



**CITY OF HAMILTON**  
**COMMUNITY AND EMERGENCY SERVICES DEPARTMENT**  
**Hamilton Fire Department**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	February 15, 2017
<b>SUBJECT/REPORT NO:</b>	Hamilton Fire Department "Extraordinary Costs" User Fee (CES17001) (City Wide) (Outstanding Business List Item)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	John Verbeek 905-546-2424 ext. 7120
<b>SUBMITTED BY:</b>	David Cunliffe Chief, Hamilton Fire Department Community & Emergency Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That a 100% cost recovery fee for extraordinary firefighting costs, as set out in Appendix "A" attached to Report CES17001, be approved; and,
- (b) That staff be directed to prepare the required by-law to amend the 2017 User and Fees and Charges By-law to include the 100% cost recovery fee for extraordinary firefighting costs, as set out in Appendix "A" attached to Report CES17001.

**EXECUTIVE SUMMARY**

On December 11, 2013, Council approved the following:

"That Information item (h) (i) of General Issues Committee Report 13-024 respecting the 2014 Tax Supported User Fees, received for information by Council on November 27, 2013, be amended by adding the following as sub-section (bb):

(bb) That 100% cost recovery in the 2014 Proposed Fee for All Responses – Community and Emergency Services, Fire Department (Page 33 of Appendix "A" to Report FCS13079) was tabled to allow the Fire Chief to work with the Insurance Bureau of Canada to find ways to reduce costs to the community and the City, and that the costs be monitored over the next year."

Establishing an extraordinary costs user fee as part of the Department's overall User Fees and Charges was considered to recover costs from building owners for equipment

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*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

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and/or consumable resources that were required during an emergency for fire mitigation or post fire investigation. Examples of equipment and or consumable resources include but are not limited to:

- a) Heavy equipment used to assist in extinguishing a fire or for post fire investigation to determine cause and origin of a fire; and,
- b) Consumable resources including but not limited to firefighting foam for a hydrocarbon fire when the quantity required to mitigate an incident exceeds the quantity of foam maintained on hand by the Hamilton Fire Department or for replacement of equipment which becomes contaminated at a scene.

The Insurance Bureau of Canada (IBC) confirmed that there was great reluctance by insurance companies in general to commit funds to assist in fire mitigation efforts or post fire investigation assistance on behalf of a municipality or agency before completing their due diligence on policy coverages relating to losses on behalf of their clients. More specifically, the Insurance Bureau of Canada stated that:

- Insurance companies will not commit to any funding until they have done their due diligence and checked details of a policy.
- Insurance companies will not pay out until investigations are complete.
- Insurance companies cannot do anything until a loss is reported by the policy holder.
- Insurance companies must do their due diligence in confirming the building owner.
- Insurance companies would be hesitant to pay based on a request from an agency with whom they have no contract.
- If an insurance company pays out to a Fire Department prior to the claim being settled, it essentially means less money for the homeowner.

The City of Hamilton Building Department was contacted and they advised that they have the ability under the Building Code Act Section 15(9) and under the authority of the Chief Building Official to utilize measures (e.g. using heavy equipment for demolition purposes) to address 'unsafe conditions'. The costs for such actions are added to a property's tax roll as part of the legislative authority. It should be noted that a similar provision is not contained within the Fire Protection and Prevention Act.

A review of incidents in which extraordinary costs were incurred by the HFD for the period of 2012 – 2016 found that there were a total of seven (7) fire incidents during that time frame which resulted in a total cost to the Hamilton Fire Department of approximately \$20,000. These costs were for the most part based on the use of heavy equipment required at fire scenes for post fire investigations. It should be noted that the Hamilton Fire Department responds to between 250 – 300 structure fires in a year so it is less than 1% of the total number of structure fires that occur in which we have required heavy equipment.

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<b>Hamilton Fire Department Extraordinary (Heavy Equipment) Costs 2012 - 2016</b>		
<b>Year</b>	<b>Cost \$</b>	<b>Location</b>
2012	\$1,751	988 Brock Rd
	\$7,857	406 King Street East
2013	\$3,164	315 Wilson Street
2014	\$1,204	135 Princess Street
	\$1,204	634 Valens Rd
2015	None	N/A
2016	\$2,208	97 Barton Street East
	\$1,865	70 Niagara Street
<b>Total</b>	<b>\$19,253</b>	

***Alternatives for Consideration – Not Applicable***

**FINANCIAL – LEGAL – STAFFING IMPLICATIONS**

Financial: The extraordinary costs user fee will provide a 100% cost recovery mechanism for the Fire Department to facilitate the recovery of extraordinary costs for equipment and/or consumable resources that were required during an emergency for fire mitigation or post fire investigation.

Staffing: There are no staffing implications associated with Report CES17001.

Legal: There are no legal implications associated with Report CES17001.

**HISTORICAL BACKGROUND**

In 2012, the Hamilton Fire Department experienced multiple fires that necessitated the use and rental of heavy equipment for post fire investigation purposes.

Establishing an extraordinary costs user fee as part of the Department's overall User Fees and Charges was considered to recover costs from building owners for equipment and/or consumable resources that were required during an emergency for fire mitigation or post fire investigation. This equipment and consumable resources would be for

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equipment/supplies that are not typically owned or carried by the Hamilton Fire Department.

### **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

None

### **RELEVANT CONSULTATION**

Eleven other Fire Departments were contacted to determine if they had specific extraordinary user fee's incorporated within a municipal By-Law. Eight of the eleven Departments contacted (73%) did have an extraordinary fee charge contained within a By-law. Of the three remaining Departments that currently do not have extra-ordinary fees contained within a By-law, one Department (Toronto) is currently looking at adding this fee (attached as Appendix B to Report CES17001).

### **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Extraordinary costs, whether for heavy equipment or consumables such as foam can be difficult to project however, a major incident occurring may result in some significant costs to the City. With this in mind, and based on the review of costs experienced by the Hamilton Fire Department over the past five years, the continuing budget pressures being faced by the City of Hamilton and following a review of fees charged by other Fire Departments this recommendation is being brought forward.

### **ALTERNATIVES FOR CONSIDERATION**

None

### **ALIGNMENT TO THE 2016 – 20125 STRATEGIC PLAN**

#### **Our People and Performance**

*Hamiltonians have a high level of trust and confidence in their City government.*

### **APPENDICES AND SCHEDULES ATTACHED**

Appendix A to Report CES17001: Cost Recovery Fee for Extraordinary Firefighting Costs

Appendix B to Report CES17001: Review of Other Fire Departments Extraordinary User Fees