

Business Case for Service Level Change

Request/Project Name: Relocating Headquarters for Fire & Paramedic Services

Department: Community Safety

Division: Fire & Paramedic Services

I. Executive Summary

Overview of Proposal

This business case is based on the Auditor General's 'Value For Money Audit' and Council's direction to prepare a business case to determine if the benefits exceed the costs for relocating the Division to the City Core, including the eligibility for 50% cost sharing with MOHLTC.

A number challenges and barriers with the current structure have been identified which prevent the department from making changes to operations that could improve service levels, expenses and/or reallocation of resources. A newly designed and properly located Headquarters for the Community Safety Department provides the cornerstone towards achieving future efficiencies and improvements to overall emergency response, operations, programs and support functions for businesses and residents of the City of Greater Sudbury. The attached report demonstrates that in the current structure, approximately 6,000 hours per year of lost productivity occurs due to travel to and from LELC by paramedics and logistics staff. Analysis suggests that moving the headquarters into the city core could reduce this lost productivity time by more than 4,000 hours. Relocating the Community Safety Headquarters into the core of the City is also expected to realize improvements in response capability, stakeholder relationships, staff engagement and employee wellness.

Service Level Impact

Relocation of Headquarters into the city core is expected to position the Community Safety Department to achieve efficiencies and improvements to overall emergency response, operations, programs and support functions. This may include, but is not limited to:

- Improved paramedic and supervisor availability of approximately 5,000 hours per year
- Improved productivity by reducing lost time incurred by logistical staff
- Provides better support of the entire service from a response perspective helping to address paramedic call volume increases of about 2% per year
- Reduces the impact of road closures (on MR#35) which can affect the ability to deploy and recover ambulances
- Positive impact on employee wellness due to improvements in work environment

II. Background

Current Service Level (Describe the existing level of service provided)

Service Name	Service Description (What is the current level of service)
Paramedic Services	Deployment of 14 ambulances (9 on days, 5 on nights) into the city core from LELC every 24 hours to respond to more than 28,600 calls each year, 80% of which occur in the city core (former City of Sudbury).
Fire Services	Protection of approximately 64,000 properties through the provision of public fire safety education, fire safety standards and enforcement, and emergency response. Operates a fleet of 73 front-line fire trucks and major equipment out of 24 stations to respond to 4,500 calls per year. The bulk of these incidents (70%) occur within the city core.
Employee Support and Engagement	Management of more than 600 full and part-time employees in the provision of emergency medical, fire, technical rescue and hazardous material (HAZMat) response to the citizens and infrastructure of the community.

Drivers for Proposed Course of Action

LOCATION: The current location is poorly located to support Community Services and city core response that account for 80% of the paramedic call volume and use 60-70% of related vehicle and staff resources.

SIZE: Community Safety currently occupies 55,000 sq. ft of the LELC facility which does not meet current and future requirements that include: garage space, warehouse, administration, training and simulation labs

CONFIGURATION: LELC was designed as a high school and despite renovations, the facility configuration remains a barrier to more functional and effective spaces in the areas of garage, warehouse, administration and training, hampering the ability to make improvements to the delivery of emergency services.

RENTAL SPACE: Meeting room space is shared with external and internal rental clients which often results in Paramedic or Fire Services being bumped into less desirable spaces on a regular basis.

FUTURE DEVELOPMENT: Local organizations and councillors have ideas to further develop the LELC as a public community center, this type of development may result in introducing further risk and conflicting purposes.

III. Recommendation

Categorize your specific request (mark an 'X' for all that apply):

<input checked="" type="checkbox"/>	Change to base operating budget	<input type="checkbox"/>	Change to base FTE allocation
<input type="checkbox"/>	Change to fees (unit price)	<input type="checkbox"/>	Change to revenues (volume change)
<input checked="" type="checkbox"/>	Investment in Project	<input type="checkbox"/>	

Recommendation (How/Why)

That the City of Greater Sudbury approves the development and construction of a new Headquarters for the Community Safety Department to be located in the city core at an estimated cost of \$38 million. This relocation is expected to position the department to create efficiencies that can result in cost savings and/or resource reallocation that can offset extensive travel, increasing call volumes and associated expenditures. Having a properly designed headquarters is expected to improve process efficiencies and service delivery effectiveness.

Urgency

The Community Safety Department's recommends this project receive a high priority in order to proceed to the tendering process in the second quarter of 2018 in order to complete the build by 2020. The relocation of a new HQ in the city core would have a potential impact of all other city station locations, therefore until the HQ is built no other station development or investments (except health & safety) should be undertaken.

How does this align with Council's Strategic Plan?

This project relates to three of the priorities outlined in the 2015-2018 Corporate Strategic Plan. Improvements to the delivery of paramedic and fire services can improve the health and well-being of citizens in the City of Greater Sudbury which is identified by the priority of "Quality of Life and Place". It also supports the priority of "Responsive, Fiscally Prudent, Open Governance" as this project strategically considers the entire operations of the Community Safety Department and aims to reduce/eliminate duplication and redundancy of services, buildings and staffing. Finally, this project aims to create "Sustainable Infrastructure" by identifying essential structures and the relationship to others not only within the Community Safety Department, but the entire corporation.

IV. Impact Analysis

Qualitative Implications

A properly (size, configuration and function) designed Community Safety Headquarters located in an optimal location within the city would result in significant benefits that includes:

- Reduction of travel time and distance between HQ and city core not only by ambulances, but support staff from logistics, training, administration resulting in potential fuel and time savings
- A newly revised deployment model that could potentially provide further improvements and efficiencies related to deployment and value for money
- A new HQ would become a response station for both Paramedic and Fire Services, which could result in the ability to declare an existing city core station as redundant reducing the unfunded station requirements and potential to recover funds related to the sale of the redundant building and property
- Provided proper size and designed space to meet both current and future needs of the service that can create efficiencies and improved processing for such things as vehicle processing, training, information sharing and teamwork
- Improved employee wellness (i.e. injury and stress reduction, crisis intervention, better access to fitness facilities) due to refined work processes and ability of supervisors/managers to more readily and effectively support staff in a timely manner
- Eliminates the need to invest significant fund to renovate the LELC facility to meet the current and future needs of paramedic and fire service delivery, which would still fail to address location challenges

Quantifiable Implications - Revenue & Expenditures

This business case is for one time funding for relocating the new Headquarters for Fire & Paramedic Services. Based on a preliminary report from Perry & Perry Architects, the estimated cost to relocate the station is \$37,979,820 and if funded through debt financing, the annual debt repayment is estimated at \$2,196,377. The total acquisition cost for the project, including the principal repayment and associated interest would be \$65,891,303. This cost estimate is based on 95,000 square feet.

The annual debt repayment would be allocated to Fire & Paramedic Services on a 50/50 basis. The interest portion of the Paramedic Services' annual debt repayment may be covered through the land ambulance grant with the Ministry of Health and Long Term Care. In the first year the total interest portion of the payment totals approximately \$1.5 Million. This would equate to approximately \$375,000 of total funding available.

Operating Revenues - Incremental**Detail**

Description	Duration	Revenue Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Ministry of Health and Long-Term Care	On-Going	Grant		\$ (375,000)			
External Debt	One-Time	Debt	\$ (37,979,820)	\$ 37,979,820			
	On-Going		\$ -	\$ (375,000)	\$ -	\$ -	\$ -
	One-Time		\$ (37,979,820)	\$ 37,979,820	\$ -	\$ -	\$ -
Total			\$ (37,979,820)	\$ 37,604,820	\$ -	\$ -	\$ -

Operating Expenditures - Incremental**Detail**

Description	Duration	Funding Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Debt Financing - Fire	On-Going	Tax Levy	\$ 1,098,188				
Debt Financing - Paramedic	On-Going	Tax Levy	\$ 1,098,189				
Contribution to Capital	One-Time	Reserve	\$ 37,979,820	\$ (37,979,820)			
	On-Going		\$ 2,196,377	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ 37,979,820	\$ (37,979,820)	\$ -	\$ -	\$ -
Total			\$ 40,176,197	\$ (37,979,820)	\$ -	\$ -	\$ -

FTE Table**Detail**

Position	Bargaining Unit	Duration	Full Time / Part Time	2018 (FTE #)	2019 (FTE #)	2020 (FTE #)	2021 (FTE #)	2022 (FTE #)
		On-Going		-	-	-	-	-
		One-Time		-	-	-	-	-
Total				-	-	-	-	-

Net Impact	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
On-Going	\$ 2,196,377	\$ (375,000)	\$ -	\$ -	\$ -
One-Time	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,196,377	\$ (375,000)	\$ -	\$ -	\$ -

Implementation (Likelihood; list any assumptions, constraints)

Assumes the ability to build on existing, serviced and properly zoned, city-owned property, eliminating the cost of purchase from a private owner. Assumes the Ministry will fund the interest portion of the debt financing for Paramedic Services.

Consequences (What would be the negative results or drawbacks)

If building a new headquarters in the city core is not approved, location will continue to be a significant barrier towards creating efficiencies and improvements for service delivery. Although investment could be made to renovate or build additional space at LELC, or rental space could be reduced/eliminated, neither of these options would address the issues related to travel time and distance that present a constant challenge in delivering effective front-line service and supervisory support of paramedics and firefighters in the field.

If approved, a decision regarding the repurposing of LELC would need to be made. There is a desire by the community to further develop the LELC as a community gathering place, including such developments as: a youth centre, pool, splash pad and skate park.

Dependencies/Synergies (Does the proposal depend on any other projects)

Dependent on building a new headquarters for the entire Community Safety Department and not separating paramedic and fire services. The Community Safety Department is meeting with both Infrastructure and Police Services to determine if there are synergies in completing a joint build.

Capacity Impacts *(Is there enough capacity? Are other departments impacted?)*

Available funding to proceed with project and priority amongst other projects. Community Safety Department has the capacity to work with third party architectural and engineering companies to complete design and tender documents. The department would seek support and knowledge from Asset Management, Purchasing, Finance and Infrastructure Services. This work would not be above and beyond the normal business activities of these operating departments.

V. Alternatives**Alternatives Considered**

Solution Options	Operating Changes	Revenue Changes	Advantages/ Disadvantages
Invest in LELC (i.e. renovate or rebuild)			<p>Does not address location issues related to time and distance travel from city core</p> <p>Continued challenges for supervisors/logistic/training staff to provide support to frontline employees and operations</p> <p>Could result in lower overall capital costs in the short term, however investment would be into a aged building (47 years)</p>

VI. Risks**Risks** *(What are the risks of not implementing this change?)*

The Ministry of Health and Long Term Care typically funds 50% of approved costs for Land Ambulance. Every year the ministry reviews operating costs to establish their funding. Every year there is a risk that their approved funding amounts could be insufficient.

City-owned property may not be found to support this project and a privately-owned site would need to be purchased, increasing the overall cost of building a new headquarters.

Unable to find suitable users to support a repurposed facility (LELC)