

District of Barriere
REPORT TO COUNCIL
Request for Decision

Date: March 30, 2026	File:
To: Council	From: Chief Administrative Officer
Re: Fire Hall – Bay 5 – Terms and Conditions for Lease	
Recommendation: THAT Council directs staff to draft a lease agreement for the use of Bay 5 in the Fire Hall by the Barriere and Area First Responders with the following terms & conditions: <ul style="list-style-type: none">- Length of Term: _____- Renewal Option: _____- Termination Clause: _____- Access Control: _____- Lease Charges, Repairs and Maintenance Costs, and Utility Costs: _____	

Purpose

For Council to consider terms and conditions for a lease agreement for Bay 5 in the Fire Hall currently used on a verbal arrangement basis by the Barriere and Area First Responders Society (BAFRS).

Background

The District currently has a unique verbal arrangement with BAFRS for the use of Bay 5 (the most northerly bay) of the District-owned and operated Fire Hall. As BAFRS confirmed at the Council meeting on February 23, 2026, no written agreement currently exists and rather it simply was an arrangement for the past 12-14 years between the two organizations. At times, although incorrectly, this arrangement has been referred to as a “lease agreement” or “verbal lease agreement.”

As it is common in local government with most public service arrangements such as this, it was a “no cost” arrangement to allow the new public service to grow and become successfully established over the past almost 15 years.

To protect both organizations, Council has asked Staff to begin codifying this verbal arrangement into a formal lease agreement that establishes some clear parameters for both organizations that jointly use the space.

Fire Hall Operating Costs

The overall Fire Hall space is roughly 450m², and the Bay 5 space is roughly 35m². Additionally, washroom facilities, laundry facilities, and lunch/training facilities are shared by the Fire Department with BAFRS. The shared facilities total roughly 45m².

The District has so far been responsible for all insurance costs, utilities costs, HVAC repairs, laundry systems, other in-house maintenance, and all capital costs (roof, etc.) for the facility with BAFRS not providing a financial contribution to the facility. No full replacement cost for the Fire Hall is known at this time; however, a new hall is projected to cost around \$8-10Million.

Based on the square meter space and the annual costs of the facility, this overall in-kind contribution by the District to the community for hosting BAFRS is estimated at \$10,000 per year.

Rehabilitation Agreement

Over the years, BAFRS and the Fire Department had entered into Fire Rehabilitation Services agreements with the last one expiring in 2023. A new agreement was drafted; however, email correspondence from 2024 indicates that the updated agreement was never signed. Further, the current Fire Chief has also pointed out that the agreement should not be signed without first obtaining Council approval as this would be a multi-year agreement committing the District to some minimal expenses.

In summary, the Rehabilitation Agreement in the past provided for the following services:

- Monitoring firefighters' vital signs (pulse, blood pressure, oxygen saturation, etc.).
- Rest and recovery areas for cooling down, rehydration, and energy replenishment.
- Distribution of hydration fluids and light snacks/meals (if approved by the Department).
- On-site medical services, including first aid and triage

To clarify, these services can be provided internally by the Fire Department; however, thus far it was beneficial to have another entity provide those services to alleviate the pressures on the Fire Department volunteers during a fire response. In recent years, the Fire Department has been able to attract and train many qualified volunteers, and as such, this Rehabilitation Agreement may not be as critical in the future.

In summary, in the past, these Rehabilitation Agreements may have been seen by past Councils/District Senior Leadership and BAFRS as an equal exchange of value for the “costs” of utilizing the Fire Hall bay instead of paying rent/lease and utility costs.

Lease Agreement Terms and Conditions

At this stage, Staff requires some direction from Council to finalize a draft agreement, in particular around a few common terms and conditions found in lease agreements which are outlined below.

Length of Term and Renewal:

The current arrangement seems to have no clear start and end date; however, Councils cannot commit the community and future Councils for terms over 5 years. As such, the length of term needs to be defined. As the District has applied for a grant to fund the construction of a new hall which could be substantially complete within 3 years, Staff would recommend a 3-year term, with 2x1 year renewals, for a total of 5 years. Renewals will provide flexibility if the hall is not completed in time.

If the new hall is however complete, it is anticipated that the Public Works team will occupy the old hall, but at this time we can't determine if the District will need to use Bay 5 or not and even if the two groups could share the space at all based on their vastly different fields.

Further, the Fire Department needs to acquire another fire engine by 2030, and such engine must be stored inside; as such, Bay 5 may be needed for District Fire Department use to move key, expensive (largely paid for by District taxpayers) fire equipment indoors, especially if the grant for a new hall is not approved and the current hall must continue to be utilized by the District.

In summary, given the above, it is advisable that the District does not commit to a lease for Bay 5 for more than 3 years (with 2x 1 year renewal options at the discretion of Council).

Termination Clause

As there is no current agreement, no termination clause exists, which essentially provides no protection to BAFRS as the District could require BAFRS to vacate the premises at once. It is common for key community organizations to have a termination notice period of 6 to 12 months which would provide sufficient time for the lessee to find other accommodation. For example, the lease for the Community Hall includes a 12-month termination clause for the Lions Club.

It would be recommended that Council include a 12-month termination clause for Bay 5 as the District should be able to reasonably predict when the District requires the bay, and as such is able to provide an extended notice period.

Access Controls

Generally, Access Controls terms and conditions are not included in a standard lease agreement as the lease is usually for an entire property. However, as this is a shared facility that hosts District vehicles and equipment worth approximately \$4Million, it is advisable to have strict regulations regarding access, in particular after hours when District employees and volunteer firefighters are not at the hall. This will ensure that the taxpayer investments located at the hall are protected.

Terms and conditions within the lease agreement may require individual agreements with members of BAFRS for key fobs, alarm codes, criminal record checks, etc. but also with the understanding that video security systems may be used to monitor access, in particular after hours.

Given the taxpayer funds invested that are located at the Fire Hall, it is recommended to include these strict regulations regarding access within the lease.

Lease Charges, Repairs and Maintenance Costs, and Utility Costs

Generally, there are two types of lease agreements for community organizations. One type is a \$1 per year lease, but all operating, utility, and capital repair/replacement costs are on the lessee, while the other type is a fixed amount that equals the costs incurred by the landlord, including any potential capital replacement costs, utility costs, etc.

This is possibly the most challenging part of a lease agreement for a Council to determine. On the one hand there is a need to recover costs for owning a facility, and on the other hand there are non-monetary public service benefits to the community that are available thanks to a lessee.

In the District's case there are other valuable benefits provided to the District by hosting BAFRS within the hall, in particular the Rehabilitation support provided to the Fire Department during fire events, and opportunities for joint training between the two emergency teams. BAFRS also provides medical services to a large geographical area including Barriere.

That being said, the District currently takes on all the costs to maintain the facility and pay for the utilities, which may not be necessarily seen as “fair and equal” by Council and the community, in particular when taxpayer funds are involved.

As highlighted above, the rough in-kind costs to the community by providing the space to BAFRS are estimated to be \$10,000 per year. BAFRS has indicated that they do not have funding in this years budget to help pay for any operating costs in 2026; however, verbally acknowledged that they could potentially include a cost in their budgets in future years.

Council should determine if a full, partial, or no cost recovery model should be included in the lease agreement. Full cost recovery would equal roughly \$833 per month, a 50% partial cost recovery would equal roughly \$416 per month, while the no cost recovery, public service lease model would follow the current verbal arrangement that has been in place for the past 12-14 years. Council could also determine to use a different percentage or a phased implementation over several years.

Summary

Overall, as Staff is working on the draft lease agreement, Council should determine what some of the key terms and conditions of the lease should be. This will aid in finalizing the lease and to begin negotiations with BAFRS, knowing what the expectations of Council are.

Benefits or Impact

General

Structured lease agreements provide terms and conditions for both parties in relation to the lease.

Finances

At this point, no additional costs; however, the Districts costs for the facility are not shared by all user groups.

Strategic Impact

Priority #4: General Governance and Community Engagement

Goal 3. – Enhanced Engagement with the Community and our Partners

b. Support our local community partners and enable them to provide a benefit to the community on behalf of the District

Risk Assessment

Compliance: Draft Lease Agreement, expired Rehabilitation Agreement

Risk Impact: Low to Medium – by establishing a structured lease agreement for utilizing a District facility, there is a potential that BAFRS may not be supportive of certain lease conditions, which may create a reputational risk to the District.

Internal Control Process: Staff are following standard processes to determine key terms and conditions for a lease agreement.

Next Steps / Communication

- Once terms and conditions are determined by Council, Staff will finalize the lease agreement and begin negotiations with BAFRS for the Bay 5 space to codify the current verbal arrangement.
 - Staff will provide updates to Council throughout, and at a minimum a final agreed upon lease agreement will be presented to Council for consideration.
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Attachments

N/A

Recommendation

THAT Council directs staff to draft a lease agreement for the use of Bay 5 in the Fire Hall by the Barriere and Area First Responders with the following terms & conditions:

- **Length of Term:** _____
- **Renewal Option:** _____
- **Termination Clause:** _____
- **Access Control:** _____
- **Lease Charges, Repairs and Maintenance Costs, and Utility Costs:** _____

Alternative Options

1. Council could determine not to pursue a lease. This is not recommended as any District facility should have a lease or a licence of occupation or similar document to protect the District and the taxpayer invested funds. This ensures equality and fairness across all user groups occupying District facilities throughout the community.
2. Council could elect to include other terms and conditions in the draft lease agreement.

Prepared by:

Chief Administrative Officer, Daniel Drexler