

Staff Report



To **Joint Social Services and Land Ambulance Committee**

Service Area Office of the Chief Administrative Officer

Date Wednesday, June 11, 2025

Subject **Paramedic Facilities – County of Wellington Sites Update**

Recommendation

1. That the Paramedic Facilities – County of Wellington Sites Update report be received by the Joint Social Services and Land Ambulance Committee for information.
 2. That the Joint Social Services and Land Ambulance Committee recommend that the Paramedic Facilities – County of Wellington Sites update report be received by City Council as part of the weekly information items.
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Executive Summary

Purpose of Report

To provide an update to the Joint Social Services and Land Ambulance Committee on potential ownership models for land ambulance facilities located in the County of Wellington.

Key Findings

The need for eight new station locations for the Guelph-Wellington Paramedic Service (GWPS) within the County of Wellington has been established through previous facility needs assessments and optimal resource deployment studies. Many of the current stations have problematic layouts which impact the ability to meet two-minute “turn out time” standards, lack sufficient washrooms that are private and dedicated for use by Paramedics, lack necessary storage space for medical and personal supplies, do not include ventilated and heated garage spaces for cleaning and restocking, and have an inability to provide continuous service during emergencies.

Several options have been considered, including renovating an existing leased facility, or leasing new facilities under an operating lease with a third party. Minto/Harriston is the only location where there is potential to explore renovation of the existing location, with some additional work with ORH first to confirm opportunities for response time improvements from changing the location to the suggested area. Exploration of other leasing opportunities through the City’s Realty team has not produced any feasible options to date. The recommended path forward for most locations is to build stations that are optimally located to support the shortest possible response times, with the necessary amenities to support the service. The top priority is the Erin/Hillsburgh station.

Over the past several years, there have been conceptual discussions about the possibility of the County building and leasing the County stations to the City. Two options for building the stations have been explored at a high level in the body of this report along with high level financial impacts and considerations. These options are:

- Option 1: The City builds and owns the ambulance stations in the County
- Option 2: The County builds and owns the ambulance stations in the County, and leases them to the City

Strategic Plan Alignment

Paramedic stations that are in the most effective place and designed for the most efficient service delivery in the County is consistent with the goal of supporting community wellbeing objective, specifically, the improving emergency response times initiative in the People and Economy theme of the Future Guelph Strategic Plan.

Future Guelph Theme

People and Economy

Future Guelph Objectives

People and Economy: Support community well-being

Financial Implications

High level financial implications are outlined in the report below. It is proposed that County Council consider their interest in option 2 as outlined above. If County Council is interested in continuing to advance an ownership and lease option, it is proposed that City and County staff work together over the next few months to develop a recommendation for how to move forward with the Erin/Hillsburgh station and incorporate the recommended option for that station into the City and County's 2026 budget updates.

Report

Background

This report is provided in follow-up to previous communication and engagement with respect to ambulance facilities in the County with Guelph City Council, Wellington County Council, and the Joint Social Services and Land Ambulance Committee, including:

- [June 1, 2023](#) presentation to a joint Guelph and Wellington Council Orientation and Education Workshop on Guelph Wellington Paramedic Services.
- [November 13, 2024](#) report and presentation to Joint Social Services and Land Ambulance Committee on the Update to the Optimal Resource Deployment of Paramedic Services Study (ORH Report).
- [February 4, 2025](#) follow-up conversation at Guelph Committee of the Whole regarding next steps based on the ORH Report.

The need for eight new ambulance stations across the County was established through the above noted reports and presentations and is driven partially by significant population growth in the County which has shifted the ideal station

locations over time, and partially as a result of identified deficiencies in current station size, amenities, or condition.

As GWPS continues to grapple with ongoing increases in call volumes and staff recruitment and retention challenges, there is a need to ensure that all of the stations are in the most efficient locations and have the necessary amenities to support the service. Many of the current stations have problematic layouts which impact the ability to meet two-minute “turn out time” standards, lack sufficient washrooms that are private and dedicated for use by Paramedics, lack necessary storage space for medical and personal supplies, do not include ventilated and heated garage spaces for cleaning and restocking, and have an inability to provide continuous service during emergencies. These challenges are further compounded in those stations where the building is not dedicated to Paramedic use but instead is shared space with other services or even community organizations. In Wellington County, shared spaces were designed as fire stations with, in some cases, rooms available for community use and not designed for efficient co-use by the paramedic service. Specifically, many of these locations have one or more of:

- Small, inadequate spaces available for paramedic use
- Inefficient station layout that does not support a short response / chute time for emergency calls
- Lack of private shower and washroom facilities that allow paramedics to decontaminate
- Lack of private space to allow paramedics to decompress after a mentally stressful event
- Conflicting priorities between services for the use of common rooms and spaces

New and upgraded stations will ensure GWPS is able to meet the needs of both a growing population and increasing 911 call volumes. These stations will also support staff wellness and safety by ensuring proper decontamination and disinfection after every call at no risk to public safety, support critical mental health and wellness of paramedics, allow for effective training, as well as achieving efficiencies in storage and restocking of equipment and supplies – all of which will support paramedic staff retention and attract new recruits to the service.

Several options have been considered, including renovating an existing leased facility, or leasing new facilities under an operating lease with a third party. Here is a high-level summary of the findings from work to explore these options:

- Erin/Hillsburgh – ORH report indicates significant opportunity for response time improvement with relocation.
- Guelph/Eramosa/Rockwood – currently leasing shared space in Rockwood fire hall. The location is adequate from a response time perspective, but current space does not meet the needs of the Paramedic service and there is insufficient space/land to renovate.
- Minto/Harriston – current location is slightly outside the ORH recommendation area, but current location could be re-assessed to confirm response time if the station location did not change and improvements to amenities could be provided by renovating could meet the needs of the service.
- Wellington North/Mount Forest – the currently leased station space is in good condition and the size and amenities generally meet the needs of the service but the ORH report indicates significant opportunity for response time improvement with relocation.

- Centre Wellington/Fergus – limited station space and within flood plain by the river. Renovation is not possible, and the ORH report indicates response time improvement with relocation.
- Puslinch/Aberfoyle – a “post” located in Aberfoyle has been recommended in the ORH Report to improve response times in Puslinch. However, with anticipated community growth and call volume increases with time, a new station that includes a locker room and shower facilities is expected to be the most practical solution for this location.
- Wellington North/Arthur – leased shared space in Arthur fire hall. The location is adequate from a response time perspective but there is limited space for renovation.
- Mapleton/Drayton – location of current leased space in Drayton fire hall is adequate from a response time perspective but the size and design of the space is not sufficient for the Paramedic service. There is also a second Drayton location being used for the Paramedicine Service on John Street in a County-owned building which is at its end of life. There is an opportunity to bring these related services into one facility that meets the service needs.

In summary, Minto/Harriston is the only location where there is potential to explore renovation of the existing location, with some additional work with ORH first to confirm opportunities for response time improvements from changing the location to the suggested area. In addition to renovating or retrofitting the existing facilities, the team has also explored other leasing opportunities through the City’s Realty team, but this has not produced any feasible options to date. This work has mostly ruled out other options aside from building new, purpose-built stations.

The order of priority for replacing the existing County stations according to the ORH report is as follows:

1. Erin/Hillsburgh
2. Guelph/Eramosa/Rockwood
3. Minto/Harriston
4. Wellington North/Mount Forest
5. Centre Wellington/Fergus
6. Puslinch/Aberfoyle
7. Wellington North/Arthur
8. Mapleton/Drayton

While the ORH Report proposes that the eight new stations are built with a 10-year window, both City and County staff agree that that is not feasible either financially or operationally, and at this time, it was agreed to focus on the first four priority stations as listed above.

Building New Facilities

Over the past several years, there have been conceptual discussions about the possibility of the County building the County stations and leasing them to the City. City and County staff recently sat down together for the first time to discuss this concept in more detail, and to explore the potential terms that the County would be looking for in a lease. County Finance staff indicated that the County would like to recover the full capital cost of the build within approximately 15 years.

The City receives an operating grant from the province for the paramedic service. The operating grant provides funding for 50 per cent of the prior year's budgeted costs, including amortization expense. The City currently leases all but one of the facilities in the County under operating leases and the province contributes 50 per cent of the cost of these operating leases, with the remaining 50 per cent being shared by the City and County according to call volumes.

Capital costs for the paramedic service are shared, up front, by the City and County according to call volumes, and the province contributes to this through providing funding for 50 per cent of the amortization expense. This means that the province's contribution to capital expenditures comes over the period that the asset that is amortized. The City amortizes buildings by components, and the amortization period ranges from 10 to 75 years depending on the component (for example, 10 years for certain equipment, and 75 years for the building envelope). Amortization grant contributions from the province are deposited into a dedicated reserve fund and are used to contribute to capital projects as funds are available, offsetting both the City and County capital cost proportionately. The balance in the Paramedic Capital Reserve Fund as of December 31, 2024, after funds committed to projects with budgets approved in 2024 and prior, was \$249 thousand. The annual contribution for 2025 is expected to be just under \$750 thousand, and there is an additional \$398 thousand in funding for 2025 capital projects committed against the balance.

The grant agreement with the province specifically excludes capital costs, including capital leases, from the eligible use of the grant and refers to the Public Sector Accounting Board (PSAB) standards for determining what is a capital or operating lease. At a high level, the concept is that if substantially all of the benefits and risks of ownership are, in substance, transferred to the lessee, even if legal ownership is not transferred, it is a capital lease. The PSAB standards outline three conditions for determining if it is a capital lease. If any of these conditions are present at the inception of the lease, it is a capital lease:

- There is reasonable assurance that the government will obtain ownership of the leased property by the end of the lease term. Reasonable assurance that the government will obtain ownership of the leased property would be present when the terms of the lease would result in ownership being transferred to the government by the end of the lease term or when the lease provides for a bargain purchase option.
- The lease term is of such a duration that the government will receive substantially all of the economic benefits expected to be derived from the use of the leased property over its life span. Although the lease term may not be equal to the economic life of the leased property in terms of years, the government would normally be expected to receive substantially all of the economic benefits related to the leased property if the lease term is equal to a major portion (usually 75 per cent or more) of the economic life of the leased property. This is due to the fact that new equipment, reflecting later technology and in prime condition, may be assumed to be more efficient than old equipment which has been subject to obsolescence and wear.
- The lessor would be assured of recovering the investment in the leased property and of earning a return on the investment as a result of the lease agreement. This condition would exist if the present value, at the beginning of the lease term, of the minimum lease payments, excluding any portion thereof relating to

executory costs, is equal to substantially all (usually 90 per cent or more) of the fair value of the leased property, at the inception of the lease.

If the County builds a new facility and recovers the full cost of the build over 15 years, this would meet the third condition, and would be categorized as a capital lease. It is also possible that the second condition would be met as well, though more detailed work on the lease terms would be required to confirm.

The information below is based on the assumption that the province's contribution to the new facilities would be through their contribution to the amortization expense. This means there will be a much longer contribution period for the province's contribution to the expenditure than if they paid 50 per cent of the annual lease cost as it would be for an operating lease.

Estimated Cost

The conceptual design for each station is a 3,400 square foot building (with the exception of Arthur which would be larger), and the high-level working estimate at this time is \$1,390 per square foot, so each station is estimated to cost \$4.7 million to build, plus land costs. There is some room in this estimate for inflation, but depending on the timing of building, additional inflationary factors may be required in the future.

A high-level estimate of the cost of building the first four stations is \$18.8 million (building costs only) in addition to land acquisition costs. Of the total estimated building cost of \$18.8 million, the City would be responsible for paying approximately \$11.6 million, and the County would be responsible for paying \$7.2 million, based on the 2024 call volume ratio of 61.7 per cent City and 38.3 per cent County. Any land acquisition costs would be on top of that and would be cost shared based on the same ratio.

An overview of the considerations associated with the City building and owning the facilities, or the County building and owning the facilities, and leasing them to the City is provided below.

Option 1: The City builds and owns the ambulance stations in the County.

- The City would own and control the facilities for the provision of services that the City is responsible for as the paramedic service provider for Guelph-Wellington.
- The City and County would be fully responsible for the up-front capital cost of the stations. None of the stations are currently included in the City's 10-year capital budget and forecast and adding them in would require deferral of other City capital projects.
- The County has included the full cost of the first four facilities in their 10-year capital plan, and this option would reduce the County's capital cost to only their portion of the facility costs.
- The stations would be prioritized against all other City capital projects and would be scheduled in sequence, meaning that relocation of stations in the County may not occur as quickly as desired by County Council.
- The City and County could both apply development charges (DCs) to their proportionate capital cost as outlined in their respective development charge background studies; however, it is noted that the service level standard for ambulance services in the City's DC Background Study is capped at \$2.8 million

for ambulance facility space over the forecast period given the small size of the current locations. Therefore, a significant portion of the growth-related capital costs are included in the post-period benefit in the City's DC Background Study, which would require debt financing the growth portion. Only the Erin/Hillsburgh Station has growth related capital costs included in the current DC rates. The County currently has some of the stations in their DC Background Study based on the previous ORH report, and County staff have indicated that they will be updating the station locations/priority order and estimated cost in their next DC update.

- If the City builds and owns the stations, there is still a possibility for partnership with the County through land. The County may own land in the target locations which the County may wish to make available for this use, and building on County-owned land could save both the City and County from incurring the cost of buying land.

Option 2: The County builds and owns the ambulance stations in the County, and leases them to the City.

- The County's 10-year capital budget and forecast already includes the full cost of the first four County stations (estimate for both land and buildings, totaling \$40.4 million from 2025 to 2034), so these works have already been factored into the County's fiscal capacity.
- If these facilities are built by the County, the City would be able to pay the City portion of the capital cost over 15 years, spreading the impact on the City's fiscal capacity over that period for each facility instead of the year of building.
- The City and County could both apply DCs to fund the growth-related share of their portion of the capital cost, with the County's application of DCs up front at the time of building, and the City's application of DC funds over the term of the capital lease. The above noted service cap considerations apply under this option as well.
- A capital lease with full capital recovery over a period of 15 years is estimated to result in annual lease payments of just under \$315 thousand per year, based on the estimated construction cost of \$4.7 million, per facility. This equates to approximately \$92 per square foot for the capital recovery portion of the lease only, in addition to utilities and maintenance costs to operate the facility.
- The City and County would need to jointly agree to the timing of building given the impact on the City's budget from the lease payments, but in theory this model would enable the stations to be built more quickly, given that they are already in the County's capital plan, and the impact on the City's fiscal capacity would be minimized through repayment over 15 years.
- In addition to improving response times in the County, County staff have also expressed that an additional potential benefit of ownership of these facilities by the County would be that if, at some point in the future, paramedic services in Guelph-Wellington were split to be managed by each municipality individually, the County would already own the stations in the County to provide service from. This possibility puts the City in the position of significantly contributing to the capital cost of a facility for which it has no ownership stake, just as the County is in the position of contributing to the capital cost of the City facilities with no ownership stake. Consideration of how this would be managed if the service was divided at some point in the future should be outlined in the lease

arrangements if this option progresses to ensure expectations are clear and the contributions of both municipalities are handled fairly and consistently.

Financial Implications

High level financial implications for both the City and County have been included in the above commentary for each of the options presented. Providing more detailed financial implications for each option would require further discovery and analysis work by staff, and further details of the terms of a potential lease arrangement must be discussed.

It is proposed that County Council consider their interest in option 2 as outlined above. If County Council is interested in continuing to advance an ownership and lease option, it is proposed that City and County staff work together over the next few months to develop a recommendation for how to move forward with the Erin/Hillsburgh station and incorporate the recommended option for that station into the City and County's 2026 budget updates. This would also provide a template for moving forward with planning for the remaining facilities to be incorporated into future capital budget updates, and time to determine the best way forward for the Minto/Harriston station and Puslinch/Aberfoyle "post".

Consultations and Engagement

City and County Finance staff met to discuss the above noted factors, and County Finance staff had the opportunity to review and contribute to this report.

Attachments

None.

Departmental Approval

Stephen Dewar, General Manager, Guelph-Wellington Paramedic Service/Paramedic Chief

Report Author

Shanna O'Dwyer, General Manager, Finance – City Treasurer and Chief Financial Officer

Antti Vilkkko, General Manager, Facilities and Energy Management

This report was approved by:

Jayne Holmes

Deputy Chief Administrative Officer

Infrastructure, Development and Environment

519-822-1260 extension 2248

jayne.holmes@guelph.ca

Colleen Clack-Bush
Deputy Chief Administrative Officer
Public Services
519-822-1260 extension 2588
colleen.clack-bush@guelph.ca

This report was recommended by:

Tara Baker
Chief Administrative Officer
Office of the Chief Administrative Officer
519-822-1260 extension 2221
tara.baker@guelph.ca