



INFORMATION REPORT

Corporate Services Commission, Financial Services

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CORPORATE SERVICES INFORMATION REPORT – FINANCIAL SERVICES 2017-62

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: Central York Fire Services – Fire Apparatus Replacement History and Forecast

ORIGIN: Manager of Finance & Accounting

In accordance with the Procedure By-law, any Member of Council may make a request to the Town Clerk that this Information Report be placed on an upcoming Committee of the Whole agenda for discussion.

Purpose

This report is to advise Council of the fire apparatus replacement history over the past five years, as well as forecasted apparatus replacements for the next ten years.

Background

In June 2006, the Public Sector Accounting Board (PSAB) approved revisions to standard PS 3150 - Tangible Capital Assets (TCA). Effective January 1, 2009, all municipal governments were required to capitalize TCA at historic cost and amortize these assets over their expected useful life.

In order to be compliant with the new requirements, all TCA owned by The Town were inventoried and valued at their historical cost. The useful life of each asset was determined and amortization was calculated from the time the asset was put into service. In the case of fire trucks, amortization was calculated from the later of acquisition date or the date of the amalgamation of the two fire services (2002).

The appropriate amortization period for each asset category was determined with input from user departments and reference to other municipalities and the Ontario Municipal Benchmarking Initiative (OMBI) pilot sites. The estimated useful life of a fire truck was determined to be 15 years. However, actual replacement may be sooner or later based on condition assessment.

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COMMENTS

At present, Central York Fire Services has twelve fire apparatus. Between 2012 and 2017 five fire trucks were replaced. On average, they were replaced after 20 years, with one lasting 27 years. One fire truck was replaced after only 6 years due to several years of costly maintenance issues. A review of the repair history for the truck determined it would be more cost efficient to replace this apparatus. The aerial purchased in 2006 at a cost of \$951,677 was sold for \$400,000, 42% of the purchase price, in 2012. Newmarket's share of the net proceeds was returned to Newmarket Fire's asset replacement fund.

Over the next ten years, nine apparatus are due to be replaced. The attached Appendix includes twelve vehicles, as three trucks are included for information purposes that are due to be replaced after 2027. These are estimated replacement costs and timing, based on the capital and asset replacement fund forecast prepared in May 2017 for Joint Council Committee (CYFS/Finance Report 2017-14).

Replacement costs are subject to review and refinement and are subject to exchange rate fluctuations, as currently all fire trucks are purchased from U.S. suppliers.

CONSULTATION

This report was prepared in consultation with Central York Fire Services.

BUDGET IMPACT

Also included in CYFS / Finance Report 2017-14, Capital and Asset Replacement Fund Forecast were options for JCC on how to deal with the infrastructure deficit. The contributions to the Asset Replacement Fund have been increased by \$249,600 in the 2018 budget to meet the requirements as set out in the capital budget. \$49,600 of the increase represents an allocation of previous years' transfers which are no longer required.

The capital budget includes the addition of a fire truck for the new fire station 4-5 at a cost of \$985,000. The apparatus would be paid for in two stages – approximately \$400,000 when the chassis is delivered and the balance when the truck has been inspected and delivered. This apparatus will be paid for with Development Charges funding.

CONTACT

For more information on this report, contact: Dawn Schellenberg at 905-953-5300, ext. 2104 or via e-mail at dschellenberg@newmarket.ca



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Manager of Finance & Accounting



Ian Laing, Fire Chief
Central York Fire Services

DS/lm

Attachment:

Central York Fire Services - Fire Truck Replacement History and Forecast

Central York Fire Services - Fire Truck Replacement History and Forecast

Fire Truck Lists as of 2011	Unit #	Historical Cost as of In-Service Date	Purchase Date	Replacement / New Acquisition	Cost	Purchase Year	2017 Current List	Replacement Forecast	Estimated Replacement Cost
MACK (Engine)	87-01	\$ 80,000	1-Jun-87	Spartan ERV Engine (14-08)	\$631,873	2014	Spartan ERV Engine (14-08)	2030	\$1,361,340
Cargo 8000 (Telesquirt)	89-01	\$ 100,000	1-Jun-88	Spartan Smeal Aerial Ladder 32m (12-07)	\$792,948	2012	Spartan Smeal Aerial Ladder 32m (12-07)	2027	\$1,522,620
Volvo, GMC (Tanker)	88-01	\$ 60,000	1-Jun-88	Spartan Smeal Tanker (12-09)	\$471,331	2012	Spartan Smeal Tanker (12-09)	2028	\$899,730
Freightliner FL80 (Telesquirt)	96-05	\$ 190,000	24-Jul-96	Spartan Smeal Aerial Ladder 17m (17-11)	\$1,186,893	2016/2017	Spartan Smeal Aerial Ladder 17m (17-11)	2032	\$1,402,200
E-One, Superior (Engine)	97-02	\$ 230,000	1-Jun-97				E-One, Superior (Engine) (97-02)	2017	\$800,000
Freightliner FL80 (HAZMAT)	98-05	\$ 140,000	29-Dec-98				Freightliner FL80 (Rescue) (98-05)	2019	\$397,840
Freightliner FL80 (Engine)	99-21	\$ 190,000	22-Jul-99				Freightliner FL80 (Engine) (99-21)	2017	\$946,000
ALF (Aerial Platform)	06-16	\$ 951,677	6-Apr-06	Spartan Smeal Aerial Platform 30m (13-17)	\$1,129,125	2013	Spartan Smeal Aerial Platform 30m (13-17)	2027	\$2,138,700
ALF, Eagle (Engine)	06-14	\$ 471,483	1-Aug-06				ALF, Eagle (Engine) (06-14)	2021	\$1,101,340
ALF, Eagle (Engine)	06-15	\$ 465,514	1-Aug-06				ALF, Eagle (Engine) (06-15)	2021	\$1,101,340
Spartan, Smeal (Engine)	10-09	\$ 448,949	24-Apr-10				Spartan, Smeal (Engine) (10-9)	2025	\$1,203,460
				New Acquisition: Spartan Smeal Engine (12-08)	\$514,818	2012	Spartan, Smeal (Engine) (12-08)	2027	\$1,107,360
							New Addition - Engine for Station 4-5	2018/2019	\$985,000
TOTAL					\$4,726,988				\$14,986,930

Note: Estimated useful life of fire trucks is 15 years.