



REQUEST FOR PROPOSALS No. 22-027

Fire Protection Services Feasibility Studies

Addendum 1

Issued: March 8, 2022

(1 page plus 63 page attachment)

Closing Date & Time: on or before 3:00 PM Pacific Time on March 25, 2022

This addendum shall be read in conjunction with and considered as an integral part of the Request for Proposal. Revisions supersede the information contained in the original Proposal or previously issued Addendum. No consideration will be allowed for any extras due to any Proponent not being familiar with the contents of this Addendum. All other terms and conditions remain the same.

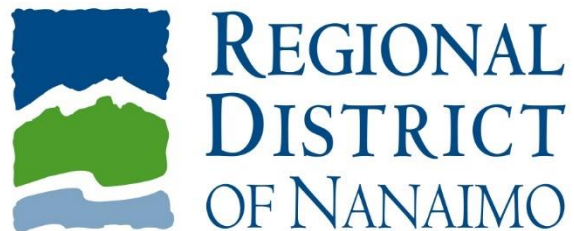
QUESTION & ANSWER:

Q1. Is the Regional District of Nanaimo open to the concept of contract fire services?

A1. The RDN currently contracts 9 of its 10 local service areas for fire protection. In four cases, the services are provided under contract by other area local governments, while in the remaining five service areas, the departments are operated under contract by not-for-profit, independent societies.

The RDN provides the operational management for only one of the 10 local fire protection service areas. Any changes to the current contract for fire services would require endorsement by the RDN Board of Directors and could be explored as options in the feasibility studies if deemed appropriate.

End of Addendum 1



FIRE DEPARTMENT GOVERNANCE REVIEW

Dave Mitchell & Associates Ltd.

January 2020

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Executive Summary

The Regional District of Nanaimo (the “RDN”) is undertaking the second part of a two-phased review of its fire services. Within its boundaries, the RDN has created a total of 10 local service areas for fire protection: in four cases, the services are provided under contract by other area local governments, while in the remaining six service areas, the departments are operated under contract by not-for-profit, independent societies.

The society-operated departments (the “Departments”) were the subject of an operational review in 2015 in a report (the “2015 Review”) by Dave Mitchell & Associates Ltd. (the “Consultants” or “DMA”). On the basis of the 2015 Review, the RDN implemented a series of changes related to operational coordination and support. The 2015 Review also included a recommendation for a subsequent review of the governance and administrative structure of the Departments to address a number of issues that were identified regarding administration, effectiveness, liability and appropriate governance. The RDN issued an RFP in 2018 and awarded the second review to DMA.

This second review commenced in late 2018 and extended into 2019. It involved consultation with each of the stakeholders involved in the current operational model including the societies, the Departments, the area directors and regional district staff. The goal for the investigative phase of the review was to ensure that the Consultants were provided with an opportunity to meet with each of the stakeholders, and understand clearly their concerns, as well as their comments about the level of fire protection in each of the six communities and the oversight of fire department operations.

Each of these meetings was notable for its participants’ candor and very open desire to discuss all aspects of the two elements being covered by the review – governance and administration. Individuals within every group had positive comments in terms of the current service, as well as ways in which it could be improved. Recommended improvements include further clarifying the communication channels between the societies and the RDN, greater clarity about budgets, procurement, and roles and responsibilities. At every level, the discussion and feedback were positive.

The issues facing the RDN and the six societies are not unique in terms of the fire service in British Columbia, as this service has evolved over time. The evolution has been in response to an increasing awareness of the complexities of today’s fire service. The complexity is a result of three key factors in most areas; first there has been a demand for additional services over and above fire responses, which include fire-based medical, hazardous materials and technical rescue responses; second, given today’s requirements for managing and operating at these emergency responses, there has been an increase in the need for improved levels of training in all aspects of service delivery; and third there has been a general increase in the number of calls for all services.

The level of training, equipment and supervision that is now required for any fire department in the province increased significantly with the publication by the Office of the Fire Commissioner

(the “OFC”) of the Playbook¹ in 2014. The Playbook requires the Authority Having Jurisdiction (the “AHJ”) to authorize one of three levels of service: Exterior, Interior or Full Service. The requirements for even the most basic of these – Exterior Operations – are significant, and any AHJ responsible for the service must ensure that it is completely aware of these requirements and has a clear plan to address each of the competencies required.² To be clear, the AHJ is responsible at law for the level of service delivered by the fire chief and the firefighters in its department. The RDN has indicated that until further direction is provided by the OFC, it will follow the current guidance, which states that the local government is the AHJ where the local government has contracted with a society to provide fire protection services.³ As such, it must ensure that the Service Agreements provide it with the oversight mechanisms and tools required to ensure each Department’s compliance with the Playbook, including related record keeping. The societies share this responsibility: as the employer of the firefighters and officers, the society boards are responsible for ensuring the proper training and supervision of their workers, provision of proper equipment and apparatus for their tasks, and the maintenance and record keeping accompanying these responsibilities.

The six Departments provide service pursuant to the terms of an agreement between the relevant society and the RDN. Those agreements are discussed in greater detail in the report, and, based on the conclusions from this report, those societies choosing to continue to be responsible for emergency service delivery by their respective fire department, will require a revised agreement to ensure that the service level, reporting obligations, responsibilities and roles are updated and better defined. The agreements will need language to address liability and risk management; they will also require a clear reporting structure to ensure that the RDN has better visibility of how the service is being provided and how financial matters are managed. Conversely, for any society-operated fire department that chooses to become a regional district fire department, the RDN will need to ensure that it has the requisite administrative and support staff, and expertise and capacity to undertake the added responsibility of directly overseeing and managing fire department operations.

A number of area directors, fire chiefs and society members spoke positively about the opportunity to provide a more functionally consolidated fire service in the region. This type of sub-regional model, with variations, operates in a number of areas of the province. For some, such as the three North Shore communities in Metro Vancouver, it involves functional integration, where automatic aid arrangements ensure that there is a closest unit response, and appropriate support provided for each call type. Alternatively, the Kootenay Boundary Regional District (the “KBRD”) has created a single department, with six fire halls, providing border-to-border coverage in two electoral areas (including the five incorporated municipalities in those electoral areas). The service is operated through a regional district committee comprising

¹ OFC, *Structure Firefighters Competency and Training Playbook*, second edition, May 2015 (the “Playbook”).

² The requirements for each of the levels of service are provided in more detail in Annex 1.

³ OFC, Playbook FAQ, at: <https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/fire-safety/training/playbook-qa>.

stakeholder representatives from the participating municipalities and electoral area representatives. The department itself is a composite service with a mix of career and paid-on-call members.

In the northern part of the RDN, there already is a high degree of coordination between the five RDN-funded departments and the Parksville and Qualicum fire departments. The latter two have been moving towards a closer integration of their services, and, at the time of this report, are sharing a single fire chief⁴. Implementation of a more integrated fire service in this part of the RDN would potentially provide a number of advantages from both a budgetary and operational perspective. The integration could involve a formal merger or enhanced automatic aid structures – which would necessarily include joint training, creation of uniform and coordinated response models and, potentially, some cost-sharing. However, it will require an increased level of discussion and support for standardization and clarity in a number of key areas including the level of service and training, as well as equipment and operating policies.

A decision between the RDN and each of the six societies has to be determined to consider having the RDN fully operate the service or to continue society run Departments albeit subject to a revised agreement for service. If the first option is chosen, the societies are encouraged to continue to function, to provide support for the recruitment and retention of Department members, community engagement functions and administrative support, but without the legal obligation for the provision emergency response services.

⁴ As of December 10, 2019 Parksville and Qualicum have agreed to conduct a comprehensive fire services review which will focus on the feasibility of creating a fire commission for the joint management and operations of the Qualicum Beach and Parksville fire rescue departments, see <http://www.parksville.ca/cms/wpattachments/wpID135atID9020.pdf>

Summary of Recommendations

The following section extracts the recommendations contained within the report. The more expansive discussion in the report contains details regarding each of these recommendations. For convenience, the relevant headings from each section are included as a guide to the section from which the particular recommendation is extracted.

Legal Structure

Recommendation: To the extent that the individual societies remain responsible for operational service delivery, the Service Agreements need to be updated and the parties' respective responsibilities clarified. The issues to be addressed in the revised Service Agreements are set out in the body of the report. Issues to be addressed include:

- the RDN's role as the AHJ should be fully set out;
- the RDN needs to ensure that it has the oversight capacity and rights necessary to ensure that its obligations are being met;
- reporting lines, responsibilities and authorities need to be clarified; and
- the issues related to liability and insurance coverage should be addressed in detail.

Recommendation: For each society which remains responsible for emergency service delivery, its obligations as the employer of the firefighters and officers should be fully reflected in the updated Service Agreements, along with the responsibility for proper training and supervision of employees under the Workers Compensation Act.

Recommendation: If a society steps back from delivering emergency response services, there should still be an agreement created between the RDN and the particular society. Consideration should be given to providing those societies with on-going funding to enable them to provide support for a Department's recruitment and retention efforts, and community engagement functions.

Insurance

Recommendation: The RDN and Societies should review the insurance coverage in detail, and retain external expertise if required, to ensure proper coverage for societies which continue to be responsible for emergency service delivery.

Recommendation: The consent and indemnity agreement with BC Emergency Health Services, under which first medical response services are provided, should be reviewed and updated to include each society as a party, where those societies remain responsible for emergency service delivery.

Enhanced Regional Fire Service Integration

Recommendation: Consideration be given to a strategic planning process for a regional response model based on the current ongoing cooperation between Coombs-Hilliers, Errington, Dashwood, Bow Horn, Nanoose and Extension with Parksville and Qualicum.

Communications

Recommendation: There is a need for a structured, written policy addressing on-going communications between the societies and the RDN, and between the Departments and the RDN, dealing with the issues identified in this section of the report.

Recommendation: The RDN review with the society boards whether the FSC is the appropriate contact point for all matters or issues of concern to the societies (see discussion in Phase 4 of Option 2, in the Implementation Plan, below).

Strategic and Succession Planning

Recommendation: Each society that remains responsible for emergency service delivery should undertake regular formal strategic planning exercises with a focus on society operations and sustainability.

Department Members Serving as Society Directors

Recommendation: For societies which remain responsible for emergency service delivery, the Service Agreements should prohibit active (or recently retired) Department members from serving on the society boards.

Potential Change Options for the Relationship Between Society Established Fire Departments and the RDN

Recommendation: Each society, in discussion with the RDN, should be able to select its preferred option – either remaining responsible for emergency service delivery or stepping back from that role – understanding that both options will involve significant change.

Implementation and Transition Plan

Recommendation: In the case of societies which elect to continue to be responsible for providing emergency response services, the RDN should develop a policy document confirming the key transition/implementation elements.

The report includes a high-level implementation and transition plan, which provides a series of recommended actions and approaches. These are not repeated here but should be reviewed in the context of the overall plan itself.

Origin and Purpose of the Report

This project arose from recommendations made in the 2015 Review conducted by the Consultants. In September 2018, the RDN issued an RFP for the following:

- A report outlining a recommended governance and administration structure that will enable the RDN to:
 - release societies of their responsibility for operational aspects of a fire department, if desired, and for the RDN to assume such role;
 - deliver effective fire rescue services in established Fire Protection Areas where the RDN assumes operation of the fire department;
 - effectively manage their responsibilities and liabilities for operation of fire rescue services whether a fire department is RDN or society operated;
 - effectively manage current resources and identify future resource needs of the RDN fire rescue services under the recommended governance and administration structure; and
 - develop a phased development process for the governance and administration structure for the fire departments operating within the jurisdiction of the RDN.
- An implementation plan to facilitate the change between the RDN, the Fire Departments and the Fire Department Societies, if recommended by the consultant.
- An implementation plan outlining steps and resources needed to support fire departments transitioning to being RDN operated, including:
 - additional resource needs of other RDN departments (HR, payroll, IT, etc.) to support operation of the fire department(s);
 - process recommendations for hiring current fire department staff;
 - standardizing of wages for paid on-call RDN fire rescue staff positions; and
 - review of potential cost implications to each Fire Service Area.
- Outlining a recommended approach to establishing a consistent funding model for the RDN Fire Departments, and clarify how the proposed model will affect each of the RDN Fire Service Areas.
- Providing recommendations for areas within the fire rescue services that can be improved through a regional approach to fire services.

Scope of Review and Methodology

The review includes consideration of the following fire departments and their related societies:

- Bow Horn Bay Volunteer Fire Department;
- Coombs-Hilliers Volunteer Fire Department;
- Dashwood Volunteer Fire Department;
- Errington Volunteer Fire Department;
- Extension Volunteer Fire Department; and
- Nanoose Bay Volunteer Fire Department.

In addition, as follow-up to the 2015 Review, the Consultants also met with the Cranberry Volunteer Fire Department, which is operated by an Improvement District. The RDN has a contract with the Improvement District to supply fire protection to a local service area established by the RDN in the Cassidy area.

The Consultants met with each of the Departments and reviewed their current administrative structures and general operating environments. The Consultants then met separately with each of the Societies responsible for the various Departments, the fire chiefs of neighboring mutual aid departments, as well as with the RDN Area Directors. In addition, the Consultants met with senior staff at the RDN responsible for oversight of the fire services, including the Director of Transportation and Emergency Services, the Manager, Emergency Services, and the Fire Services Coordinator.

Fire Service Governance and Administration – Provincial Context

Understanding the issues currently being examined in this project requires a general appreciation of the overall legal and historical context of the development, operation, funding and oversight of fire services in the British Columbia. There are no accurate figures on the number of fire departments in unincorporated areas. In general, it is estimated that there are more than 400 structural firefighting departments in the province,⁵ approximately 160 of which provide services to incorporated municipalities.⁶ This means that the majority of departments are located or operating outside of municipal boundaries. As consultants, DMA has worked with over 100 different fire departments in the province, over nearly a 20-year period. The majority of that work, necessarily, has been with paid-on-call and volunteer departments. In the course of our work with regional district and municipal governments, we have had the opportunity both to witness and to analyze the evolution of fire service delivery. An understanding of that evolution is necessary to appreciate the situation currently facing the RDN and its society-operated Departments.

As a starting point, it needs to be clearly understood that the provision of structural fire protection services is optional everywhere in the province, other than the City of Vancouver.⁷ Historically, the development of rural fire services initially centred around privately-developed services, typically provided through a not-for-profit society, or through the inclusion of fire services as an additional function for improvement districts, which typically were used to deliver water and certain other services in rural areas. Over time, however, regional districts, which were created as a form of local government in 1965, increasingly became the dominant provider of these services. As their own governing systems and infrastructure became more developed, regional districts increasingly acquired the role of delivering fire services, as those services were requested by local residents. Given that regional districts, by design, were intended to be the primary mechanism for providing services to unincorporated areas of the province, this transition was natural.

A number of factors have further spurred these transitions. First, from 1995 onward, the Province moved to curtail the use of improvement districts (which is another, stand-alone level

⁵ Bindra Report, p. 21 of 140; Fire Services Liaison Group, *Public Safety in British Columbia: Transforming the Fire/Rescue Service* (September 2009), at p. 45 (“FSLG Report”). The FSLG Report estimated that there were some 460 departments in the province, including airport, Department of National Defence, and First Nations departments, as well as industrial fire brigades, but noted that the numbers used were estimates and that there were “no reliable data on the number of B.C. fire departments.” *Ibid.*, fn.1.

⁶ FSLG Report, Appendix A, p. 45, shows a total of 160 municipal fire departments in BC as of 2009.

⁷ Section 309 of the *Vancouver Charter* requires the establishment of a fire department in Vancouver.

of local government) in favour of concentrating rural service delivery through regional districts. As such, the number of improvement district-operated departments has decreased over time.⁸

Second, the volunteer fire service has, necessarily, become more qualified and specialized over time, and more expensive as a result. Several factors have significantly impacted this development, including:

- an increased focus on minimum training requirements, arising in part out of line of duty deaths among volunteer firefighters;⁹
- the need for better and up-to-date equipment and apparatus;
- the need for improved organizational administration and oversight;
- increased concern regarding legal liability;
- an increased focus on occupational health and safety requirements; and
- meeting all of the corresponding administrative requirements including proper records keeping.¹⁰

In our experience, while these additional requirements have increased the cost of operating volunteer services and added to the burden of the volunteer and paid-on-call members and officers, the changes have been beneficial. In many respects, the risks faced by volunteer departments in the province are as great or greater than those of the career departments: volunteer members typically are less experienced; they are usually later to an incident than a career response (meaning a fire has progressed further, and is more difficult to manage); they often have fewer members at an incident; fire prevention and fire inspection activities are typically more limited; and they usually have less apparatus available to them during an incident. While volunteer departments, on the whole, respond to fewer structure fires than most of their career or composite municipal counterparts, the risks they face at any given incident are probably greater overall as a result of the differences noted.

⁸ There are fewer than 35 departments in the province (out of about 400+ in total) operated by improvement districts. There were 35 improvement district-operated fire departments identified in Order-in-Council 371 (30 March 2006), when that order in council was passed under the *Local Government Act*. Some of those improvement districts (e.g., Clearwater's) no longer exist.

⁹ The Playbook's genesis traces directly back to the line of duty death of Chad Schapansky, a member of the Clearwater Volunteer Fire Department, in 2004. See: BC Coroners Service, *Judgement of Inquiry into the Death of Chad Jerry Schapansky* (Case no. 2004: 565: 0011), 2 Feb. 2006 (the "Schapansky Inquiry").

¹⁰ One of the critical issues noted in the Schapansky Inquiry, was that the Clearwater department, which was then operated by an improvement district, lacked the necessary records demonstrating the training and qualification of the individuals involved in the incident (including the entry team members and incident commander), as well as relating to the maintenance of critical life-safety equipment in use by the entry team. Schapansky Inquiry, at pp. 4 – 5, citing the WorkSafe BC inquiry into the incident.

The rising costs have also been impacted by the need to meet external standards for apparatus and equipment. The Fire Underwriters generally limit their rating of front-line apparatus to 20 years (up to 25 with special approvals).¹¹ While a jurisdiction can choose to ignore these requirements, it means that the fire risk rating will be significantly impacted, greatly increasing the cost of insurance for local residents. In relation to equipment and regulatory processes, WorkSafe BC, in addition to establishing general obligations on employers for training and supervision of workers, also stipulates specific requirements regarding, among other things, the provision and maintenance of personal protective equipment for firefighters.¹² In 2014, the introduction of the Playbook crystallized the training and related obligations of fire departments and their respective AHJs. While there had always been training standards applicable to the fire service, the Playbook¹³ significantly clarified the obligations of fire officers, firefighters and those entities which are responsible for overseeing and controlling the departments.

Over time, the growing cost of fire service delivery led many of the society-operated departments to seek funding through local government. In regional districts, this generally required the establishment of local service areas to authorize the service delivery and tax for the service. The societies involved, including those in the RDN, then became a service provider under contract to the relevant regional district. Over time, as the challenges of managing the fire service grew, societies have increasingly stepped back from operational responsibility and handed over that role to local government.

A final factor that has impacted fire service governance is the growing risk of liability and litigation. Our society has become increasingly litigious and risks that probably were remote in the 1960s, 1970s and 1980s, when many society-operated volunteer departments developed, have become increasingly prominent. Those risks (which often involve an insurance company suing for an allegedly insufficient or inadequate response, or a fire re-kindling) are combined with the increased risk of administrative actions (and potential penalties) from occupational health and safety incidents and possible human rights complaints. In that context, the protections available to individual members of volunteer departments through the *Local Government Act*, are potentially significant.¹⁴ Those protections, however, are not available to firefighters and officers who are members of an arm's length society. The growing concerns about liability also highlight whether it is appropriate for volunteer society directors (and volunteer firefighters) to bear the risk of delivering such critical emergency services to the public.

¹¹ For larger, urban departments, the Fire Underwriters consider apparatus to be front-line only for 15 years, after which they expect it to be replaced or moved to reserve status.

¹² The *Occupational Health and Safety Regulation* specifies general requirements applicable to all employers, in relation to the provision and use of personal protective equipment. Part 31 contains certain additional, specific requirements particular to firefighters and their employers.

¹³ For additional detail with regard to the mandatory requirements in terms of training and assessment see Annex 1.

¹⁴ Those protections are set out in section 738 of the *Local Government Act* and provide liability protection for individuals who are employees or volunteers of a local government.

The evolution of fire service delivery in the province is on-going. As a result, a patchwork of approaches currently exists:

- the majority of fire departments in unincorporated areas of the province are established and operated as a local service by a regional district government, with a defined service area, supported by taxation levied on the properties within that service area, with service provided by firefighters who are employees or volunteers of the regional district.¹⁵ In addition under this model, the firefighters are afforded the full liability protection and indemnification provided through a combination of the protections provided by the *Local Government Act*, along with indemnity bylaws and insurance provided by regional districts;
- in a material (if decreasing) number of cases, the fire department may be owned and operated by a not-for-profit society, and provide fire protection services under contract to a regional district, albeit still within a defined service area, supported by area taxation;
- in other cases, as noted above, the fire service is provided by an improvement district; and
- there are fire departments owned and operated by not-for-profit societies (or unorganized groups of individuals), which provide service within self-defined response zones, without any specific local government authorization or regular taxation support (“Independent Societies”). These Independent Societies may receive occasional grants-in-aid from their regional districts; in other cases, they are entirely self-funded. In some cases, the Independent Societies will have contracts for service with their local residents to authorize their service delivery; in others, they simply rely on good will.

Finally, there are a significant number of regional district service areas, adjacent to municipalities, which receive fire protection under a contract established between the regional district and the relevant municipality (or, as is the case with the RDN, an improvement district).

In many respects, the use of volunteer societies as service providers is a historical legacy. From a local government’s perspective, the use of a third-party service provider makes sense where:

- the cost of service delivery is reduced;
- the service is delivered at a high standard, consistent with statutory and regulatory requirements and the public’s expectations for service;

¹⁵ In this report, we use the term “volunteers” to refer to both volunteer and paid-on-call firefighters and officers. It should be noted, however, that where members are paid for call-outs or attending practices, they are not, at law, volunteers in a legal sense.

- the risks arising from service delivery are transferred to the service provider;
- the system is sustainable over the long term; and
- the regional district is still able to manage strategic issues regarding the operation of the service.

Where a fire service is funded through taxation by a regional district, the regional district will still have to undertake an oversight and review role. This is particularly true where the local government retains ownership of the assets used in the service delivery, and is responsible for procuring and managing those assets over a long and complex life-cycle. The complexities involved in delivering volunteer fire services, moreover, means that it is incumbent on local government to take an active role, even where those services are delivered by a third party. The increasing regulatory and administrative burden of operating a compliant fire department, the increased training needs for firefighters and officers, and the risks to the public in the event a fire department fails to meet its mandate, heighten the need for regional districts to have on-going involvement in fire service operations.

At the same time, the challenges facing the operation of volunteer and paid-on-call departments continues to increase. In addition to the growing administrative, regulatory and training requirements, rural fire service delivery is being impacted by the following factors and trends:

- demographic changes in smaller communities, including, in some cases, an aging and/or static/declining population and in others, a growing community of retired residents moving in from large urban and suburban communities. These changes are increasing the calls for service, and/or negatively impacting recruiting possibilities for local fire services;
- a lack of available time (and interest) for volunteer and paid-on-call fire chiefs, officers and members to manage the burgeoning administrative requirements and growing concerns over the risks arising from service delivery;
- growing public expectations in relation to service delivery, as individuals retire into rural areas from larger municipalities, where their fire departments generally had the capacity and ability to provide a wide range of response services;
- lifestyle shifts which have negatively impacted fire service recruitment;
- the growing transition of fire departments into “all hazard” response agencies, which has increased call volumes and costs, as well as added stress for responding members;
- challenges attracting volunteers to the fire service and, for those operated by societies, to the society boards; and
- the impact of changing economic and employment realities, which limit the ability of members to respond during workdays.

These changes have been particularly profound in terms of their impact on the volunteer/paid-on-call departments in rural areas, which often have limited tax bases with which to fund the financial challenges of adapting to change. As these departments are increasingly required to comply with a growing regulatory and administrative burden, their paid-on-call members are generally not in a position to manage the challenges without increased assistance in the form of both administrative and financial support from local government.

In the long term, the independent society model is under increasing pressure from the various factors noted above. During the review process, most of the societies noted on-going challenges with board recruitment. They also reported varying success in maintaining public interest in participating in the society's operations (e.g., attending general meetings). The challenges being faced in this regard can be expected to increase over time. Each of the societies which intends to continue to be responsible for emergency service delivery, would do well to undertake long term strategic reviews and planning, with a focus on their succession planning and sustainability.

Local governments, in turn, are facing increased demands for service, as demographics change, populations age, and urban dwellers increasingly retire into smaller, rural or semi-rural communities, bringing with them elevated expectations for service. The impact of these changes on single purpose society and improvement district-governed fire departments has been even more significant. These changes have been a further catalyst for the general evolution and transition from society and improvement district-operated fire departments to departments being fully governed, administered and financed through regional districts.

It is against this backdrop and the overall development and evolution of fire service delivery, that this report needs to be considered.

Current Governance/Administration Relationship Overview

The current organization and administrative model for society managed fire departments is shown in Figure 1. In this case the direct relationship is between the RDN and the Societies with a supporting role provided by the Fire Services Coordinator.

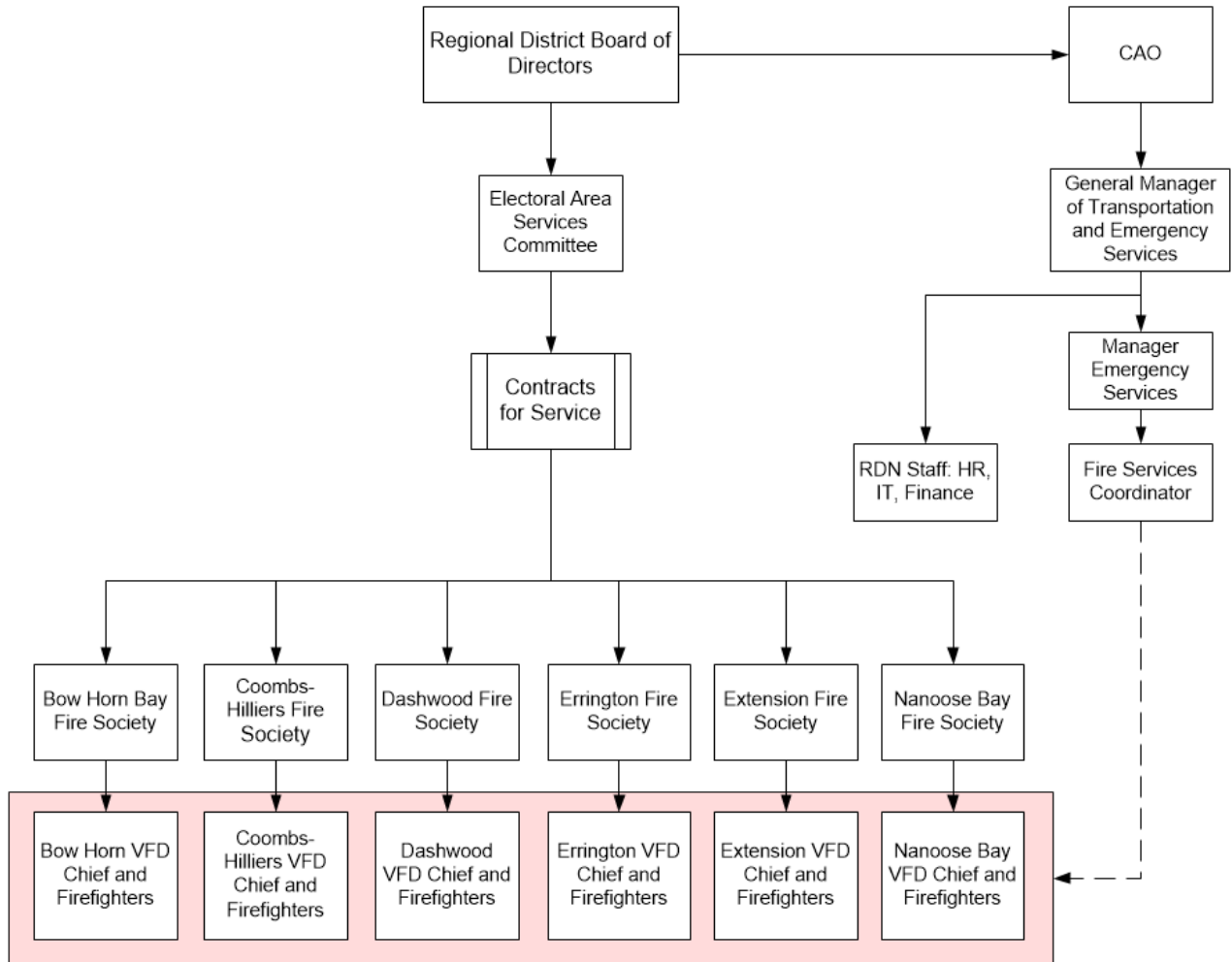


Figure 1: Society Managed Fire Departments – Current Organizational Model

The governance and administrative model if the operation of the fire departments is transferred to the regional district is shown in Figure 2. In this model the direct relationship is between the RDN and whichever fire departments have transitioned to this model.

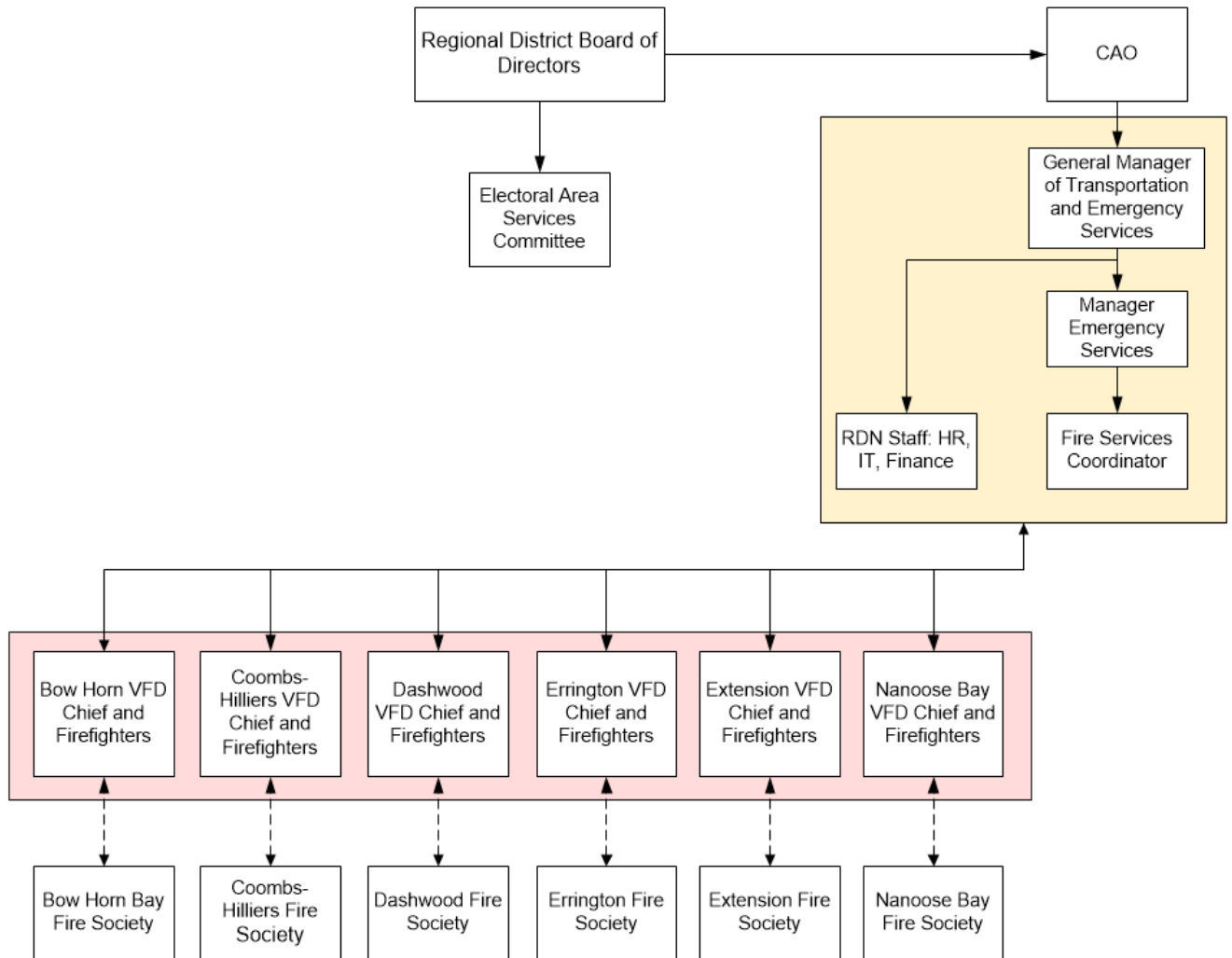


Figure 2: Organizational Model after Transitioning to an RDN Managed Department

Legal and Governance Structure

Legal Structure

The RDN has established a total of 10 fire protection local service areas. For four of the service areas, the RDN has contracted with another local government to provide fire services.¹⁶ For the six other service areas, the RDN has contracted out the service to independent societies. We have been advised that each of the societies has been continued under the new *Societies Act*, which came into effect in late 2016. We have not independently reviewed the constitutional documents of the individual societies, and, for the purposes of this report, have assumed that they are properly constituted and that they are operating in conformity with their statutory and constitutional requirements with respect to regulatory filings, membership and society board elections.

The RDN has contracted for services from each society under the terms of a substantively identical service agreement (the “Service Agreements”). The societies are arm’s length service providers to the RDN. As such, in accordance with terms of the Service Agreements, each society is responsible for the proper operation of its respective fire department, and for the delivery of fire and emergency response services to the public. For all substantive purposes, each society is the employer of the firefighters and officers, and responsible for occupational health and safety and training matters under the *Workers Compensation Act*. In the event of a negligence or other claim relating to an individual Department’s operations, the individual society, rather than the RDN, would be primarily responsible for such claim.

The Service Agreements were originally negotiated and settled in the period from 2004 to 2006. They were examined in some detail in the 2015 Review. The section of the 2015 Review examining these agreements is attached as Schedule 2, for ease of reference. The 2015 Review noted that the Service Agreements were dated, contained a number of minor errors and uncertainties, and should be updated. That advice is repeated: to the extent that the individual societies remain responsible for operational service delivery, the Service Agreements need to be updated and the parties’ respective responsibilities clarified. In particular, the following matters need to be addressed:

- clear allocation of liability arising from fire department operations;
- clear reporting obligations from the societies to the RDN in relation to fire department operations and financial matters;
- the process by which uniform policy standards and requirements may be established by the RDN, in consultation with the societies and Departments. In particular, the process for: establishing or revising standardized operational

¹⁶ Cranberry Improvement District provides service to the Cassidy-Waterloo area; Nanaimo provides service into a part of East Wellington; Parksville provides service into part of the French Creek area and San Pareil subdivision; and Qualicum Beach provides service into another part of the French Creek area.

guidelines; managing procurement of principal equipment and apparatus; managing fire service area expansion; and implementing region-wide (or multi-service area) initiatives, such as mutual and automatic aid, all need to be addressed;

- communication lines between the societies, the Departments and the RDN need to be clearly set out – see the discussion below regarding communication issues;
- liability insurance should be mandatory for the societies, to ensure that they have coverage for their operations;¹⁷
- there should be a clear tie-in between the relevant service establishment bylaws and the operational bylaw, to each of the Departments and its operations;
- the process by which the service level will be set under the Playbook needs to be specified;
- the use by the Departments of RDN assets (the fire halls, apparatus and equipment are, in general, owned by the RDN) should be addressed in greater detail. In particular, responsibility for equipment and apparatus maintenance, and liability in the event that such equipment or apparatus suffers a failure during use, should be addressed; and
- the nature and extent of the RDN’s administrative and other support should be specified (e.g., the provision of the services of the Fire Services Coordinator, records management support, budgeting support, etc.).

There are a few areas that require updating from the 2015 Review. While the OFC has maintained its advice that local governments are, *de facto*, the “authority having jurisdiction,” we know that in other jurisdictions, the societies are treated as such.¹⁸ The RDN has indicated it will follow the direction provided by the OFC which states that the local government is the AHJ in respect of the Departments.

By adopting this approach, as the AHJ, the RDN is responsible, under the Playbook, for:¹⁹

- service level declaration and updates (if required);
- proper training of members corresponding to the selected service level; and

¹⁷ The language in the existing Service Agreements is permissive on this issue.

¹⁸ OFC, Playbook FAQ, at: <https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/fire-safety/training/playbook-ga>. We are familiar, however, with jurisdictions where this interpretation was not accepted: discussions and email with R. Storie, Director of Community Services, Thompson-Nicola Regional District, 18 Oct. 2019.

¹⁹ OFC, Playbook, s. 3 (p. 4/20) (Service Level); s. 6 (p. 6/20) (Training, Evaluation and Records Keeping); and “Instructor and Evaluator Competencies” at pp. 10 -13/20.

- proper records keeping relating to training.

In relation to the service level declaration, the RDN has established a policy, in consultation with the six Departments, to declare fire rescue service and training levels for each of them. Under the Policy B5.1, the Fire Chief and RDN Fire Services Coordinator are responsible for ensuring compliance with the policy through the use of appropriate operational guidelines as well as service/mutual aid agreements. Each Fire Chief is required, under that policy, on a regular basis or as directed, to report to the RDN on his or her department's readiness, effectiveness and efficiency.

At the same time, the societies are the employers of the firefighters and responsible for ensuring their proper training and supervision under the *Workers Compensation Act*. As such, they share primary responsibility for the proper training of the firefighters and officers.

As part of the contractual matrix, however, there needs to be a process for amending the service level if required (e.g., if a Department lost several experienced members, and needed, as a result, to reduce its service level from "Interior Operations" to "Exterior Operations" until it bridged the training gap).

If a society steps back from delivering emergency response services, but is intending to continue with an active role with the relevant Department, there should still be an agreement between the RDN and the relevant society. In addition, consideration should be given to providing some level of funding for the society's activities in support of the Department's recruitment and retention efforts, and undertaking community engagement functions. Where such an approach is adopted (as opposed to the society operating purely on voluntary fund-raising efforts), an agreement of some form with the RDN will be required.

Recommendation: To the extent that the individual societies remain responsible for operational service delivery, the Service Agreements need to be updated and the parties' respective responsibilities clarified. The issues to be addressed in the revised Service Agreements are set out in the body of the report. Issues to be addressed include:

- the RDN's role as the AHJ should be fully set out;
- the RDN needs to ensure that it has the oversight capacity and rights necessary to ensure that its obligations are being met;
- reporting lines, responsibilities and authorities need to be clarified; and
- the issues related to liability and insurance coverage should be addressed in detail.

Recommendation: For each society which remains responsible for emergency service delivery, its obligations as the employer of the firefighters and officers should be fully reflected in the updated Service Agreements, along with

the responsibility for proper training and supervision of employees under the Workers Compensation Act.

Recommendation: If a society steps back from delivering emergency response services, there should still be an agreement created between the RDN and the particular society. Consideration should be given to providing those societies with on-going funding to enable them to provide support for a Department’s recruitment and retention efforts, and community engagement functions.

Insurance

In relation to insurance coverage, in furtherance to the 2015 Review, we have examined both the RDN’s certificate of insurance from the Municipal Insurance Association of BC (“MIA-BC”) and the terms of the private policies held by the individual societies, which policies provide some directors’ and officers’ coverage as well as some limited, general liability protection. As these issues were identified during the course of the work on this report, the RDN and the societies have met several times to address the uncertainties regarding coverage. The following sections summarize the various policies (and some of the issues identified). We are not insurance experts, and our comments need to be reviewed with external counsel and/or an appropriate insurance broker.

In relation to the insurance issues, we would like expressly to thank John Tosney, a director of the Nanoose Fire Protection Society, who spent a considerable amount of time assisting us with the review of these issues.

MIA-BC Policy

As noted in the 2015 Review, MIA-BC updated its policy coverage starting with the 2014 calendar year, to provide coverage for the emergency response activities of society-employed firefighters. This was accomplished by an amendment to the definition of the term “Insured”, to include:

any person providing fire fighting services to a Subscriber, other than an employee of the Subscriber, but only if that person is a member of a fire fighting association with which the Subscriber has existing written contractual arrangements for the provision of fire fighting services by members of the firefighting association, and then only while that person is in the course of providing those services to the Subscriber.²⁰

It is important to note the limitations of this language. It provides protection for the firefighters and officers against an insurable claim (e.g., negligence) in relation to the services they are providing on behalf of the RDN. It does not provide, and is not intended to provide, coverage for any claims against the relevant society board or its members. There also are some uncertainties regarding what would constitute “services to the Subscriber.” Arguably, it is the

²⁰ MIA-BC, 2019 Liability Protection Agreement, Definitions, “Insured Party,” para. (h)

responsibility of the society to provide trained fire services personnel to undertake the fire and emergency response services. It is not entirely clear that the training of those personnel is actually a service “to the Subscriber.”²¹

Under the general MIA-BC policy, the coverage limit for the RDN is \$40 million for any single occurrence, subject, however, to a \$100,000 deductible. It is unclear, and the Service Agreements are silent, regarding which party is responsible for the deductible.

MIA-BC Certificate of Insurance

The 2019 Membership Certificate and Evidence of Liability Protection (the “Certificate”) issued by MIA-BC to the RDN, identifies the societies as either an “associate member” or an “additional named insured.”

- Bow Horn Bay is identified as an “associate member” with coverage of \$5.0 million, in relation to “the Fire Department facilities maintenance for [the] fire hall located at 220 Lions Way, Qualicum Bay, BC. Service is to be carried out by Board members of the Society incorporated as the Bow Horn Bay Volunteer Fire Department.”
- In addition, each of the societies is identified as an “additional named insured” where “the Additional Named Insured is acting under the supervision, direction or control of the Subscriber.” The policy limit is \$35.0 million under this coverage.

MIA-BC, however, has indicated that this second part of the Certificate was issued in error, and that coverage should not have been extended to the individual societies as “additional named insureds.”²² The societies could be added as “Associate Members,” but the coverage limit for that category of protection is \$5.0 million, and the RDN’s \$100,000 deductible would apply. MIA-BC has indicated that it will honour the Certificate as issued, but that the situation needs to be corrected when the policy is set to be renewed on December 31, 2019.

A review conducted by RDN staff determined that, in 2015, the RDN approved the idea of adding the societies as Associate Members. This issue is to be raised again with the RDN Board at its September 2019 meeting, with a view to confirming this approach.

Lloyd’s Allsport Commercial General Liability and Property Insurance

The six societies collectively hold a commercial general liability policy with Lloyd’s.²³ The policy provides the following coverage limits:

²¹ The initial take of the MIA-BC risk management advisor was that a training accident, which resulted in injury to a third party or damage, would be covered. However, we would advise formally clarifying this coverage with them in writing. Email 3 May 2019 from S. Ackerman, Risk Management Advisor, MIA-BC

²² Email 3 May 2019 from S. Ackerman, Risk Management Advisor, MIA-BC.

²³ The policy also covers the “Cassidy-Waterloo Fire District Services”, in addition to the six societies.

Lloyd's Allsport Commercial General Liability Policy – Coverage Limits		
	Deductible	Limits
Per occurrence		\$ 2.0 million
Tenant's legal liability – any one premises	\$500	\$ 250,000
Medical Expenses – any one person		\$ 1,000
Aggregate Limit – Products/Comp. Ops hazard		\$ 2.0 million
Bodily Injury/Property Damage & Legal Expense Deductible	\$500	
E&O Liability (Directors & Officers/Wrongful acts)	\$500	\$ 1.0 million
Non-owned automobiles		\$ 2.0 million

This policy is intended to cover “sport & social activities only (as on file with insurer)”. It is not intended to cover any claims arising from the fire departments’ operational activities or defaults. Rather, it is intended to provide coverage for matters such as social events hosted by the society (e.g., fundraisers, member dinners, etc.).

Great American Insurance Group Policy

Nanoose Fire Protection Society has been issued a general liability insurance policy from the Great American Insurance Group (the “GAI Policy”), which runs to 21 February 2021.²⁴

The GAI Policy is a “claims made” as opposed to an “occurrence” policy. This means that the policy must be in effect when a claim is made, in order for coverage to be provided, as opposed to an occurrence policy, which provides coverage for all claims which arise during the period that the policy was in force. The difference is that if the GAI Policy is allowed to lapse, and a claim subsequently is made for an event that occurred while the policy was in effect, the insurance will not provide coverage.²⁵

This is a general liability policy and appears to cover all aspects of the society’s operations, including the operational activities of its fire department, subject to various exclusions. The policy has been in effect since 2013. The coverage limits for liability claims is \$5.0 million; though for any claims arising prior to the policy renewal in 2019, the limit is \$2.0 million. The GAI Policy also provides some coverage for “inquiry costs,” “investigation costs” for occupational health and safety matters, public relations costs, asset seizure/freezing costs, and civil fines and penalties, which are subject to different, much lower, limits.²⁶

²⁴ Coombs-Hilliers has a similar policy with a \$2.0 million limit; the status of other departments is to be determined.

²⁵ There is a 90-day “Automatic Discovery Period” following termination of the policy during which any claims made will be covered. An Insured can purchase an extended “Discovery Period” of 12 months after policy termination, by paying 40% of the premium.

²⁶ See: GAI Policy, Section V, Limit of Liability, E, p. 5.

The coverage amount is a fixed limit for all claims during a policy year. If the limit is reached at any point, then:²⁷

“With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more of such **Claims**, the **Insurer's** duty to defend shall cease and any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished and the **Insurer** shall have no further obligations hereunder of any kind or nature.”

This provision means that the insurer’s obligation to defend against any existing or new claims terminates once the liability limit has been reached.

The GAI Policy covers “Wrongful Acts”, which is defined as follows:²⁸

“Wrongful Act” shall mean any actual or alleged error, misstatement, misleading statement, act or omission, neglect or breach of duty, or **Employment Practices Wrongful Act** by the **Organization**, a **Subsidiary**, and/or any **Insured Persons** acting in their capacity with the **Organization** or a **Subsidiary**. **Wrongful Act** shall also mean any matter claimed against any **Insured Person** solely by reason of their status with the **Organization** or a **Subsidiary**.”

As with every insurance policy, there are various exclusions. The term “Loss” is defined to exclude any costs associated with the clean-up or remediation of “Pollutants”.²⁹ The insurer would still appear to have to pay for the defence costs, and would also likely cover a civil fine or penalty up to \$50,000. These points, however, should be specifically confirmed.

The other principal provision relevant specifically to emergency response obligations is the exclusion of any liability arising from “medical malpractice.” This particular exclusion reads as follows:

It is understood and agreed that this Policy does not apply to any Claim made against any Insured based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:

any medical or professional malpractice including but not limited to the rendering or failure to render any medical service(s).

As such, the provision of first medical responder (“FMR”) services and/or other medical or first aid services, are excluded from liability coverage. It also is unlikely that a claim arising from

²⁷ GAI Policy, Section V, Limit of Liability, D, p. 5. Each of the words in bold face and capitals in the definition is also specifically defined. The relevant definitions are reproduced in Appendix B.

²⁸ GAI Policy, Section III, Definitions, E., p. 2.

²⁹ The insurer would appear to still have to pay

travelling to or returning from an FMR incident would be covered, though that point should be confirmed.

In relation to FMR, the RDN is a party to a standard form Consent and Indemnity Agreement with BC Emergency Health Services.³⁰ The agreement (the “BCAS Agreement”) is dated 27 November 2009. The RDN has entered into the BCAS Agreement “on behalf of” the six named fire departments (including Nanoose). The societies are not, themselves, directly party to the BCAS Agreement which authorizes the various Departments to provide first medical responder services. So long as the service is provided in accordance with the terms of the BCAS Agreement, BC Emergency Health Services provides an indemnity against any claims which are not otherwise insured.³¹ This indemnity is subject to certain exclusions:³²

- gross negligence, or wilful misconduct;
- provision of services for which the members are not trained and licensed;
- claims arising from travel to or from an incident;
- the death or injury of a fire department member; and
- the failure to comply with the terms of the BCAS Agreement.

The BCAS agreement should be updated and revised as part of the governance review process.

Overall, we would note that, if the RDN and the societies agree to the purchase of an MIABC Associate Policy, it is not clear why the private policies are needed as well, provided that:

- (a) the coverage limit of \$5.0 million is considered sufficient; and
- (b) the parties can agree on how the \$100,000 deductible for the MIABC policy is to be funded.

When the Service Agreements are updated, the insurance issues need to be addressed specifically and in detail.

³⁰ The agreement is now somewhat dated. At the time, the provincial entity was known as “Emergency and Health Services Commission” and the statute under which it was established was the *Emergency and Health Services Act* (BC). The entity is now Emergency Health Services, and the statute is the *Emergency Health Services Act* (BC).

³¹ BCAS Agreement, s. 8.1.

³² BCAS Agreement, s. 8.2.

Recommendation: The RDN and Societies should review the insurance coverage in detail, and retain external expertise if required, to ensure proper coverage for societies which continue to be responsible for emergency service delivery.

Recommendation: The consent and indemnity agreement with BC Emergency Health Services, under which first medical response services are provided, should be reviewed and updated to include each society as a party, where those societies remain responsible for emergency service delivery.

Administration

Following receipt of the 2015 Review, the RDN took action on a number of issues identified, including initiating a more detailed analysis of the key governance, administrative, legislative, financial, risk and liability constructs providing the foundation of the current organizational structure of issues including but not limited to governance, administration, legislation, finance, risk and liability.

The 2015 Review specifically considered the role of the RDN in providing administrative support to the societies. The report concluded that, under the current system and organizational capacity available, it was unlikely that the societies would achieve compliance with the Playbook without support or assistance from the RDN or without some formal level of organizational structure and direct accountability.

At that time the RDN Director of Finance had responsibility for oversight of fire services within the RDN. This responsibility was being managed in addition to major finance tasks and responsibilities of the Director: in essence, “off the side of her desk”. The report went on to note that the organizational structure and oversight model had not kept pace with the growing responsibilities related to managing a multi-department fire service.

Therefore, as the regulatory and administrative requirements involved in operating a fire department have become increasingly demanding, local governments have had to adjust their approach. DMA recommended that the RDN create a new position with the title of Fire Services Coordinator with the primary role for the position being coordination and oversight of the RDN fire services.

In 2016, the RDN hired a Fire Services Coordinator (the “FSC”). While initially focusing on coordination and oversight, the FSC works with the Departments in areas such as developing regional operational guidelines, developing standard training programs and sharing training resources, providing assistance with recruitment and retention, assisting with apparatus tendering and bulk purchasing etc. The FSC’s reporting lines have changed since the position was first created, as the RDN overhauled its administrative structure. The FSC now reports to the Manager, Emergency Services, who in turn reports to the General Manager, Transportation and Emergency Services. The cost of the FSC position is allocated to the fire service areas on a weighted basis (i.e., proportionate to the size of each of the six tax bases), along with a portion of the time of the Manager and General Manager, to whom the FSC reports.

In addition, the RDN also provides administrative, financial and clerical support for the Departments and societies. Some illustrative examples of the support being provided by the RDN are highlighted below.

- Finance
 - RDN receives society department annual budget requests and finalizes budget submissions for presentation and RDN Board approval.
 - Extension, Nanoose and Coombs-Hilliers Fire Departments pay the RDN to administer their finances including payables and receivables; the RDN also manages some of Dashwood's payables.
 - Bow Horn, Dashwood and Errington generally manage their own finances requesting quarterly contract draws to handle payables and forward receivables to the RDN with direction on where they want to record these in their budget.
- Human Resource/Personnel Administration
 - Limited formal involvement with the RDN although Fire Chiefs generally maintain informal communications if issues arise.
- Information Technology ("IT") and Geographical Information System ("GIS") support
 - RDN currently hosts FirePro records management system for all six departments. It should be noted that the Consultants were advised by a number of Fire Chiefs that they have moved, or are planning to move, back to their own single-user FirePro system due to unresolved issues with the shared RDN system.
 - RDN provides IT and GIS support on request or as required.

The current review of the existing organizational structures and relationships has identified a number of issues and challenges which will adversely impact the long-term stability and sustainability of these six society-operated, local fire protection services.

In addition, the review has confirmed the need for significant governance and administrative changes to support the long-term sustainability of the services as well as improved accountability and enhanced service delivery efficiency and effectiveness.

With respect to the path forward, there are essentially two options under consideration for the societies continued role and responsibilities which are discussed below – for a number of reasons the status quo is not sustainable.

At this time, both the society boards and the RDN are evaluating the merits and feasibility of these options discussed below, as well as developing a transition and implementation plan generally outlined in Schedule 1. The framework for the two options was developed, in part, following a review of the current legislative framework documents - the bylaws, contracts and

policies currently in place - as well as issues raised by the RDN and feedback from the society board interviews as summarized below.

Issues Identification, Observations and Analysis

Based on a review of the bylaws and agreements that establish the relationship between the society-operated Departments and the RDN, as well as on-site reviews with the Departments, the six Society Boards, Area Directors and RDN staff, the following principal issues were identified.

Roles and Responsibilities

As noted above, there is a need to update and modernize the Service Agreements and bylaws to clarify roles, responsibilities and expectations of each of the parties. In addition to the matters noted above, during the facilitated reviews, the following additional issues arose:

- there is some uncertainty regarding the societies' role and responsibilities as employer to the members of the Departments;
- there is uncertainty about the general oversight and reporting expectations of the RDN; and
- there is a need for clarification of the specific scope and nature of services provided by the Departments, as some concerns were expressed concerning scope creep. The process by which new services are added (or the service area modified), needs to be more clearly set out.

The actual role of the individual societies varies. Some take a very limited role: they provide immediate oversight of the relevant Department, and are involved in budget development, but are not otherwise active with matters such as community engagement, additional fund-raising or in developing or hosting recognition events for their Department members.

For a society to be an effective service provider, it needs to ensure the long-term sustainability of both its own internal operation (i.e., the board itself), as well as the Department. For a volunteer operation, this requires on-going and proactive community engagement, to ensure that the society has a positive profile among community members and is able to plan on a long-term basis to draw sufficient volunteers to continue to provide the services involved.

Enhanced Regional Fire Service Integration

During our meeting with the Area Directors, a number of them noted that a more effective, response from multiple fire departments, in the case of incidents beyond the scope of any one of them, would require a standardized approach to training, emergency incident management and apparatus. Several examples were provided, including the greater requirement for fire departments to operate together in response to increasing densification, as well as responding effectively to fires in the forest interface.

During the meetings with three of the northern departments – Coombs-Hillier, Errington and Dashwood – it was noted that they were working closely and generally quite well with both

Parksville and Qualicum Beach. As well, Nanoose and Bow Horn have just started to work closely with Parksville and Qualicum as they just recently joined the District 69 Automatic Aid Agreement (see Figure 3). These working relationships could easily be enhanced. Parksville and Qualicum Beach are already working to increase the integration of their operational responses – indeed, they are, at this time, currently sharing a single fire chief³³.

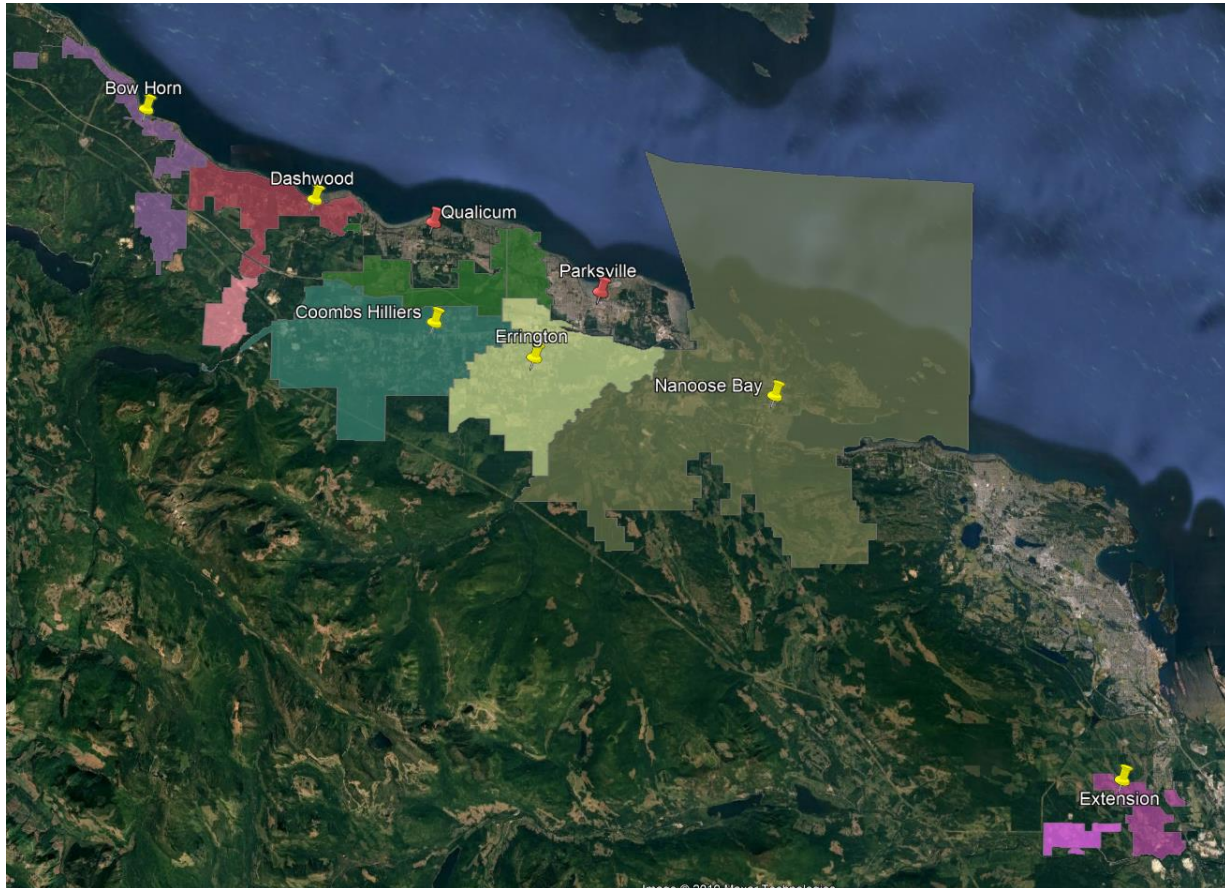


Figure 3: Regional District of Nanaimo Society Operated Fire Departments (yellow) + Parksville and Qualicum (red)

Based on the success of these on-going discussions a strategic planning session to optimize the response is recommended.

Recommendation: Consideration be given to a strategic planning process for a regional response model based on the current ongoing cooperation between Coombs-Hilliers, Errington, Dashwood, Bow Horn, Nanoose and Extension with Parksville and Qualicum

³³ As of December 10, 2019 Parksville and Qualicum have agreed to conduct a comprehensive fire services review which will focus on the feasibility of creating a fire commission for the joint management and operations of the Qualicum Beach and Parksville fire rescue departments, see <http://www.parksville.ca/cms/wpattachments/wpID135atID9020.pdf>

There are several models of integration that could be considered. At a functional level, a well-considered and carefully planned automatic aid agreement, could be used to ensure that calls to major events – structure fires, major motor vehicle incidents, etc. – or to incidents requiring specialized responses (e.g., hazmat, technical rescue), result in an automatic call-out of supporting resources from one or more of the neighbouring departments. This approach has been adopted to good effect among the three communities on the North Shore in Metro Vancouver (West Vancouver, North Vancouver City and North Vancouver District). They provide closest unit response, as well as move-up support, for all call types, in accordance with a mutually agreed deployment plan. This approach requires careful advance planning by the involved departments, a well-considered aid agreement, and proper coordination with the dispatch provider.

In the longer term, consideration could be given to adopting the model used in the KBRD. The KBRD created a sub-regional model for fire service delivery: a single, composite department³⁴ provides fire service protection border-to border in two electoral areas of the KBRD, including the five incorporated communities within those areas. The service is operated through a regional district service committee comprising stakeholder representatives from the participating municipalities and electoral area representatives.

A third model that could be considered is the approach adopted in the Columbia Shuswap Regional District (the “CSRD”). In that case, five fire service areas which bordered Shuswap Lake, were combined to create a single service area for tax purposes. The goal was to provide a tax base of sufficient size to help equalize the “have” and “have not” service areas that existed. The individual departments were continued as separate entities, and operate in support of one another through a regional mutual aid structure. A community committee system is used to provide input on budget deliberations, which are managed and overseen by the CSRD’s fire services coordinator in collaboration with the area fire chiefs.

The tax-base merger undertaken by the CSRD helped to address some of the financial issues arising from the move by that regional district to standardize remuneration for firefighters and officers, and to set formal training and proficiency requirements within all of the CSRD-operated fire departments.³⁵

There are significant benefits which accrue from adopting a more integrated approach to fire service delivery, including:

- Enhanced Response Capability

³⁴ A composite department is one with both career and volunteer/paid-on-call firefighters and officers.

³⁵ The training and proficiency requirements were established pre-Playbook through a facilitated process with the fire chiefs. The remuneration schedule that was developed was driven off of those in-house standards (with better qualified personnel able to earn somewhat more, and fire chief remuneration based, in part, on call volume and assessed workload).

From a functional perspective, the increased integration of the area departments³⁶ would improve response capability. It would mean that principles such as “nearest unit” response could be implemented. It also allows the participating departments to share their expertise and allow different departments to develop specialties that can be used area-wide.

- Procurement Opportunities

Joint procurement can result in significant cost saving on principal equipment and apparatus. In addition, integration permits the coordinated purchase and area-wide use of specialized equipment. These models function in a number of fire service areas including the CSRD and KBRD. They also operate on a more limited basis in areas such as the Capital Regional District, where a coordinated approach on hazmat responses and other specialized responses (though not fire responses) has been developed.

- Joint Recruit Training and Other Training

Joint recruit training would ensure that minimum training standards are being met and that the new members are properly trained to an agreed standard. It may also reduce the overall training costs, compared to having each Department undertake comparable training on its own.

On-going joint training can reduce costs, and increase the opportunities for firefighters and officers to receive training and skills opportunities. It also enables different departments to develop training specialties that can be applied area-wide.

- Joint Training Exercises

Joint training exercises are highly recommended even in situations where the adjoining departments are only providing mutual aid to one another. It is critical that issues such as incident command and on-scene emergency communications be worked out in advance of an incident. It ensures that a joint response is safe for responders and effective from the perspective of the public.

- Funding Model

As noted above, there are examples where service areas have been combined for tax purposes to create a “critical mass” that addresses problems of “have” and “have not” jurisdictions. Other approaches can include joint funding of specialty equipment (e.g., aerial ladders, hazmat trucks, command vehicles) that are deployed in accordance with agreed area-wide response protocols.

³⁶ For the purposes of this discussion, we are casting the net, conceptually, very widely. In practice, and for first steps, focus on the enhanced integration of the “District 69” departments may make more sense.

From the work that we did with the CSRD, we know that the change in the tax base had an impact on local ratepayers: the largest jurisdictions saw an increase in tax cost (in general, relatively modest), while the smallest jurisdictions saw a dramatic drop in the tax costs. However, it allowed the CSRD to implement a standardized approach to remuneration, training, and equipment and apparatus acquisition.

It should be noted that consolidated models do not necessarily result in aggregate cost savings. Rather, they provide a materially higher level of response capability over the service areas, for a far lower cost than otherwise would be case. That said, a number of the costs currently borne by societies such as directors' insurance, payroll, audit, data entry and others will be avoided.

From a practical perspective, however, the easiest initial steps to take are to improve the existing mutual and automatic aid arrangements. From there, it will be worth exploring with the stakeholders the opportunities to integrate more closely.

Financial Management and Reporting

During the reviews with the societies, concerns were raised by some board members regarding the issues set out below. It should be noted that, for most of the society boards, concerns over budget increases (and the potential for cost increases should the society's management of the particular Department be replaced by direct RDN oversight) were of significant concern.

- The general cost of RDN support services applied to the department budgets was not well understood. Many felt that there was a lack of clarity around the roles of the RDN staff involved in fire service oversight and management, and the specific allocation of costs for their involvement in providing support was not always clear.
- Concerns were expressed in some cases, over budget increases resulting from growing transfers to reserves.
- Some of the societies felt that the finalization of the budgets could, at times, lack transparency. In particular, it was noted that society board awareness of the final budget was often lacking, and there is a need for more structured and timely communications with societies on large capital items as well as proposed budget increases. In one case, it was noted that there had been an increase of capital reserve transfer from 8% to 23%, apparently without prior consultation or communications.
- Some of the societies indicated that they found it challenging to obtain routine reports, information and updates. Some of these issues appear to be traceable to changes in personnel at the RDN (where previous contacts had moved on, and it was not clear who they should follow up with on particular financial matters). In one case, there was a failure by the RDN to deliver the regular, quarterly instalment payment, and resulted in some challenges for the society involved to sort the matter out in a timely fashion.

Communications

A number of the societies raised concerns about communications with the RDN and its staff. The issues appear to stem principally from a lack of clear understanding of the RDN's intended processes. When we reviewed these issues with RDN staff, it was indicated that the first point of contact for both the Departments and their societies, was intended to be the fire services coordinator. The FSC is responsible for managing or gating inquiries related to both operational and administrative matters. This process apparently was identified by the RDN when the new FSC role was introduced to the departments and societies back in 2016. Based on the feedback we received, however, this change of process was not incorporated into practice, at least with the societies themselves. In part, this is probably because there were pre-existing relationships between the various societies with other levels of the RDN administration (e.g., finance), and, over time, the societies acquired the view that the FSC was primarily responsible for operational and not administrative matters.

There is a need for structured and written policy in terms of on-going communications with the RDN. The societies need to have clearly identified points of contact for general and specific (e.g., financial, operational) matters. If the sole, initial point of contact is to be the FSC for all matters, whether emanating from a Department or from a society board, this needs to be encapsulated in the updated Service Agreements.

- In that regard, we would note that the societies need to have a formal point of contact with the RDN, rather than relying solely or principally on their fire chiefs routing information through the FSC.
- There has been uncertainty and a lack of continuity regarding key RDN staff points of contact for society boards. One society board advised they had invited an RDN finance person to attend their meetings to discuss financial process, but the invitation was declined.
- The level of interaction and engagement between the Departments and the FSC vary significantly by Department, creating challenges to achieve better coordination and cooperation both between the six society departments and regionally. The role and authority of the FSC needs to be specified either in bylaw and/or the Service Agreements. As noted above, regular reporting from the Departments has to become the norm, and the FSC's involvement recognized as part of the necessary oversight structure from the RDN, in connection with service delivery.
- The contacts between the societies and the FSC need to be improved. We would note that, based on discussions with both sides, there are opportunities that are available to the societies which have not been taken up (indeed, the FSC has offered to attend meetings on request). In general, the role of the FSC is to assist the Departments with operational, training and related matters. Where the FSC is working with a Department, it is incumbent on the society to ensure that the

communications between the board and the fire chief provide the necessary updates on what is happening.

- It would be appropriate for the respective Area Directors to be included in budget deliberations and public engagement opportunities.
- Semi-annual or quarterly fire services meetings, which include representatives from the society boards, are useful and should be continued with structured agendas.
- There is a need to clarify communications protocols and communication structures during larger area emergencies (e.g. wildfire incidents).

Recommendation: There is a need for a structured, written policy addressing on-going communications between the societies and the RDN, and between the Departments and the RDN, dealing with the issues identified in this section.

Recommendation: The RDN review with the society boards whether the FSC is the appropriate contact point for all matters or issues of concern to the societies (see discussion in Phase 4 of Option 2, in the Implementation Plan, below).

Risk, Liability and Insurance

- The insurance issues were discussed with each society. As noted in greater detail above, there is a need to clarify and manage the risks and liabilities of the respective parties, as well as confirm the scope, extent and nature of insurance coverage that is required and which is in place. It is also important for the RDN and the societies to clarify responsibility for and funding source of insurance deductibles in the event of claims. A recommendation for dealing with this issue is included in the Legal Structure section, above.

RDN Support and Assistance

- There was a lack of clarity and understanding of the role and level of support available to the societies:
 - from RDN staff generally; and
 - from the FSC (e.g. assistance on retention and recruitment, willingness to attend a board meeting, etc.).

Records Management

- Concerns were expressed related to the RDN-hosted FirePro system and lack of consistency in reporting and records management.

Reporting Structures

- A lack of explicit written policies, procedures and protocols to confirm requirements and expectations for reports to the RDN. The general reporting lines should be better set out in the revised Service Agreements. A recommendation regarding communication processes is set out above.
- As noted above, there was some uncertainty about on-going points of contact with RDN staff and the nature of reports desired.

Strategic and Succession Planning

The volunteer and paid-on-call fire service faces a number of challenges to its long-term sustainability. One of the biggest issues, is ensuring that there are sufficient members to provide an effective response. In that regard, it is critical that the society boards take an active role in recruitment and retention. The practices in this regard, however, vary. Indeed, at least one society board undertakes only minimal involvement in these issues, and on community engagement functions. Additionally, most society boards are not undertaking their own succession planning. If the societies themselves are not able to replace their own members on a reliable basis, the sustainability of the society model is in question. We have recommended above that each society undertake formal strategic planning, with a focus on critical issues such as role, succession planning and sustainability.

Recommendation: Each society that remains responsible for emergency service delivery should undertake regular formal strategic planning exercises with a focus on society operations and sustainability.

Department Members Serving as Society Directors

In some cases, the societies either have, or do not exclude, firefighters and officers from serving as society board members. Where the society is responsible for providing oversight of fire department operations, we recommend strongly that this practice be discontinued. Fire departments, given the nature of their operations, have strongly hierarchical reporting lines and

relationships. The appointment of an active fire department member to the society board creates a potential for disrupting these reporting lines and relationships. As such, we would recommend that Service Agreement prohibit active (or recently retired) Department members from serving on the society boards.

Recommendations: For societies which remain responsible for emergency service delivery, the Service Agreements should prohibit active (or recently retired) Department members from serving on the society boards.

Summary and Conclusions

General

For unincorporated areas, fire services have tended to develop organically, as a result of local community activism. Initially, as discussed above, this took the form of privately-operated fire departments managed by societies or established through the improvement district structure. With the advent of regional districts as the primary form of government in the unincorporated areas, the service has increasingly become a function of, or directly supported by, regional districts. When such local fire services were established by regional districts in the 1960s, 1970s and 1980s, the governance model used often involved having the local residents create a fire protection society or establishing the service area around (and then contracting with) an existing fire protection society. The rationale for the devolved model derived from both the local nature of the service being delivered and the lack of staffing in regional districts to manage the function directly. In the regulatory environment of the time, this approach was understandable and cost-effective.

Changes to occupational health and safety requirements, higher operational standards promulgated by the National Fire Protection Association, more stringent criteria from the Fire Underwriters Survey and higher training requirements from the OFC, have combined to make the management and operation of a fire service more complex and demanding. There also have been changes in liability risks and insurance requirements, with the emergence of a more litigious society, changes in the underlying law (such as the introduction of Bill C-45, which has increased the potential risk of criminal penalties over occupational health and safety matters)³⁷ and changes in insurance coverage, which are driving fire service stakeholders to reconsider this model. Additionally, changes in society at large have made it more challenging to recruit people to volunteer on society boards, at a time when the need for well trained and experienced board members has increased. The result is that the long-term sustainability of the volunteer society model faces significant challenges.

As such, the past 20 years has seen a steady transition away from the independent volunteer society model for fire service delivery in BC. This is not to suggest that there is not a role for such societies in terms of supporting their volunteer and paid-on-call departments. Rather, it is a growing recognition that the risks associated with fire department operations are, in general, more safely managed through local government than through a volunteer society.

³⁷ Bill C-45 amended the *Criminal Code* (Canada), by introducing a new section 217.1. This section broadens potential criminal liability for any person or organization who “undertakes, or has the authority to undertake” the direction of another in the performance of work or a task. The Fire Chief and city manager in Yellowknife were both charged under this new provision in relation to fire-related line of duty deaths. The charges were eventually dropped, but not before the city committed to a major series of fire department reforms and upgrades.

Potential Change Options for the Relationship Between Society Established Fire Departments and the RDN

It is clear that the six society boards, residents within the respective fire local services areas, and the RDN share a common objective, namely, to ensure the long-term viability, sustainability and cost effectiveness of the provision of fire protection services for the residents in the local service areas.

There is a lack of clarity and certainty regarding the respective roles and responsibilities of each party related to the existing contract and some specific concerns affecting administration and oversight between the two parties to the agreement – which is one of the principal reasons for this review. One key area of concern relates to the risks and inherent liabilities of providing the service and the extent of insurance and liability protection afforded the parties to the agreement.

The Consultants' analysis has concluded that in light of a number of factors the status quo governance/administrative framework is not a sustainable approach. As part of this review DMA was requested to identify viable alternatives and a preferred model for consideration. As part of the meetings with the society boards and RDN, the following two options (outlined below) for governance, administration and financing of the Departments, were presented and discussed.

The Consultants did, however, stress that the specific option implemented moving forward, should be based both on the preference of each respective society board, and confirmed through agreement with the RDN, by developing a transition/implementation plan through cooperation and collaboration between the RDN and respective society boards.

Recommendation: Each society, in discussion with the RDN, should be able to select its preferred option – either remaining responsible for emergency service delivery or stepping back from that role – understanding that both options will involve significant change.

Option 1: Transfer of Responsibility to the RDN

If the responsibility for fire service operations is transitioned to the RDN this option would include:

- Removing the obligation of the Societies to deliver emergency response services and for oversight/governance of the respective fire departments. Each Department would become a direct function of the RDN.
- If the society intends to continue in a support role, revising and standardizing the constitutions to limit purposes of societies to general community service, member recruitment and retention, social events, fellowship and fundraising.
- Creating a revised Service Agreement to reflect the limited role of the society involved, and considering the following:

- It may be appropriate for the RDN to provide funding to the society to carry out its support mandate: this would need to be specified in the revised Service Agreement, along with appropriate reporting.
- Where a society has limited itself to a support role of this nature, the stricture against having Department members on the society board could be lifted.
- Transitioning of all firefighters and fire officers to become employees of the RDN.
 - This transition is treated as an employee transfer for labour law purposes.
 - The society will issue a letter of termination, and the RDN will issue a contemporaneous offer letter, to each of the affected Department members.
 - Based on past experience with these types of transitions, we recommend that the RDN and societies create a working group to manage the process. The working group should include appropriate RDN staff, society board members, and members from the Department.
 - Over time, the RDN will need to standardize its approach on issues such as remuneration and benefits. In the CSRD, this type of standardization was introduced over a three-year time frame, to mitigate the budget impacts for those departments which were pure volunteer or paying only a nominal amount to their members.
 - One option would be to harmonize the remuneration to the rates found in adjacent regional districts. One example is the North Cowichan fire halls where the rate for calls ranges from \$21 to \$25 per hour depending on rank and qualifications; the remuneration for practices starts at \$24.79 for a firefighter with a Lieutenant receiving an additional premium of \$2.60 per hour and a Captain \$3.95 per hour.
- To the extent required, transitioning all assets and liabilities of each fire department to the RDN.³⁸

In Option 1, the impact of standardization may also drive the creation of a more regional approach to the fire services – along the lines of either enhanced functional integration, or even a formal merger or merger of tax areas.

³⁸ Most major assets are already owned by the RDN.

Table 1: Calculation of a single combined tax rate for fire services

Fire Service Area	Converted Assessment	2019 Budget	Actual Tax Rate 2019	Combined Tax Rate	Difference
Errington	\$88,781,655	\$657,541	\$0.7406	\$0.5533	-\$0.1873
Extension	\$22,244,313	\$182,180	\$0.8190	\$0.5533	-\$0.2657
Coombs-Hilliars	\$68,700,335	\$567,773	\$0.8264	\$0.5533	-\$0.2731
Nanoose Bay	\$296,735,037	\$888,087	\$0.2993	\$0.5533	\$0.2540
Dashwood	\$78,097,389	\$732,207	\$0.9376	\$0.5533	-\$0.3843
Bow Horn Bay	\$66,318,869	\$407,798	\$0.6149	\$0.5533	-\$0.0616
Total	\$620,877,598	\$3,435,586			

In the fullness of time and depending on which opted to become RDN Departments the officer structure and number of fire halls could be further optimized.

It is likely, based on discussion with RDN staff, that the transitions would be managed in series: one department at a time. The lessons from the first transition can then be applied to subsequent transitions.

Option 2: Society Remains Responsible for Emergency Service Delivery

If the responsibility for operational delivery of the fire services continues with the society boards, this option would include:

- Updating and standardizing all constitutions to confirm appointment of Chiefs and Officers will be based on competence and confirm the right of the RDN to review that appointment against the standardized proficiency and qualification criteria.
- Ensuring that society board membership excludes active members of the Department and Electoral Area Directors. The Fire Chief can, if considered appropriate, be appointed as an *ex officio* board member. RDN Board members, can attend the society board meetings as an RDN representative (as currently contemplated in the Service Agreements).
- Updating and standardizing all Service Agreements with the societies to include clarification of roles, responsibilities and address other matters identified by the societies and RDN such as oversight, reporting lines, accountability and similar matters, as discussed above.
- Developing a process as part of the revised Service Agreements to have each society provide regular performance and other reporting as requested by the RDN.
- Clarifying the role, functions and reporting lines of the FSC and other RDN staff directly responsible for supporting fire services.

- Improving the language in the Service Agreements covering the use of RDN assets in connection with the delivery of the fire services. A more formal lease structure, one which properly and clearly allocates rights, responsibilities and liability, should be created, even though the costs associated with that lease would be nominal.

Key Conclusions Summary

History of Society Established Fire Departments in the RDN

Each society should be acknowledged and commended for its initiative and commitment to its community for the establishment of the departments which have delivered excellent fire service to the benefit of local residents. The directors of the society boards, and community volunteer firefighters, have provided a significant benefit and leadership to their communities.

Current Governance/Administrative Structure and Arrangements

To address issues identified in this review properly, the governance and administrative relationship between the RDN and society boards requires significant change in terms of the legal framework - i.e., contract provisions and policies. There is a significant difference between and among the societies in terms of their respective capacity, ability and willingness to continue to be responsible for operating a fire department in the face of complex societal changes.

Long Term Governance/Administrative Structure

The Consultants have concluded that governance and administrative changes are required for the long-term sustainability of the society run fire departments. In the short-term, incremental changes to the governance and administrative structure could be implemented (Option 2) to facilitate the society boards retaining continued responsibility for their departments. However, in the long term, it is anticipated that the departments will ultimately transition to become RDN fire departments.

In addition to a number of risk and liability factors, which are prominent considerations in making this assertion, there are a number of other factors related to the nature of a contractual relationship between the society boards and the RDN which complicate and restrict the ability of the parties to optimize the implementation of key principles to achieve organizational effectiveness.

For example, the paid-on-call members are employees of the society boards and because there are few specific provisions in the existing contract which provide the RDN with specific operational or administrative authority, it is difficult to require fire departments to respond to direction or undertake specific tasks.

Instead, the RDN staff and primarily the FSC relies significantly on the good will and relationships developed between himself and the fire chiefs, in order to implement department wide initiatives or RDN policies. In general, he has been able to develop good working relationships but the process to implement change is often cumbersome and inefficient.

The RDN has greater organizational capacity, means and ability to manage and respond to the increasing challenges related to risks, liabilities, financial needs and legislative requirements being expected of, and imposed on, fire departments than do the societies, regardless of their respective abilities.

From a broader public sector governance perspective, without authority and a clear chain of command, the current structure or a transition to Option 2 will continue to make it complex and difficult to effectively and efficiently:

- optimize opportunities to achieve economies of scale;
- mitigate or avoid long term costs;
- achieve legislative and policy compliance;
- ensure consistency of policies and performance;
- undertake long term planning;
- make and implement decisions; and
- manage human resource matters in a consistent manner.

In addition, a change wherein all six departments are fully RDN governed, administered and financed would enhance the RDN's ability to coordinate and facilitate improved service through a regional approach to fire services.

Voluntary Transition Approach

The independence of the society boards must be acknowledged and their decisions moving forward respected. It is therefore essential that the society boards be informed of the RDN objectives and be given the opportunity to voluntarily decide which option they prefer, at this time, in order for the parties to move forward to achieve mutually beneficial outcomes through an orderly, collegial and phased transition process.

Timeline for Transition

The timeline for transition of society Departments will be determined in part by:

- the decision timeline for the respective societies;
- the capacity of the RDN to implement any changes; and
- the pace of transition negotiations and implementation approach between the individual societies and the RDN.

Best Practices

At this time there are no “best practice” guides available for such organizational change, as the specific issues vary by region. There are, however, examples of regional districts who have achieved successful and orderly transitions from society run departments to regional district departments, most notably the CSRD, Comox Valley Regional District and Thompson Nicola Regional District, each of which could provide some guidance to RDN staff. Some matters to be considered include:

- establishing a broadly-based working group of affected stakeholders;
- setting up a regular and agreed communication channel during the transition;
- developing an agreed timeline of transition; and
- ensuring that senior points of contact for both the RDN and the societies/Departments are identified, so that issues may be addressed at a senior level quickly and effectively when required.

Transition Change Options

There are some societies which believe that, at this time, they are willing and able to continue to provide contract fire services to the RDN. In general, they recognize, however, that there is a need for greater clarity and certainty in terms of roles, responsibilities and expectations related to some of the issues identified above. A number of these societies have acknowledged that, due to a number of external influences, it is likely in the long term that they will ultimately be transitioned to be fully governed, administered and financed by the RDN.

Should Option 1 be considered, there is a choice of either complete dissolution of the society, or a significant revision of the objectives and purpose of the society. The change in society purpose would include eliminating the role of having responsibility for operational control of emergency service delivery and moving to a generally broader leadership and “support” role for the Department and community, which could include fundraising, community engagement, budget input, member recruitment and retention, and the facilitation and promotion of social activities.

Particularly in the case of Option 1, a key concern expressed by many society directors was the potential cost increases and affordability of fire protection in their respective areas, if fully transitioned to regional district fire departments. As an approach to mitigate this concern, the possibility of the society boards participating in providing community comment and input on the department annual budget should be considered. As noted above, the CSRD uses a community committee system to provide input on fire department budgets – a similar structure could be created in the RDN as well.

If option 2 is adopted, there is a need for significant revisions to the written contract and policies which define the terms, conditions, understandings and working relationship between the

parties. For example, as noted in greater detail above, the written policy framework is deficient in a number of areas, including but not limited to:

- lack of clarity of the roles and responsibilities (scope of authority) of the respective parties;
- lack of certainty and clarity regarding risk, liability and insurance coverage (including responsibility for and funding of deductibles);
- lack of clarity in terms of accountability with respect to regular routine reporting on:
 - status of legislative compliance with Playbook training and WorkSafe BC regulations; and
 - general departmental performance on incident responses, department activities and outstanding policy or other issues;
- lack of a formal communications framework for society boards in terms of contract administration; and
- lack of clarity regarding the role and level of support provided by the RDN at both the operations and administrations level. Implementation and Transition Plan

We have developed a high-level implementation and transition plan to facilitate the change between the RDN, the Departments and the societies.

In general terms, as a first step it would be appropriate for the RDN to prepare and adopt a long-term fire service strategy which acknowledges and refers to the potential continuing roles of society-operated departments within the framework of the strategy and the options available.

Second, it would be appropriate to then invite and engage the societies in discussions of the rationale for the strategy, and the nature of their respective participation moving forward. The discussion should include a presentation of the two options for the role which the societies could assume within the strategy – noting specifically that the option pursued will be voluntarily determined by the individual societies.

In the case of societies choosing the second option, the RDN should provide a policy document confirming the key transition/implementation elements which will include but not be limited to:

- provision of a letter from those societies advising that they wish to continue to provide fire services through an agreement with the RDN and will work cooperatively and collaboratively to enter into a new form of Service Agreements which clearly defines roles and responsibilities inherent in the contractual relationships moving forward; and
- providing documentation required by the RDN in accordance with their role as the employer for the respective fire departments. Documentation will include;

- the Society's business management plan that addresses the contractual and regulatory requirements of the service; and
- human resources policies including hiring, training, promotion, discipline, respectful workplace and other related issues.

Recommendation: In the case of societies which elect to continue to be responsible for providing emergency response services, the RDN should develop a policy document confirming the key transition/implementation elements.

A draft, high-level approach for implementation and transition activities is set out in Schedule 1.

Schedule 1: Implementation Plan for Options 1 and 2

Assumptions

The following assumptions are considered preconditions for implementation of the two optional transition strategies.

- The RDN receives and accepts the recommendations from the DMA report.
- The RDN prepares and adopts a policy statement of intent/willingness, if requested, to accept responsibility for all existing Society run fire departments including but not limited to transition of firefighters and fire officers to RDN employees.
- The RDN commits to meet with the Society Boards and Fire Chiefs of the six societies (and Electoral Area Directors) – either collectively or individually to review the rationale for the proposed changes and options available to the society boards.
- The RDN receives written confirmation from each society on its respective preferred option moving forward.
- The RDN creates a transition team to work with the society boards to ensure an orderly and effective transition.

A high-level implementation plan for each option is outlined below.

Option 1: Transfer of Responsibility to the RDN

This option is for a transition of all responsibility for operational delivery of fire services to the RDN. Where a society is going to remain active, albeit in an altered role, it will need to revise its constitutional documents.

As part of any transition, the RDN, if requested by a society, should assist with any necessary constitutional amendments needed where the society's role is changing.

Phase 1 – Initial Engagement with Society Board

RDN convenes an initial meeting with Society Board representatives and the Fire Chief to:

- provide a general overview of the plan and key changes;
- discuss broad issues and concerns; and
- seek feedback.

Phase 2 – Establish Transition Team

RDN establishes a transition team which at a minimum includes the following representation:

- from the RDN:

- appropriate administrative staff
- FSC
- senior finance staff
- senior HR staff
- IT staff
- from the Society:
 - Board Chair
 - finance contact
 - Fire Chief

Phase 3 – Implementation and Transition Tasks

Cost Implication Analysis of Transition

RDN undertakes a financial analysis of the comparative cost implications (short and long term) to the service arising from transition from a full society operated department.

Timeline and Process

RDN and society board agree to a transition timeline and key process stages.

Communications Strategy

Develop a process and specific communications strategy for fire department members and others.

Human Resource and Personnel Issues

RDN (in consultation with external counsel) prepares a plan to transition firefighters and fire officers to become employees of the RDN. This could include the society board terminating employment from the society and the RDN offering employment, initially on same terms and conditions – subject to essential RDN policies and procedures as employer.

As part of the department transition, it would be appropriate and advisable for the RDN to engage the society and fire chief in proposing strategies and policies which will recognize the historical roots of each department and promote an approach to retain key elements of their history to promote and enhance the retention and attraction of members.

General Administrative and Financial Tasks

The following is a sampling of key administrative matters to be considered and addressed in the transition process:

- transfer all personnel/payroll files, training records and information both hard copy and electronic;

- confirm all banking information and work with financial institutions to transfer accounts, etc. to RDN with appropriate signing authorities (three of the six Departments already have accounting completed by the RDN);
- provide notice to benefit insurers/providers;
- advise all relevant agencies of the change (e.g. WorkSafe BC, provincial ministries, the Fire Chiefs' Association of BC, other fire departments, etc.);
- evaluate, transfer and set up new chart of accounts as required;
- provide notice of change to auditors;
- evaluate and confirm the appropriate records management system(s) required to handle the transfer of all relevant files and records both fire department specific as well as administrative;
- transfer all insurance coverage to RDN for vehicles, property and liability; and
- perform other general administrative tasks such as email redirection, notification to suppliers, etc.

The workload impact for the RDN and its staff will vary with the number of Departments that effect transition to direct RDN supervision.

Phase 4 - Administrative Needs Analysis

- RDN evaluates the new administrative capacity and expertise needed for contract administration and the financial implications.
 - RDN will likely require up to 1.5 FTEs to assist with transition (depending on the number of Departments undertaking a transition to the RDN). Some or all of this additional staffing would be done on a 1 to 2-year contract basis.
 - For on-going administration, the RDN will work to integrate existing administration support used by any relevant Departments, but this will need to be analyzed on a case-by-case basis as part of each transition.
 - The RDN will have direct responsibility for the Department in question. The development of budgets, oversight of the Department and its operations, and records keeping, will fall directly to the RDN. As such it may impact staffing levels required for the oversight function (depending on the number of Departments which are transitioned and existing integration of administration support).

Cost Implications for Option 1

Both Options 1 and Options 2 will have cost implications for the RDN and for the local service areas. At a high level, the cost implications for Option 1 include the following:

- cost of preparing and settling new Agreements;
- cost of revising constitutional documents for Societies which are changing their objectives;
- costs associated with transferring employees from the Societies to the RDN – legal advice;
- costs associated with managing the transition, including the working groups, and documenting the handover of records and related materials (see administrative needs analysis above)'
- potential reduction in costs with a regional approach; and
- potential reduction in costs with stream-lining training, human resources and payroll support.

Option 2: Society Remains Responsible for Emergency Service Delivery

This option is for society boards intending to continue the contractual relationship with the RDN.

Phase 1 – Initial Engagement with Society Board

RDN convenes an initial meeting with Society Board representatives and the Fire Chief to:

- provide a general overview of the plan and key changes;
- discuss broad issues and concerns; and
- seek feedback.

Phase 2 – Start Contract Discussions and Negotiations

As part of contract negotiations, the RDN should provide specific new inclusions for the proposed agreements clarifying roles and responsibilities. These items may include but are not limited to:

- stipulating that the RDN is acting as the AHJ in relation to each Department and its responsibilities in relation to that role;
- requiring the society board to provide regular and routine training reports to the RDN, in a report template determined by the RDN, to
 - confirm “provisions of training”, e.g. compliance with Playbook;
 - confirm compliance with WorkSafe and occupational health and safety requirements;
 - confirm the ongoing status of agreed to operating guidelines;
 - confirm the department’s incident responses;
 - confirm the status of staffing recruitment and retention; and
 - identify any issues of concern requiring action;
- clarifying that firefighters are employees of the respective Society Board;
- explicitly clarifying which services are to be provided;
- clarifying the scope and extent of RDN liability coverage or firefighters;
- providing a detailed assessment of the extent and scope of insurance coverage and specifically who is responsible for acquiring and funding as well as responsibility for and funding of deductibles;

- confirming the formal communications protocols (nature, extent, frequency and specific points of contact, i.e. specific staff and Society Board) between the RDN and the Society Board as well as fire departments;
- detailing the nature and extent of administrative support available from the RDN and key points of contact, including roles and responsibilities and cost allocations of both specific RDN staff, e.g. the FSC and others, as well as other departmental allocations;
- detailing budget development and approval process and terms of remuneration;
- detailing the nature, extent and frequency of financial reports (potentially audited financial statements) to be provided by the RDN to the society boards and fire departments;
- detailing the nature, extent and frequency of financial information to be provided by the society boards to the RDN;
- detailing any other accountability measures proposed, e.g. confirmation that each Society Constitution complies with current legislative requirements as well as providing copies of bylaws, policies, etc.;
- confirming that society boards will ensure compliance with RDN procurement policies;
- clarifying the hiring processes to be followed in relation to firefighters, and promotion processes applicable to officers;
- confirming that all department officers and members will meet agreed to minimum proficiency qualifications;
- clarifying agreed to records management system and reporting expectations and process;
- clarifying ownership and use of all land, buildings and equipment;
- clarification/definition of what is deemed a conflict of interest for a director serving on a Society Board and therefore not permitted, e.g. active firefighters, members of the RDN Board, etc.;
- consider including a process for community engagement in each society service area;
- including a provision that the RDN establish the appropriate working groups with the societies and departments; and

- including a provision clarifying policy framework and approval process for expansion of local service area.

In addition, as part of the negotiation process, the RDN will need to address, clarify or mitigate concerns raised by the societies.

Phase 3 – Contract Preparation, Negotiations and Execution

- RDN prepares new draft agreement based on preliminary discussions and submits it to the respective society board for review and comment.
- RDN incorporates the agreed to revisions into the agreement then both parties execute the agreement.

Phase 4 – Administrative Needs Analysis

RDN evaluates new administrative capacity and expertise needed.

- RDN appoints administrative staff to oversee, monitor and ensure compliance with the new contract and establish communications protocols with society boards to facilitate implementation and compliance with the new contract provisions.
- RDN prepares the proposed report templates and other written report formats for the society boards.

Phase 5 – Oversight and Administration of New Agreement

The RDN, as part of its on-going supervision, should appoint a qualified staff member to act as liaison with the society boards.

Cost Implications for Option 2

Both Options 1 and Options 2 will have cost implications for the RDN and for the local service areas. At a high level, the cost implications for Option 2 include the following:

- cost of preparing and settling new Service Agreements and report templates; and
- costs associated with increased administrative workload for the societies and Departments to ensure proper and complete reporting to the RDN.

Schedule 2: Excerpt from 2015 Review

The following section analyzing the Service Agreements, has been excerpted from the Consultants' 2015 Review. The only change is that the footnote number now corresponds to the number in this document, rather than in the original version of the 2015 Review.

Service Agreements

At present, the RDN does not directly provide fire services in any of its local fire service areas. With respect to the six Departments under review, the RDN has entered into a contract for the provision of fire and emergency response services with each of the respective societies that govern the individual Departments. The "Service Agreement" with each society is in substantively the same format, although there are minor variations reflecting particular issues specific to individual service areas.

It should be noted that each of the Service Agreements has numbering errors, where provisions are incorrectly numbered (with duplicate or repeated section numbers).³⁹

Term and Termination

The Service Agreements were signed between 2004 and 2006. Each Service Agreement is for an initial five-year term and then automatically renews: some for up to three further five-year terms; one for four further five-year terms; and three which potentially continue indefinitely.⁴⁰

Each of the Service Agreements may be terminated on written notice, which has the effect of terminating the particular agreement on 31 December of the next calendar year following the notice. So, a termination notice delivered on 30 June 2016 would result in the termination of the particular agreement on 31 December of 2017.

Five of the six Service Agreements contain substantively the same early termination provisions (essentially on a default or breach of the agreement, or if the RDN is of the view the society cannot properly provide the services or if the society fails to maintain its corporate standing). The Service Agreement with Bow Horn Bay also permits the RDN to terminate early if the RDN provides "alternate fire prevention and suppression services within the Service Area."⁴¹ That agreement also has language in s. 26 which states that the "[...] Agreement shall terminate not later than December 31st, 2009," a provision which is inconsistent with the automatic renewal provided for in section 3.

³⁹ By way of example, the numbering of the sections in the Bow Horn Bay Service Agreement goes: 21, 22, 23, 22, 23; the comparable numbering in Errington Service Agreement goes: 20, 21, 22, 22.

⁴⁰ Three additional five-year terms: Coombs-Hilliers and Nanoose; four additional five-year terms: Dashwood; unlimited number of five-year terms: Bow Horn Bay, Errington and Extension.

⁴¹ Bow Horn Bay Service Agreement, s. 27(c).

Services

Each Service Agreement sets out the services that the relevant society is responsible for delivering in an attached schedule. For four of the six Departments, the services provided were defined as follows:⁴²

- (1) fire prevention and suppression, including without limiting the generality of the foregoing, training of volunteer firefighters, inspections, enforcement of enactments relating to fire prevention and suppression, elimination of fire hazards and attending at fires for the purpose of containment and extinguishments of the fires and to provide assistance to persons and animals;
- (2) providing assistance in response to other classes of emergency as follows:
 - (a) explosion
 - (b) flood, tempest, earthquake, landslide, tidal wave or other natural event;
 - (c) building collapse or motor vehicle or other accident;
 - (d) spill, release or leak of a substance capable of injuring property or the health or safety of a person;
 - (e) risk of explosion or fire or a risk of a spill, release or leak of a substance referred to in (d);
 - (f) any emergency as declared under section 798.1 of the Local Government Act or under the Emergency Program Act;
 - (g) first response to medical emergencies; and
 - (h) rescue operations[.]

The Nanoose Service Agreement does not specifically include s. 2(e) – “risk of explosion or fire or a risk of a spill, release or leak of a substance referred to in [2](d)”, although this service is specifically authorized by the relevant Operational Bylaw.⁴³

The Extension Service Agreement omits “first response to medical emergencies”, as the Department does not provide FMR services. However, there also is a typographical error which appears to arise from attempting to delete the equivalent to s. 2(e), resulting in one of the services being provided being described as a response to:

“[the] risk of explosion as declared under section 798.1 of the Local Government Act or under the Emergency Program Act.”

Asset Ownership

Each Service Agreement contains an acknowledgement that the principal assets are owned by the RDN. Some also contain a separate schedule identifying particular assets owned by the individual society. In each case, the relevant society is given the authority to use the RDN

⁴² See, for example, Schedule ‘A’ to the Bow Horn Bay Service Agreement. The list of services has been extracted from the definition of “Incident” in the Operational Bylaws.

⁴³ See Bylaw No. 1003 (1996), definition of “Incident” in section 2.

assets to deliver Services “within and for the Local Service Area, or within and for any other area in accordance with the terms of a mutual aid agreement.”⁴⁴ This formulation is somewhat constraining: it would be preferable for the societies to be able to use the assets for delivery of the Services within the Service Area, and as otherwise authorized by the Operational Bylaw or by the RDN (to deal with various possible extra-jurisdictional responses).

The Nanoose Bay Service Agreement stipulates that all the firefighting equipment and other assets which are used by the society and are within the boundaries of the Service Area must be retained by the RDN “to be used for the exclusive benefit of property owners within the Service Area.”⁴⁵ This provision is highly constraining and somewhat unclear. It would seem to prohibit the sale, for example, of used equipment (since proceeds are not specifically addressed) or the discard of equipment which is no longer serviceable. The RDN already has legal obligations specified in the *Local Government Act* (B.C.) in relation to its management of assets and funds which are financed through taxation in a local service area. The need for this provision is unclear.

Each of the societies is obligated to maintain the apparatus, equipment, fire halls and property in good working condition, to the satisfaction of the RDN.

Funding

Each of the Service Agreements recognizes that the principal cost for the delivery of Services by the relevant society is to be funded by local taxpayers. A standardized budgeting process is defined, with the RDN Board having final budget approval. The societies are required to administer the funds in accordance with the approved budget. In some Service Agreements, there is specific recognition that the relevant society may raise funds from sources other than the RDN.⁴⁶

The Service Agreements establish a process for making quarterly payments to the societies (subject to delivery of quarterly financial statements); they also impose obligations on the societies to present annual audited statements to account for amounts disbursed in accordance with the approved budget. The RDN has a right of audit in respect of each society’s use of public funds and may stipulate the manner in which each society’s books must be maintained.

Insurance

The RDN is responsible for insuring the vehicles, fire hall(s), related land, and other chattels and equipment used to provide the Services by the societies. The cost of such insurance is required to be included in each society’s annual budget. The Regional District also agrees to provide liability insurance coverage for the Services through the Municipal Insurance Association of BC

⁴⁴ See, for example s. 6 of the Dashwood Service Agreement.

⁴⁵ Nanoose Service Agreement, s. 6.

⁴⁶ See, for example, the Nanoose Service Agreement, s. 8; or the Coombs-Hilliers Service Agreement, s. 7.

(“MIA-BC”),⁴⁷ subject to payment of the cost of obtaining such insurance (which is built into the annual budgets). The societies are permitted to take out insurance for matters not covered by the MIA-BC policy and the RDN may require them to do so.

Societies’ Obligations

While the Service Agreements create a host of obligations for the societies and their departments, two are worth highlighting. The societies are required to:⁴⁸

“[...] operate the equipment and in all other ways provide the Services without negligence and in accordance with the standards of operation maintained by other volunteer fire departments, or [in accordance with] operational guidelines as may be established by the Regional District [...]”; and

“[...] comply with all enactments as defined in the *Interpretation Act* and all orders and requirements under an enactment including orders and requirements of the Workers’ Compensation Board.”

These provisions make each society fully responsible for the manner in which fire and emergency response services are delivered and responsible for ensuring, among other things, that their respective departments meet the obligations arising under the Playbook and under the WCA.

Updating the Service Agreements

The Service Agreements are a decade or more old and require updating, both to ensure that the existing framework structure for matters such as budgeting, payments, insurance, maintenance and financial reporting remains appropriate, and to address the various requirements arising from the current review (including Playbook issues, RDN coordination and oversight functions and similar matters). The following matters should be contemplated for inclusion in the revised agreements:

- When updated, the Service Agreements should clearly tie into both the local service bylaw, and to the Operational Bylaw. The Departments rely on these bylaws for their powers and authority; their operation should be made subject to the provisions in those bylaws as they may be amended from time to time.
- The RDN’s right to oversee and prescribe standards or requirements for fire department operations should be specified. Preferably, the role and authority of a

⁴⁷ At the time the Service Agreements were signed, the MIA-BC policy technically did not cover services provided by external third parties (such as the societies) under contract to local government. The misunderstanding appears to have arisen internally at MIA-BC, and was not the fault of the RDN. MIA-BC amended its policy coverage commencing with the 2014 calendar year, to permit such coverage to be offered, so this issue is now moot.

⁴⁸ See, for example, ss. 18 and 20 of the Nanoose Service Agreement; or ss. 18 and 20 of the Errington Service Agreement.

fire services coordinator (or similar position) will be set out in the common Operational Bylaw. The Service Agreement will acknowledge the role to be played by such an individual. The goal is to create a collaborative process, but as the AHJ, the RDN ultimately has to have the authority to establish requirements that the Departments must meet. It should be noted that other regional districts, such as the CSRD, through careful deliberative processes involving their fire departments and qualified regional district staff, have developed excellent, standardized requirements for their departments.

- There should be a better framework created for regular consultation between the RDN and its Departments and their respective societies.
- Reporting requirements for operational and administrative matters – such as training levels, training programs, records keeping and OH&S matters – should be more clearly defined. The RDN needs to ensure that it is receiving regular and thorough updates about fire service matters, particularly in respect of those issues for which it has responsibility as the AHJ.
- The process by which the Service Level will be set under the Playbook should be set out in the common Operational Bylaw and acknowledged in the Service Agreement. Where a society (or its Department) wishes to vary that Service Level, a process should be defined in the Service Agreement.
- The RDN should be prepared to commit to providing support services for the area Departments, which are specified in the Service Agreements. These support services could include:
 - Assistance with administration matters (e.g., managing books and records, payments, etc.). The RDN already provides such support to some societies: this assistance should be reflected in the relevant Service Agreement;
 - Assistance with meeting specific OH&S requirements;⁴⁹
 - Assistance with records keeping; and
 - Other administrative assistance.

If the RDN wishes to encourage joint purchasing and equipment standardization by the area Departments, the Service Agreements should address those processes.

⁴⁹ Note: so long as the Society structure remains in place in its current form, each Society is the employer of the individual Department members. Administrative assistance in fulfilling their obligations, however, is clearly needed by a number of the Societies and Departments that we met with in the course of this review.

Annex 1: The OFC's Playbook

The OFC's Playbook outlines fire service training requirements for each of the three services levels and is provided as a separate document.