



KELOWNA & AREA OKANAGAN MOUNTAIN FIRE RECOVERY SOCIETY

FINAL REPORT

FINAL REPORT OF THE KELOWNA AND AREA OKANAGAN FIRE RECOVERY SOCIETY

INTRODUCTION:

The activities of the Kelowna and Area Okanagan Fire Recovery Society (the "Society") are substantially concluded. We have determined our spending priorities, received all funds that we expect to receive, and are in the process of distributing cheques to the recipients of those funds. Accordingly, it is appropriate to provide a report summarizing the Society's activities.

As indicated in the Initial Interim Report issued in November 2003, the Society was formed in early September 2003, to receive donations to assist in recovery efforts arising out of the impact of the Okanagan Mountain Park Fire.

The Board of the Society is comprised of 14 individuals listed on Schedule "A" to this report.

The Board held 22 meetings since its formation, including two extraordinary meetings for the purpose of initially determining general priorities for the distribution of funds, and later to examine and develop in more detail the basis upon which funds were to be distributed to individuals. In addition, the Board formed a number of sub-committees to review specific issues and to make recommendations. These sub-committees met regularly and reported to the whole board.

CENTRAL OKANAGAN FOUNDATION:

Very early on in the process, the Central Okanagan Foundation, which received a portion of the Yellow Ribbon donations, agreed to work cooperatively with the Society and to distribute a portion of its funds in conjunction with the Society. To that end, either Janice Harvey, the Executive Director, or Elaine Borden, a member of the Board of Directors of the Foundation, or both, have attended virtually every meeting of the Society and, through that involvement, have provided invaluable support and guidance in the conduct of our meetings and assisted in our decisions.

The Central Okanagan Foundation contributed a total of \$272,000 which was, as indicated below, distributed to individuals on a shared contribution basis.

ROLE OF THE CITY OF KELOWNA:

Although the Society has no paid staff, extensive assistance and support has been provided by the City of Kelowna and the Fire Recovery Centre. In particular, we have been greatly assisted in our task by a number of City of Kelowna Staff Members, including (in no order of priority) Alison Flack, David Shipclark, Stephen Fleming, Hazel Christy, David Cassels, Lorna Gunn, Theresa Eichler, Karen Cairns, Jack Schenk, Kathryn Rae, and Angela DeBurger.

In addition, the Society was greatly assisted by the City of Kelowna Volunteer Fire Department who raised approximately \$405,000.00 (including \$30,000 currently being retained for possible GST) through t-shirt sales, as well as Chief Zimmerman who was very supportive of the Society and attended a number of cheque presentations and other matters to assist us in our activities.

FUNDING PRIORITIES:

As indicated in our Interim Report, it was determined that, in general, the following categories of claims would be eligible to receive funding from the Society. In particular:

Urgent unmet needs – this category represented individuals who did not have insurance for urgent unmet needs, such as housing, household contents, and related claims.

Individual claims – this category of individuals, in general, represented individuals who may have had insurance but suffered shortfalls as a result of damage caused by the fire.

Community Groups – this category of claimants represents community organizations that could undertake projects to assist in the recovery efforts.

Commemorative Project – it was considered appropriate to distribute a small portion of our funds to assist in the construction of a commemorative project which would provide a lasting tribute to the impact of the fire.

As well, it was decided that the Society should have no administrative expenses, such that all donations should be distributed to assist in recovery efforts.

The general scheme of distribution of funds within those categories was set out in our earlier report.

DESIGNATED FUNDS:

In addition to receiving general donations, the Society also agreed to act as a conduit to receive funds from donors who wished to designate funds for either of

the Myra Canyon Trestle Restoration Society and the reconstruction of the Kettle Valley Playground structure.

FINANCIAL RESULTS:

Initially, it was expected that the Society would receive total donations of approximately \$700,000.00 to \$800,000.00.

Actual donations greatly exceeded our expectations. In particular total donations, including designated funds, were approximately \$1,402,000.00.

The Society reviewed whether it wished to alter the general spending priorities established at our early strategic planning session, due to the increased level of donations. In general, although there were some minor adjustments, the Society considered that the general parameters of eligible claims and allocation of amounts as between those claims, as determined at our initial priority session, continued to be appropriate.

A summary of the funds received and the distribution of the funds is attached as Schedule "B".

URGENT UNMET NEEDS:

Early on, an Unmet Needs Committee was formed at the initiation of the City of Kelowna to coordinate the recovery efforts of various charitable organizations which were providing assistance to victims of the fire. The Unmet Needs Committee was comprised of representatives of the Red Cross, Salvation Army, Royal Canadian Legion, Lions Clubs, Adventist Disaster Response, Central Okanagan Foundation, Interfaith Groups, CORD/City of Kelowna Victim Services the City of Kelowna, and the Society.

The Unmet Needs Committee met weekly and through that process distributed funds to families facing urgent unmet needs. In addition a cooperative housing strategy was developed to ensure that all families who lost an un-insured home had that home replaced with suitable accommodation. In total, the Society distributed for urgent unmet needs a total of \$73,000 through this process.

The Unmet Needs Committee was extremely effective in ensuring a coordinated response to these urgent needs.

INDIVIDUAL NEEDS:

Perhaps the most challenging aspect of the Society's activities since its formation has been the determination of a fair and equitable process to distribute funds to

individual claimants. Even with greatly enhanced donations, the Society only had approximately \$880,000 to distribute to this category of individual claimants. As set out below, this represents only 5.3% of the claims that were ultimately received. In order that this aspect of the Society's activities be well understood, we thought it useful to summarize the discussions of the Society, as well as the ultimate decisions taken by the Society.

After careful and lengthy consideration, the Society developed a list of eligible claims, all of which are set out in the Interim Report. In general, the eligible claims for individuals fell within the following categories:

- Loss or damage to homes and household contents;
- Loss or damage to outbuildings;
- Loss or damage to property used for home-based businesses where the business was the primary source of family income;
- Loss or damage to landscaping;
- Cost of tree removal; and
- Loss or damage to infrastructure;

The guiding principle in determining the categories of eligible claims and the manner of distribution of funds was that funds should be distributed on a "needs basis." That is to say, funds should, to the extent possible, be distributed to those with the greatest need.

It is important to note that the Society determined that due to the broad based nature of income and business losses arising from the impact of the fire, claims of this nature were not, apart from the one category referred to above, considered eligible for funding.

The Society also decided that it was appropriate to distribute \$1,000.00 to each family who lost a home in the fire. Accordingly, on November 10, 2003, cheques for \$1,000.00 were distributed to each of 272 families. Later, it was decided to distribute \$1,000.00 to families whose homes were not actually destroyed, but were significantly damaged. It was clear that due to the significant disruption to these families, including in many cases the need to vacate their homes for lengthy periods, the impact of the fire on those families was similar to those families who actually lost homes. In total, an additional 17 families are in the process of receiving \$1,000.00 each.

APPLICATIONS RECEIVED:

In order to submit a claim for funds, individuals, with the assistance of the Fire Recovery staff, were required to submit a formal application by January 30, 2004. A total of 251 individual claims were submitted for funding.

Total losses, including insured losses, by the individuals who submitted claims were \$67,134,880.00. The uninsured portion of the losses totaled \$16,554,604.00.

Attached as Schedule "C" is a summary of the claims submitted.

PROCESS TO CONSIDER APPLICATIONS:

Commencing in December of 2003, the Society began to consider in detail the manner in which the funds would be distributed to individual claimants. Although those discussions were lengthy and involved a number of issues, some of the key factors considered were as follows:

- As set out above, the guiding principle was that the funds were to be distributed based upon the needs of the applicants. Claimants with higher post-fire family incomes were considered to be more able to recover from the losses than those with lower incomes;
- Subject to certain exceptions, it was decided to develop and apply a formula to the individual claimants rather than to attempt to consider the individual merits of each application;
- Within the six categories of losses, it was decided that all losses were equally meritorious. In other words, it was considered that all eligible losses had the same merit in terms of eligibility for funding;
- Given the limited funds available, no claimants should receive a disproportionate amount of the available funds. Accordingly, a maximum allowable claim should be set;
- A minimum payment should be made to each claimant, such that despite the application of any formula, each claimant should receive either the amount of their claim, or alternatively, a minimum payment. This avoided the possibility of a formula producing payments in trivial amounts.

FUNDING FORMULA APPLIED:

Ultimately, after a series of very careful and difficult discussions, including an extensive review of the impact of various assumptions and possible formulae, the Society adopted a formula which, in substance, is as follows:

- Applications were reviewed to ensure that the claims considered for funding included only eligible losses;
- The amount of the eligible claim submitted by each claimant across all six categories was totaled;
- The amount of the aggregate claim was then capped at a total amount of \$50,000.00. In other words, no individual claimant was eligible to have considered, a claim greater than \$50,000.00 (before other adjustments set out below);
- The amount of the capped claim was then adjusted depending on the post-fire family income of the claimants. In simple terms, a sliding scale was applied to four categories of family income such that those earning \$30,000.00 and less were eligible to submit 100% of their claim, while those earning \$90,000.00 or more were eligible to submit 40% of their claim;
- All claims, as adjusted, were then totaled and the amount of each eligible claim was calculated as their proportionate share of the total available funds;
- To the extent the initial unadjusted claim was more than \$500.00, but the adjusted claim resulted in a payment of less than \$500.00, the adjusted claim was rounded up such that each claimant received a minimum payment of \$500.00;
- If the claim was less than \$500.00, the actual amount claimed was paid.

The Society is mindful that in the vast majority of cases, claimants will receive far less than the amount of their claims. However, after consideration of various alternatives, the decision of the Board of the Society to adopt this approach was unanimous. Simply put, it was considered that given all of the circumstances, this represented the most equitable manner of distribution of funds to individual claimants.

It is important to note that the names of the claimants were not disclosed to the Board. As well, the two members of the Board who lost their homes in the fire did not participate in the decisions regarding individual claims.

EXTRAORDINARY INDIVIDUAL CLAIMS:

In addition to distributing funds to individuals on the basis of the formula set out above, it was recognized that (in addition to the urgent unmet needs category), some families' needs were not well addressed using the formula. The Society through a sub-committee conducted a review of any additional circumstances detailed in all individual applications and identified those families which deserved special consideration. Through that process a total of 22 families were identified and will receive additional funding totaling \$70,000.00.

COMMUNITY GROUPS:

As set out above, the Society agreed to allocate approximately 24% of its available funds to assist in recovery efforts undertaken by community organizations. Ultimately, the total amount available for the funding of community organizations was \$302,000.00. As with individual requests, affected community organizations were requested to submit applications to the Society through the Fire Recovery Centre. These organizations were asked to address certain key issues, including detailing the proposed use of funds, available funding from other sources, and related matters. In total, 14 applications were received requesting in excess of \$1,775,000.

Of the applications, five were considered ineligible as they did not meet the criteria for funding. In addition, two applicants were considered to be more appropriately considered under the Commemorative Funding category. Ultimately, grants were approved as follows:

Kettle Valley Playground	\$110,000.00
Friends of the South Slopes	\$85,000.00
Scouts Canada - Camp Dunlop	\$35,000.00
- Ropes Course	\$25,000.00
Myra Canyon Trestles	\$25,000.00
Rimrock, Timberline, Swick and South Lakeshore Road	\$20,000.00
Neighborhood Group	
Kelowna Minor Lacrosse	\$1,000.00
Prairie Wings	\$1,000.00
TOTAL	<u>\$302,000.00</u>

COMMEMORATIVE PROJECT:

The Society has made available approximately \$12,000 to provide “seed money” to fund a Commemorative Project. The Society convened a meeting in early December 2003, and a large number of community organizations, including service clubs, were invited for the purpose of discussing whether it was possible for these organizations to undertake a Commemorative Project. Unfortunately, none of the groups present were prepared or able to undertake this project.

However, as indicated above, as part of the application process, two applications were received which were in the nature of a commemorative project. The Board has decided to invite additional groups to submit applications for receipt of this funding. This process is underway and it is expected that either these funds will

be distributed under the Commemorative Project category, or alternatively will be available for distribution to individual or community groups as set out above.

SUMMARY:

In summary, the Society has worked very diligently to develop a process to receive and distribute donated funds in a fair and equitable manner. The Society is very mindful that it simply does not have sufficient resources to address the magnitude of the losses incurred as a result of the fire. However, the Society has, through its proceedings, attempted to address as many of these diverse needs as possible.

Lastly, as Chair of the Society, I wish to sincerely thank the members of the Board who agreed to take on this important and challenging task.

Respectfully submitted.

David M. Rush
Chair

Dated March 5, 2004.

SCHEDULE "A"

KELOWNA AND AREA OKANAGAN FIRE RECOVERY SOCIETY

Directors:

David Rush, (President & Chair)

Jim Grant, (Treasurer, Chair-Finance Committee)

Shirley Staley, (Secretary and Vice-Chair, Un-met Needs)

Sue Dulik (Projects Committee)

Paul Durose

Ken Ficocelli

Debbie MacMillan (Publicity Committee)

Dan Phillips (Community Projects Committee)

Don Shafer (Chair, Publicity Committee)

Mark Stober (Un-met Needs)

Gail Temple (Un-Met Needs, Projects Committee)

Ken Webster (Publicity Committee)

Todd Upgaard (Finance Committee)

Bruce Vidal (Finance Committee)

SCHEDULE "B"

<u>TOTAL FUNDS DISTRIBUTED FROM ALL SOURCES</u>	\$1,674,000.00

Central Okanagan Foundation Funds	\$272,000.00
Donor Designated Funds	\$138,000.00
Non-designated Donations to Society	\$1,264,000.00
TOTAL:	<u>\$1,674,000.00</u>

<u>DISTRIBUTION OF NON- DESIGNATED SOCIETY FUNDS:</u>	
Individual needs	\$950,000.00
Community projects	302,000.00
Commemorative project	12,000.00
TOTAL:	<u>\$1,264,000.00</u>

<u>TOTAL FUNDING FOR INDIVIDUAL NEEDS WITH COF FUNDS:</u>	
Kelowna & Area Okanagan Fire Recovery Society	\$950,000.00
Central Okanagan Foundation	272,000.00
TOTAL:	<u>\$1,222,000.00</u>

APPROVED COMMUNITY PROJECTS:

Kettle Valley Playground	\$110,000.00
Friends of the South Slopes	85,000.00
Scouts Canada - Camp Dunlop – Reforestation	35,000.00
- Ropes Course	25,000.00
Myra Canyon Trestles	25,000.00
Rimrock, Timberline, Swick and South Lakeshore Road	20,000.00
Neighborhood Group – reforestation of surrounding areas	
Kelowna Minor Lacrosse – replace destroyed property	1,000.00
Prairie Wings – bird houses	1,000.00
TOTAL:	<u>\$302,000.00</u>

<u>COMMEMORATIVE PROJECT:</u>	
Funds have been designated for a commemorative project which has yet to be determined	<u>\$12,000.00</u>

SUMMARY OF TOTAL FUNDS DISTRIBUTED, INCLUSIVE OF COF FUNDS:**NON-DESIGNATED FUNDS:**

Individual Needs	\$1,222,000.00	79.56%
Community Projects	302,000.00	19.66%
Commemorative Projects	<u>12,000.00</u>	.78%
TOTAL	<u>\$1,536,000.00</u>	100.00%

DONOR DESIGNATED:

Myra Canyon Trestles	\$105,000.00
Kettle Valley Playground	33,000.00
TOTAL	<u>\$138,000.00</u>

Total Funds:	<u>\$1,674,000.00</u>
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SCHEDULE "C"

SUMMARY OF CLAIMS SUBMITTED

OVERVIEW

Total claims submitted:	251
Total claims paid:	240
Average amount of uninsured losses:	\$68,978.00
Highest uninsured loss reported:	\$510,426.00
Average amount of cheque	\$3,521.00

ANALYSIS BY CATEGORY

Category of Claim:	Number of Claims	Average Claim	Total Claims Submitted to Fund	% of Total Claims
Home & Contents	167	\$60,426.00	\$10,091,061.00	60.96
Home based business	27	29,211.00	788,706.00	4.76
Outbuildings	50	21,653.00	1,082,671.00	6.54
Landscape & fencing	156	21,752.00	3,393,283.00	20.50
Debris & tree removal	81	10,238.00	829,302.00	5.01
Infrastructure	50	7,392.00	369,581.00	2.23
Total shortfall:		\$69,978.00	\$16,554,604.00	100%