



# The Corporation of the Town of Milton

Report To:	Council
From:	Doug Sampano, Director, Recreation & Facilities
	Glen Cowan, Chief Financial Officer/Treasurer
Date:	March 4, 2019
Report No:	COMS-003-19
Subject:	Milton Fire Station No. 5 and Halton Paramedic Services Station No. 17
<b>Recommendation:</b>	<b>THAT the existing approved budget of \$6,383,170 for the construction of the new Milton Fire Station No.5 and Halton Paramedic Services Station No. 17 (C59740118/19) be increased by \$1,264,616 to be funded by Development Charges.</b>

## EXECUTIVE SUMMARY

The detailed design for Fire Station No. 5 and Halton Paramedic Services Station No. 17 has been completed and the project is ready to proceed to tender. Based on the updated cost estimate, an increase in the budget of \$1,264,616 is expected to be required on the Town's share of this project. This amount is largely attributable to the identification of unclassified fill on site as well as an increase to the project contingency from 10% to 15%. In accordance with Budget Management Policy No. 113, Council approval is required for capital project budget increases over \$250,000.

Subject to Council approval of this report, the Town will be issuing a tender to a pre-qualified list of general contractors for the construction of the facility on March 5, 2019, with the intention of awarding the tender through the April 15, 2019, Council meeting.

## REPORT

### Background

The Region and the Town are working as partners on a joint facility that will house the Milton Fire Department and Halton Emergency Medical Services (EMS). This project is identified as Milton Fire Station No. 5 and Halton Paramedic Services Station No. 17 and will be located just west of Regional Road 25 on the north-east corner of Louis St. Laurent Avenue and Diefenbaker Street.

An Agreement between the Region and the Town was developed and signed on August 25, 2017, prior to design commencement. As per the agreement the Town will be



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responsible for the construction of the facility with cost recovery from the Region for their respective share.

Detailed design commenced in late 2017 and, through the 2018 & 2019 budgets, a multi-year project, C59740118/19, was approved for the construction of the new Milton Fire Station No. 5 and Halton Paramedic Services Station No. 17 in the total amount of \$6,383,170.

## Discussion

The detail design has been completed by a third-party professional firm and the project is now ready to proceed to the market for tender. The updated cost estimate for the construction amounts to \$7,647,786, and reflects the final design elements as well as updated price estimates for materials such as steel and aluminum.

The revised estimate represents a \$1,264,616 increase from the total construction budget approved through the 2018 and 2019 Budget processes. A primary driver of the differential is the identification of the presence of unclassified fill on the site that will result in additional excavation, compaction and related works during the construction process. Also included within this update budget estimate is a higher project contingency (from 10% to 15% of the construction costs) given the findings noted above.

Construction for this new facility is scheduled to commence in spring 2019 and will ultimately result in a new facility providing both paramedic and fire support services to south Milton. The new station is supported by the current Fire Services Master Plan and the analysis that is incorporated into the Town's 2019 Master Plan update contemplates the construction of the station at this location.

## Financial Impact

A multi-year project, C59740118/19 for the construction of Fire Station No. 5, in the amount of \$6,383,170 was approved through the 2018 and 2019 capital budgets. As Milton will manage the construction of the facility, the budget included the projected costs for the Halton Region Paramedic Services South Milton Response Station with a corresponding revenue recovery from the Region.

For the reasons outlined above, a budget adjustment of \$1,264,616 in the Town's share of the construction costs is required. The amount budgeted by the Region for this project is sufficient for the expected increase in their share of the facility. The budget increase for the Town will be funded by Development Charge (DC) revenue related to the Fire Service.



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Through the 2019 Budget process, the Fire Services DC reserve fund was projected to end the year 2019 with an estimated deficit position of \$9.95 million before gradually replenishing the reserve fund over the forecast period. Although drawing on this reserve fund will further increase the deficit position, the Town's combined DC reserve funds (excluding services related to a highway) are in a positive position. The shortfall in the Fire Services DC reserve fund will be included in the next DC Background Study and By-law and will be funded through future development charge collections.

There will be operating costs associated with Fire Station No. 5. The most recent estimates for these costs were presented through the capital budget detail sheets presented in the 2019 Budget process.

Respectfully submitted,  
Kristene Scott  
Commissioner, Community Services

Troy McHarg  
Acting Commissioner, Corporate Services

For questions, please  
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Attachments
None

CAO Approval  
William Mann, MCIP, RPP, OALA, CSLA, MCIF, RPF  
Chief Administrative Officer