



City of  
**Peterborough**

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**To:** **Members of the Committee of the Whole**

**From:** **Sandra Clancy, Director of Corporate Services**

**Meeting Date:** **September 6, 2016**

**Subject:** **Report CPFS16-025B  
Peterborough County/City Paramedics Service – West End  
Ambulance Base**

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## **Purpose**

A report to respond to Council's request for additional information on a West End Ambulance Base and to amend the 2016 Peterborough County/City Paramedics Service (PCCPS) Budget.

## **Recommendations**

That Council approve the recommendations outlined in Report CPFS16-025B, dated September 6, 2016, of the Director of Corporate Services as follows:

- a) That Report CPFS16-025B be received for information, and
- b) That the 2016 Budget of the Peterborough County/City Paramedics Service be increased by \$42,282 resulting from the lease of 1003 Clonsilla Avenue; and that the additional amount be funded from a transfer from the PCCP Reserve.

## **Budget and Financial Implications**

After approval of the recommendation, the PCCP Reserve will have an uncommitted balance of \$479,952.

## **Background**

### **Council Direction**

On July 25, 2016, in consideration of Report CPFS16-025 Peterborough County/City Paramedics Service – 2016 Budget Adjustment resulting from Lease of 1003 Clonsilla Avenue, (attached as Appendix A), Council requested that additional information be provided prior to supporting the recommendation. The motion read as follows:

- a) That this item be referred to the September 6, 2016 Committee of the Whole Meeting and that the cost for a new building on an existing City site be provided, and
- b) That this report be received for information.

This report responds to that request for additional information.

### **Need for a West End Base**

In 2007, the PCCP base was on Weller Street in part of the area that the PRHC required for their new hospital. PCCP had to move. In addition, the site was inadequate. It only had three bays. It was not large enough for the current service nor had any room for future needs. Many vehicles were parked outside with medications having to be moved or susceptible to the winter weather temperatures. The Armour Road site was available and worked for the needs of the PCCP and other County services. The PCCP moved there November 1, 2007.

Since then there has been a 5% increase in call volumes annually and the off-load nurse issue arose. County staff, with provincial funding, has worked hard to minimize the municipal cost of the off-load nurse issue but it does strain staff resources. At this point, a west-end base is necessary to increase response times in the west-end of Peterborough and outlying townships.

### **Cost of New Building on an Existing City Site**

The County has indicated that they are looking for a two bay garage initially, with the potential to expand to four bays in total. Preliminary cost estimates received from the County, attached as Appendix B, indicate a cost of \$3.0 million.

In addition, the County has prepared a financial analysis comparing the lease option to the build option and determined that it is more expensive, in the first 12 years, to build rather than lease. They have also confirmed that the monthly cost of the lease they have negotiated is excellent value for money.

### **Ability to Add to Existing Fire Station #3**

The primary City site, which the motion referred to, was Fire Station #3 at 839 Clonsilla Avenue, approximately 600 metres from the location being proposed for the West End ambulance base. If the building was a viable option, the next question is whether there is room at this location.

Fire station #3 became operational in 2012 at a cost of \$3.7 million. The site provides fire suppression and emergency services as well as other operational functions and efficiencies including:

- Backup Emergency Operations Centre (mandated)
- Storage for both reserve equipment and emergency management equipment
- Storage for both Museum and archive documents and equipment
- An accessible location for the Public educator
- A satellite office for fire prevention
- Accommodates a training pod for MOL training requirements

Separate to the Fire Station is the Annex building which houses the classroom for the Fleming Pre-Service Firefighter Program. The building is leased by Fleming College and is in use daily. The lease expires on December 31, 2016 and Fleming has indicated they would like to stay. The value of the lease is approximately \$45,000 annually. Fleming stores a fire truck and/or a trailer on site as well.

The site is working for all the functions currently operating but parking is tight. Even if the Fleming College Program left the site, there is insufficient room at 839 Clonsilla Avenue for a two bay garage for PCCP, let alone any room to expand.

### **Decision by County Council**

On August 3, 2016, County Council approved the County staff recommendation to enter into a lease agreement for 1003 Clonsilla Avenue. The resolution was as follows:

Be it resolved that County Council, as the approval authority for land ambulance under the Consolidated Municipal Services Management Agreement (CMSM), approves the staff recommendation to authorize the Warden and Clerk to enter into a Lease Agreement with H. Owen Investments Inc. for the premises at 1003 Clonsilla Avenue for the Peterborough County-City Paramedics – West End Base, as per the previously unanimous approvals of both Joint Services Steering Committee (JSSC) and County Council.

The County staff report is attached as Appendix C.

## **PCCP Preliminary Draft 2017 Budget**

The County's Preliminary Draft 2017 Budget for PCCP is being presented to the JSSC on September 8, 2016. While the preliminary draft includes the lease for the Clonsilla Avenue base, County staff continue to review all costs and savings and the funding requirement for the City reflects a \$76,668 or a 1.67% increase over 2016, below the City's 2% guideline for the operating budget.

## **Eligibility for Provincial Subsidy**

For 2018, the operating lease for Clonsilla Avenue will be eligible for 50% funding from the Province. This would not be the case for an internal lease or the purchase of an asset as a base.

## **City's Role for PCCP**

In 1998, City and County Councils approved a Consolidated Municipal Services Management (CMSM) Agreement between the City and County of Peterborough respecting the provincial delegation that the City would be the Service Delivery Manager of Ontario Works, Child Care and Social Housing and the County would be the Service Delivery Manager for Land Ambulance. The agreement set out how the various services would be cost shared and established the JSSC. The term of the initial agreement was for the five-year period, 1999-2003.

The most recent agreement (2014- 2018) maintained the status quo when it comes to existing cost sharing formulas and decision making due, in part, to the level of comfort both municipalities have with their respective roles.

The JSSC provides a forum for ensuring that representatives from both Councils are aware of and endorsing the direction of all of the service delivery areas. However, the final decisions really rest with the party that is the service manager. City Council's role in this lease opportunity is basically to fund the City's share of the 2016 lease cost.

## **Summary**

Staff recommend that the 2016 estimated budget increase of \$42,282 be funded from the PCCP Reserve. The costs for 2017 and future years will be included in their respective budgets.

Submitted by,

Sandra Clancy  
Director of Corporate Services

Contact Person:

Richard Freymond  
Manager of Financial Services  
Phone: 705-742-7777 Ext 1862  
Toll Free: 1-855-738-3755  
Fax: 705-876-4607  
E-mail: [rfreymond@peterborough.ca](mailto:rfreymond@peterborough.ca)

Attachments:

Appendix A - Report CPFS16-025 PCCP – 2016 Budget Adjustment resulting from  
Lease of 1003 Clonsilla Avenue

Appendix B - Memo from Sheridan Graham, County of Peterborough, dated August  
15, 2016

Appendix C - County Council Report – PCCP – West End Base Lease Agreement

## **Appendix A**

Report CPFS16-025 PCCP – 2016 Budget Adjustment resulting  
from Lease of 1003 Clonsilla Avenue



City of  
**Peterborough**

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**To:** **Members of the Committee of the Whole**

**From:** **Sandra Clancy, Director of Corporate Services**

**Meeting Date:** **July 25, 2016**

**Subject:** **Report CPFS16-025  
Peterborough County/City Paramedics Service – 2016 Budget  
Adjustment resulting from Lease of 1003 Clonsilla Avenue**

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## **Purpose**

A report to amend the 2016 Peterborough County/City Paramedics Service (PCCPS) Budget as a result of the lease of 1003 Clonsilla Avenue.

## **Recommendation**

That Council approve the recommendation outlined in Report CPFS16-025, dated July 25, 2016, of the Director of Corporate Services as follows:

That the 2016 Budget of the Peterborough County/City Paramedics Service be increased by \$42,282 resulting from the lease of 1003 Clonsilla Avenue; and that the additional amount be funded from a transfer from the PCCP Reserve.

## **Budget and Financial Implications**

The 2016 Budget for the City's share of the PCCP was approved at \$4,547,895 and after approval of the recommendation will be \$4,590,177.

After the approval of the recommendation, the PCCP Reserve will have an uncommitted balance of \$479,952.

## Background

The County of Peterborough is the delivery agent for both the City and the County for Paramedics Service. The cost is shared between the City and County based on population as per the 2011 census. The City's share is 58.32%.

The number one priority of PCCP is to provide the best possible out of hospital response and clinical care to the residents and visitors of Peterborough County and City and to do so in the most effective and efficient method possible. In order to guide the department in planning to accomplish these goals sustainably, PCCP issued an RFP to complete a 10 Year Resources and Master Plan. Operational Research in Health Limited (ORH) was the successful bidder.

A key deliverable was to inform the current and future planning for optimal location of stations and PCCP staff resource requirements.

The report concluded that the optimal and priority location for a base for PCCP should be in the west end of Peterborough.

An opportunity to secure a prime location for this west-end base has been identified at 1003 Clonsilla Avenue. The location will address present service needs in meeting operational performance standards and serve to address future growth expectations in the City and County (to the south and west).

County staff have commenced preliminary lease negotiations with the landlord. In addition to the monthly lease rates, there are some renovations that will be required to the building to facilitate the use as a paramedic base. It is not anticipated that the lease would include a purchase option.

A budget amendment is required for 2016 and will then become a continuing expenditure in the 2017 budget. For the 2018 budget year, it will become a legitimate, claimable expenditure, eligible for 50/50 funding with the Province. Chart 1 provides the preliminary cost estimates and funding shares.

From the City's perspective, the property would remain taxable. The 2016 municipal share is \$29,441.



**Chart 1**  
**Preliminary Estimates**

		<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Lease cost</b>		\$52,500	\$105,000	\$105,000
<b>Operating costs</b>		\$20,000	\$60,000	\$60,000
<b>Less Provincial funding</b>				\$82,500
<b>Municipal Funding Required</b>		<b>\$72,500</b>	<b>\$165,000</b>	<b>\$82,500</b>
	<b>Sharing Ratio</b>			
<b>City</b>	58.32%	\$42,282	\$96,228	\$48,114
<b>County</b>	41.68%	\$30,218	\$68,772	\$34,386
		<b>\$72,500</b>	<b>\$165,000</b>	<b>\$82,500</b>

Staff recommend that the 2016 estimated budget increase of \$42,282 be funded from the PCCP Reserve. The Draft 2017 and future operating budgets will include their respective amounts.

Submitted by,

Sandra Clancy  
Director of Corporate Services

Contact Person:

Richard Freymond  
Manager of Financial Services  
Phone: 705-742-7777 Ext 1862  
Toll Free: 1-855-738-3755  
Fax: 705-876-4607  
E-mail: [rfreymond@peterborough.ca](mailto:rfreymond@peterborough.ca)

## **Appendix B**

Memo from Sheridan Graham, County of Peterborough, dated  
August 15, 2016

# The County of Peterborough

To: Allan Seabrooke, CAO – City of Peterborough

From: Sheridan Graham, Director, Corporate Projects & Services  
County of Peterborough

Date: August 15, 2016

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## **Subject: Peterborough County-City Paramedics West End Base Lease – Supplemental Information**

### **Background**

Staff were asked to provide information as to the cost to build on Fire Department site on Clonsilla Avenue. To establish a baseline for costing we surveyed other municipalities to ascertain costs for builds (completed and in planning stages). We used an average cost of \$3,000,000.00 build cost.

<b>County</b>	<b># of Bays</b>	<b>Total Square Footage</b>	<b>Build Costs</b>	<b>Year Built</b>
County of Haliburton	4 bays	4,738	\$ 1,850,000.00	2014
Lennox & Addington	2 bays		\$ 2,500,000.00	2016
Lanark County	4 bays	7,200	\$ 2,600,000.00	2016
Regional Municipality of York	4 bays	5400	\$ 3,450,000.00	2016
Peel Regional/Brampton	2 bay	3,000	\$ 3,350,000.00	2016
Windsor	3 bays		\$ 4,200,000.00	2016

## Financial Analysis:

We ran a financial analysis for build vs lease comparative over the term of the lease agreement (12 years) based upon the \$3,000,000 build cost.

Over Period 2016 to 2028 (12 years)										
			Build	Lease	Difference					
			\$	\$	\$					
City			827,082	670,418	156,665					
County			591,097	479,132	111,965					
Provincial			874,013	914,100	-40,087					
			2,292,192	2,063,650	228,542	more expensive to build in the first 12 years				
Check			2,292,192	2,063,650						

In addition, a review of other lease agreements (see Lanark details below) indicates that the County is achieving value for money in the lease agreement for 1003 Clonsilla Avenue:

Lanark County	4 bays	7,200	\$ 2,600,000.00	2016	Lease Year 0-5 \$9636/mo.
					Lease Year 6-10 \$10,336/mo.
					Lease Year 11-15 \$10,836/mo.
					Lease Year 16-20 \$11,536/mo.

The result is that it is more expensive to build on the fire location than to lease at 1003 Clonsilla over the 12 year span of the lease. In addition, we don't feel that there is enough room to build on the fire department property, nor would it be appropriate to locate PCCP on-site and jeopardize future funding from the Province.

Respectfully submitted,

Sheridan Graham  
Director, Corporate Projects & Services

## **Appendix C**

County Council Report – PCCP – West End Base Lease Agreement

## The County of Peterborough County Council

To: Warden and Members of Council  
From: Sheridan Graham, Director, Corporate Projects & Services  
Date: August 3, 2016

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**Subject:** Peterborough County-City Paramedics – West End Base Lease Agreement

**Recommendation:** That, a by-law be passed to authorize the Warden and Clerk to enter into a Lease Agreement with H. Owen Investments Inc. for the premises at 1003 Clonsilla Avenue for the Peterborough County-City Paramedics – West End Base.

**Financial Impact:** The lease agreement will have a budget impact in 2016 of \$72,500.00

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### **Background:**

The Peterborough County-City Paramedics (PCCP) 10 Year Resources and Facilities Master Plan, as provided by ORH was commissioned to inform the current and future planning for optimal location of stations and PCCP staff resource requirements.

As was detailed in the report and presentation to Council - the optimal and priority location for a base for PCCP should be in the west-end of the City of Peterborough.

Staff identified the location at 1003 Clonsilla Avenue as the prime location for this west-end base to address the immediate and future needs of PCCP. The location at 1003 Clonsilla Avenue will clearly address our present service needs to meet operational performance standards. It will also serve to address the identified growing needs in this location of the City and growth expectations in the City and County (to the south and west).

The proposed location will significantly increase the % of emergency calls that PCCP can meet in 6 minute, 8 minute and 10 minute targets in the City and Cavan-Monaghan. This move should ensure that we will be able to meet and exceed our legislated/council approved response time target.

Benefits include:

- Run 1 out of Clonsilla will significantly increase the % of emergency calls we can meet in 6 minute, 8 minute and 10 minute targets in City and Cavan Monaghan. This move should ensure that we will be able to meet and exceed our legislated/council approved response time target.
- No additional Human Resources
- No additional Capital (Vehicles, equipment)
- Minimal Additional Supplies (Small cache of supplies to restock disposables used on calls) most will move from central stores at Armour.

### Analysis:

County staff negotiated a formal Lease Agreement with H. Owen Investments Inc., as per the following:

Monthly rate: \$8,750.00

\*One-time payment to County: \$100,000.00

\*There are some renovations required to the building to facilitate the amendment of use to a paramedic base (showers in washrooms, accessible upgrades, four garage doors and a partition wall. The landlord will pay the County \$100,000.00 for the County to facilitate these upgrades. It is staffs opinion that we are better suited to take-on the work and complete to our standards and timelines.

The County will pay directly and be responsible for all operational costs including (heat, hydro, insurance, taxes, maintenance, etc.) Based on other locations this rate is estimated to cost \$5,000/month.

Property acquisition is exempt from the County's Purchasing Policy CORP-06.

The proposed lease would be deemed a third party lease (not an internal lease) – no purchase option – therefore qualifies as an operating lease

### Financial Analysis:

		2016*		2017		2018
Lease Cost		\$ 52,500		\$ 105,000		\$ 105,000
Operating Costs**		\$ 20,000		\$ 60,000		\$ 50,000
Less Provincial Funding						\$ 82,500
		\$ 72,500		\$ 165,000		\$ 82,500
<b>Municipal Funding Required</b>						
City	58.32%	\$ 42,282		\$ 96,228		\$ 48,114
County	41.68%	\$ 30,218		\$ 68,772		\$ 34,386
		\$ 72,500		\$ 165,000		\$ 82,500

\*2016 includes provision for first and last month's lease

\*\* estimated operational costs

The County will take possession of the property September 1<sup>st</sup> and will commence the leasehold improvements required immediately. It is our anticipation that it will take 2-3 months to complete the renovations and commence full base operations at the newly established west-end base.

The establishment of the west-end PCCP base location is the priority that was identified in the 10 Year Resources and Facilities Master Plan. The location noted will provide the optimal location for PCCP to meet current and future needs of the service and sets the service.

Respectfully submitted,

Originally signed by

Sheridan Graham,  
Director, Corporate Projects & Services