Recommendation

That the report from the Fire Chief regarding fire department financial medium and long term challenges be received for information; and

That staff monitor the efforts of the Ontario Association of Fire Chief’s working committee related to Motor Vehicle Accident (MVA) billing and where appropriate participate in any programs/initiatives to require the reinstatement of coverage in insurance policies for response to motor vehicle accidents; and

That staff monitor and provide input where appropriate as part of the Ministry of Health review of public health and emergency health services: and

That, subject to the confirmation of Municipal Modernization Funding, the department review of its structure and administrative processes, including:
- review software system improvements to improve legislated incident reporting;
- policies/processes to support succession management within the Department;
- alignment of duties between volunteer and permanent positions, opportunities for cross-training;
- maximizing equipment and apparatus investments by exploring collaborations such as mutual aid and automatic aid; and

That, as part of the 2020 budget, consideration be given to utilizing a portion of the tax room created by the reduced area rates for policing to help offset some of the increased costs of the Fire Service.

Information

Sources of revenue for the Fire Department are limited and the large majority of revenue to support operations and capital comes from taxation. There is some revenue generated from fire service agreements with Curve Lake First Nation and The City of Kawartha Lakes. We also have automatic aid agreements in place which are set-up to be cost recovery for response to calls for service. A small amount of revenue comes from the sale of smoke alarms, open air burn permits and issuing licences for propane equipment installations and liquor licencing applications. Billing for motor vehicle (MVA) responses has been a source of revenue for the Department for numerous
years, however collecting from the insurance companies is becoming more and more challenging as discussed below.

**Motor Vehicle Accident (MVA) Billing**

For several years, the municipality has invoiced insurance companies for responses to motor vehicle accidents. An hourly rate that is established by the Ministry of Transportation (current rate is $485/hour) is applied against the responding number of apparatus and time spent on scene.

\[
\text{Formula} = \$485 \text{ per apparatus for the first hour and } \$242.50 \text{ per apparatus for each hour thereafter. If 4 apparatus respond to a MVA and are on scene for 2 hours, an invoice would be sent to the insurers in the amount of } \$2,910.00.
\]

The ability to collect MVA billings has become more complex in recent years. Prior to 2015, firefighters gathered vehicle information at the scene and were able to obtain the traffic report for the local OPP. The traffic report included vehicle insurance information which allowed the Township to issue an invoice. Insurance companies for the most part paid the claim. If a payment was in default for a period of time staff would follow up with a phone call and/or letter to the insurance company and bills were paid. For several years monthly arrears notices have been generated as well.

In 2015, rules around the Freedom of Information resulted in the OPP no longer being permitted to provide the fire department with traffic reports. A new system was put into place which now requires the municipality to request insurance information through a strict protocol directly from the Ministry of Transportation (MTO). There is also a $14.00 fee for each report. While the new process ultimately results in the insurance company information being provided in most cases, it has extended processing time and requires more staff resources to obtain the information. Of greater concern, is the fact that more recently insurance companies are refusing to pay the invoices. Fire departments throughout Ontario are having a similar experience where insurance companies are advising that the customer’s policies do not include this coverage. The following chart illustrates the percentage of unpaid insurance invoices over the last three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>% Unpaid Invoices</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>16%</td>
</tr>
<tr>
<td>2017</td>
<td>23%</td>
</tr>
<tr>
<td>2018</td>
<td>30%</td>
</tr>
</tbody>
</table>

I attended the Ontario Association of Fire Chiefs (OAFC) annual meeting this past November and posed a question for the rural suburban round table discussion. The question centered on those departments that direct bill a driver’s insurance company and if these departments were finding issues of non-payment. There was a lot of
discussion on the subject from quite a few in the room. Most, if not all, indicated that they are having the same issue. The OAFC has inquired about the billing issue and have been advised that as larger insurance companies buy up smaller companies they are looking to cut costs and pay-outs and are changing their policies to eliminate coverages, including MVA response costs. The OAFC currently has a working committee reviewing the issue for payment on MTO highways and from insurance companies.

**Apparatus and Equipment Costs**

Fire related apparatus and equipment is a costly component of the budget – both operating and capital. These investments are critical to providing response and for the protection of our firefighters.

Fire and other emergency equipment and apparatus are manufactured to National Fire Protection Association (NFPA) and United Laboratory of Canada (ULC) standards. Liability issues have increased and meeting all required standards to protect our personnel’s safety is a must.

The Workplace Safety and Insurance Board (WSIB) have legislation in place that identifies 17 presumptive cancers. A diagnosis of any of these cancer types applies to all classes of firefighters (fulltime, composite or volunteer). The toxic compounds our personnel are exposed to when responding to a fire has affected how equipment and Personal Protective Equipment (PPE) are manufactured and designed. This is essential for firefighter safety and has also affected costs. Manufacturers of PPE and other fire equipment must produce new materials for effective barriers from the chemicals that are causing cancers and other health related conditions. For instance, a protective hood three years ago could be purchased for $35.00 to $45.00 now costs $145.00 to provide better protection from the fire carbons.

Further studies have also changed methods for more effective cleaning and disinfection of PPE and equipment to reduce health impacts. This in turn has substantially raised our operational budget for decontamination, cleaning and testing of our PPE as well as self-contained breathing apparatus (SCBA) and other equipment.

These types of costs are essential to protect firefighter safety.

The cost of fire department apparatus has a significant budget impact. The newest pumper that will be added to the fleet in 2020 will cost approximately $400,000.

In order to be efficient and to use these high valued assets to the fullest extent possible, staff will continue to work with other fire services in Peterborough City and County to look for ways to share services such as through automatic aid agreements, sharing specialized equipment, mutual aid, etc…
Emergency Call Numbers

The call numbers between 2005 and 2018 has shown a consistent 1.05% average increase per year. Medical calls have increased 1.08% per year in the same time frame. In 2018, medical calls accounted for 68% of the call volume. There is no doubt our demographics are changing to a more mature population. As such, medical calls are expected to continue to be the major call type. Increased calls for service in turn increases labour costs, wear and tear on apparatus and equipment and fuel usage. More administration time is also required to input call statistics and to inspect and repair apparatus and equipment.

Medical calls are impacted by a complex health care system and due to the interconnected nature of medical services, issues in one area impact another area. For example lengthy ambulance off load times can result in a call out to the Fire Service to attend a medical call that the ambulance should be responding to. The ambulance communication centres would also benefit from improved dispatch technologies, real-time data exchange, and updated radio networks etc… to better support response and resource allocations. There are times when the ambulance and fire department are arriving at the scene at the same time for a medical call. Real-time data capture and improved dispatching could minimize the unnecessary call-out of our fire service to these types of medical calls.

The Ministry of Health has announced that Jim Pine, Chief Administrative Officer of the County of Hastings and former member of the Board of Directors of the Association of Municipalities of Ontario, will serve as advisor for renewed consultations on strengthening and modernizing public health and emergency health services including emergency health services in rural areas. Staff will monitor this review and provide input where appropriate.

Succession Management

Additional administrative and legislative demands as well as increased call volumes put a strain on the human resources available to the Department. This along with the anticipated retirements of long serving volunteers requires the Department to consider how best to align and resources duties in the next few years. This will require a significant amount of work to come up with a structure that will best serve the needs of the Department and the Township.

The Township has submitted an expression of interest to obtain Provincial modernization funding to review the organizational structure and workload of the Fire Service. The review of the structure and administrative processes will include:

- review software system improvements to improve legislated incident reporting
- policies/processes to support succession management within the Department
- alignment of duties between volunteer and permanent positions, opportunities for cross-training
- maximizing equipment and apparatus investments by exploring collaborations including mutual aid, automatic aid etc…

Financial Impact

With increasing costs and declining revenue opportunities there will be a need for increased funding from taxation to support the operations of the Fire Department.

For several years the Township has been able to provide for a reduced area rate related to police services for both the rural and village wards. Staff recommend that, as part of the 2020 budget, consideration be given to utilizing a portion of the tax room created by the reduced area rates for policing to help offset some of the increased costs of the Fire Service.

Environmental Impact

No impact due to this report.

Strategic Plan Reference

- Achieve excellence in governance and service delivery
- Support a sustainable, balanced, and investment-ready community

Attachment (s)

None

Gord Jopling

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R. Lane Vance

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Janice Lavalley

Reviewed By: Janice Lavalley, CAO