Staff Report ES-2025-017
General/Finance Committee
August 13, 2025

TO: **Chair Mazan and Members of General/Finance Committee**

AUTHOR: **Ryan Murrell, Fire Chief**

SUBJECT: **Fire Station Location Study - Financial Strategy and Implementation Plan**

RECOMMENDATION

WHEREAS the Fire Station Location Study was received by Committee on July 10, 2024 and the matter was referred for consideration of the Level of Service Study (resolution GFC-5-10/07/24);

AND WHEREAS the Asset Levels of Service Study was approved by Council at their meeting of July 16, 2025;

NOW THEREFORE BE IT RESOLVED THAT Committee recommend to Council that the Fire Station Location Study and the 7 Station Model contained within, be adopted;

AND THAT prior to consideration of ratification at a future Council meeting, that notification of this recommendation be provided to the community and staff be directed to analyze and report back on any feedback received.

REPORT HIGHLIGHTS

This report provides Committee with background on the Fire Station Location Study previously received as well as implementation plans and a comprehensive comparative financial review of the costs associated with each of the three proposed options for the development of future fire station infrastructure as outlined within the Study.

BACKGROUND

Fire Station Location Study

Council selected Emergency Management Group Inc. to prepare a Fire Station Location Study on May 10, 2023. This study was a recommendation from the Fire Master Plan and its purpose was to identify a preferred fire station deployment model to meet the needs of the community for the next 25 years. The Study identified three strategic options for fire station placement to address aging infrastructure, modern service demands, and geographic service gaps. These options aim to enhance response times, meet regulatory requirements, and align with long-term capital and operational planning.

Following the receipt of phase 2 of the study process, the options and considerations contained in the draft report were socialized with stakeholders. This feedback and the final Fire Station Location Study, attached as Appendix "I", was received by Committee on July 10, 2024 in report ES-2024-011.

Notably, Committee did not make a decision on the proposed alternatives within the Fire Station Location Study, and referred the matter for consideration in the Level of Service Study project.

Level of Service Study

The Level of Service Study and Asset Management Plan outline the expected performance targets and lifecycle considerations that must be factored into long-term infrastructure planning. The Asset Levels of Service Report was approved by Council at their meeting of July 16, 2025. This subject report aligns the findings of all three studies to provide a practical approach for implementation.

Decision Action Plan

At their March 12, 2025 meeting, as part of deliberations on a Level of Service Study update, Resolution GFC-06-12/03/25 was passed and directed staff to report back to Committee with an outline of next steps for both the Arena Feasibility and Fire Station Location studies, with the aim to inform on recommended approaches to assist Council in reaching final decisions. Staff presented an Action Plan through report ES-2025-009 at the General/Finance Committee meeting of May 14, 2025 and were directed to implement it. The current report is the first step in said Action Plan implementation.

ANALYSIS

Fire Station Location Alternatives

The final Fire Station Location Study identified three main fire station location model alternatives; status quo (10 stations), seven stations and five stations. Analysis and rational surrounding those alternatives including advantages and disadvantages and a high level financial overview are outlined within the study (sections 3 and 4). The study concludes that the seven station model is preferred.

Financial Overview

As outlined in the above noted Action Plan, to assist Committee in its deliberations further, staff have also prepared a more thorough analysis of the financial implications of each alternative, including costs related to fleet, as summarized below.

Please note that estimates are based on today's costs, an annual inflation factor of 3%, a 40-year station life and 20 year vehicle life. While the National Fire Protection Association (NFPA) doesn't have a specific recommendation for a 40-year lifespan for fire stations, it does use 40 years as a threshold to identify aging stations that may have significant issues. Many fire stations are reaching or exceeding this age, and older stations often lack modern facilities like

decontamination areas and separate gear storage. These 40-year stations are more likely to have problems that cannot be addressed through repair and maintenance alone.

The cost per station is based upon a conceptual fire station size of 6,752 square feet, which includes modern amenities suggested by the consultants. The pricing per square foot was based upon the $860 per square foot rate as established in the 2025 Atlus Canadian Cost Guide. Every year this guide provides a comprehensive snapshot of construction costs in local markets across Canada, broken down by building type. Additional estimation of 4% for interior appliances was added to come to a 2025 station cost of $6,038,988. Land costs that are estimated for new locations are estimated at $1 million per site.

It should also be noted that operating costs are not included in the current analysis (e.g. savings from closing stations, minimum maintenance costs, etc.).

Option #1: Status Quo – 10 Fire Stations

- Scope: Maintain existing 10 stations in their existing locations over a 40-year period. Reconstruction of each at end of useful life.
- Capital Building & Truck Costs: 20 Years: $64,217,701
  40 Years: $166,424,535
- Per Annum Cost: 20 Years: $3.0 M
  40 Years: $4.2 M
- Pros: Maintains current presence.
- Cons: High ongoing maintenance. Higher Capital Costs over 20 and 40 years. Staffing would need to be increased by 30 members to meet best practice minimum staffing. Vehicles should be increased to meet the insurance best practices. This increase to fleet has not been included in above financial figures and would increase capital costs by $7.4 M.

Option #2: 7 Fire Station Model

- Scope: Close Glen Orchard, Torrance, and Raymond Fire Stations, modernize Windermere and Walker's Point fire stations, and rebuild Minett, Foot's Bay, Milford Bay and Bala in the next 20 years.
- Capital Building & Truck Costs: 20 Years: $55,245,595
  40 Years: $93,221,810
- Per Annum Cost: 20 Years: $2.5 M
  40 Years: $2.4 M
- Pros: Uses current position of some stations, upgrades possible, coverage still where need is located, lower capital costs due to closure of three aging buildings, staffing is already at the best practice level. Vehicles will meet the insurance requested standards, plus a reduction of one frontline Tanker.
- Cons: May require more maintenance in 20 years for two renovated/modernized buildings.

Option #3: 5 Fire Station Model

- Scope: Close all present fire stations and rebuild five new stations in new locations over 20 years
- Capital Building & Truck Costs: 20 Years: $59,719,363
  40 Years: $91,106,548

- Per Annum Cost: 20 Years: $2.8 M
  40 Years: $2.3 M
- Pros: Places all fire stations in optimal areas for response, all regulatory requirements can be met in post disaster building/accessibility/safety, staffing would be optimal and no longer a concern all stations would be at full capacity. Lower capital costs over 40 years. Insurance requested standards would be met for vehicles. Later transition from a seven station to five station model possible.
- Cons: Cost of building and cost of land could pose risk to cost estimates, operational complexities to review and revise.

Funding Strategy

To implement any of the above options, a diversified financial strategy will be required. The following funding sources are identified, and can be further reviewed and confirmed during future budget processes:

A. Debt Financing
   - Long-term debentures (15-25 years) through District of Muskoka.
   - Debt should be structured to align with the useful life of the asset, e.g. 40 years.

B. Grant Opportunities
   - Federal Disaster Mitigation and Adaptation Fund (DMAF)
   - Skills Development Fund (SDF) – eligible for training areas and training live fire sites
   - Northern Ontario Heritage Fund Corporation (NOHFC), specific for fire station infrastructure

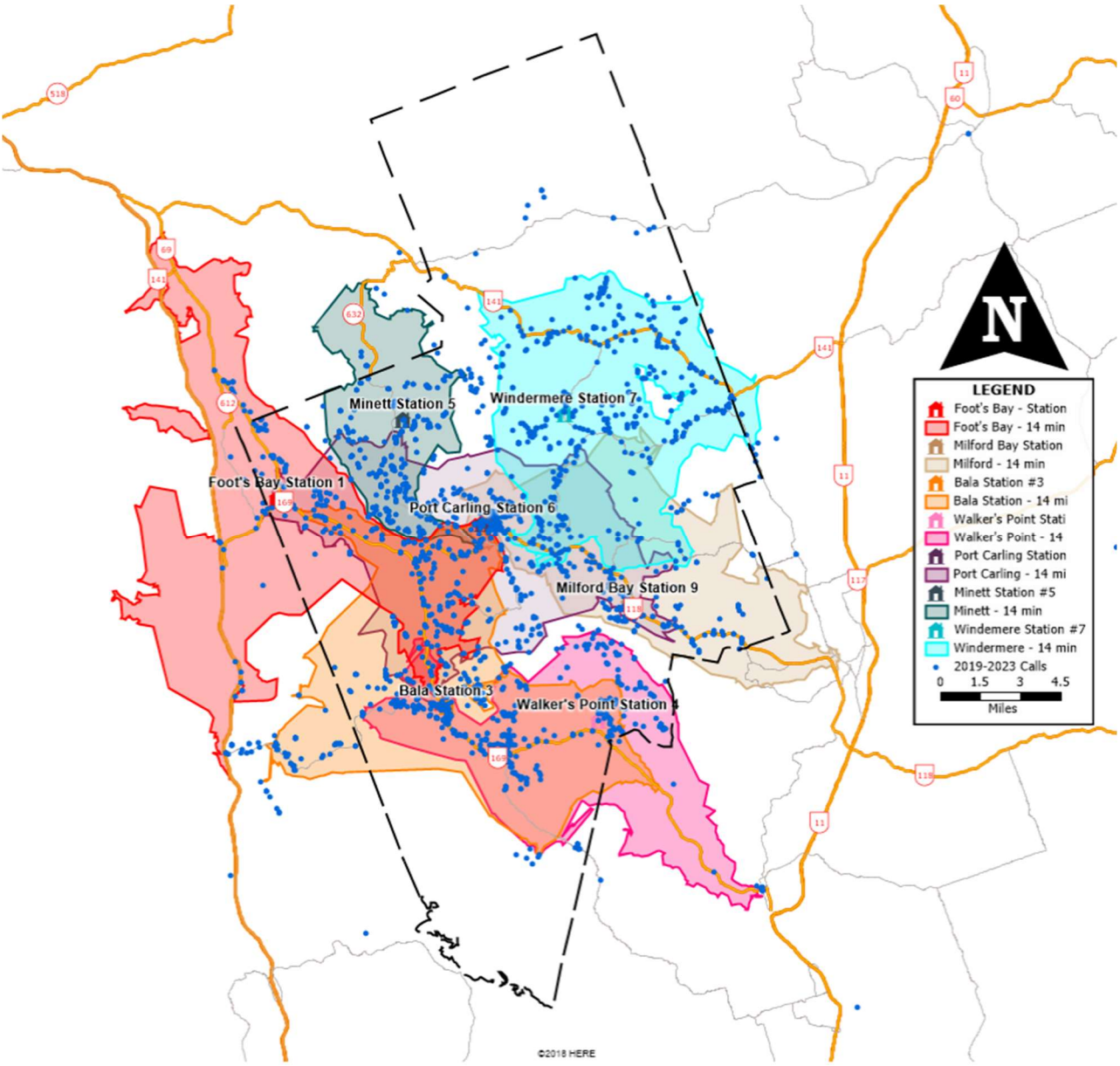
C. Sponsorship and Community Fundraising
   - Naming rights (community rooms, bays)
   - Local corporate sponsorship of apparatus
   - Public campaign for commemorative donations or community brick campaigns

D. Reserves and Asset Replacement Funds
   - Current Fire Department Capital reserve contribution is $1 million / year
   - Need to increase capital reserve contribution to reflect annual Capital costs

Response Times

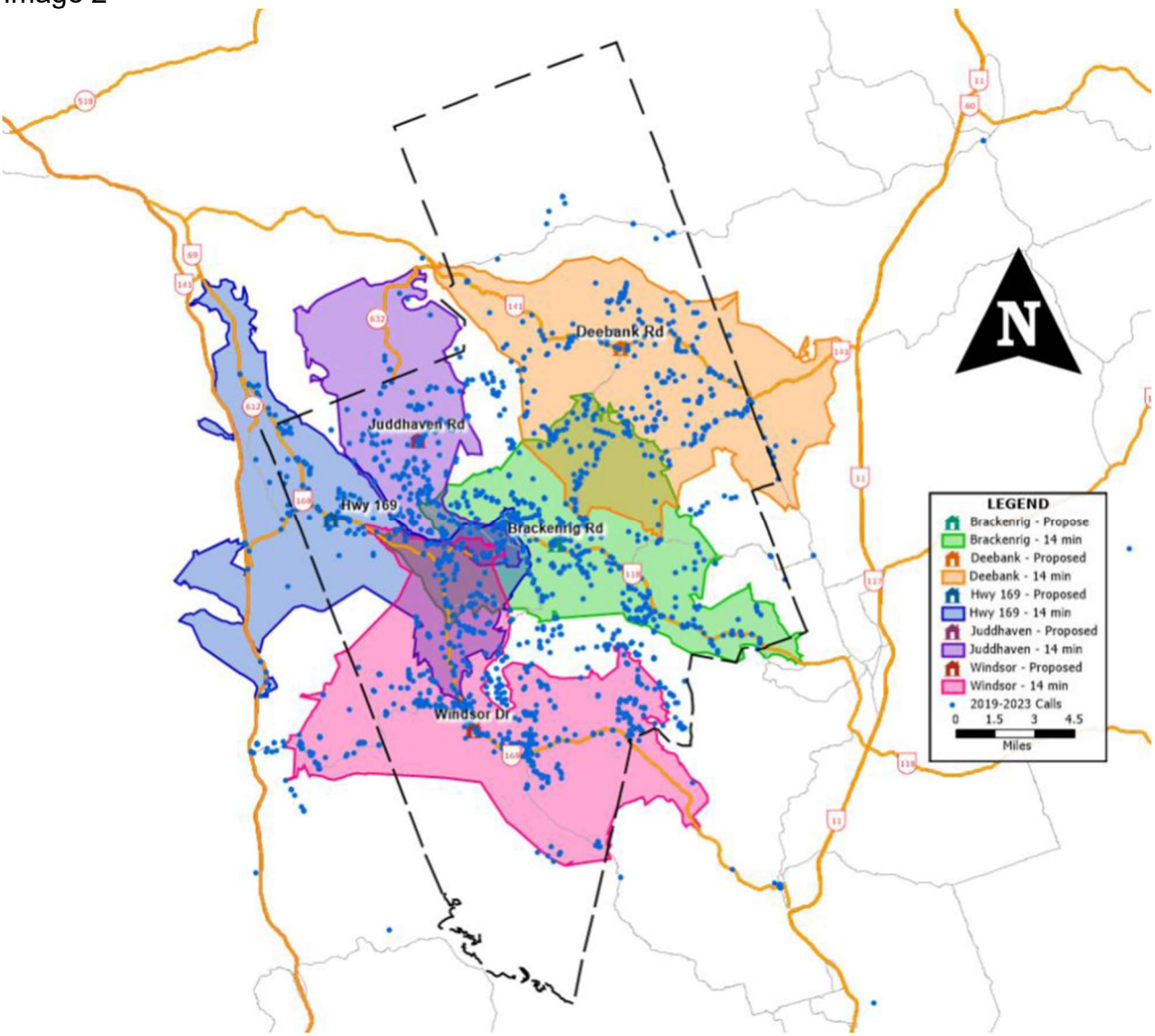
As can be seen in the following map (Image 1), the seven-station model (Option 2) provides very good response time coverage to the community based on the NFPA 14-minute response requirement. This model also provides some overlapping of coverage areas, which demonstrates the ability of bordering stations to aid or back up other stations if more than one fire truck and crew are required.

Image 1



Due to the overall size of the Township, Option 2 does provide slightly better coverage than that of the five-station model (Option 3), shown below in Image 2.

Image 2



Implementation Plan

Appendix “II” provides approximate timelines of new builds, closures of stations and renovations. It should be noted that this conceptual plan is subject to changes based on any inputs from Committee/Council, and is a reference to illustrate a planned implementation that could accommodate the selection made by Committee. No implementation plan is necessary for the 10-station model (status quo).

Asset Management and Service Level Alignment

The final Asset Management Plan identifies several components of the current fire stations nearing their end-of-life and in need of replacement within the next 10 years. The Level of Service Study emphasizes that the Township core infrastructure needs are many and will have

an impact on the feasibility of maintaining a large fire station footprint. These findings, coupled with the analysis above suggests that maintaining the status quo (Option 1 – 10 stations) is inconsistent with long-term asset renewal goals.

Based on financial feasibility, lifecycle cost efficiency, and alignment with service delivery expectations, Option 2 (seven station model) is recommended as the most balanced solution. It provides measurable improvement in service while maintaining community presence and greatest cost savings over a 20-year horizon. The Township is at a critical juncture in its public safety infrastructure planning. A sound financial strategy, grounded in lifecycle cost analysis and supported by external funding sources, will enable sustainable investment in modern fire protective services. This report provides the necessary direction for Committee to proceed confidently toward a well-planned, financially responsible fire station model.

Next Steps

Should Committee recommend to Council that the Fire Station Location Study be adopted and a seven-station model pursued, staff recommend that the community be notified of such intention and allow for the opportunity to provide input prior to Council ratification. Committee may also wish to allow for greater than the typical 1-month cycle prior to consideration of ratification to allow more opportunity for input, and/or may wish to defer consideration of the current recommendation until a future General/Finance Committee meeting. Should the recommendation be ultimately ratified, staff can be directed to amend the 10 year Capital Plan accordingly.

ALTERNATIVES

Committee may recommend an alternative fire station location model. Alternatives are outlined within the report.

FINANCIAL IMPLICATIONS

The current apparatus fleet is not fully aligned with the operational needs of a 10-station model. Should Committee select the 10-station model and should Council decide to maintain the commitment in by-law to the Fire Underwriters Survey insurance requirements of two water carrying vehicles per fire station, additional apparatus would need to be acquired to ensure each station is properly equipped to meet response standards. This would include not only frontline units but also reserve apparatus to maintain operational readiness and continuity during maintenance or emergency surges. This selection would require an additional four water-carrying apparatus at an estimated additional capital cost of $7.4 million.

Within the next 10 years, capital spending under Option 2 is expected to increase the current 10-year forecast due to two key factors. First, additional expenses are being contemplated for enhancements and upgrades at the Walker’s Point location, which were not included in the original projections. These investments involve expanded facilities, infrastructure improvements, or increased operational capacity. Second, the need to relocate the Foot’s Bay station as part of its planned rebuilding effort and maintain coverage introduces further unanticipated costs. Relocation typically involves land acquisition. Together, these factors will add approximately $2.5 million to the existing budget estimates.

STRATEGIC PLAN

Goal: Deliver Sustainable Public Services and Infrastructure

COMMUNICATIONS

This staff report was distributed to Committee and all those registered to receive notification through the meeting agenda electronic notification system, and was published on the Township's website in accordance with the Township's Procedural By-law.

ATTACHMENTS

Appendix I – Fire Station Location Study
Appendix II – Implementation Plans

PREPARED BY

Original signed by R.Murrell
Ryan Murrell
Fire Chief
705-646-5282
rmurrell@muskokalakes.ca

Original signed by D.Pink
Approved By
David Pink
Chief Administrative Officer
705-765-3165 ext 230
dpink@muskokalakes.ca