



Staff Report

Report To: Rebekah Msuya-Collison, Chief Administrative Officer/Deputy Clerk

From: **Don Giberson, General Manager of Infrastructure & Development**

Date: October 23 2023

Report: ESD35

Subject: Pickup Truck Replacement Strategy

Recommendations:

That South Huron Council receive the report from Don Giberson, General Manager of Infrastructure and Development re: Pickup Truck Replacement Strategy.

Purpose:

Information

Background and Analysis:

The Municipality has not purchased a pickup truck in the normal budget process since 2020; and several trucks are beyond their useful life and in dire need of replacement. Some vehicles have very high mileage (i.e., over 350,000 km), most have severe body rust, and some are undergoing expensive mechanical repairs. However, a couple of trucks still have some useful life and could be re-deployed to another department if suitable for their operational needs.

It is also proposed to standardize the ½ ton pickup specification to facilitate future redeployment to other departments, based on need, condition, mileage, and remaining useful remaining life. The proposed standard specification is that all pickups will be a ½ ton extended cab/crew cab (4dr), short box, 4WD pickup truck, with V8 engine, automatic transmission,

towing package, standard wheels/tires and trim package and white in colour. Standardizing the specification will provide a safe, all-weather vehicle that can perform all critical job functions of all departments; allow more flexibility to re-deploy underutilized vehicles; and realize a higher disposal value at end of useful life, as a 4WD, extended/crew cab, short box, pickup truck, white in colour, statistically has the highest resale value.

The following pickups trucks are due or overdue for replacement in 2024, based on the Asset Management Plan useful life of 10-years:

1. 2008 GMC Sierra #103 (Community Services)
2. 2012 GMC Sierra #120 (Community Services)
3. 2014 Chevrolet Silverado #125 (Community Services)
4. 2010 GMC ½ ton 4WD Pickup #117 (Transportation)
5. 2011 Chev Silverado 4WD Pickup #121 (Water)
6. 2014 Chevrolet Silverado 4WD Pickup #126 (Sewer)
7. 2014 RAM 1500 4WD Pickup #128 (Sewer)

The greatest need for pickup truck replacements is in the Community Services Department. However, currently are not sufficient funds in the Recreation Capital Replacement Reserves to replace all the trucks and replacing three pickup trucks in 2024 will have a significant impact on the tax levy. The General Manager of Community & Emergency Services has advised that replacement of the 2014 Chevrolet Silverado ½ ton 4WD pickup truck #125 could be deferred to 2026. But the 2008 GMC Sierra ½ ton 4WD pickup truck #103 and 2012 GMC Sierra ½ ton 4WD pickup truck #120 are both in such poor condition that replacement in 2024 is required. A used vehicle, in good condition re-deployed from another department would be suitable for the needs of the Community Services Department and an acceptable alternative to replacing with a new vehicle. It is proposed to dispose of the existing vehicles through GovDeals web-based auction site for surplus government equipment.

The 2010 GMC ½ ton pickup truck #117 in Transportation Services is overdue for replacement, has extremely high mileage, rust through body panels on fenders and box, and is generally in very poor condition. There are sufficient funds in the Transportation Capital Replacement Reserves to fund the replacement of this vehicle. Alternatively, the replacement cost could be funded from the tax levy. It is proposed to dispose of the vehicle through GovDeals web-based auction site for surplus government equipment.

The 2011 Chev Silverado 4WD ½ ton pickup truck #121 in Environmental Services (Water) is overdue for replacement, has rust through body panels on fenders and box, is currently undergoing expensive transmission repairs and generally is in very poor condition. There are sufficient funds in the

Water Capital Replacement Reserves to fund the replacement of the vehicle. It is proposed to dispose of this vehicle through GovDeals web-based auction site for surplus government equipment.

The 2014 Chevrolet Silverado 4WD $\frac{3}{4}$ ton pickup truck #126 in Environmental Services (Sewer) is due for replacement in 2024, has rust through body panels on fenders and box, and is generally in poor condition. This pickup is a $\frac{3}{4}$ ton pickup truck and as an alternative to replacing with a similar vehicle, staff are proposing to replace the 2014 Chevy Silverado 4x4 $\frac{3}{4}$ ton pickup truck with a 1-ton pickup truck with a dump box. A one-ton pickup truck is a heavier vehicle that allows safer towing of heavy equipment; is more suitable for the needs of the department and maximizes the efficiency of the work performed. There are sufficient funds in the Sewer Capital Replacement Reserves to fund the replacement of this vehicle. It is proposed to dispose of the vehicle through GovDeals web-based auction site for surplus government equipment.

The 2014 RAM 1500 4WD $\frac{1}{2}$ ton pickup truck #128 (Sewer) in Environmental Services (Sewer) is due for replacement in 2024 and is fully depreciated. This vehicle has some rust through body panels, needs some repairs; but is in the best condition of all vehicles due for replacement in 2024. There are sufficient funds in the Sewer Capital Replacement Reserves to fund the replacement of the vehicle. It is proposed to redeploy this vehicle to Community Services at no cost, in lieu of disposal, as an alternative to Community Services replacing truck #103 at the full cost of a new vehicle funded by the tax levy.

As part of the overall Pickup Truck Replacement Strategy, it is proposed to replace the Building Department's 2019 Dodge Ram 4WD pickup truck #153 before the end of its' useful life, so that it could be redeployed to another department. This pickup is a relatively new vehicle, with low mileage, and it's in good condition. This vehicle is under utilized but necessary for the Building Department operation. Re-deployment to another department with higher utilization would be a better use of this vehicle while promoting a longer life span.

This vehicle will be 50% depreciated in 2024 and could be redeployed to another department at 50% of the original purchase price. Accordingly, it is proposed to redeploy the Building Department's 2019 Dodge Ram 4WD pickup truck #153 to the Community Services Department at 50% of the original purchase price or the depreciated value as of 2024, as an alternative to replacing truck #120 at the full cost of a new vehicle funded by the tax levy. This is conditional on Council approval to replace 2019 Dodge Ram 4WD pickup truck #153 in the Building Department as part of the 2024 Capital Budget.

The proposed Pickup Truck Replacement Strategy is the most cost-effective solution to updating/modernizing the pickup truck fleet and replacing vehicles that are well beyond their useful life.

Operational Considerations:

All other options considered were significantly more expensive.

Financial Impact:

The proposed strategy will result in significant reduction in the proposed 2024 Capital Budget for Community Services, as one replacement truck from Water will be 100% depreciated and would be transferred at no cost. A second replacement truck from the Building Department will be 50% depreciated and would be transferred at 50% of the original purchase price. The replacement of a third vehicle will be deferred to 2026.

Transportation, Water, Sewer, Building Capital Budgets have sufficient funds to replace the pickups as set out in this report and in the proposed 2024 Capital Budget. The following is a summary of the pickup truck costs:

Description	Estimated Replacement Cost	Proposed 2024 Budget	Reduction to 2024 Budget
2008 GMC Sierra #103 (Community Services)	\$ 70,000	\$ -	\$ 70,000
2012 GMC Sierra #120 (Community Services)	\$ 70,000	\$ 20,000	\$ 50,000
2014 Chevrolet Silverado #125 (Community Services)	\$ 70,000	\$ -	\$ 70,000
2010 GMC ½ ton 4WD Pickup #117 (Transportation)	\$ 70,000	\$ 70,000	\$ -
2011 Chev Silverado 4WD Pickup #121 (Water)	\$ 70,000	\$ 70,000	\$ -
2014 Chevrolet Silverado 4WD Pickup #126 (Sewer)	\$ 152,640	\$ 152,640	\$ -
2014 RAM 1500 4WD Pickup #128 (Sewer)	\$ 70,000	\$ 70,000	\$ -
		Total	\$ 190,000

Note: Truck #125 deferred to 2026

Legal Impact:

There are no legal implications for the Corporation resulting from the proposed recommendation.

Staffing Impact:

There are no staffing implications for the Corporation resulting from the proposed recommendation.

Communication Actions:

The public will be notified through the publishing of the Budget Meeting Agenda and Minutes.

Policies/Legislation:

1. Proposed 2024 Budget

Consultation:

1. Rebekah Msuya-Collison, Chief Administrative Officer/Deputy Clerk
2. Jeremy Becker, General Manager of Community & Emergency Services / Fire Chief
3. Mike Rolph, Director of Building and Planning/CBO
4. Julia Warwick, Director of Financial Services/Treasurer
5. Shane Timmermans, Manager of Transportation Services
6. Alyssa Keller, Manager of Environmental Services

Related Documents:

None

Respectfully submitted,

Don Giberson, General Manager of Infrastructure & Development

Report Approval Details

Document Title:	2023-10-23 (Pickup Truck Strategy)REV1.docx
Attachments:	
Final Approval Date:	Oct 19, 2023

This report and all of its attachments were approved and signed as outlined below:

Alex Wolfe - Oct 19, 2023 - 2:00 PM

Julia Warwick - Oct 19, 2023 - 2:50 PM

Rebekah Msuya-Collison - Oct 19, 2023 - 3:06 PM