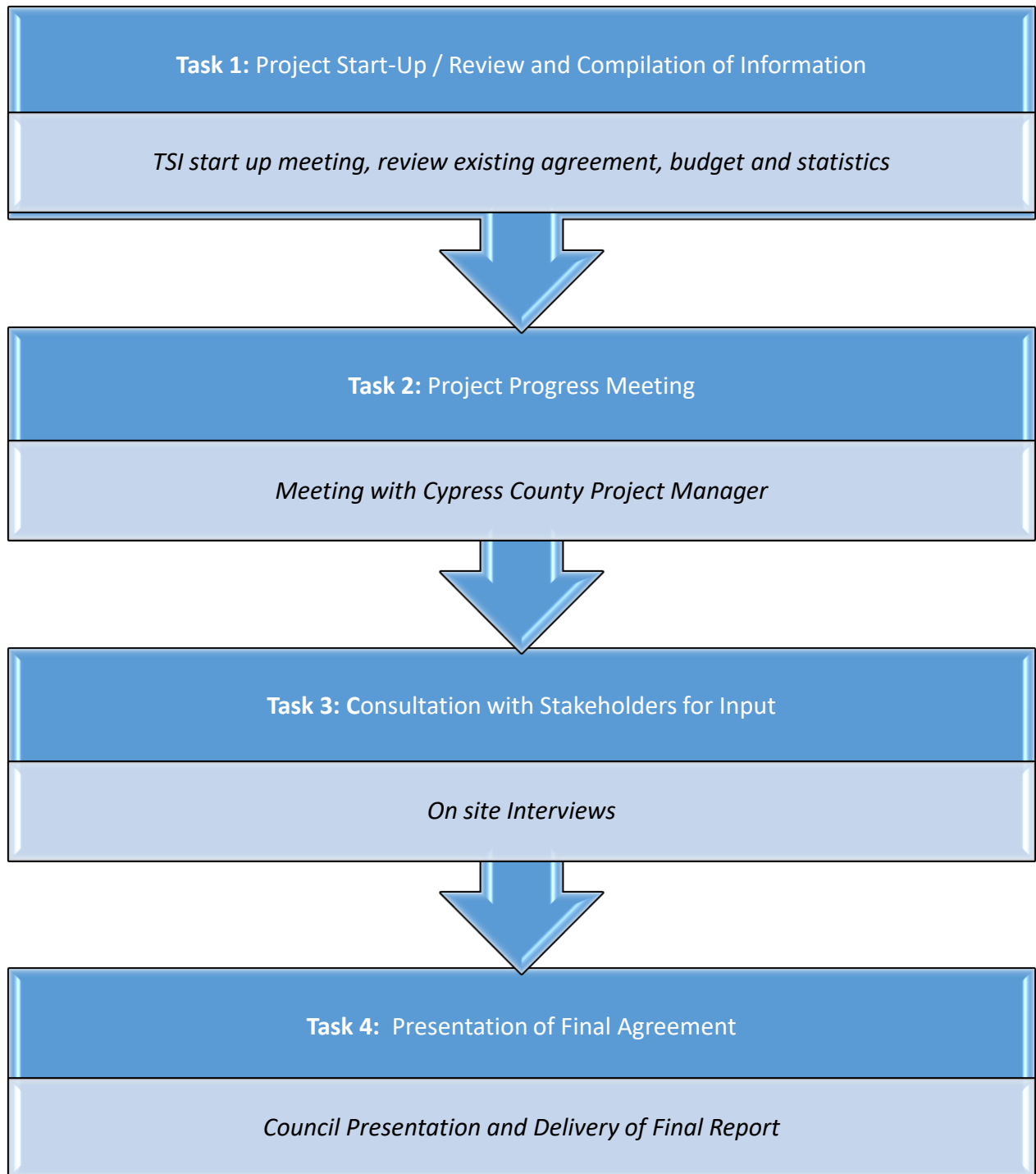
## Deliverables

Our understanding of the deliverable is:

- TSI will develop an agreement that will satisfy the needs of Cypress County

Note: The agreement terms will define the expectations and fees of Cypress County which may not be acceptable to the City of Medicine Hat. TSI will attempt to negotiate an agreement that will satisfy both Cypress County and the City of Medicine Hat.

## Project Plan



### *Task 1 – Review and Compilation of Information*

Following the contract approval, the TSI Team will perform an analysis that will include:

#### *Review and analysis of current information*

- Memorandum of Agreement (February 17, 2015)
- City of Medicine Hat Fire Services Strategic Plan (July 2010)
- City of Medicine Hat Fire Service Response Coverage Optimization Report (December 2012)
- Cypress County and City of Medicine Hat fire service budgets
- Response statistics

#### *Deliverables*

- Identify the operational structures and determine where improvements in coordination, standardization and synergies to improve overall safety and response effectiveness
- Identify opportunities for service level changes, efficiencies, and sharing of services, facilities and resources
- Identify constraints, barriers, and pressures preventing effective and efficient operation of services and programs
- Review resources from a risk management perspective to determine the best way forward for an equitable agreement.

### *Task 2 – Project Progress Meeting*

Prior to the start of the interviews, TSI will meet with the Cypress County Project Manager and any applicable stakeholders to confirm the overall project goal, interview schedule and final agreement presentation date.

#### **Project Update Meeting**

1. Introduction of TSI Team and team structure
2. Presentation of the scope of work outline
3. Schedule outline with key milestones identified
4. Project meetings and outcomes (Identifying key contacts and schedule for site visits)
5. Confirm date and time for delivery of final report



### *Task 3 – Consultation with Stakeholders for input*

TSI understands the importance of stakeholder engagement.

Our vast experience in stakeholder relations and consultation in both the private and public sectors sets us up for immediate success in the stakeholder consultation for the development of a Fire Services Agreement. Your TSI team will conduct onsite interviews with representatives from Cypress County and the City of Medicine Hat.

### *Task 4 – Develop a Fire Services Agreement*

- Develop a Fire Services Agreement that satisfies the scope of work
- Formal presentation of the Agreement to Cypress County Council

- Delivery of the Fire Services Agreement and Report - 1 electronic copy (supplied in PDF and MS Office Word (.docx) on USB flashdrive

## Project Schedule

Denotes: Onsite Meetings (Cypress County)												
Cypress County	13-Dec	20-Dec	27-Dec	03-Jan	10-Jan	17-Jan	24-Jan	31-Jan	07-Feb	14-Feb	21-Feb	
Task 1 - Start-up / Review and Analysis												
Contract Award												
TSI Internal Start-up Meeting												
Information Requests and Reviews												
Task 2 - Cypress County												
Project Progress Meeting Jan. 17												
Task 3 - Consultation												
Interviews Jan. 17 and 18												
Task 4 - Presentation of Agreement/Final Report												
Agreement Development												
Presentation to Council												
Delivery of Final Report												

At the request of Cypress County, the Final Report will be presented on March 7, 2017 at 11:00.

## Introduction

The citizen's expectations on emergency services are high when it comes to saving lives and property. In order to meet these expectations, the Cypress County Fire Department has systems in place to carry out their objectives including adequate equipment, strategically located fire stations and memorandum of agreements.

Cypress County has identified twelve firefighting service areas (also referenced as fire zone areas, fire protection areas and fire service areas) within the County to provide fire services to its citizens and visitors to the County. Eight of the firefighting service areas are being serviced by the Cypress County Fire Department; Box Springs, Elkwater, Hilda, Irvine, One Four, Schuler, Seven Persons, and Walsh. The other four firefighting service areas are serviced by Jenner, Suffield, Bow Island, or Medicine Hat. The Memorandum of Agreement with the City of Medicine Hat is the only agreement that has a retainer fee for service. The other three agreements are on a cost recovery basis with an identified fee schedule (fee for service).

## Background

TSI was presented with a number of statistics that are used in this report. In some cases, an average was taken from previous years in order to achieve a value for the future (i.e. call statistics for 2017 and 2018 are not available). No fire services can predict the amount and the type of calls that will be attended in a calendar year and relies on this historical data.

The Cypress County 2017 fire department operational budget is \$1,565,461.00. \$364,389.76 of the budget is for the fee for the City of Medicine Hat Fire Services to provide fire services to Cypress County. The City of Medicine Hat agreement with Cypress County covers the small urban areas of Desert Blume, Dunmore, and Veinerville and surrounding area. This is referred to as the Medicine Hat firefighting service area of Cypress County.

The current funding formula for the Cypress County agreement with the City of Medicine Hat is as follows:

- City of Medicine Hat Fire Services budget - Operating NET (excluding Cypress County agreement fee)
- **LESS**
  - Lease costs for Ladder 1 and Ladder 3
  - 95% of contracted services and materials/supplies for apparatus and equipment
  - Fire Prevention Branch net costs
  - Operations overtime Costs

The cost from this calculation is divided by the combined population figures for Medicine Hat (60,426) and the Cypress County "Medicine Hat firefighting service area" (1500) to develop a per capita cost.



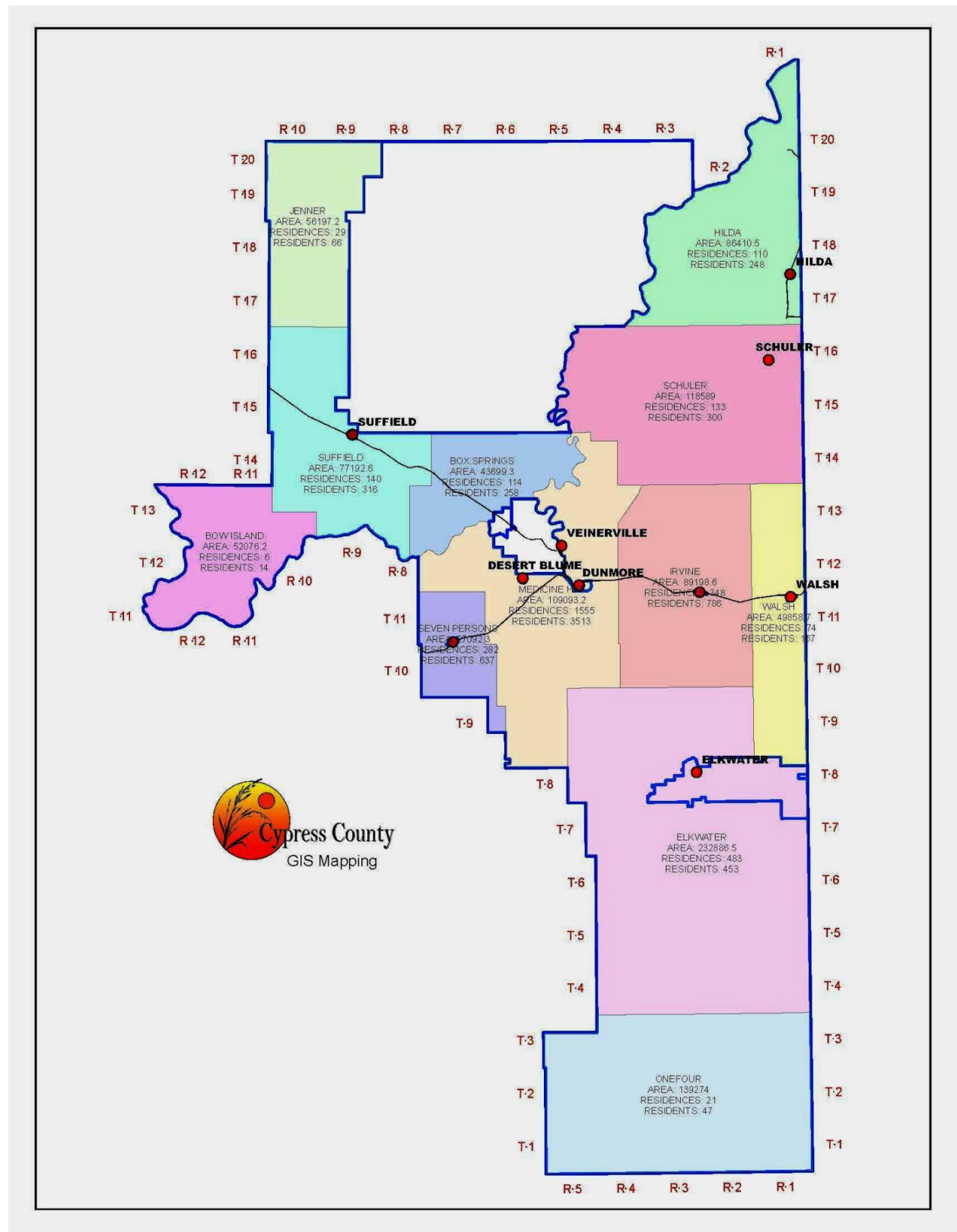
A 10% overhead fee is added to the per capita dollar amount. The new per capita dollar amount is multiplied by the Cypress County population figure (1500).

There is no documentation to indicate how this formula was developed or what the 1500 population of the firefighting service area represents. Assumptions can be made that the number either represented:

1. the populations of the small urban areas and not taking into consideration the whole firefighting service area population or
2. the total of residences rather than residents.

The City of Medicine Hat has indicated that a new agreement renewal will include updated population of their firefighting service area for Cypress County of 3513 as provided by Cypress County GIS Mapping in 2016 and the Statistics Canada 2016 census for the City of Medicine Hat.

# Cypress County Fire Service Area Map



## Interviews

Date	Time	Task
Tuesday January 17	09:00	Interview - Cypress County Administrative Fire Chief Anna Mast
Tuesday January 17	14:30	Interview - City of Medicine Hat FC Stauth and DFC Webster
Wednesday January 18	08:00	Interview - Cypress County Reeve Darcy Geigle
Wednesday January 18	10:00	Interview - Cypress County CAO Doug Henderson

Comments from interviews were gathered for this project from one on one interviews conducted with Cypress County staff as identified above and an interview with the City of Medicine Hat Fire Chief and Deputy Chief. Other comments from Cypress County were captured during the interviews for the Fire Master Plan project.

### Interview Notes

#### Cypress County

- A retainer for service
- Can be charged for every time the City of Medicine comes out to the fire service area
- Contract very one sided and expensive for what Cypress County gets
- County should not expect Medicine Hat to attend calls
- County provides the City with 2 fully-equipped engines
- Free use of equipment in city if required
- All maintenance and servicing costs of County equipment borne by County
- All equipment has been updated to meet Medicine Hat expectations
- Very seldom are County trucks sent to MVCs in the service area
- Absolute discretion to attend any calls in the County and be invoiced
- When backfilling the fire hall, the City can invoice the County
- Outside the fire service area, the County gets invoiced
- Relationship mostly good
- On scene relationship not working very smoothly
- Have Cypress County's radios but choose to use their own
- Most efficient is to have the City of Medicine Hat respond
- Gradually reduce Medicine Hat's area to see how it will work
- Analyzing the numbers to determine cost
- Dunmore and Dessert Blume would not be satisfied with a change in service
- Expand the service areas of existing stations and add one in Dunmore with a training facility, can buy or lease a building
- Look at the fees charged and remove the equipment capital
- Use County's repeater system for communication (911, and county personnel)
- Report on all calls that the City of Medicine Hat attends in Cypress County

- Incident Command clarified in agreement
- Seven Persons can respond to Desert Blume
- Add a Cypress County Fire Station in Dunmore
- Adjust County fire service area boundaries
- A change in service provider would be a concern for Desert Blume, Dunmore and MVCs
- Citizens won't be concerned with who the provider is, just as long as someone shows up
- Will need to educate the residence
- The agreement outlines the fee schedule
- Cypress County provides the capital equipment – trucks, SCBA, etc.
- Currently, the agreement states that they will deliver fire services to the identified areas as their operational commitments allow
- Ability to attend other calls outside of their identified jurisdictions
- Have received invoices for back filling staffing levels due to a call in the County
- Would like to see County deliver services to their people from their own department
- More advance notice for equipment/capital purchases or changes
- Back-up mutual aid for rest of County
- Operationally, while on scene, information he receives would indicate that MHFD feels the need to be in charge
- The most “efficient” would be services being delivered by MHFD but is not the most “cost effective” model

#### City of Medicine Hat

- Service provider of fire services to Cypress County – Dunmore/Desert Blume areas
- Provide same level of service to Cypress County as we do here – response time excepted
- Respond on occasion outside of the identified fire zones in agreement
- No mutual aid agreement in place – just one agreement
- County supplies 2 pieces of equipment for our use as required
- Sometimes we respond with our own when we are away from the station on pre-fire planning or fire inspection activities
- Manpower charges are invoiced for responses outside of the identified areas
- Current agreement is more of a retainer for services that ensure that there are people and equipment available to provide a service
- When operations permit, we always send adequate resources to get the job done
- MVC response is typically MH equipment
- Agree to provide response to Cypress County if at all possible
- MHFD is not under obligation to respond
- Have been occasions in the past where MHFD was totally committed, but have never had to decline a response to date
- Communication between agencies is relatively good
- Operationally, things are good – experience and familiarity with respects to IC roles.
- Spoke to issues being raised about the use of communication equipment – sometimes it is used out of familiarity.
- Prior to 2006 it was a small retainer and a fee/incident

- Retainer fee brought in to reflect principle of shared equality
- Based on the cost of all the parts of the MHFD that Cypress County would access/utilize
- Does not include the following:
  - OT
  - No Fire Prevention/Inspection staff
  - No costs associated to Aerial apparatus
- Current retainer essentially pays for the capacity of the fire department to be there
- Fee Formula
  - 95% of contracted
  - 10% admin fee
  - Census numbers – was using 1500 in previous agreement – new info 3513
- Concerned about shrinking down the response areas
- MHFD wants to stay engaged
- Current FDM software for data management and reporting not compatible with Cypress County software
- Provides statistical reports upon request in the past
- Has been some friction on scene occasionally - attributes this more to personal conflicts than anything
- Has received complaints about response times – usually 3-5 times a year – Cypress County does not have any identified response times in the agreement
- States there is a massive expectation from Desert Blume with respects to response and service delivery
- Equates District Chief of Cypress County to a Captain of MHFD
- MHFD is open to other opportunities

## Gap Analysis

ITEM	CURRENT SITUATION	RECOMMENDATIONS
<b>Memorandum of Agreement</b>	Dated: 17th of February 2015	Agreement has been extended to June 30, 2017.
<b>PROVISION OF FIRE PROTECTION SERVICES BY THE CITY</b>  2. (1) For the purposes of this Agreement, "Firefighting Services" or any variation thereof shall mean measures and activities reasonably necessary and incidental to the provision of fire suppression services and includes the provision of firefighting vehicles, firefighting equipment and firefighters used for fire suppression, and other related services such as hazardous materials, and rescue services.	This identifies the level of service which is in line with the Cypress County level of service bylaw.	None
(2) The City agrees to provide Firefighting Services commencing the 1st day of January, 2015 and terminating the 31st day of December, 2016 on the terms and conditions set out in this Agreement to that portion of Cypress County outlined in Schedule "A" (the "Firefighting Service Area").	Agreement is for the portions of the fire service area as identified on the Cypress County fire services area map.	Firefighting Service Area map included in agreement.
(3) The City may, at its absolute discretion, respond to requests for Firefighting Services within other areas of Cypress County shown outside the Firefighting Service Area on Schedule "A" as the City may deem advisable. The City and the County agree that any Firefighting Services provided by the City outside the Firefighting Service Area but within Cypress County, and any Firefighting Services provided by the City, at its absolute discretion, in responding to a need without a request for Firefighting Services being received, shall be subject to the terms and conditions of this Agreement herein. In such instances the City will invoice the County for services provided and the invoices shall be paid by the County within thirty (30) days of receipt. The amounts paid by the County under this subparagraph 2(3) shall be in addition to the amounts payable by the County as set out in Section 3 and elsewhere in this Agreement.	The City may, at its absolute discretion, respond to requests from Cypress County.	The City should not be responding outside of the identified fire service area unless a request for mutual aid assistance is provided by the County. If there is an error in dispatch protocols and the City responds outside of the service area, the City shall immediately inform Cypress County and request permission to continue with a response at the direction of Cypress County.

<p>(4) The City and the County agree and acknowledge that the provision of Firefighting Services by the City is subject to the condition that the City must be able to provide the requested services without jeopardizing or removing Firefighting Services which are previously engaged within the City or are responding or may be needed to respond to requests for Firefighting Services within the City. The City and the County agree that the determination of whether the City responds to a request for Firefighting Services and the extent of any response by the City shall be at the absolute discretion of the City's senior officer on duty at the time the request is made or his designate ("the Officer in Charge").</p>	<p>The City has systems in place to notify Cypress County when all of their resources are allocated to events within the City. There have been two emergencies in the City that utilized all of the City's resources, but no calls were made for the Cypress County fire service area during this time.</p>	
<p>(5) Without limiting the generality of the foregoing and notwithstanding any provisions to the contrary contained herein, the County acknowledges and agrees that the City's Firefighting Services may not always be available to respond or may be delayed in its response to requests for Firefighting Services within the County, and that the City may decline to provide Firefighting Services in the event that, in the absolute discretion of the Officer in Charge, there is or may be a conflicting requirement for Firefighting Services within the City of Medicine Hat. The County further acknowledges and agrees that requests for Firefighting Services within the City shall receive priority.</p>	<p>There have been no events in the Medicine Hat fire service area of Cypress County that the City could not attend.</p>	<p>Cypress County needs to develop a contingency plan/policy to ensure that an effective response is provided within the confines of their identified service levels. Policy/Plan will identify when the plan comes into effect, the necessary notifications to be made and the required operational adjustments to meet the needs of the potential risks during the period of unavailability.</p>
<p>(6) The determination as to what firefighting resources are deployed to a County incident will be at the discretion of the City's senior fire officer on duty at the time the request for a response is made.</p>	<p>The County fire trucks may not be deployed to all events within the City fire service area.</p>	<p>Every reasonable effort will be made to ensure that response into the Cypress County response zones are done with Cypress County equipment. Cypress County equipment is for firefighting and does not include rescue equipment or additional support functions that may be required at an emergency.</p>

(7) The City and the County agree that the County shall have no claim for damages or compensation for the City failing or refusing to respond, or for the extent of the City's response to a request for Firefighting Services within the Firefighting Service Area or other areas within Cypress County, or for the City providing Firefighting Services, at its absolute discretion, in responding to a need without a request for Firefighting Services being received, or for the City failing to provide Firefighting Services in response to a need without a request for Firefighting Services.	This clause is neither fair nor equitable to both parties. Authority having jurisdiction outside the agreed upon response area, should be consulted before an event and mutual aid agreements in place for the events that require assistance.	The cost of having to respond into identified and contracted MHFD fire areas should be adjusted financially at the end of the fiscal year and applied to the new contract amount going forward. Cost formulas to be drafted and mutually approved. A mutual aid agreement should be developed and implemented that identifies fees and protocols for requesting assistance.
(8) In the event that the City is unable or declines to respond to a request for Firefighting Services within the Firefighting Service Area or other areas within Cypress County, the City agrees to make reasonable efforts to contact another firefighting service provider within the County, as chosen by the City at its absolute discretion, and advise that firefighting service provider of the request for Firefighting Services.	"Unable" needs to be defined as all resources allocated to events within the City. Should be no "decline" to respond unless resources are unavailable due to other emergency events.	Covered in item number (5).
(9) The City and the County further agree and acknowledge that the City is unable to provide Firefighting Services to urban standards within the Firefighting Service Area or other areas within Cypress County. The parties agree that in the event of a fire in the Firefighting Service Area or other areas within Cypress County, there is the expectation that buildings, structures and improvements will be destroyed and that people may be injured or killed.	County fee is based on overall budget of the City, no credit for rural response standards.	Cypress County fire suppression bylaw identifies the level of service expected by its citizens.  Agreement to reflect a loss can be expected.
(10) The County agrees to cooperate with the City in providing such information as may be requested by the City regarding the provision of Firefighting Services to the Firefighting Service Area and other areas within Cypress County.	Cypress County and the City of Medicine Hat fire services have cooperated with any requests for information.	Relationship will continue to grow and should be a priority for the incoming Cypress County Fire Services management team.



(11) In responding to a request for Firefighting Services, the City's Firefighting Services shall at all times report to and be under the control of the Officer in Charge or the City's senior firefighter responding, unless the Officer in Charge or the City's senior firefighter responding directs otherwise.	Requests for assistance outside of the fire service area are under the Control of the Cypress County Officer in Charge, unless they direct otherwise.	Follow the practices and principles of ICS. This can be achieved through effective use of the ICS system.
(12) The City may, in its absolute discretion, respond to requests for Firefighting Services within Cypress County on highways that are under the jurisdiction of Alberta Transportation within or outside of the Firefighting Service Area. In these instances, the City will invoice Alberta Transportation directly for services provided. In the event the City uses one of the County's firefighting vehicles for such a response, the City will compensate the County one third (1/3) of the hourly vehicle costs recovered from Alberta Transportation.	This agreement needs to clearly identify that it covers the fire service area only.	This clause and agreement need to be revised to reflect that this applies only to portions of the Highway that run through the City of Medicine Hat and the identified response zones. All other areas are to be responded to and managed by Cypress County unless they are not operationally able to do so. All other areas of the County are mutual aid responses if requested by the County.
<b>COMPENSATION FOR THE PROVISION OF FIREFIGHTING SERVICES</b>  3. (a) Subject to subparagraph (d) the County agrees to pay to the City the following amounts in the years stated for the provision of Firefighting Services: 2015 -\$328,680 2016-\$338,315	Fee formula addressed in other sections of this report.	
(b) The annual fees stated in subparagraph (a) will be invoiced bi-annually. All amounts shall be paid by the County within thirty (30) days of the date of the invoice.	Invoicing model in place and is working well.	
(c) The fees stated in subparagraph (a) are reflective of the approved City Fire Service operating budget, amended annually, less those expenditures associated with safety codes services, public safety education and overtime costs.	Fee includes a 10% overhead fee.	

(d) The City may at any time, in its sole discretion, increase or decrease the fees payable by the County. An increase or decrease may occur if the City's Fire Service operating budget is impacted either positively or negatively. In such an event, the City will apprise the County in advance of the County's budget year with an explanation of the cost adjustments. The County agrees to accept the adjustments and pay the new fees.	Fees should be limited to a maximum of 10% increases.	Specify periods of notice required to increase fees. Fee increases should be limited to a maximum of 10% in any fiscal year.
(e) In the event that the Officer in Charge or the City's senior firefighter providing Firefighting Services determines, at his absolute discretion, that additional equipment is required to manage an incident and such equipment is not part of the Fire Service or the County's equipment inventory, the County agrees to pay to the City the associated costs within thirty (30) days of the date of the invoice.		All costs must be justified and verified as being essential to the operation. Peer reviews from an outside and/or independent agency recommended when the costs are above a pre-defined maximum.
<b>THE COUNTY'S FIREFIGHTING VEHICLES AND EQUIPMENT</b>  4.(1) In consideration of the City providing Firefighting Services as set out in this Agreement, the County agrees to permit the City to possess and use, for the purposes of providing Firefighting Services to the City, the Firefighting Service Area and other areas within Cypress County, the following firefighting vehicles and equipment:(a) 2012 International 7400 4X4 - 4 door Crew cab, Serial No. 1HTWEAAR8DJ170043(b) 2006 Sterling Acterra Serial No. 2FZACHDC97AX39674 (c) the equipment set out in Schedule "B", attached hereto and forming part of this Agreement, ("the County's Vehicles and Equipment").		The response capability to the County's fire zones cannot be reduced or compromised by such use.
(2) The County's Vehicles and Equipment shall remain the property of the County.		

(3) The City shall have the right to possession and use of the County's Vehicles and Equipment, at no cost to the City, for providing Firefighting Services within the City, the Firefighting Service Area and other areas within Cypress County.		As per 4. (1)
(4) In the event that a request for Firefighting Services is received by the City for the Firefighting Service Area or other areas within Cypress County while the City is using the County's Vehicles and Equipment to provide Firefighting Services within the City, the City agrees to make a reasonable effort to release the County's Vehicles and Equipment or to provide similar firefighting vehicles and equipment to respond to the request for Firefighting Services within the Firefighting Service Area or other areas within Cypress County.		Need to amend to " County's equipment shall be released".
(5) The City agrees, at its own expense, to annually service test the County's Vehicles and Equipment in the manner prescribed by the applicable National Fire Protection Association (NFPA) Standards.		
(6) The County agrees to pay to the City any and all costs whatsoever incurred by the City, as determined by the City, in relation to the maintenance and repair of the County's Vehicles and Equipment including, but not limited to any and all costs of labour, repairs and replacement of parts. The City acknowledges that prior to the City incurring any cost for repairs or maintenance to any of the County's Vehicles and Equipment in excess of \$200.00 at any one time, the consent of the County's Municipal Manager or his designate shall be obtained.		
(7) The City agrees to provide storage for the County's Vehicles and Equipment, as the City deems to be suitable.		Define storage - indoors and heated.

<p>(8) The County represents and warrants that the County's Vehicles and Equipment meet or exceed the mutually agreed upon specifications for firefighting vehicles and equipment and comply with all applicable laws, legislation, regulations, standards and codes. In the event that any of the County's Vehicles and Equipment do not meet the requirements set out in this paragraph, the County shall, at its own expense, make any necessary changes or adjustments in order to ensure that all requirements are satisfied.</p>		
<p>(9) At the request of the City, the County may, at its discretion, provide to the City further firefighting vehicles or equipment over and above the County's Vehicles and Equipment outlined in this paragraph, and any such vehicles or equipment shall be subject to the terms and conditions contained in this Agreement.</p>		
<p>(10) The City and the County agree that the City will provide to the County, on a yearly basis, a detailed report listing the dates, incident reports and times with respect to the City's use of the County's Vehicles and Equipment within the boundaries of the City of Medicine Hat. Notwithstanding the foregoing, it is agreed and acknowledged by the parties that the foregoing obligation shall have no financial impact whatsoever on the compensation payable by the County to the City pursuant to this Agreement.</p>		

## Cypress County

### Cypress County Fire Services Costs (per capita) - 2016

Total population	7214	(Statistics Canada 2011)
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Cypress County budget	\$1,516,496.00	(2016 budget)
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Cost per capita for all fire services within Cypress County ( $\$1,516,496.00 \div 7214$ )

**\$210.22**

### Cypress County Fire Services Costs (per call) - 2016

Total calls	226	(Cypress County 2015)
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Cypress County budget minus MOU fee to the City of Medicine Hat	\$1,177,771.39	(2016 budget)
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Average cost per call ( $\$1,516,496.00 - \$338,724.61 \div 226$ )

**\$5,211.38**

### Cypress County and City of Medicine Hat Fire Services

#### Costs (per call) - 2016

Total calls combined	290	(226 + 64) 2015 (Cypress County 226 + Medicine Hat firefighting service area of Cypress County 64)
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Cypress County budget	\$1,516,496.00	(2016 budget)
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Average cost per call ( $\$1,516,496.00 \div 290$ )

**\$5229.30**

### **Cypress County Fire Services Costs (per capita) - 2017**

Total population	7662	(Statistics Canada 2016)
Cypress County budget	\$1,565,461.00	(2017 budget)
Cost per capita for all fire services within Cypress County ( $\$1,565,461.00 \div 7662$ )		
<b>\$204.32</b>		

## City of Medicine Hat Budget

"Budget Table on this page was provided to TSI by the City of Medicine Hat Fire Services Management"

	2016 Budget	2017 Budget	2018 Budget
<b>Revenue</b>			
Administration	8,600	0	0
Training and Education	0	0	0
Fire Rescue Operations (less Cypress County Fee)	21,137	21,137	21,137
Fire Prevention and Investigation	2,900	0	23,260
<b>TOTAL</b>	<b>32,637</b>	<b>21,137</b>	<b>44,397</b>
<b>Expenses</b>			
Administration	921,692	1,000,603	1,034,591
Training and Education	433,790	428,576	440,861
Fire Rescue Operations	10,135,170	10,289,074	10,730,786
Fire Investigation and Prevention	643,660	637,254	672,629
Radio Telemetric	15,190	12,243	12,243
Buildings and Furnishings	407,608	563,491	572,994
Apparatus and Equipment	1,172,730	1,752,185	1,752,185
Debt Servicing	126,479	150,504	317,964
	<b>13,856,319</b>	<b>14,833,930</b>	<b>15,534,253</b>
<b>CMH Net</b>	<b>13,823,682</b>	<b>14,812,793</b>	<b>15,489,856</b>
less Bureau (net)	(640,760)	-634,954	-649,369
less Learn Not To Burn (net)	-	0	0
less Operations overtime	(253,901)	-285,544	-295,648
less App./Eqmnt - (less 95% cont.srvcs & mat/sup)	(60,626)	-60,626	-60,626
less lease payment - ladder truck (#4) and ladder platform (#10)	(155,790)	-155,790	-155,790
<b>Deductions Total</b>	<b>(1,111,077)</b>	<b>-1,136,914</b>	<b>-1,161,433</b>
<b>Cypress County Net</b>	<b>12,712,605</b>	<b>13,675,879</b>	<b>14,328,423</b>
Population City of Medicine Hat	60,426		
Population Cypress County (1st responder area)	1,500		
<b>Total</b>	<b>61,926</b>		

	2016	2017	2018
Per Capita City of Medicine Hat (CMH) only	\$228.77 13,823,682/60,426	\$245.14 14,812,793/60,426	\$256.34 15,489,856/60,426
+ 10% overhead	\$251.65	\$269.65	\$281.98
Per Capita CMH plus Cypress County	\$205.29 12,712,605/61,926	\$220.84 13,675,879/61,926	\$231.38 14,328,423/61,926
+ 10% overhead	\$225.82	\$242.93	\$254.52
<b>Total</b>	<b>(\$338,723.61) \$225.82 X 1500</b>	<b>(\$364,389.76) \$242.93 X 1500</b>	<b>(\$381,776.60) \$254.52 X 1500</b>

### Updated Population Numbers - Unadjusted Budget - 2017

Population - City of Medicine Hat	63,260 (Statistics Canada 2016)
Population - Cypress County (1st responder area)	3,513 (Cypress County GIS Map)
<b>Total</b>	<b>66,773</b>

Per Capita CMH Only	Per Capita CMH plus Cypress County
<b>\$234.16</b> \$14,812,793/63,260	<b>\$204.82</b> \$13,675,879/66,773
add 10% Overhead <b>\$257.58</b>	add 10% Overhead <b>\$225.30</b>
<b>Cypress County Contract (\$225.30 X 3513)</b>	<b>\$791,478.90</b>

### Updated Population Numbers - Unadjusted Budget - 2018

Per Capita CMH Only	Per Capita CMH plus Cypress
<b>\$244.86</b> \$15,489,856/63,260	<b>\$214.58</b> \$14,328,423/66,773
add 10% Overhead <b>\$269.35</b>	add 10% Overhead <b>\$236.00</b>
<b>Cypress County Contract (\$236.00 X 3513)</b>	<b>\$829,068.00</b>

Cost per call for Cypress County in 2018 for the Cypress County firefighting service area serviced by the City of Medicine Hat would equal to \$829,068.00 divided by 2015 calls of 64 = \$12,954.19 per call if no adjustments were made.



## Adjusted Budget (TSI)

	2017	2018	
	Budget	Budget	
Revenue			
<b>Administration</b>	0	0	
<b>Training and Education</b>	0	0	
<b>Fire Rescue Operations (less CC Fee)</b>	21,137	21,137	
<b>Fire Prevention and Investigation</b>	0	23,260	
	<b>21,137</b>	<b>44,397</b>	
<b>Administration</b>	<b>400,241</b>	<b>413,836</b>	County pays 40 %
<b>Training and Education</b>	<b>214,288</b>	<b>220,431</b>	County pays 50%
<b>Fire Rescue Operations</b>	<b>5,144,537</b>	<b>5,365,393</b>	County pays 50%
<b>Fire Investigation and Prevention</b>	637,254	672,629	
<b>Radio Telemetrics</b>	12,243	12,243	
<b>Buildings and Furnishings</b>	563,491	572,994	
<b>Apparatus and Equipment</b>	<b>1,166,955</b>	<b>1,166,955</b>	County pays 66.6%
<b>Debt Servicing</b>	150,504	317,964	
	<b>8,289,513</b>	<b>8,742,445</b>	
Cypress County Adjusted Budget	<b>8,268,376</b>	<b>8,698,048</b>	
<b>less Bureau (net)</b>	-634,954	-649,369	
<b>less Learn Not To Burn (net)</b>	0	0	
<b>less lease payment - ladder truck (#4)</b>	-155,790	-155,790	
<b>and ladder platform (#10)</b>			
<b>less Operations overtime</b>	-285,544	-295,648	
	-	-	
	<b>1,076,288</b>	<b>1,100,807</b>	
Cypress County Net	<b>7,192,088</b>	<b>7,597,241</b>	

### **Cypress County pays 40% of the admin costs of the City of Medicine Hat budget**

TSI believes that there are minimal administrative costs associated with the management of The City of Medicine Hat Fire Agreement. The per capita cost has an overhead fee of 10% that could cover additional administration of the agreement.

### **Cypress County pays 50% of training and education budget**

TSI recognizes that the City of Medicine Hat has to supply trained personnel to respond as part of their commitment to Cypress County. Training and education for the fire service is costly to acquire and maintain. To ensure that safe and efficient service delivery is provided, there is a cost to ensuring that Cypress County receives a level of service that is not open or subject to non-compliance with Alberta Occupational Health and Safety.

### **Cypress County pays 50% of operations budget**

TSI recognizes that the City of Medicine Hat has a financial obligation to meet the operational response of both the City of Medicine Hat and identified Cypress County firefighting service area. The largest part of any operations budget is staffing. Without staffing and all the other operational necessities such as quarters, PPE and equipment, there could not be an effective response by the City of Medicine Hat into the identified firefighting service area.

### **Cypress County Pays 66.6% of apparatus excluding detailed items**

Currently, operational response out of the City of Medicine Hat into the Cypress County firefighting service area primarily comes out of two City of Medicine Hat fire stations. While this equates to roughly 66% of the budget, TSI felt that the County needs to be given some credit for equipment and maintenance that they provide as part of their obligations through the Agreement.

### **Medicine Hat Fire Services Revenue**

Over a 3 year period (2014/15/16) Medicine Hat Fire Services has invoiced Alberta Transportation a total of \$ 14,577.00:

2014	\$ 5,070.00
2015	\$ 5,510.00
2016	\$ 3,997.00

Note: incidents on numbered highways where MHFS Fire Apparatus responded

Population - City of Medicine Hat	63,260 (Statistics Canada 2016)
Population - Cypress County (1st responder area)	3,513 (Cypress County GIS Map)
<b>Total</b>	<b>66,773</b>

### **Updated Population Numbers - Adjusted Budget - 2017**

<b>Per Capita CMH plus Cypress County</b>	
\$7,192,088/66,773	<b>\$107.71</b>
add 10% Overhead	<b>\$118.48</b>
<b>Cypress County Contract (\$118.48 X 3513)</b>	<b>\$416,220.24</b>

### **Updated Population Numbers - Adjusted Budget - 2018**

<b>Per Capita CMH plus Cypress County</b>	
7,597,241/66,773	<b>\$113.78</b>
add 10% Overhead	<b>\$125.16</b>
<b>Cypress County Contract (\$125.16 X 3513)</b>	<b>\$439,687.08</b>

## **Remainder of 2017 Fire Service Agreement**

All discussions with the City of Medicine Hat were with Fire Chief Stauth and Deputy Fire Chief Webster. Their comments were favorable that budget adjustments would be a reasonable approach to arriving at a fair and equitable fee for both Cypress County and the City of Medicine Hat. All information discussed and presented in this report would need to be vetted and approved by the City of Medicine Hat committees and Council. The remainder of service for 2017, would include the new formula minus the amount already invoiced.

New funding formula for 2017 is **\$416,220.24** minus already invoiced **\$169,157.50**

If service is to continue after June 30th, 2017 a letter of extension would need to be submitted to the City of Medicine Hat for approval. The extension period would be from July 1, 2017 to December 30, 2017 for a fee of **\$247,062.74**

## **Fire Service Agreement**

## Schedule A - Cypress County Firefighting Service Areas

