

**CREST**EMERGENCY SERVICE
COMMUNICATIONS**RECEIVED****SEP - 3 2014****LEGISLATIVE SERVICES**

August 27, 2014

City of Victoria
1 Centennial Square
Victoria, BC
V8W 1P6Re: Technology Plan

Dear Mayor and Council,

I am writing to you as a shareholder of CREST to update you regarding the Technology Plan we are working on, the process for its review and approval, and as a follow up to our letter earlier in the summer.

The Technology Plan is a roadmap for continuing to make system enhancements that further improve reliability and coverage for the 2,000 plus men and women who rely on their CREST radios. Components of the communications platform, and radios, are in many instances over a decade old and in need of ever greening. The plan builds on the current infrastructure while taking advantage of new technologies, and 700 MHz spectrum that has become available.

We are currently working with system users to garner their input and support to ensure we meet the unique needs of all public safety groups. Both the Technology Plan and the associated funding to support it was approved by the CREST Board of Directors on May 21st and the next step is to bring it forward for shareholders for funding approval at our EGM scheduled for September 17th. As a technology-based system, CREST needs to evolve with new technologies as they become available and reliable. We believe the plan we're proposing does that at a reasonable cost. All users will benefit through increased capacity, better coverage and audio quality.

Year	Phase & Scope	Total
2015	Core radios (Victoria/Esquimalt/Saanich/Oak Bay)	\$3.0m
2015	Core infrastructure(P25-700)	\$6.0m
2016	West Shore infrastructure	\$3.0m

2017	Existing infrastructure conversion(P25-VHF)	\$3.0m
2017-8	Others' radios	\$8.5m

The proposed plan is consistent with our strategic priority for efficient and effective technology. In implementing it, we are planning for the future within a funding framework for infrastructure of less than 2% increases per year. However, radio replacement is the responsibility of each user group, which will add to the levies. The average annual increase for both infrastructure and amortization of radios for the entire system is estimated at 3.8% between 2013 -2020. Based on the project roll out on the previous page you should be planning on acquiring new radios in 2015 for police and 2016 for fire. Based on what we know to date we believe annual levies for infrastructure and radios for your Police and Fire departments are projected to be in the following range:

	Police *	Fire **
2013	425,208	133,643
2014	435,605	136,911
2015	702,286	152,650
2016	713,715	219,501
2017	741,792	225,452
2018	667,400	202,071
2019	601,529	181,367
2020	607,002	183,087

*This equates to annual averages of 5.62% between 2013 – 2020

** This equates to annual averages of 4.82% between 2013 – 2020

If you would like more information on the Technology Plan or on anything else relating to CREST, please contact General Manager Gord Horth at 250-391-6552 or ghorth@crest.ca.

Sincerely,



Gordie Logan
Chair of the Board

Cc: CAO, Jason Johnson
CREST Director Geoff Young
Police Chief, Frank Elsner
Fire Chief, Paul Bruce

**CAPITAL REGION EMERGENCY SERVICE
TELECOMMUNICATIONS (CREST) INCORPORATED
EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS
AGENDA**

DATE: WEDNESDAY, SEPTEMBER 17TH

TIME: 3:45 PM

PLACE: CAPITAL REGIONAL DISTRICT 6TH FLOOR BOARD ROOM, 625 FISGARD ST.

- 1. CALL TO ORDER – APPROVAL OF AGENDA**
- 2. RESOLUTION TO AUTHORIZE BORROWING**
- 3. NEW BUSINESS**
- 4. ADJOURNMENT**

**CAPITAL REGION EMERGENCY SERVICE TELECOMMUNICATIONS
(CREST)
INCORPORATED**

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Members of Capital Region Emergency Service Telecommunications (CREST) Incorporated (the "Company") will be held at the Capital Regional District, 625 Fisgard Street, 6th Floor Board Room, Victoria, British Columbia on Wednesday, September 17th, at the hour of 3:45 p.m. for the following purposes:

1. To consider and, if thought fit, approve a resolution authorizing the Company to borrow up to \$10,000,000 in 2015 and a further 14,500,000 in 2016-2018 from the Municipal Finance Authority of British Columbia, or such other person as may be deemed appropriate by the Company's Board of Directors, on such terms as the Company's Board of Directors deem appropriate in order to finance the Company's ongoing capital improvements, in the form of resolution set out in Schedule A hereto.
2. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

NOTE: To be effective, the resolutions listed under Item 1 above will require the approval of 2/3 of the Members in order to be effective.

Pursuant to the Articles of the Company each Member may authorize such person as it thinks fit to act as its representative at any general meeting. Please provide the Company with the name of your representative at least 7 days prior to the date of the meeting. If a Member is unable to send a representative to attend the meeting in person, then that Member may appoint a proxyholder to attend and vote for it at the meeting. If you wish to appoint a proxyholder, then you must complete and sign the enclosed form of proxy and deliver it to the Company at its mailing address, 110 - 2944 West Shore Parkway, Victoria BC, V9B 0B2, Attention: Gord Horth, **no less than 48 hours prior to the meeting.**

DATED at Victoria, British Columbia this 28th day of August, 2014.

BY ORDER OF THE BOARD



Gord Horth
General Manager

Enclosures:

1. Schedule A - Resolution for Consideration at Meeting
2. Form of Proxy

SCHEDULE A
RESOLUTIONS FOR CONSIDERATION AT MEETING

RESOLUTION TO AUTHORIZE BORROWING

RESOLVED:

1. that the Company borrow up to \$10,000,000 in 2015, and a further 14,500,000 in the period 2016-2018 from the Municipal Finance Authority of British Columbia, or such other person as may be deemed appropriate by the Company's Board of Directors, on such terms as the Company's Board of Directors deem appropriate, in order to finance the Company's ongoing capital improvements.

**CAPITAL REGION EMERGENCY SERVICE TELECOMMUNICATIONS
(CREST)
INCORPORATED**

PROXY

The undersigned hereby appoints _____, or failing him, _____, as proxyholder for and on behalf of the undersigned shareholder to attend, act and vote for and on behalf of the undersigned in respect of all matters that may properly come before the Extraordinary General Meeting of the Company on September 17, 2014 (the "**Meeting**") and at every adjournment thereof, to the same extent and with the same powers as if the undersigned were present at the Meeting, or any adjournment thereof.

DATED this _____ day of _____, 20____.

Name of Shareholder

Signature of Authorized Representative

Print Name and Title

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TELECOMMUNICATIONS (CREST) INCORPORATED**

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BY ORDER OF THE BOARD



Gord Horth
General Manager

Enclosures:

1. Schedule A - Resolution for Consideration at Meeting
2. Form of Proxy

SCHEDULE A
RESOLUTIONS FOR CONSIDERATION AT MEETING

RESOLUTION TO AUTHORIZE BORROWING

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DATED this _____ day of _____, 20____.

Name of Shareholder

Signature of Authorized Representative

Print Name and Title