

REFERS TO ITEM 1, INFRASTRUCTURE SERVICES 2014 CAPITAL BUDGET -
FLEET AND TRANSIT - OPERATIONS COMMITTEE AGENDA OF JULY 8, 2013

Request for Recommendation
Operations Committee





Type of Decision							
Meeting Date	Monday, July 8 th , 2013				Report Date	Friday, July 5 th , 2013	
Decision Requested	X	Yes		No	Priority	X	High
	Direction Only				Type of Meeting	X	Open
							Closed

Report Title
Fleet Capital Budget

Budget Impact/Policy Implication		Recommendation
X	This report has been reviewed by the Finance Division and the funding source has been identified.	That the City of Greater Sudbury accept the report dated July 5th, 2013 from the General Manager of Infrastructure Services regarding the draft 2014 Capital Budget and the 2015 to 2018 capital forecast.
X	Background Attached	Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Tony Cecutti, General Manager Infrastructure Services	 Doug Nadorczyny Chief Administrative Officer

Report Prepared By	Division Review
 Eric Bertrand Manager of Fleet Services	 Roger Sauvé Director of Transit & Fleet Services

BACKGROUND:

Enclosed within the report are the 2014 Transit and Fleet Services Division Capital Budget requirements for the continued delivery of Fleet Services for Transit and Fleet which have been funded through Capital envelopes, Provincial Gas Tax Revenues and Reserve Funds.

The Transit Services 2014 Capital Budget requests are in the amount of \$1,003,481. Funding for the request is from the Capital Envelope (\$572,391), Development Charges Reserves (\$75,000) and from Provincial Gas Tax Reserve Fund (\$356,090). The 2014 Transit Capital Budget is allocated primarily to the 1160 Lorne Street Building Loan Repayment. There are no buses scheduled for replacement in 2014.

The tender for the renovation of the 1160 Lorne Street property closed on Thursday, June 20, 2013. The awarding of the contract is forthcoming and bid pricing indicate that the project will fall within the projected budget presented earlier this year.

Fleet Services 2014 Capital Budget requests are in the amount of \$2,842,000 funded from the Equipment and Vehicle Replacement Reserve Fund which is greater than the 2014 contribution to the reserve fund of \$2,338,819. This results in an additional draw from the reserve fund of \$503,181 in 2014 in order to fund required replacements. The 2014 Fleet Capital is allocated primarily to the replacement of existing vehicles and equipment which has surpassed the normal life cycle expectancy.

Also included in the Fleet Services Capital Budget is \$100,000 for the purchase and installation of broom and water tank attachments for four (4) existing four wheel drive vehicles. This will allow for increased utilization of the existing vehicles.

As well, there is \$100,000 requested for rebuilding of existing vehicles and equipment. This will result in the life expectancy of the unit being extended reducing the demand for capital required to replace the unit.



Fleet Summary

CATEGORY DESCRIPTION (For detailed project listing see attached)					
	2014 REQUEST	2015 OUTLOOK	2016 OUTLOOK	2017 OUTLOOK	2018 OUTLOOK
Light Duty Vehicles (Cars, Mini-Vans, 1/2 Ton Pickup Trucks)	\$ 207,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Medium Duty Vehicles (3/4 and 1 Ton Trucks & Vans)	\$ 315,000	\$ 347,837	\$ 374,793	\$ 227,790	\$ 227,790
Heavy Duty Trucks (Not Equipped for Winter Control)	\$ -	\$ -	\$ 175,000	\$ 275,000	\$ 275,000
Heavy Duty Trucks (Equipped for Winter Control)	\$ 900,000	\$ 900,000	\$ 900,000	\$ 1,000,000	\$ 1,000,000
Heavy Duty Equipment (Graders, Loaders, Backhoes etc)	\$ 250,000	\$ 450,000	\$ 350,000	\$ 350,000	\$ 350,000
Speciality Equipment (Sweepers, Flushers, Vacuums etc)	\$ 875,000	\$ 400,000	\$ 400,000	\$ 500,000	\$ 400,000
Zamboni	\$ 95,000	\$ 95,000	\$ -	\$ 95,000	\$ -
Four (4) Sweepers c/w Water Tanks for F450 Trucks / Roads (New)	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Vehicle/Equipment Rebuilding	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
PROJECT COSTS	\$ 2,842,000	\$ 2,542,837	\$ 2,549,793	\$ 2,797,790	\$ 2,602,790
PROJECT FINANCING					
Reserves: Capital	\$ (2,842,000) ¹	\$ (2,542,837)	\$ (2,549,793)	\$ (2,797,790)	\$ (2,602,790)
CAPITAL ENVELOPE (Tax Levy)	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Contribution to Reserve Fund	\$ 2,338,819 ¹	\$ 2,385,596	\$ 2,433,308	\$ 2,481,974	\$ 2,531,613
Additional Draw from Equipment and Vehicle Replacement Reserve Fund - Fleet	\$ 503,181 ²	\$ 157,241	\$ 166,485	\$ 315,816	\$ 71,177
Total Funding from Reserve Fund	\$ 2,842,000	\$ 2,542,837	\$ 2,599,793	\$ 2,797,790	\$ 2,602,790

Notes:

1 - The annual operating budget includes a contribution to the fleet equipment replacement reserve fund of \$2,338,819 in 2014 with an annual increase of 2% in future years.

2 - This 5 year capital budget includes an additional contribution from the Equipment and Vehicle Replacement Reserve Fund - Fleet of various amounts per year to meet the fleet lifecycle replacement requirements.



Fleet Detail

PROJECT DESCRIPTION	PROJECT TYPE					
	R (Renewal)	2014 REQUEST	2015 OUTLOOK	2016 OUTLOOK	2017 OUTLOOK	2018 OUTLOOK
Light Duty Vehicles (Cars, Mini-Vans, 1/2 Ton Pickup Trucks)						
Cars	R	\$ -	\$ 120,000	\$ 120,000	\$ 100,000	\$ 100,000
1/2 Ton Pickups	R	\$ 207,000	\$ 80,000	\$ 80,000	\$ 100,000	\$ 100,000
Mini Vans	R	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
SUBTOTAL - Light Duty Vehicles (Cars, Mini-Vans, 1/2 Ton Pickup Trucks)		\$ 207,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Medium Duty Vehicles (3/4 and 1 Ton Trucks & Vans)						
1 Ton Dump	R	\$ -	\$ 147,837	\$ 147,793	\$ 100,000	\$ 100,000
3/4 Ton 4x4 Pickup / Crew Cabs	R	\$ 180,000	\$ 100,000	\$ 127,000	\$ 75,000	\$ 75,000
Vans	R	\$ 135,000	\$ 100,000	\$ 100,000	\$ 52,790	\$ 52,790
SUBTOTAL - Medium Duty Vehicles (3/4 and 1 Ton Trucks & Vans)		\$ 315,000	\$ 347,837	\$ 374,793	\$ 227,790	\$ 227,790
Heavy Duty Trucks (Not Equipped for Winter Control)						
Single Axle Dump Truck	R	\$ -	\$ -	\$ 175,000	\$ 275,000	\$ 275,000
SUBTOTAL - Heavy Duty Trucks (Not Equipped for Winter Control)		\$ -	\$ -	\$ 175,000	\$ 275,000	\$ 275,000
Heavy Duty Trucks (Equipped for Winter Control)						
Tandem Multi-Function	R	\$ 900,000	\$ 900,000	\$ 900,000	\$ 1,000,000	\$ 1,000,000
SUBTOTAL - Heavy Duty Trucks (Equipped for Winter Control)		\$ 900,000	\$ 900,000	\$ 900,000	\$ 1,000,000	\$ 1,000,000
Heavy Duty Equipment (Graders, Loaders, Backhoes etc)						
Grader / Loader	R	\$ 250,000	\$ 300,000	\$ 200,000	\$ 200,000	\$ 200,000
Trackless MT5	R	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
SUBTOTAL - Heavy Duty Equipment (Graders, Loaders, Backhoes etc)		\$ 250,000	\$ 450,000	\$ 350,000	\$ 350,000	\$ 350,000
Specialty Equipment (Sweepers, Flushers, Vactors etc)						
Vacuum Sweeper Truck	R	\$ 225,000	\$ 200,000	\$ -	\$ -	\$ -
Vactor Truck	R	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
Sidewalk Sweepers	R	\$ -	\$ 100,000	\$ -	\$ 200,000	\$ -
Asphalt Equipment	R	\$ -	\$ -	\$ 165,000	\$ 150,000	\$ -
Boilers / Steamers	R	\$ 50,000	\$ -	\$ 150,000	\$ 75,000	\$ -
Loader Mounted Snowblower	R	\$ -	\$ 100,000	\$ -	\$ 75,000	\$ -
Litter Collector	R	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Roller	R	\$ 65,000	\$ -	\$ -	\$ -	\$ -
Forklift	R	\$ 85,000	\$ -	\$ 85,000	\$ -	\$ -
SUBTOTAL - Specialty Equipment (Sweepers, Flushers, Vactors etc)		\$ 875,000	\$ 400,000	\$ 400,000	\$ 500,000	\$ 400,000
Zamboni	R	\$ 95,000	\$ 95,000	\$ -	\$ 95,000	\$ -
Sweepers come with Water Tanks for Ford 450 Trucks	N	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Vehicle / Equipment Rebuilds	R	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
PROJECT COSTS		\$ 2,842,000	\$ 2,542,837	\$ 2,549,793	\$ 2,797,790	\$ 2,602,790

Note 1 - Equipment & Vehicle Replacement Reserve Fund - Fleet.

Note 2 - Please refer to the next page for a detailed list of vehicles/equipment that are planned to be replaced during 2014.



Fleet - Planned Replacements

UNIT #	DESCRIPTION	REPLACEMENT VALUE	EXPECTED LIFE CYCLE
Light Duty Vehicles (Cars, Mini-Vans, 1/2 Ton Pickup Trucks)			7 Years
S-1436	2004 Ford F150 Pickup Truck	\$ 23,000	
S-432	2003 Ford F150 Pickup Truck	\$ 23,000	
S-503	2003 Ford F150 Pickup Truck	\$ 23,000	
S-504	2004 Ford F150 Pickup Truck	\$ 23,000	
S-519	2003 Ford F150 Pickup Truck	\$ 23,000	
S-524	2003 Ford F150 Pickup Truck	\$ 23,000	
S-527	2003 Ford F150 Pickup Truck	\$ 23,000	
S-907	2001 Ford Crown Victoria	\$ 23,000	
S-935	2002 Ford Crown Victoria	\$ 23,000	
		\$ 207,000	
Medium Duty Vehicles (3/4 and 1 Ton Trucks and Vans)			7 Years
S-069	2004 Ford F350 Crew Cab Pickup	\$ 50,000.00	
S-080	2004 Ford E350 Commercial Van	\$ 50,000.00	
S-486	2003 Ford E350 Commercial Van	\$ 50,000.00	
S-059	2005 Chevrolet 3500 Crew Cab	\$ 50,000.00	
S-070	2005 Chevrolet 2500 Crew Cab	\$ 50,000.00	
S-505	2003 Ford F250 Pickup	\$ 30,000.00	
S-023	2003 Ford E250 Van	\$ 35,000.00	
		\$ 315,000	
Heavy Duty Trucks (Equipped for Winter Control)			10 Years
S-134	1998 Ford L8000 - Plow & Wing	\$ 300,000	
S-634	2000 International 4900 - Multi-function Truck	\$ 300,000	
S-679	2001 Freightliner Multi-function Truck	\$ 300,000	
		\$ 900,000	
Heavy Duty Equipment (Graders, Loaders, Backhoes, etc)			15 Years
S-180	1999 Komatsu Wheel Loader/Shouldering Attachment	\$ 250,000	
Specialty Equipment (Sweepers, Flushers, Vactors, etc)			10 years
R-402	1982 Ford KD11F Forklift	\$ 85,000	
S-800	1999 Madvac Litter Collector	\$ 50,000	
S-811	1994 Ford /Sunvac Sweeper	\$ 225,000	
S-812	1994 Freightliner Vactor Truck	\$ 400,000	
R-260	1998 Cleaver Brooks PSM50 Steamer	\$ 50,000	
R-043	1993 Bomag BW55E Roller	\$ 15,000	
R-048	1995 DynaPac Double Drum Riding Roller	\$ 50,000	
		\$ 875,000	
Zamboni			14 years
R-978	1994 Zamboni 520 Front Dump	\$ 95,000	
Other			
Four Sweepers comes with Water Tanks for Ford F450 Trucks		\$ 100,000	To increase utilization of units
Vehicle/Equipment Rebuilds		\$ 100,000	Extends life of existing units
TOTAL CAPITAL FUNDS - 2014		\$ 2,842,000	



Unfunded Capital Projects

Fleet

PROJECT DESCRIPTION	PROJECT TYPE		COST
	R (Renewal)		
	E (Expansion)		
	N (New)		
Light Duty Vehicles (Cars, Mini-Vans, 1/2 Ton Pickup Trucks)	R	\$	962,000
Medium Duty Vehicles (3/4 and 1 Ton Trucks & Vans)	R	\$	600,000
Heavy Duty Trucks (Not Equipped for Winter Control)	R	\$	975,000
Heavy Duty Trucks (Equipped for Winter Control)	R	\$	2,825,000
Heavy Duty Equipment (Graders, Loaders, Backhoes etc)	R	\$	1,600,000
Speciality Equipment (Sweepers, Flushers, Vactors etc)	R	\$	1,356,000
Zamboni and Ice Surfacing Equipment	R	\$	95,000
TOTAL UNFUNDED PROJECTS			\$ 8,413,000

Note - The estimated annual funding required to replace vehicles and equipment is approximately \$3.5M (based on replacement value). Based on the current size of fleet and the estimated replacement value, the annual funding shortfall is approximately \$1.2M



Transit

PROJECT DESCRIPTION		PROJECT TYPE		2014 REQUEST		2015 OUTLOOK		2016 OUTLOOK		2017 OUTLOOK		2018 OUTLOOK	
		R (Renewal)											
		E (Expansion)											
		N (New)											
Transit													
Bus Replacements		R	\$	-	\$	2,488,658	\$	2,030,745	\$	-	\$	-	
Lorne Street Building (Transit and Fleet Garage) Loan Payment		E	\$	890,226	^{1,3}	\$	1,197,313	\$	1,197,313	\$	1,197,313	\$	1,197,313
Bus Rebuilds		R	\$	52,020		\$	53,060	\$	54,122	\$	55,204	\$	56,308
Terminal / Bus Shelters (Contribution to Reserve)		E	\$	26,210	²	\$	26,210	\$	26,210	\$	26,210	\$	26,210
Service Truck		R	\$	-		\$	-	\$	77,710	\$	79,264	\$	-
Vans		R	\$	-		\$	-	\$	-	\$	-	\$	34,494
Future Capital Projects (Contribution to Reserve)		R	\$	35,025	²	\$	20,432	\$	-	\$	-	\$	18,427
PROJECT COSTS			\$	1,003,481		\$	3,785,673	\$	3,386,100	\$	1,357,991	\$	1,332,752
PROJECT FINANCING													
Reserves: Capital			\$	-		\$	-	\$	(46,662)	\$	(37,388)	\$	-
Reserves: Development Charges			\$	(75,000)		\$	(75,000)	\$	(75,000)	\$	(75,000)	\$	(75,000)
Reserves: Provincial Gas Tax			\$	(356,090)		\$	(2,844,747)	\$	(2,386,835)	\$	(356,090)	\$	(356,090)
CAPITAL ENVELOPE (Tax Levy)			\$	572,391		\$	865,926	\$	877,603	\$	889,513	\$	901,662
CAPITAL ENVELOPE			\$	572,391		\$	583,839	\$	595,516	\$	607,426	\$	619,575
Additional Contribution from Operating -- Savings from Operating to Capital for Debt Repayments			\$	-		\$	282,087	\$	282,087	\$	282,087	\$	282,087
Total from Operating			\$	572,391		\$	865,926	\$	877,603	\$	889,513	\$	901,662

Notes:

1 - Provincial Gas Tax

2 - Capital Financing Reserve Fund - Transit

3 - Development Charges Reserve - Transit (Lorne Street)

Priority Setting:

Based on estimated lifecycle of transit buses and need for replacement of other assets.