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## STAFF REPORT:



**REPORT TO:** Committee of the Whole  
**MEETING DATE:** November 13, 2013  
**REPORT NO.:** FD.13.4  
**SUBJECT:** The Blue Mountains Fire Underwriters Survey Update  
**PREPARED BY:** AJ Lake, Deputy Fire Chief

### A. Recommendations

THAT Council receive Staff Report FD.13.4, “The Blue Mountains Fire Underwriters Survey Update, 2013” for information purposes;

AND THAT following Fire Underwriters Survey notifying the Fire Chief in writing of the Public Fire Protection Classification (PFPC) and Dwelling Protection Grade (DPG) updated grading results, the information will be presented to Council for review and analysis and any determination of the Town’s wishes to receive additional information or optional services.

### B. Background

Pressure is being placed on Municipalities to do more with less. With provincial and federal governments redefining municipal responsibilities, a tremendous strain is being placed on municipal fire departments to maintain service levels while reducing funding, staffing and equipment.

Every Canadian municipality is rated by the insurance industry on a graded scale. These grades help insurers calculate the insurance premiums to be charged to taxpayers on both commercial and residential properties.

Since the development of the initial grading system in 1916, the insurance industry has conducted public fire defense surveys in municipalities across Canada. These municipal surveys are conducted by the Fire Underwriters Survey (FUS), a technical service of the Insurers’ Advisory Organization, a member of the Underwriters Adjustment Bureau/Insurers’ Advisory Organization (UAB/IAO) Group of companies.

Costs of approximately \$15,000 associated with the grading classification of the Fire Underwriters Survey are paid by FUS subscribers and are not borne by the municipality.

Municipalities are evaluated on an average 10-year cycle, or more frequently if major changes in protection have occurred.. Surveys may be initiated from three sources:

- The Insurers’ Advisory Organization
- An insurance company
- A formal request from a municipality

There are two classifications assigned to communities with organized fire protection:

- Public Fire Protection Classification (PFPC), and
- Dwelling Protection Grade (DPG)

The classifications are based on the community's physical fire defense systems, including water supply, fire department, fire service communications, fire safety codes and their enforcement.

Public Fire Protection Classification (PFPC) is based on a scale of 1 to 10 (1 is the best) and uses several factors to develop commercial property insurance rates. The PFPC influences the amount of risk that insurance companies are willing to assume in a given community or an individual location in a community.

Dwelling Protection Grade (DPG) is based on a scale of 1 to 5 (1 is the best) and provides an approximate measure of the fire defense capabilities of a community with respect to providing structural fire response to typical detached dwellings.

Through a careful review of a municipalities firefighting capabilities, UAB/IAO can determine whether a municipality is eligible for a change in its FUS grading; or what changes would result in a better grading classification. An improved grading classification can result in lower insurance costs while at the same time enhancing the level of protection offered.

The last Fire Underwriters' Survey for The Town of The Blue Mountains was completed June 2004 with the following results:

#### **Station #1**

##### *PFPC (commercial)*

- class 5 with hydrant protection and within 5 kms of a fire station
- class 9 in areas without hydrant protection

##### *DPG (Single Family Dwelling)*

- class 3A with hydrant protection and 8 kms of a fire station
- class 3B without hydrant protection and within 8 kms of a fire station
- class 5 with or without hydrant protection and over 8 kms from a fire station

#### **Station #2**

##### *PFPC (commercial)*

- class 5 with hydrant protection and within 5 kms of a fire station
- class 9 in areas without hydrant protection

##### *DPG (Single Family Dwelling)*

- class 3A with hydrant protection and 8 kms of a fire station
- class 3B without hydrant protection and within 8 kms of a fire station
- class 5 with or without hydrant protection and over 8 kms from a fire station

The Municipality has completed several recommendations which resulted from the 2004 Fire Underwriters' Survey. Those enhancements include:

- Flow and maintenance records for all private hydrants
- Annual flow testing of hydrants
- A reserve fund was established for the Vehicle Replacement Program in the event of catastrophic failure
- A 75' aerial was purchased to protect multi storey buildings
- Since March 2004, 4 full-time firefighters have been hired to staff Station 2 during daytime hours
- An enhanced recruiting and training program has been established for volunteer firefighters

The Fire Department will initiate a Survey update by submitting the required information to FUS which will include:

- Community update form
- Risk assessment form
- Fire station form
- Water supply form
- Alternative water supply form

Permitted the information provided to FUS substantiates a re-evaluation and recalculation of the fire insurance grades, a complete survey will be initiated by FUS. When the survey is complete, the information will be reviewed and analyzed and the PFPC and DPG calculated.

Fire Underwriters Survey will notify the Fire Chief in writing of the PFPC and DPG grading results.

Costs of approximately \$15,000 associated with the grading classification of the Fire Underwriters Survey are paid by FUS subscribers as previously mentioned.

If the Municipality wishes to receive additional information or optional services beyond the no-cost grading classification of the Fire Underwriters Survey, FUS can prepare a report that provides the specific information requested by the community which may include:

- A summary of hydrant flows
- A detailed breakdown of the features reviewed
- Suggestions for improvements other consulting services related to fire protection delivery and urban planning

Costs associated with these additional or optional services will be the responsibility of the Municipality. The chart below is an example of cost break downs.

Item	Portion to be paid by FUS Subscribers	Portion to be paid by municipality
<b>Fire Underwriters Survey</b>	\$15,000	0
<b>Report of findings with recommendations</b>		\$8-10,000
<b>Cost benefit analysis</b>		\$3-5,000
<b>GIS optimization analysis (3 options)</b>		\$5-8,000
<b>Standards of response cover analysis</b>		\$3-5,000

*The costs of each of the items is dependent upon the survey being completed and varies with the complexity of the community.*

This report will authorize staff to move forward with the submission of the required information to FUS for the purposes of updating the Municipalities insurance grading system. The results will be brought back to Council along with recommendations of moving forward with optional services.

### **C. The Blue Mountains' Strategic Plan**

Town's Strategic Plan Goal No. 2 "Develop a long range plan for emergency facilities and services". Goal No. 6 "Develop and encourage innovation and use of best practises by council and staff".

### **D. Environmental Impacts**

n/a

### **E. Financial Impact**

Addressed in annual Department Budgets.

### **F. In Consultation With**

Troy Speck - CAO

### **G. Attached**

n/a

Respectfully submitted,

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A. J. Lake per Ron Doherty, Fire Chief

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