

To:	Warden Halliday and Members of Grey County Council
Committee Date:	February 22, 2018
Subject / Report No:	TR-CW-10-18
Title:	Transportation Services 2018 Equipment Budget Changes
Prepared by:	Graham Wilson, Maintenance Manager
Reviewed by:	Pat Hoy, Director of Transportation Services
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee as presented per Resolution CW66-18; Endorsed by County Council March 8, 2018 per Resolution CC30-18;

Recommendation

1. That Report TR-CW-10-18 be received and the recommended revisions to the 2018 Transportation Services Equipment Capital budget be approved; and
2. That staff are authorized to proceed to tender the 2018 Equipment Purchases as revised.

Executive Summary

The 2018-2022 Five-Year Capital Forecast was reviewed in December 2017 by the Fleet Committee. Three changes are proposed to the 2018 budgeted Equipment Capital Purchases. These are delaying the purchase of a payloader, and purchasing a skid-steer and two ¾ ton pickup trucks.

These changes would result in a reduction of \$52,900 in expenditures and reserve funding required in the 2018 budget. The annual budgeted transfer to reserve contribution will need to increase by approximately \$13,000 in 2019. This increase will need to be adjusted annually for inflation in order to account for the future cash flow needed for the lifecycle replacement of this new skid-steer.

Background and Discussion

Transportation Services acknowledges that annual equipment purchases should be confirmed prior to the annual budget being presented to Council. Going forward, fleet meetings will be held in April (prior to the 10 year capital report) and in August (prior to the budget report).

The Fleet Committee, comprised of both union and management staff, discusses the operational needs of Transportation Services, equipment purchases, disposals, industry best practices, innovation and improvements. The committee receives input from both engineering and maintenance staff.

Pickup trucks

Pickup trucks are used in a variety of ways within the department, including for loading and unloading deer carcasses that need to be removed from the right-of-way.

The Fleet Foreman brought forward a suggestion to purchase two $\frac{3}{4}$ ton trucks capable of attaching a power lift gate. In addition to the regular pickup truck functions, these trucks will be made available for on call staff to load deer carcasses more efficiently and will be used to transport supplies as required. There is also a Health and Safety benefit to using a power lift gate rather than having staff manually lifting heavy items. Moving to $\frac{3}{4}$ ton vehicles will increase the total cost of the pickups by \$7,100.

Non-licensed Equipment

The committee agreed not to include power lift tailgates in the $\frac{3}{4}$ ton tender as it is generally an aftermarket product. This purchase has been included in the non-licensed equipment line. The Fleet Foreman will oversee the purchase and installation to meet our needs and the truck design features. The cost for two tailgates installed is estimated to be \$12,000.

For similar reasons, the committee also recommended including the truck cap required for engineering's $\frac{1}{2}$ ton truck in the non-licensed equipment line. The locking cap will be used to store tools and equipment used by engineering staff. The Fleet Foreman will oversee the purchase and installation to meet our needs and the truck design features. The cost for the cap is estimated to be \$3,000.

These proposed purchases result in a \$15,000 increase to the non-licensed equipment line item.

Payloader

The Fleet Foreman also updated the committee on the condition of the payloader scheduled to be replaced. This machine's main function is to load winter materials during the winter maintenance season. It is utilized in the summer season for loading granular materials and cold mix. This machine has low hours and is still in good mechanical condition. The committee decided to change the life cycle of all payloaders from 12 years to 14 years.

Skid-steer

In 2011, the replacement of the skid-steer originally scheduled for 2020 was omitted from the capital plan pending the Transportation Services Review.

The existing skid-steer is 20 years old. There has been an increase in repairs over the last two years. In addition, the current skid-steer faces operational limitations such as not being able to go into soft areas of the ditches because it has tires and not tracks. Since the skid-steer has a lower (60) horsepower rating, it cannot operate a mulching attachment and has difficulty operating the asphalt grinder. The existing attachments are in good condition and do not need to be replaced.

This piece of equipment has many advantages including berm removal, working around guiderail, and material handling on bridge repair projects. A private contractor has provided mechanical brushing in the past using a skid-steer with a mulching attachment. With the appropriate skid steer, maintenance can expand the brushing strategies to include clearing the right-of-way prior to surveying and capital construction projects. The proposed skid-steer will be 90 horsepower which is enough to operate a mulching machine and have tracks capable of working on all kinds of terrain.

Delaying the payloader and purchasing a skid-steer results in a \$75,000 reduction in the 2018 budget; however, future replacements of the skid-steer would require an increase in the annual transfer to reserves of approximately \$13,000, adjusted for inflation annually.

The chart below highlights the three proposed expenditure changes.

Current Approved Equipment	Proposed Equipment Changes	2018 Approved Budget	Proposed Budget Changes
3 – ½ Ton Trucks	1 – ½ Ton Truck, 2 – ¾ Ton Trucks	\$108,900	\$116,000
Non-licensed Equipment	Add truck cap and power tailgates	\$58,000	\$73,000
Payloader	Skid-steer with mulch attachment and bucket	\$240,000	\$165,000
	Total	\$406,900	\$354,000

Legal and Legislated Requirements

N/A

Financial and Resource Implications

The 2018 budget transfer from reserve funding requirement will be reduced by \$52,900. These funds will remain in the Equipment Reserve until they need to be utilized.

Relevant Consultation

Internal (list)

Fleet committee

External (list)

Appendices and Attachments

None