



To: General Purposes Committee
From: Phyllis L. Carlyle, General Manager, Law & Community Safety; Robert Gonzalez, General Manager, Engineering and Public Works
Re: Emergency Response Provision

Date: July 2, 2010
File:

Staff Recommendation

- 1. That the use of the existing Emergency Response Provision be broadened to include the costs of the City's response to one time emergency events; and
2. That any use of the Provision be reported to Council.

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CONCURRENCE: Y [checked] N
CONCURRENCE OF GENERAL MANAGER:
REVIEWED BY TAG: YES [checked] NO
REVIEWED BY CAO: YES [checked] NO

## Staff Report

### Origin

At the December 21, 2009 Finance Committee meeting a suggestion was made that the establishment of a special fund or provision be considered for extraordinary emergency and criminal investigation costs on behalf of the RCMP from the annual operating surplus. Further analysis suggests that a City response to major community emergency events involves an interdisciplinary response, with a number of areas of expertise responding.

### Background

In response to recommendations from the City's auditors in 2000, an Emergency Response Provision was established for the costs related to city wide emergency events. This Provision currently contains \$1.6M and has never been accessed.

The current terms for the use of the Emergency Response Provision do not address one-time events of limited duration that are not City wide.

### Analysis

The nature of the City response to one-time major events is such that expenditures cannot always be accurately estimated due to the complexity of predicting events based on historical activity levels. Altering the terms of the provision to respond to one-time, limited duration events would permit the Officer in Charge of the RCMP and the City to budget annually without incorporating an exigency for one-time large-scale events that are not City wide. With the City's growth, the proposed modification to the purpose of the Emergency Response Provision would assist in alleviating the impact of large, unanticipated expenses associated with one time operational needs.

The Provision would address events such as the shooting that occurred at Dover Park, the Richmond Inn fire and the plane crash into the apartment building on Saba Road.

The RCMP has, for the past few years, attained an annual operating surplus of between \$1M to \$3M. Although the creation of the surplus is laudable, budget projections could be more closely estimated if access to a provision account were possible. An emergency event can result in expenditures of over \$0.5 M.

The Provision would be used solely for expenses for emergency programs costs and emergency social services expenses not compensated for by the Province. For the City departments responding to an event, the Emergency Response Provision could be used to cover unforeseen costs associated with major emergencies, such as equipment repairs, long-term attendance at emergency scenes, additional communication requirements and on scene emergency responder rehabilitation needs.

Many City departments typically respond to emergency events and are called upon to provide both staff and equipment to maintain and secure the site; control traffic flow; mitigate

environmental impacts and interface with the public and the media while first responders perform their functions. These costs could also be addressed through this provision.

The provision fund would be accessed in compliance with the City's policies and with a report to Council in each instance. The provision would be replenished to its current level through the existing process of annual operating surplus appropriation..

The purpose of the fund would permit more refined budgets to be prepared that do not contain a contingency each year for unanticipated events, which then contributes to a surplus. As well, day-to-day operational response would not be reduced for the remainder of the year following a major event due to budgetary restrictions.

**Financial Impact**

There is no financial impact of this report.

**Conclusion**

Major incidents occurring in the City can impact the City's finances, due to their unpredictability. It is therefore recommended that the terms of reference for the existing provisional account, the Emergency Response Provision, be broadened to address such unexpected expenditures. The proposed modification to the use of the Emergency Response Provision would increase certainty for estimating future budgetary expenditures.



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