
Subject: Additional Funds Required for the Replacement of a Specialty Water/Wastewater Service Vehicle

Staff Report No. EPW-015-24

Commission: Engineering and Public Works Commission

Date: June 26, 2024

Recommendation:

- 1) That Council approve funding in the amount of \$110,000 for the replacement of the service vehicle be provided by advancing funds within the Water Rehabilitation and Replacement Reserve.

1. Purpose:

The purpose of this report is to advise Council of the need for additional funding to procure a replacement water/wastewater service vehicle in Engineering and Public Works following an incident that led to the eventual write-off of vehicle #16-152.

2. Executive Summary:

Vehicle #16-152 was deemed a total loss by the Town's insurance provider due to a vehicle fire in May 2023. The current budget is insufficient to procure the purchase of a similar replacement water waste/water service vehicle. This vehicle is essential due to the specialty equipment contained, namely a valve turner. Staff has investigated and through inquiries from reputable businesses would advise Council to approve increasing the budget by \$110,000.00 to facilitate the procurement of a replacement vehicle that meets the current needs of the Environmental Services division.

3. Background:

On May 31, 2023, vehicle #16-152 experienced a fire in the engine compartment. On September 27, 2023, the Town's insurance provider deemed the vehicle to be a total loss at a value of \$130,700. Today, the approximate cost to purchase a similar specialty water/wastewater vehicle is approximately \$240,000. As the current budget is insufficient to purchase a similar vehicle, it is recommended that Council approve funding in the

amount of \$110,000 for the replacement of the service vehicle be provided by advancing funds within the Water Rehabilitation and Replacement Reserve. The specialty service truck is essential to meet the current and future requirements of the maintenance of the water distribution systems.

4. Analysis and Options:

Option A (Recommended)

That Council approve the additional funds of \$110,000.00 to go towards procuring the purchase of a specialty water/wastewater service vehicle.

Based on the lifecycle for vehicle #16-152, funding for the replacement of this vehicle would be sought as part of the upcoming 2025 Budget deliberations. By advancing a portion of that budget, when combined with the insurance money, will provide sufficient funds for the procurement of this specialty vehicle and therefore reset the full replacement value of this vehicle.

Funds allocated within the Water Rehabilitation and Replacement Reserve for this vehicle are being advanced and will not be available as originally identified (for the replacement of this vehicle).

Option B

Should Council not consider the approving the additional funds request, then this request would be deferred for consideration as part of the 2025 Budget deliberations.

This option is not preferred as it will prevent Water/Wastewater staff from completing required preventative maintenance programs for the Town's water distribution system. The absence of this vehicle also increases response times in the event of an emergency water main break.

5. Financial Implications:

The total cost of the vehicle is approximately \$240,000.00 with a net HST (1.76%) will determine the budget impact. A breakdown of the budget impact is shown in the table below:

Specialty Water/Wastewater Service Vehicle	Replacement Cost	Budget Impact Net 1.76%	Over (Under) Budget
\$235,850.00	\$130,733	\$240,000	\$109,267

6. Alignment with Strategic Plan:

1. Good Governance
Continue to follow sound financial planning principles to ensure fiscal sustainability and responsibility
2. Organizational Effectiveness
Enabling services that support the entire organization and are the foundation of service delivery to our residents and community

7. Attachments:

None

8. Related Reports:

None

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For further information on this report, please contact the Department Head: Jack Graziosi, Commissioner at 905-640-1910 ext. 2464 or via email at jack.graziosi@townofws.ca