

Report To: Committee of the Whole

Meeting Date: June 21, 2021

Subject: Shared Fire Service Pilot Project

Recommendation(s)

1. That Report CAO 21-10 Shared Fire Service Pilot Project dated June 21, 2021 be received; and
2. That Council direct staff to proceed with a pilot shared fire service project with the Town of Lincoln to provide services to both communities, effective October 1, 2021.

Purpose

The purpose of this report is to seek Council approval to proceed with a pilot project with the Town of Lincoln for shared fire protection services.

Background

Municipal Shared Service Delivery

In 2019, the Province of Ontario launched a Regional Government Review with a goal of ensuring that regional governments and local municipalities are working effectively and efficiently in the areas of governance, decision making, and service delivery. Although the review did not result in municipal amalgamations as the Province had imposed in previous years, local area municipalities were encouraged to explore opportunities for shared services to collaborate on service delivery areas of mutual interest with the objective of achieving operational efficiencies and reducing service redundancies.

The Town of Grimsby is already involved in a variety of shared service opportunities. The following examples highlight a few of those shared services:

- A joint Accessibility Advisory Committee with West Lincoln, Lincoln, Thorold, Niagara-on-the-Lake, Pelham and Port Colborne;
- The NRT OnDemand integrated transit service with the Region, Lincoln, West Lincoln, Pelham, Wainfleet, and Niagara-on-the-Lake; and
- A shared service agreement with West Lincoln, Wainfleet, and Lincoln for Emergency Management services.

- A fire protection agreement since 2013 with Lincoln and West Lincoln for automatic reciprocal and specialized resources to each others communities in an emergency.
- Purchasing of equipment jointly to seek scales of economy.

The Town also participated in a number of joint procurement initiatives across the Region and Province (e.g.: joint RFP of Legal Services with Lincoln).

Fire Shared Services Delivery

Given that Grimsby and Lincoln have many similarities from a fire service perspective, it is reasonable to consider shared service opportunities for the delivery of fire protection services as well. Both towns have similar populations, demographics, geographic profiles, both are experiencing significant growth and both have similar fire risk profiles. Furthermore, Grimsby and Lincoln already have reciprocal fire protection agreements for QEW highway responses, vulnerable occupancy and high-rise building fire support, rural water supply support and high angle rescue support.

In 2020, the vacancy of the Fire Chief position in Grimsby presented an opportunity to consider alternate service delivery options. As such, the Town of Grimsby obtained a Provincial Modernization Grant and engaged a consultant to investigate the feasibility of a pilot project for shared fire protection services between Grimsby and Lincoln.

A working group comprised of the Chief Administrative Officers, -Fire and Deputy Chief of Lincoln, Acting Fire Chief of Grimsby and Finance teams from both municipalities and the Fire Chief was established to determine if the adoption of a shared fire service would result in a more efficient, effective, and affordable model that would ultimately preserve the volunteer firefighting model.

On November 16, 2020, Council received a confidential report regarding the development of a pilot project for shared services to provide fire protection services to both communities and gave direction to staff to move forward accordingly.

Since that time, there was joint communication to all volunteers and full-time staff to inform them of Council's decision to move forward with proceeding to next steps of a potential pilot.

Analysis/Comments

Why Now

The fire services of both Lincoln and Grimsby continue to be challenged by increasing demands for service as the communities grow, and both continue to strive to maintain a cost-effective volunteer fire service model. The implementation of a shared fire service may allow both municipalities to maximize their collective resources without each having to pay the full cost of such, which would ultimately result in service efficiencies and

significant cost avoidance for both municipalities and serve to preserve the volunteer fire service model.

Because both municipalities operate similar fire services and enjoy an extensive history of cooperation and collaboration, adopting a full shared fire service model is a logical extension of the successful reciprocal working relationships that are already in effect.

On June 14, 2021, at their Committee of the Whole meeting Lincoln Council unanimously voted to proceed with the Shared Fire Service Pilot project.

As such, staff recommends proceeding with a pilot project with the Town of Lincoln to provide shared fire protection services to both communities with implementation in two phases as described in this report. The proposed start date is on or about October 1, 2021.

Project Phases

Phase 1: Pilot Project

To commence with a pilot project, the execution of a shared fire service agreement with Lincoln would be required. The pilot project would include the following provisions:

1. Fire Department Structure: To comply with legal requirements of the Fire Protection and Prevention Act, a single fire department would be jointly established to serve both municipalities for the pilot project. A single Fire Chief and two Deputy Fire Chiefs would be appointed for the jointly established fire department to comply with the Act. The jointly established fire department would be structured as indicated in the Pilot Project Fire Department Organization Chart attached to this report as Appendix A.
2. Governance: A Joint Advisory Committee consisting of three (3) members of Council and the Chief Administrative Officer from each municipality would be formed during the pilot to act in an advisory capacity regarding the administration of the jointly established fire department and to provide recommendations to ensure that fire protection services are provided throughout both municipalities in an effective and harmonized manner. The Fire Chief and the Deputy Fire Chiefs would be included as non-voting members of the committee.
3. Staffing: Integration of staff during the pilot project would be limited to only the full-time executive, administrative, training, and fire prevention staff from both municipalities. If the pilot project proved to be successful, the volunteer firefighters would be integrated in Phase 2 of the shared fire service implementation plan. All staff would remain employed by their current employers during the pilot project. However, despite which municipality employs them, all full-time, part-time, and volunteer firefighting staff would report operationally as set out in the Pilot Project Fire Department Organization Chart (as depicted in Appendix A).

In an effort to promote equity and teamwork, Grimsby's Deputy Chief, prevention officers and training officers salaries will be harmonized with Lincoln's salary grid.

In accordance with the *Fire Protection and Prevention Act*, the Fire Chief would have statutory reporting responsibilities to the Councils of both Lincoln and Grimsby through the respective Chief Administrative Officers but would ultimately remain an employee of Lincoln. The Deputy Fire Chiefs would fulfill the statutory duties and responsibilities of the Fire Chief in his or her absence on behalf of both municipalities.

4. Cost Sharing: Any coming together of two services, regardless of area of operation focus, is generally done to enhance service delivery and ultimately customer service. Municipalities deal with the currency of public trust and confidence, which is more difficult to quantify. Realistically, significant cost savings are not anticipated as a result of the pilot. Rather, any savings, which would likely be minimal, would be achieved through cost sharing by both parties and some offsetting items. The real savings would be the mitigation and/or a reduction of future anticipated costs. During the pilot program, Lincoln and Grimsby would share salary and benefit costs for the full-time employees of the jointly established fire department. All other operating and capital costs during the pilot, including volunteer firefighter wages and benefits, would remain the responsibility of the municipality that incurred such costs. The reporting back process as part of the pilot project will share more about future cost avoidances.
5. Budgets: For the remainder of the fiscal year upon commencement of the pilot project, the operation of the fire department would continue to be funded by the annual capital and operating budget allocations approved by the respective Town Councils. For each full fiscal year thereafter during the pilot project, the Fire Chief, in consultation with the Chief Administrative Officers and the Joint Advisory Committee (made up of councillors from both municipalities), would prepare and present annual operating and capital budget estimates for each municipality to the respective municipal Councils for consideration and approval.
6. Capital Property: Each municipality would place all capital property, including vehicles, equipment, buildings, and real property used by their respective fire departments at the disposal of the jointly established fire department, and the legal title to all capital property would remain with each respective municipality.
7. Purchasing: The Fire Chief would have the delegated authority of both municipalities to approve expenditures required for the operation of the jointly established fire department, including acquisition of equipment, vehicles, materials, supplies, and services within approved budget allocations and subject to spending level authorities and financial controls set out in the approved Procurement Policy and Procedures of each municipality. These would still go to Council where needed and through the CAO of the respective municipality.

8. Fire Master Plan: A Fire Master Plan would be jointly developed during the pilot project to assist both municipal Councils with determining appropriate strategic goals and objectives and service level policies for the fire department. The Fire Master Plan would provide a comprehensive assessment of community fire risk and current standards of cover for the combined service area, consider the individual and collective needs and circumstances of each municipality including geographic, demographic, building, stock, critical infrastructure, and economic factors, local hazards, community services, and public safety response capabilities, and would provide recommendations for both municipalities regarding the future provision of fire protection services whether individually or as a continuation of the shared service model over the long-term.
9. Financial Audit: An independent third-party audit would be undertaken to identify the financial benefits and liabilities for each municipality with respect to the shared service model. The audit would also identify the condition, sufficiency, and value of capital property that each municipality contributes to the jointly established fire department, and in the case that one municipality's capital property contribution is proportionately less than the other's, would identify the additional contribution required to equalize proportionate shares should the shared service model continue a permanent basis.
10. Review of Pilot Project: Upon completion of both the Fire Master Plan and the third-party financial audit, the pilot project would be reviewed to determine whether the shared fire service model is feasible and beneficial to both municipalities. The Councils of Lincoln and Grimsby may then either mutually agree to progress to Phase 2 and continue the shared service model beyond the pilot project or terminate the pilot project and discontinue the shared service model. In other words, agreeing to the pilot project does not commit both councils to moving forward. This is an evaluative pilot project. At any time during the pilot project, the Lincoln and Grimsby could mutually agree to amend the terms of the shared fire service agreement as circumstances arise, and either municipality could terminate the pilot project at any time by providing 90 days' notice to the other.

It is anticipated that the pilot project will be in place for a minimum 24 months, effective October 1, 2021.

Phase 2: Full Implementation

Upon successful completion of the pilot project and upon the mutual agreement of both municipal Councils to continue the shared service model beyond the pilot project, Phase 2 of the shared fire service agreement would include the following provisions:

1. Staffing: The employment of all full-time, part-time, and volunteer firefighting staff of the Grimsby Fire Department would be transferred to and would continue thereafter with Lincoln. All Lincoln Fire Rescue Service staff would remain

employees of Lincoln. All full-time, part-time, and volunteer firefighting staff hired after the pilot project ends would be employees of Lincoln.

2. Cost Sharing: All operating costs of the jointly established fire department would be treated as shared costs between the municipalities. Similarly, revenue from building plan reviews, subdivision agreement fees, site plan agreement fees, response cost recoveries, fees and charges, and other revenue from each municipality pertaining to the operation of the fire department would be shared in a like manner.
3. Budgets: The Fire Chief would prepare and present annual operating and capital budget estimates for the fire department to the Joint Advisory Committee. Upon consideration of the draft budgets presented by the Fire Chief, the Joint Advisory Committee would recommend operating and capital budget estimates to the Council of Grimsby for consideration and recommendations, and thereafter to the Council of Lincoln for consideration and approval of the final budgets for the fire department.

Upon approval of the final annual budgets, Grimsby would pay its proportionate share to Lincoln on a quarterly basis or as otherwise agreed.

Any annual budget surplus or deficit would be allocated to a stabilization reserve account which could be used for such discretionary purposes as mutually agreed.

4. Capital Property: All capital property acquired for the use of the fire department after the pilot project ends, except real property and buildings, would be jointly owned by both municipalities. Any real property or building acquired or constructed after the pilot project ends would be owned by the municipality in which the property or building is located.
5. Purchasing: After the end of the pilot project, the purchase of equipment, materials, and services required for the operation of the jointly established fire department would be governed by the approved Procurement Policies and Procedures of Lincoln, and the Fire Chief would have the delegated authority to approve such expenditures within approved budget allocations and subject to approved spending level authorities and financial controls.

Either municipality could terminate the shared fire service agreement after the pilot project ends by providing 180 days' notice to the other. Should that occur, detailed termination provisions are set out in the shared fire service agreement.

Strategic Priorities

3 - Accountability and Transparency

Goal #3 - Build trust and confidence in the Town's operations and services and establish a strong reputation for the corporation.

Financial Impact

Financials

The shared service model is intended to improve operational efficiencies and maintain and enhance service levels, result in significant cost avoidance and contribute to potential cumulative savings due to sharing of capital and operating resources, optimization of administrative functions and minimization of redundancies.

During the pilot project, the remuneration of full-time staff would be adjusted where necessary to harmonize salaries between Lincoln and Grimsby, and to be commensurate with any additional duties and responsibilities that may be imposed on the executive officers resulting from the implementation of the shared service model. If the pilot project is successful, the remuneration of the volunteer firefighters would be harmonized in the second phase of implementation.

The anticipated annual operational costs for Grimsby would realize a slight savings in 2021, and we anticipate annual operational costs being cost neutral 2022, to implement the pilot project.

The cost allocation methodology will be monitored and evaluated by a third party auditor and staff during the pilot project and may be amended by mutual agreement to ensure that fire department costs are shared between both municipalities in a fair, equitable, and effective manner.

The preservation of a volunteer fire service for now and into the future will result in significant cost containment for both communities over the long term.

Staffing

During the pilot project, all staff from both the Lincoln and Grimsby fire departments would remain in the employ of their current employers but would conform to the reporting structure set out in the Pilot Project Fire Department Organization Chart found in Appendix A. Upon successful completion of the pilot project, all fire department staff from both Lincoln and Grimsby would continue employment solely with the Town of Lincoln.

It is the intent of both municipalities that there would be no loss or diminution in seniority, length of service, rank, wage, salary, benefits, and vacation and leave entitlements, or any other terms or conditions of employment for any employee resulting from the implementation of the shared fire service model.

With regard to net benefits to each municipality in terms of staffing during the pilot project, Grimsby would benefit from the sharing of a full-time Fire Chief and, in

exchange, Lincoln would benefit from the sharing of a full-time Training Officer, a third full-time Fire Prevention Officer and - administrative support.

Legal

Prior to implementation of the pilot project, the shared fire service agreement will be vetted by the solicitors from both municipalities.

Public Input

While from an operational perspective the implementation of a pilot project for shared fire services will largely be seen as seamless to the residents of both municipalities, it is recognized that volunteer fire departments historically form part of the fundamental fabric of their communities. As such, public engagement initiatives will be undertaken to communicate the efficiencies, service enhancements, and mutual benefits of a shared fire service model and to celebrate and preserve the dedication, spirit, and community involvement of the volunteer fire services in both municipalities.

Conclusion

In addition to operational efficiencies, reducing redundancies, and enhancing service delivery, a key benefit to implementing a shared fire service model is the lessening of demands on the volunteer firefighters of both municipalities. The volunteer fire service model currently in place in Lincoln and Grimsby, and indeed throughout North America, has proven to be a very cost-effective method of providing fire protection services. However, increasing call volumes, competing demands on time for requisite training and certifications, and an ever-increasing host of other duties are threatening this model in many communities. By providing a larger collective pool of firefighters, a shared fire department is expected to ease the demands on our volunteer firefighters which should ultimately preserve and sustain the volunteer fire service model for many years going forward.

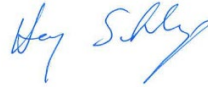
This initiative will build upon the Town's commitment to improve the corporation's accountability and transparency by heightening the public's confidence in the Town's operations. By adopting a leading edge approach in fire shared services delivery, Grimsby will be viewed as an innovative leader that many other municipalities will wish to follow.

Staff recommends that a pilot project to provide shared fire protection services for Lincoln and Grimsby proceed as outlined in this report, and that Council approve the execution of a shared fire service agreement with the Town of Lincoln and enact the necessary By-laws accordingly.

Jointly submitted by,



Bill Thomson
Acting Deputy Chief



Harry Schlange
Chief Administrative Officer

Attachments

- Appendix A – Pilot Project Fire Department Organization Chart

Appendix A

Pilot Project Fire Department Organization Chart

