



Special Committee of the Whole  
March 25, 2014

## **Financial Impact of the Proposed New Fire Station to be located near the Traffic Circle**

### **Executive Summary:**

During 2013 staff proceeded with the 9 Fire Station Plan per Council's approval of Phase 1 of the project in the capital budget. The Plan, approved in principle in late 2012, recommends building two new fire stations, one near the traffic circle and one near Consecon.

The 20 year financial impact has been examined in detail for the proposed fire station to be located near the traffic circle.

Once the fire station near the traffic circle is operational the financial projection concludes that the long-term tax supported levy could range from an annual average saving in the Low Cost Scenario of \$77,600 to an annual average cost in the High Cost Scenario \$44,200. The savings are incremental over time. The project's initial cost impacts can be offset by future savings from both a new consolidated station and the new Consecon station. The impact is extremely reasonable for a station projected to serve the County for 50 plus years.

The Master Fire Plan Working Committee has determined that, once operational, the 9 Fire Station Plan expand on the effective response areas as well as improve deployment of apparatus and manpower to optimize fire service to operate in a more cost effective manner without compromising public safety.

### **Recommendation:**

**THAT the report of the Corporate Services and Finance Commission dated March 25, 2014 regarding Financial Impact of the Proposed New Fire Station to be located near the Traffic Circle be received;**

**THAT the 9 Fire Station Plan be finally approved; and**

**THAT Council authorize staff to proceed with the acquisition of property and to report back to Council in closed session as required.**

### **Purpose:**

The purpose of this report is to provide Council with the financial impact of the proposed new fire station to be located near the traffic circle.

## **Background:**

The Master Fire Plan Working Committee met 14 times over a period from July 2010 to October 2013 and discussed a range of issues related to the most appropriate location of fire stations with the goal of improving the efficiency and effectiveness of the service. In addition prior to providing a recommendation to Council, the Committee hosted four meetings September 2012, two for staff and two for the public.

The factors used to determine a strong recommendation on station location listed above were examined thoroughly by the Committee. The Committee acknowledged that while current fire station locations may have been appropriate prior to amalgamation, when considered as part of a larger whole some stations were located too close together for an effective and efficient service.

Factors used in evaluating locations were:

- Call History
- Community Risk
- Future Growth
- Insurance Rating
- Firefighter Availability
- Assembly Times
- Response Times
- Apparatus
- Multiple Access
- Overlapping Coverage Areas
- Ontario Fire Marshal's Guidelines

More specific criteria from the guidelines issued by the Ontario Fire Marshal on the selection of appropriate locations for new stations were also included in the review. Some of these other considerations were:

- Locate at edge of communities; not in downtown core where volunteer access is more difficult
- Assembly time for volunteers must not be negatively impacted
- Immediate access to a major street or road
- Maintained access (snow clearance, etc.)
- Appropriate site lines (no hills, physical obstacles)
- Impact on adjacent properties
- Accommodate all expected current and future activities of the fire service (parking, training, apparatus maintenance and equipment testing, etc.)

## **Analysis/Comment:**

### Insurance Underwriters comments

Mr. Robert Aguiar, B.Sc & Fire, C.Tech, a Public Fire Protection Specialist with the Fire Underwriters Survey said: "*the consolidation of Picton/Heights/Mallory Fire Stations is viewed as a positive development from the perspective of fire insurance grading.*"

In addition he stated that:

- The majority of insurers underwriting personal lines of insurance define dwelling protection grades as limited to a distance of 8 kilometres by road travel distance from the risk's responding fire station.
- The current close proximity of the three existing fire stations does not maximize the 8 kilometres maximum response distance.

### Issues with Picton Station

#### 1. Fire Operations

Currently the Picton Station is not recognized as a fire superior tanker accreditation location due to the limitation on the size of apparatus housed here. The current bays are too small to accommodate a tanker.

The space available for expansion is inadequate for either the current or anticipated future needs. Additional space on the current site can only be acquired by eliminating all dedicated off-street parking.

There has been a preliminary estimate of \$1.8 million to conduct structural repairs and expand the building if the Picton station is not replaced. Three major issues remain with this estimate:

- The actual costs may climb much higher as is often experienced when renovating a historical building.
- The maximum expansion possible at this location would result in only five functional bays.
- When exiting the building, all apparatus housed in this station will have to cross a busy sidewalk resulting in a significant safety hazard for pedestrians.

Whatever the cost of the rehabilitation of the building, the Committee has serious concern regarding the issue of total response time at the current site.

Assembly time is the time required for a piece of apparatus to leave the station. At the main station, a firefighter is on duty 24/7 which significantly reduces the assembly time at this location over the volunteer stations. Response by the full-time firefighter allows the first piece of apparatus to arrive on scene and begin the on-site assessment.

Total response is the elapsed time measured from when the call is received until the first piece of apparatus arrives on scene. Total response time is greatly influenced by assembly time.

Despite the advantage of full-time staffing, the downtown Picton location has a serious access issue that affects volunteers getting to the station, and also the arrival of other needed apparatus at the scene of the emergency. This is a particular problem in the months of May until September with the resulting delay in the start of any reaction to an emergency.

## 2. Assembly Use on Second Floor

Fire Code issues have been identified at the current Picton station. Council removed the capital funding from the budget in discussion with the Fire Department. This decision was made in deference to Council's decision to move forward with the 9 Fire Station Plan concept. Those Fire Code issues are still pending.

If Council is unable to adopt the recommendations in this report, a strategy regarding the use of the second floor will need to be developed.

### Issues with Heights Station

Currently the Heights Station is not recognized as a fire superior tanker accreditation location due to the type of apparatus housed here and the number of available volunteer firefighters, a situation that increases homeowner insurance rates within the current coverage area of this station.

There is no water at this station because the water was shut off to Loch Sloy Business Park prior to 2006, which means that any required water for the station must be taken from the tanker located there.

The escarpment location creates access issues that slow emergency response. Volunteers can lose valuable time picking up the apparatus and then departing to attend a call particularly in inclement weather. In addition, this station is remotely located on a road internal to the Loch Sloy Business Park and maintained access has sometimes been an issue.

Previously identified building repairs, deferred pending this decision, will have to be undertaken if an amalgamated building is not approved. An estimated cost of \$333,744 has been included in the capital forecast in 2015.

### Issues with Mallory Station

The well and septic systems regularly prove inadequate for the existing use (volunteer firefighter training once a week, use as the Emergency Control Centre as well as other training sessions and the occasional meeting). A connection to the water main along Loyalist Parkway is possible, at a cost of approximately \$380,000, and a new, properly sized septic system are only the beginning of a substantial list of capital repairs. An estimated cost of \$627,492 has been included in the capital forecast in 2017.

### Consolidated Station

Consolidation of these three fire stations into one optimized fire station will eliminate the issues and projected expenses outlined above for the Picton, Mallory and Heights Stations.

The consolidation will not impact staff complement. The 24/7 presence of a full-time firefighter will simplify and decrease the assembly and response times for the entire area. The need for all existing full-time and volunteer firefighters remains.

### Traffic Circle Location

A location near the traffic circle was selected to:

- Reduce overlapping response areas
- Improve assembly times for a wider geographical area with a station located between the two populated areas of Picton and Bloomfield and at four access routes, the number of firefighters living and working in the area will greatly assist in reducing assembly time, thus assist in reducing total response time which can influence the outcome of any emergency
- Enable property owners with properties within 8 kilometers of the proposed consolidated station to receive reductions in property insurance and provides the potential for improved commercial insurance
- Avoid the substantial rehabilitation costs to bring current facilities up to current Fire Code, accessibility and health and safety standards
- Provide the opportunity to further enhance operational practices

Once operational, the 9 Fire Station Plan will optimize our service in a more cost effective manner without compromising public safety.

### Land Ambulance

Presented to Council in 2012, the proposal for a fire station near the traffic circle included a concept for further amalgamation of the fire facility with the County ambulance base now housed in leased premises in Picton.

The current ambulance lease is expensive relative to the value of the space. The term ends coincident with completion of the new consolidated facility simplifying the transition.

Best practice across other North American jurisdictions clearly shows that these two services are highly synergistic and should be combined. It will enhance operations and provide operating expenditure savings for both services.

In addition, sharing a more efficiently designed new facility space will result in utility and other operating costs. Housing land ambulance in a municipally owned building also provides an exemption from property taxes currently being paid.

## Corporate Strategic Plan Implications:

None identified for the recommendations of this report.

## Financial Implications:

### Fire fleet

A comprehensive review of the fire fleet was undertaken during the Master Fire Planning exercise to align the fleet with the 9 Fire Station Plan.

The consolidation of equipment from the three existing stations to one will result in the reduction of two vehicles – a pumper and a tanker. This reduction in fire fleet is in addition to the two vehicles that can be eliminated when the new fire station in Consecon is commissioned resulting in a total reduction to 32 vehicles from the current 36.

These two vehicles have a total estimated replacement value of \$530,000 that will not need to be accommodated in the annual contribution to the vehicle reserve. This will result in a saving of \$42,400 annually. In addition a one-time disposal value of \$16,500 is expected.

Another \$10,500 is forecast to be saved annually from reduction in the costs of vehicle maintenance, insurance, fuel and the soft equipment carried in these two surplus vehicles.

### Financial Projection Model

Attachment 1 provides a financial projection model that summarizes the estimated financial impact of the proposed new fire station to be located near the traffic circle over the next 20 years.

Three scenarios were developed based on a range of possible land costs and construction costs. The starting point was the Low Cost Scenario. It is based on \$153 per square foot (reflecting inflation from the 2012 conceptual plan estimate of \$143 per square foot indexed using the non-residential building construction index).

The mid and high cost scenarios reflect some current builds of similar size currently underway.

The total cost ranges as follows:

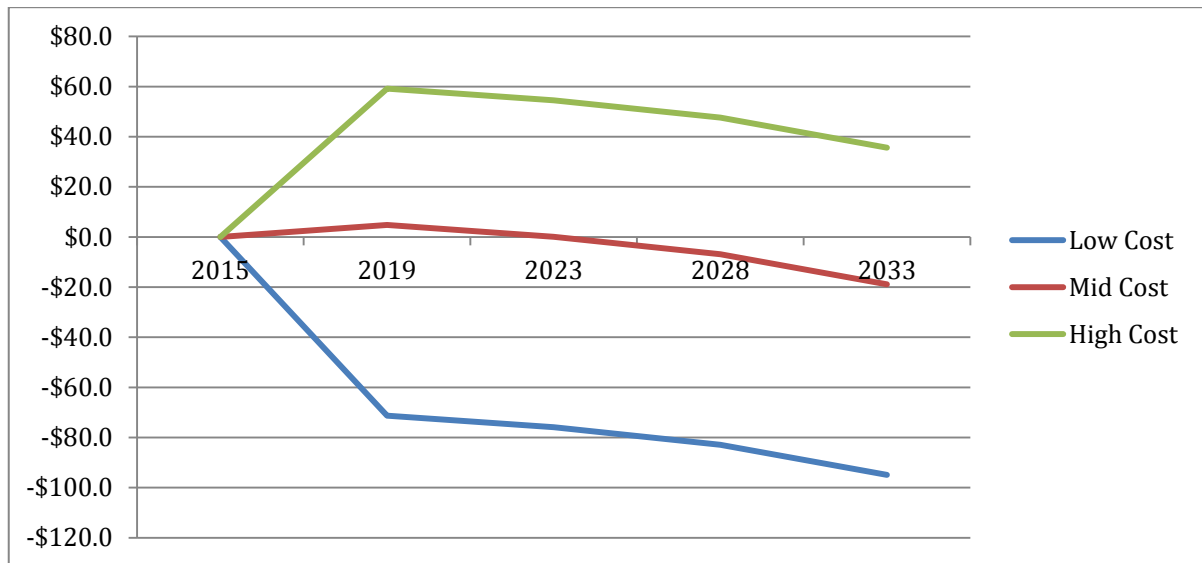
	<b>Scenario Variables (in 2014\$)</b>		
	<b>Low Cost</b>	<b>Mid Cost</b>	<b>High Cost</b>
Land Purchase and Site Preparation	\$ 700,000	\$ 1,000,000	\$ 1,300,000
Construction Cost - Fire	\$ 3,925,000	\$ 4,486,000	\$ 4,787,000
Construction Cost - Ambulance	\$ 609,000	\$ 709,000	\$ 809,000
<b>Total</b>	<b>\$5,234,000</b>	<b>\$6,195,000</b>	<b>\$6,896,000</b>

The financial impact until 2033 ranges:

- from an average annual saving of \$77,600 for the Low Cost Scenario
- to an average annual cost of \$44,200 as the High Cost Scenario

Included in these estimates is the impact of inflation on the current operations. The cost of the base operation at the current service levels is expected to grow from \$2.5 million in 2014 to \$3.2 million in 2033 for the fire service, and from \$2.6 million in 2014 to \$3.8 million in 2033 for land ambulance.

### ANNUAL COST IMPACT (\$000)



#### Policy Implications:

None identified for the recommendations of this report.

#### Notice/Consultation:

None identified for the recommendations of this report.

#### Other Options:

None identified for the recommendations of this report.

#### Attachments

1. Master Fire Plan Station Location Detailed Financial Projection – Site 2 - regarding the replacement of three existing fire stations with a new fire station to be located near the traffic circle.

Prepared by:

Scott Manlow  
Fire Chief

March 20, 2014

Commissioner Approval:



M. Susan Turnbull  
Commissioner of Corporate  
Services & Finance

March 20, 2014

CAO Approval:



Merlin J. Dewing  
Chief Administrative Officer

March 20, 2014