



CORPORATE SERVICES *Staff Report*

REPORT NO: COR-2024-24

TO: Council

SUBMITTED BY: Greg Clark, Director of Corporate Services/CFO

PREPARED BY: Dan Elliott, Interim Manager of Finance/Deputy Treasurer

REVIEWED BY: Sharon Chambers, Chief Administrative Officer

DATE: May 6, 2024

SUBJECT: Special Fire Services Fees

RECOMMENDATION:

THAT Report COR 2024-24 be received for information; and

THAT the practice of billing the property owners in the Wellesley Fire Services response area of Wilmot a surcharge on their tax bill be discontinued effective for 2024.

SUMMARY:

The Township of Wilmot Fire Service has a fire services agreement with the Township of Wellesley to provide first response to emergency calls in a specified area of Wilmot (map included below). Wellesley provides this service to augment the response times otherwise available from Wilmot Fire resources. The charge for this service is calculated on a per property basis and is billed to the Township of Wilmot by Wellesley. Wilmot has been in the practice of billing this charge back to the subject property owners through a surcharge on their tax bill. There are 92 properties affected. The charge per property from Wellesley to Wilmot for 2024 is \$191.20.

BACKGROUND:

While the corporate records and history are not abundantly clear, the arrangement with Wellesley Fire Service has been in place since the mid 1980's. Their Fire emergency services response times to our specified Wilmot properties is faster than Wilmot resources can respond. For an emergency call, both services are dispatched, with Wellesley arriving faster, with Wilmot arriving shortly after. Depending on the nature of the call and the prevailing circumstances, Wilmot will often take over the scene, and release the Wellesley crew to return to Wellesley. When circumstances require it, both crews will stay on scene to address the emergency. First response agreements are very popular among adjacent municipalities, as they ensure adequate and consistent emergency services to all areas of a municipality wherever possible.

The Wellesley agreement approved by Council does not include reference to the property owners paying for the costs of the agreement, although the covering report suggested that "the fee would continue to be the responsibility of the benefitting landowners, as per the agreed area rated service, and will not impact the general levy." With the additional fee on the tax bill, there is no credit for the fire services costs already included in the regular tax portion of the billing.

REPORT:

The Fire Chief and other staff have consulted with other jurisdictions and conclude that it is most unusual to bill property owners who are covered by such agreements any fees related to the boundary emergency response agreements.

The agreement is in place to ensure the subject properties are provided with response times within the established standards for the balance of the municipality. Without the boundary agreement, these properties would suffer from less than standard response times. It is difficult to justify continuing to additionally bill these properties for a standard level of service that is already included in their tax bill.

Staff are unable to identify any bylaw or resolution of Council putting the charge to the owners in place, although such resolution may have been passed back in the mid 1980's.

Staff recommend the discontinuation of the annual special billing to the residents for recovery of the costs of this service agreement effective for the 2024 tax billing.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

Examining service levels and cost recoveries, and ensuring all recoveries are justifiable supports the strategic goal of responsible governance.

FINANCIAL CONSIDERATIONS:

The fee for the annual service from Wellesley is based on a per property basis, not a per call basis. It amounts to approximately \$17,590 for 2024 and is subject to renewal and annual

inflationary indexing. The 2024 annual budget includes a revenue of the full recovery of this cost from the subject property owners through a special charge on their tax bills, as has been done in all recent budgets.

Ceasing to bill these property owners for this charge will result in a tax pressure on the next budget. If it is discontinued for 2024, a budget deficit will occur as the planned revenue will not be billed.

The following outlines the geographic area covered by the fire boundary service agreement.

