



**INFORMATION REPORT**  
Corporate Services Commission, Financial Services

395 Mulock Drive  
P.O. Box 328  
Newmarket, ON L3Y 4X7

www.newmarket.ca  
mmayes@newmarket.ca  
905.953-5300 ext. 2102

January 13, 2017

**CORPORATE SERVICES INFORMATION REPORT – FINANCIAL SERVICES 2017-02**

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: CYFS Headquarters Project Funding – Newmarket Share

ORIGIN: Director, Financial Services/Treasurer

*In accordance with the Procedure By-law, any Member of Council may make a request to the Town Clerk that this Information Report be placed on an upcoming Committee of the Whole agenda for discussion.*

**COMMENTS**

The 2014 Fire Department Master Plan Update (FDMPU), jointly approved by the Councils of Newmarket and Aurora, made numerous recommendations, including the construction of a fifth fire station in the general area of St. John’s Sideroad and Industrial Parkway in Aurora.

A 4 acre site was secured in February 2016, funded in accordance with the 2016 allocation formula – Newmarket 59.8%; Aurora 40.2%. As the site is located in Aurora, at the northwest corner of Earl Stewart Drive and Isaacson Crescent, Aurora will be the lead party responsible for the design and construction of the facility.

An architect was previously secured for the block design of the site and the development of a preliminary project budget estimate. The project estimate is \$11,000,000 for a new fire services facility including administration, fire suppression, and training services, as outlined in CYFS report 2016-02 at JCC’s meeting on November 29, 2016.

The project budget is summarized as follows:

Design Phase: Previously approved concept plan and budget estimate development	\$ 25,000
Design Phase: Detailed Design Contract – to be tendered	495,000
Construction and Project Management Phase	10,480,000
<b>Total Budget</b>	<b>\$11,000,000</b>

## Funding

The design and construction of the fire hall is to be funded from two sources.

Construction of the new fire hall will be substantially funded from Development Charges as the majority of the project is in response to growth and has been included in the DC Background Studies of both municipalities. Both municipalities will contribute based on the allocation formula percentage established for the year in which it is budgeted. When blended, results in a rate of 59.6% Newmarket; 40.4% Aurora.

Due to timing, not all DC's for this fire project have been collected yet. Fire DC's have been collected in the past towards this project and were substantially used to purchase the lands. Newmarket's Fire component DC's will temporarily go into a deficit, but DC's in total will not. Internal debt will be required until future collections of Fire DC's are realized. Debt repayments, including interest costs, will be fully funded from future development charge collections. There is no impact on the tax rate budget from this financing approach.

An element of replacement funding is required for the training facility which is deemed to be an existing service level. It will be funded from the CYFS asset replacement (reserve) fund. Should this result in an ARF deficit, Aurora will be responsible for its appropriate share of any interest costs.

Funding sources for the project are as follows:

Funding Source		
Newmarket's Share funded by Fire DC's (59.6%)	\$ 5,320,600	48.37%
Aurora Share (funding to be determined by Aurora; 40.4%)	3,606,600	32.79%
Replacement component funded by CYFS replacement reserve fund (ARF)	2,072,800	18.84%
<b>Total Budget</b>	<b>\$11,000,000</b>	<b>100.00%</b>

## BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

## **CONSULTATION**

There has been consultation between the Finance staff of both Aurora and Newmarket to ensure a consistent approach.

## **HUMAN RESOURCE CONSIDERATIONS**

Not applicable to this report.

## **BUDGET IMPACT**

Newmarket will have sufficient Development Charges to fund their share of the project. In 2018 the budget savings from the acquisition of the lands (\$810,000) should be transferred to the capital project for the building and a further \$4,690,000 (from both municipalities) will need to be added to the capital budget for its completion.

Consideration should be given to increasing future contributions to the CYFS asset replacement fund, to replenish funding used for the new fire facility.

## **CONTACT**

For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at [mmayes@newmarket.ca](mailto:mmayes@newmarket.ca)

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Mike Mayes, CPA, CGA, DPA  
Director, Financial Services/Treasurer

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Esther Armchuk , LL.B.  
Commissioner, Corporate Services

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