

ITEM	8
MANAGER'S REPORT NO.	85
COUNCIL MEETING	1978 12 04

RE: SCHEDULE OF FEE AMENDMENT - BY-LAW NO. 5096  
BURNABY FIRE PREVENTION BY-LAW (1968)  
(ITEM 4, REPORT NO. 78, 1978 NOVEMBER 06)

Attached is a report from the Director of Fire Services regarding the proposed establishment of a fee for the rendering of a service by the Fire Department. A report from the Municipal Treasurer on this matter is attached.

In summary, the Director of Fire Services feels that his Department should continue to provide information to the public, legal profession and real estate firms upon request. There is of course a serious concern evolving from the possibility that a claim might be made against the municipality for information that is conveyed as the result of rendering this service. As reported by the Treasurer, insurance coverage to safeguard the municipality against errors and omission claims that may arise from actions of the Fire Department is unobtainable. It is expected that such coverage to apply to all municipal employees will become obtainable in the near future.

Information provided by the Fire Department in the future will be in writing and it will be accompanied by the following disclaimer:

"The foregoing information is supplied for your personal use only and not for the use of any other person. The information is believed to be accurate but its accuracy is not guaranteed, and in supplying this information, no responsibility whatsoever is assumed or accepted."

This procedure meets with the approval of the Municipal Solicitor who points out that we should continue to use a disclaimer even when we have insurance. This advice will be followed in the future.

The fee to be charged for the service makes no provision for the cost of insurance, which of course is not obtainable at this time. When it does become available it will be for all municipal operations and an apportionment of the premium to the Fire Department is likely to be negligible.

RECOMMENDATION:

1. THAT the recommendations of the Director of Fire Services be adopted with the understanding that:
  - (a) All requests for information will be answered in writing and
  - (b) Accompanied by a disclaimer as noted above

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FIRE DEPARTMENT

TO: MUNICIPAL MANAGER  
FROM: DIRECTOR-FIRE SERVICES  
SUBJECT: SCHEDULE OF FEE AMENDMENT, BY-LAW #5096, BURNABY FIRE PREVENTION BY-LAW 1968, ITEM 4, MUNICIPAL MANAGER'S REPORT NO. 78, 1978 11 06

RECOMMENDATIONS

1. THAT a system of inspection fees be established as follows:  
Buildings falling within the category of Part 9 Housing and small buildings as contained in the current edition of the National Building Code of Canada, inspection fee - \$25.00.
2. Buildings other than those contained in Part 9 of the National Building Code of Canada current edition, minimum inspection fee - \$50.00 plus \$25.00 per hour or part thereof after the first hour.

REPORT

1. Background

It has been the practice for the Fire Prevention Bureau of the Burnaby Fire Department to provide legal firms, real estate companies and authorized individuals, with a written report on the conditions existing in premises relative to the requirements of the Burnaby Fire Prevention By-law No. 5096.

This service, which is most appreciated by the general public and the user companies, has, until now, been provided at no cost.

As a consequence of increasing demands for this service, demands which reflect increased costs to the Fire Prevention Bureau, it was recommended to Council under Item 4, Manager's Report No. 78, Council Meeting 1978 11 06, that a charge of \$24.00 be levied for each written report.

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Council on receipt of the proposed fee schedule directed that:

- a) cost of premiums to the Municipality for insurance to protect the Municipality against possible future claims be determined. Such costs to be reflected in the fee schedule;
  - b) the opinion of local realtors as to how much users of the Fire Prevention Bureau inspection service would be willing to pay for said service;
2. With reference to (a), the Municipal Treasurer has identified the cost of insurance premiums, the results of which are contained under a separate report to Council.

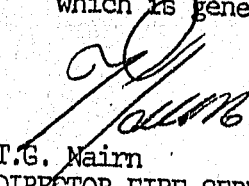
Enquiries to various real estate companies, appraisors and legal firms, as to what could be deemed realistic in fee schedules, produced the following:

- i) Block Brothers, Mitten Realty, A.E. Le Page, Wall & Redekop agreed the service was most valuable and thought the fees should range from - a fixed fee of \$25.00 irrespective of building size, to a fee graduating upwards depending on the number of storeys, number of suites and/or offices, to - fixed fees of \$25.00 minimum to \$50.00 maximum based on time/costs.
- ii) Block Brothers appraisal division felt the service should be broadened and publicized and that fees for this expanded service, dependent on the complexity of the report, should range from \$50.00 to \$150.00, with the further suggestion that each report be accompanied by photographs of the premises.
- iii) Legal firms canvassed generally suggested a flat rate from \$10.00 to \$25.00 again depending on the detail required in the report.  
Mr. Wayne Wong, Barrister & Solicitor, suggested a minimum fee of \$25.00 for small business concerns. However, when a survey of apartments or office buildings above one (1) storey was requested, a charge of \$5.00 to \$10.00 per unit be assessed to a maximum of \$250.00.
- iv) A member of the Lands Department advised that appraisals which are carried out for the Municipality normally cost from \$150 to \$500 depending upon the amount of work that is involved.
- v) Real estate appraisal fees depending on the property involved normally ranges \$75.00 to \$150.00.

3. CONCLUSION

This inspection and report service is, without doubt, most beneficial to the general public and, as such, has during its initial introduction ten (10) years ago, given rise to only one recorded conflict of recent date.

Apart from the service provided through this activity, of paramount importance to the Fire Prevention Bureau is the rapport, albeit, public relations which is generated on behalf of the Burnaby Fire Department.

  
T.G. Nairn  
DIRECTOR-FIRE SERVICES

cc: Municipal Treasurer  
Municipal Solicitor

TGN/jlm

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MANAGER'S REPORT NO.	85
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1978 November 21

TO: MUNICIPAL MANAGER  
FROM: MUNICIPAL TREASURER  
RE: SCHEDULE OF FEE AMENDMENT BY-LAW NO. 5096  
(ITEM 4, REPORT NO. 78, 1978 NOVEMBER 06)

File: I55-6

RECOMMENDATION

1. THAT this report be received for information purposes.

REPORT

In connection with the above mentioned report, Council asked for information concerning the cost of premiums to the Municipality for insurance to protect the Municipality against possible future claims in cases whereby the reports of the Fire Prevention Bureau might possibly involve the Corporation in litigation. It was deemed appropriate that the cost of this insurance should be reflected in the actual fees established.

First of all, it is not possible to obtain errors and omissions insurance for employees of fire departments only. There are two types of coverage. The first covers all employees of a municipal government. The second applies only to professionals such as engineers and architects and key members of their staffs.

For a short period of time, all members of the Municipal staff were covered for \$100,000. Its annual cost was \$1,000. This was something new in the insurance industry and while it was inadequate, it was better than nothing. However, on 1977 August 15, I reported to Council (Item 14, Report No. 55) that it was no longer available and the only coverage obtainable was for professional staffs and their key employees. The premiums ranged from \$9,191 for \$250,000 in coverage to \$18,382 for \$1,000,000 in coverage. The underwriter was I.C.B.C., the second lowest bidder on our public liability insurance. Its bid was \$17,006 higher than the low bidder. As errors and omissions coverage was available only as part of public liability insurance, this, plus the premium for the errors and omissions coverage, plus the very high deductibles involved, made the coverage very expensive indeed. The lowest bidder would not and does not underwrite errors and omissions coverage.

The consequence was that Council agreed to self-insure.

However, there have been marked changes in the industry with respect to errors and omissions coverage. We can look forward to obtaining good coverage at reasonable cost to cover all members of the staff. I expect to have a report on this subject available to Council soon.

Submitted for the information of Council.

  
MUNICIPAL TREASURER

BM:gw

cc: Director Fire Services