

Subject: 2020 York Region Committee of the Whole Item - Regional Fire Service

Purpose and Background

The purpose of this Briefing Note is to provide information in light of the February 6, 2020, York Region Committee of the Whole motion on Regional Fire Service. The motion will be tabled at the February 27, 2020, York Region Council meeting.

Overview

Over the past 20 years, there have been various attempts to pursue regionalization of Fire Services. Markham staff researched the subject most recently in 2012, resulting in a presentation to Council members in 2013, *"Regionalization of Municipal Fire Services – Maximizing Markham's Investments and Advocating for its Constituents"* (Attachment 2). As a result, Markham Council directed staff in 2013 to pursue shared services to achieve efficiencies among the southern three urban centres.

Staff would like to reiterate the following:

- Regionalization will likely result in the **leveling up of services** for rural communities in the pursuit of standardization and equity and urban communities, such as the City of Markham, will provide the increased tax base to pay for the enhancements of services in rural local municipalities with no significant benefits provided to the larger existing urban communities. When Aurora and Newmarket consolidated their Fire Services, this was the outcome. Both departments eliminated their volunteer firefighters, which resulted in a fully career fire department and increased labour costs.
- Important decisions should be supported by **facts and fact-based decision-making**. Staff have not been able to locate any empirical data to verify Mayor Mrakas' assertion, a conclusion shared by consultants hired by the Town of Richmond Hill in 2016. They hired four consulting firms to evaluate the business case for joining Central York Fire Services (CYFS) or to demonstrate benefits of regionalizing fire services. Their key conclusion was that the costs would have been higher if they joined Central York Fire Services, hence their Council opted not to proceed.
- There are untapped opportunities in the urban areas, namely **Markham, Richmond Hill and Vaughan, to be achieved through partnerships** without regionalizing fire services or relinquishing local Council's authority on this important public service. Senior staff from each municipality, through their Fire Chief, are already reviewing opportunities to provide shared training, undertaking a feasibility study for the creation of a shared Communications Centre, joint training opportunities, automatic aid and joint procurement. First priority is the Shared Communications Centre which will enable further evaluation of shared services, such as training and automatic aid. Automatic Aid currently does not provide significant improvements to

response time for these three municipalities but there is great potential to do so in the future, e.g., Langstaff intensification area.

- **City resources better spend on pursuing higher value opportunities** to achieve better outcomes for Markham residents through continued collaborations with Richmond Hill and Vaughan, as endorsed by Council in 2013, versus expending limited staff resources and time on the regionalization agenda and the uncertainties such discussion will create. History of amalgamations is a good teacher.
- The **Provincial Review completed in 2019 encouraged cities to focus on partnerships** on their own to realize savings and customer service improvements. One size does not fit all. That is exactly the direction being pursued by Markham Council and staff. During the Provincial regionalization discussion, none of proponents involved in the current Regional Fire Service motion in York Region expressed interest in making any changes to services, including fire services.

Discussion

In reference to York Region's 2020 discussion about a Regional Fire Service, staff highlight the following findings:

1. Markham Council Last Considered Regionalization of Fire Service in 2013 and Opted to Explore Shared Services with Richmond Hill and Vaughan instead of pursuing Regionalization

Regionalization of fire services has been discussed in the City of Markham over the last two decades. Notably,

- **June 24, 1997** – York Region Fire Services Review Committee was initiated in February 1995 and ARA Consulting Group, in association with Tri Data Corporation, were retained to provide a report. It made a number of recommendations, including a move towards an Urban-Rural Organizational Model, centralized communication/dispatch and automatic aid, etc. Town of Markham Council decided to support fire dispatch system in York Region, Automatic Aid, and a joint training facility.
- **April 15, 2003** – York Region Centralized Fire Dispatch was reviewed by the Town of Markham and concluded it did not support the single Regional Dispatch Model (Model 2) and endorsed the Regional Dispatch Centre and the Town of Markham maintaining its existing Dispatch Centre.
- **June 26, 2013** – Town of Markham approved the Fire Services Automatic Aid Pilot Project with the City of Vaughan and the Town of Richmond Hill. At that time, staff reported that “based on the track record for collaboration among the fire services in York Region the Automatic Aid Agreements have a higher probability of success than regionalization and could be achieved significantly faster with the benefits accruing to our residents.” A confidential presentation,

"Regionalization of Municipal Fire Services – Maximizing Markham's Investments and Advocating for its Constituents", was completed in March 2013.

- **February 14, 2017** – Staff created a briefing note to provide a status update on Automatic Aid, Mutual Aid, and a brief history on Regional Fire Service.

2. February 6, 2020, York Region Committee of the Whole did not Disclose Facts on the "Efficiencies and Cost Efficiencies" cited in the Notice of Motion

At the Notice of Motion discussion on January 16, 2020 ([link](#)), Mayor Scarpitti specifically requested for details on the efficiencies achieved by the Central York Fire Services (CYFS) to be provided at the February 6, 2020, York Region of the Whole Committee meeting. A review of the online minutes and video of the February 6th meeting ([link](#)) did not reveal any documented CYFS efficiencies. When Mayor Mrakas refuted Mayor Jackson's comment that there was little savings achieved when CYFS was created, he did so without providing any details.

Regionalization is appealing as a concept and perhaps, it is pragmatic option in a 'blank slate' scenario. In practice, regionalization and amalgamation in Ottawa, Toronto, and Hamilton have not resulted in the reduction of costs. Even though duplicate senior positions were eliminated, they were offset by middle management positions, need for more layers of work, and overall labour costs have increased.

Amalgamations required the consolidation of physical and financial assets, creation of uniform decision-making / governance processes and systems, including technology architecture and programs, and review of service standards and levels. These non-personnel activities associated with amalgamations have been quite expensive and time consuming to undertake.

The City of Markham Council has been able to achieve an efficient fire service, without having to venture into regionalization.

3. Markham's 2020 Estimated Operating Budget Cost per Capita for Fire Services is 40% Lower than Central York Fire Services

Markham Fire & Emergency Services (MFES) staff have requested but have not received access to Central York Fire Services data to confirm the levels of service and cost efficiencies referenced in the Notice of Motion. It is a common practice to compare high-level operating budgets even though it may not provide an 'apples to apples' comparison. Using current budget data, we note that Aurora and Newmarket residents pay a higher operating budget per capita cost for fire protection services than the City of Markham, as outlined below:

| Operating Budget Year | Fire Service ¹ | Estimated Budgeted Cost per Capita ² |
|-----------------------|--|---|
| 2020 | Central York Fire Services (CYFS) | \$ 186 |
| 2020 | Markham Fire & Emergency Services (MFES) | \$ 112 |

4. # of Residents per Firefighter: Markham Fire & Emergency Services is more Efficient

Without a detailed comparison of service programs and levels, Markham staff used a common indicator used in the industry, namely the # of Residents per Firefighter. MFES is currently delivering its suppression services with less staff than Central York Fire Services (CYFS), although staff acknowledge there is a current Council Task Force to review the proposed activation of a Second Crew at Cornell Fire Station to address fire response deficiencies against Council-approved response times.

| Fire Service | Service Coverage Area | Population ¹ | # of Staff ³ | # of Residents per Firefighter |
|----------------------------|-----------------------|-------------------------|-------------------------|--------------------------------|
| Central York Fire Services | Aurora / Newmarket | 153,091 | 136 | 1,126 |
| Markham Fire Services | City of Markham | 349,007 | 240 | 1,454 |

As a progressive and mature fire service in an urban setting, staff have identified that MFES has programs and services not currently offered by CYFS. For instance, Markham operates a Fire Communications Centre and a Mechanical Division while CYFS does not.

5. Legal Ability to Set Fire Service Levels Rests with Local Municipal Councils

The Fire Protection and Prevention Act 1997 (FPPA), as amended, provides the authority to local municipal Councils to set service levels. Legal interpretation is likely required but staff suspect the Region of York will need unanimous agreement from all nine lower-tier municipalities. Governance of a regional fire service may be challenging in that local Council will need to give up decision-making authority to the Region of York or approval will need to be sought from each municipality on all fire service decisions. Furthermore, the recent Regional Government Review completed by the Province has shown the Province of Ontario has no appetite in amalgamating services and it will be unlikely the FPPA will be revised to address the amalgamation of fire services.

6. Implications for Markham Taxpayers

The growth realized by the southern three municipalities (Markham, Richmond Hill, and Vaughan) in York Region has necessitated substantive investments in facilities (fire stations, training centre, etc.), fire apparatus, equipment, staff training (including specializations), and policy decisions (24-hour shift). Regional Fire Service will likely result in the redistribution of these investments, made by

¹ York Region Population Estimate December 31, 2019: Aurora and Newmarket 153,091; and Markham 349,007

² 2020 Operating Budgets: Central York Fire \$28,493,657; and Markham \$39,207,513

³ Only suppression staff, commonly referred to as firefighters, are included in the calculation

Markham taxpayers, to the northern six municipalities, thus raising their service levels and increasing the overall tax base to fund those services.

Additionally, Markham staff have taken great pride and responsibility in developing localized programs and services to reflect the community's unique needs and built form. A Regional Fire Service may be less attune to local needs and current MFES programs, such as school program, cadet program for special needs students, and translation of public education materials, may disappear in a service that covers the whole of York Region.

7. City of Richmond Hill Concluded in 2016 Not to Pursue Consolidation of Richmond Hill Fire and Emergency Services with Central York Fire Services

Richmond Hill had contemplated joining Central York Fire Services when it was created in 2002. It withdrew from the arrangement because of an anticipated decrease in service levels and the potential increase in compensation and benefits through consolidation.

Richmond Hill Council formed a Committee to review joining Central York Fire Services in 2015 and Richmond Hill staff entered into discussions with the Towns of Newmarket and Aurora to investigate the benefits of consolidating the Richmond Hill Fire Service with CYFS. Richmond Hill commissioned McCauley Nichols Consulting, Dillon Consulting, Western Management Consulting, and Hicks Morley Hamilton Stewart Storie LLP to determine whether there was a business case for joining CYFS. Based on the reports of the four consultants and the recommendation of their staff, Richmond Hill decided not to join CYFS and cited the following findings:

- Circumstances that have led to the consolidation of the 2002 Central York Fire Services were not present in 2016;
- 2002 Central York Fire Services consolidation was considered a success by those involved, though there are "no empirical measurables to speak of,";
- Consolidation may generate limited cost avoidance (such as having one chief and training efficiencies) without an anticipated improvement in system wide service levels;
- Standardization of fire suppression service levels, in their opinion, would require additional firefighters not currently identified in either Fire Master Plan, resulting in a significant staffing increase for Richmond Hill in the short term, with ongoing cost implications;
- There were challenges with the governance model, citing duplication of effort and lack of clear decision making mechanisms (who would be deemed the "employer"?); and
- Consultants did not believe any further in-depth analysis will result in major changes to the key findings provided in their preliminary reports.

Markham staff look forward to receiving the considerable data from CYFS or its proponent to factually demonstrate the success of the merger of Aurora and Newmarket Fire Services and how such merger may be applicable or beneficial to the City of Markham residents and businesses.

Historically, the creation of CYFS eliminated their volunteer firefighters and added career firefighters, thus increasing its operating costs. Using the CYFS model in the current Regional Fire Service discussion will likely eliminate all volunteer firefighters in the northern municipalities and result in considerable operating costs now and into the future.

- **Increased Efficiencies and Effectiveness can be achieved through Partnerships**

Staff have located no empirical data to indicate the regionalization of fire services will increase efficiencies and effectiveness for the City of Markham. The cities of Markham, Richmond Hill, and Vaughan have created a Shared Service Committee to maximize the benefits provided by Automatic Aid, Joint Training Initiatives, Joint Technical Rescue Response, Communications, and Procurement, all without relinquishing decision-making control from the local municipal Councils.

This spring, the Committee will provide recommendations on the merger of three existing communications centres, with consideration for Next Generation 911, a legislated change.

Key Messages

- City of Markham has an efficient, effective and progressive fire service with a 2020 operating budget cost per capita that is lower than that of the Central York Fire Services and all other fire services in York Region.
- Legislatively, fire services is the responsibility of local municipal Councils. Regionalization will remove local control of Fire Services from the City of Markham Council, which has a solid track record of efficient service delivery while regularly providing the 'lowest property tax hike' in the GTA.
- Consultant studies completed by the City of Richmond Hill in 2016 concluded there were major costs involved in joining the Central York Fire Services and it is unlikely circumstances have changed substantially since then.
- Time spent on studying Regional Fire Service may inadvertently distract and slow down the advancement of the current partnerships among Markham, Richmond Hill, and Vaughan for the shared communications centre, which is the critical first stepping stone to other opportunities among the three cities in order to realize greater efficiencies.
- Past amalgamations do not have good track records for savings and tend to create a larger unionized bargaining unit. Regionalization will create winners and losers. Winners will be those municipalities that gain access to a larger tax base and higher service standards in order to pay for enhancements in their local community. It is unlikely Markham will be a winner in the regionalization of fire services.
- Markham is working collaboratively with other southern York Region municipalities, as directed by Council, namely Vaughan and Richmond Hill, to improve service effectiveness and efficiency.
- If Central York Fire Services is as efficient and effective as purported by Mayor Mrakas, other nearby municipalities would have merged their fire service with CYFS already. Why move Fire to

the Region if a municipally consolidated Fire Service is working so well? In this case, bigger is not necessarily better.

Considerations for Markham Council

1. Based on the information provided in this Briefing Note, staff recommend our Mayor and Regional Councillors do not support the motion at the February 27th Region of York Council meeting to avoid wasting time that can be more effectively spent on more productive partnerships with Richmond Hill and Vaughan.
2. If the York Region Council motion is carried, which would request local councils to express their interest in pursuing Regional Fire Service the Fire Response Task Force should be called upon to provide a recommendation to Council for their consideration.
3. Staff recommend that we continue our efforts with Richmond Hill and Vaughan versus pursuing a Regional Fire Service since there is little proof of cost savings or a strong business case.

Attachments

1. 2020 York Region Council's Motion Relating to Regional Fire Service
2. Presentation: Regionalization of Municipal Fire Services – Maximizing Markham's Investments and Advocating for its Constituents
3. Past Briefing Notes: Automatic Aid / Mutual Aid / Regional Fire Information (2017) and Regionalizing Fire Services in York Region (2013)
4. York Region Committee of the Whole - [video stream of February 6, 2020 discussion](#) about Regional Fire Service

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|------------------------|---|--------------------|----------------------------|
| Contact Person: | Brenda Librecz, Commissioner of Community & Fire Services | | |
| Prepared By: | Sara Tam, Brenda Librecz, input from Fire & Emergency Services | Department: | C&FS Commissioner's Office |
| Date Finalized: | February 21, 2020 | | |
| Approved By: | Commissioner Librecz | | |
| Distributed To: | Council Task Force to Review Master Fire Plan Priorities, Andy Taylor | | |

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Attachment 1

2020 York Region Council's Motion Relating to Regional Fire Service

- February 6, 2020 York Region Committee of the Whole resolution:

J.1 Regional Fire Service

Committee of the Whole recommends adoption of the following motion:

WHEREAS the consolidation of Aurora and Newmarket fire services into Central York Fire Service has resulted in efficiencies through enhanced levels of fire service and cost efficiencies;

WHEREAS a Regional Fire Service may achieve further operating efficiencies, improved department structure, increased service level(s), and cost avoidance opportunities;

BE IT RESOLVED THAT the Regional Clerk share this motion with local municipal Councils requesting a resolution by May 29, 2020 indicating whether they support proceeding with a study on the potential creation of a Regional Fire Service.

- For context, below is the Notice of Motion, made by Aurora Mayor Tom Mrakas on January 16, 2020:

Regional Fire Service

Mayor Mrakas presented the following Notice of Motion for consideration at the Committee of the Whole meeting on February 6, 2020:

WHEREAS the consolidation of Aurora and Newmarket fire services into Central York Fire Service has resulted in efficiencies through enhanced levels of fire service and cost efficiencies;

AND WHEREAS a Regional Fire Service may achieve further operating efficiencies, improved department structure, increased service level(s), and cost avoidance opportunities;

BE IT RESOLVED THAT staff work with the nine York Region municipalities, and report back on the potential creation of a Regional Fire Service for Council's consideration.