MANAGEMENT REPORT

Date: July 4, 2024
To: Infrastructure, Transportation, and Safety Sub-committee
From: Neil Anderson, Fire Chief
Report Number: ITS24-014
Attachments: None

Title: Repair or Replace Fire Utility Vehicle

Objective: To seek Council's approval regarding repair of a damaged utility vehicle.

Background: Unit 2 is the call sign of the Stratford Fire Dept's 2019 Dodge Ram pick-up utility vehicle, typically assigned to one of our Fire Prevention Officers. This vehicle is normally used to perform building inspections, fire extinguisher training, education, fire investigations, and used by staff to respond to second and third alarms, or to attend courses or events outside of our area.

On the afternoon of 17 June 2024, Unit 2 was involved in a motor vehicle collision at Queensland and Lorne, where it was rear-ended, subsequently pushed into the vehicle in front of it, that was stopped while awaiting to make a left turn. The City employee driving at the time was not injured nor found to be at fault.

Analysis: As a result of the incident, the vehicle requires unplanned repairs. The vehicle was purchased in 2019. It was determined by the insurance adjuster to be valued at just under the $50,000 deductible, and it was recommended as a write-off due to a bent vehicle frame.

The City's Fleet Supervisor has sourced a body shop who is able to repair the vehicle, with full frame replacement, at an estimated cost of $28,025 and repair time of 4 – 6 weeks. This vehicle was purchased with an expected service life of 10 years, bringing it to 2029. The residual value at this time, given the current condition, is likely lower than the net book value of the vehicle. It is noted that all emergency equipment installed on the truck remains functional.

The Fire Inspector who normally uses this vehicle is now utilizing the reserve vehicle typically held for after hours emergency responses and administrative staff for performing tasks around the city. The workload of the Fire Prevention staff requires that both officers utilize separate vehicles to keep up with inspections, issue of permits, education and training, and various other tasks required of them at different locations throughout the city.

Once Stratford Fire Department transfers over the dispatching to Kitchener Fire Department, at the end of August, one of the resulting new positions, Fire Prevention/Safety Educator, will require a vehicle. The reserve vehicle was the intended vehicle. As such, the repair or replacement of the damaged vehicle is essential to maintaining current service levels.

Staff did consider and perform analysis of purchasing new, and not repairing, however, the estimated turn-around time for delivery is one year. The cost is estimated at $90,000, but this would provide a vehicle that would have a useful life until 2035. The cost considerations are not materially different when comparing the net book value of the damaged vehicle along with the repair required, with the cost of a new vehicle. It is the delay, however, that would result in services provided by the Fire Department being operationally impacted, and unable to fulfill all the required duties.

Staff are recommending the repair of the damaged vehicle which will have a $28,000 impact to the repairs and maintenance line item in the Fire department. If pursuing a new vehicle was decided upon, there would likely be no financial impact in the current year, aside from some reduced operating costs for the damaged vehicle as the new vehicle wouldn't be ready until later in 2025. Funding of a new vehicle could impact the reserves as this was not planned until 2029.

Financial Implications:

Financial impact to current year operating budget:
The unbudgeted effect of $28,000 will be a departmental variance within the repairs and maintenance line item. The 2024 budget was determined without consideration of this unplanned repair, but may not have a full impact, depending on other repairs and maintenance that occur in the remainder of the year.

Financial impact on future year operating budget:
If repairing the vehicle, there is no expected effect to the operating budget, but the amortization expense would increase for the remaining 5 years of the vehicle's useful life. This is not a cash expense but is a financial/accounting effect. Planned transfers to reserves are not likely to require significant adjustments for the eventual replacement.

Link to asset management plan and strategy:
The asset management plan has the utility trucks on a 10-year replacement cycle. If repaired, Unit 2 would likely last until its scheduled replacement of 2029, and very possibly longer. It is not uncommon to keep a utility vehicle beyond the scheduled 10 years.

Alignment with Strategic Priorities:

Enhance Our Infrastructure:
This report aligns with this priority as it promotes economic stability through repairing at a much lower cost than replacing, with likelihood of lasting beyond the anticipated retirement date.

Alignment with One Planet Principles:

Not applicable: This does not meet the definition of Zero Waste or Materials and Products but does support waste reduction and support reusing existing materials.

Staff Recommendation: THAT the repair of the fire utility vehicle in the amount of $28,025 be authorized.

Prepared by:	Neil Anderson, Director of Emergency Services/Fire Chief
Recommended by:	Joan Thomson, Chief Administrative Officer