

## Report to Council

**Report Title:** Recreation Fleet Replacement – Cost Saving

**Prepared By:** Trish Serratore, Chief Financial Officer/Acting Director of Community Services

**Department:** Recreation

**Date:** July 11, 2023

**Report Number:** REC2023-25                      **File Number:** C11REC

**Attachments:**

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### Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number REC2023-25 – Recreation Fleet Replacement – Cost Saving, prepared by Trish Serratore, Chief Financial Officer/Acting Director of Community Services and in doing so approves proceeding with the replacement of the two rental vehicles from Thomas Solution and in doing so, approves the CFO entering into a finance agreement for the following:

- Replace the 2021 Chevrolet Silverado with a 2500 Sierra Crew Cab at 4.99% interest \$869.15 for 48 months
- Return the two Thomas Solution rental pick-up trucks
- Purchase two 1500 Silverado Crew Cab pick-up trucks at 2.99% interest, \$937.77 for 84 months

### Report:

#### Background:

In 2019 staff explored a new fleet model of renting the required trucks and equipment from Thomas Solutions. This opportunity allowed staff to obtain new, safe fleet needed to replace our aging infrastructure and have minimal impact on the operating budget. The model presented to staff from Thomas Solution was a zero-term rental agreement with no additional cost for repairs and maintenance for the equipment. This model is a great short-term solution, however, long-term it has its challenges. Financially we are paying a significant amount per month on a vehicle we do not own and at this time, the repairs and maintenance for the vehicles is minimal. There are some minimal additional costs for some maintenance not covered under this monthly rental fee.

Currently, Brockton is renting the following three vehicles from Thomas Solution.

- Recreation – Rental #1855 \$997.79
- Recreation – Rental #21927 \$997.79
- Fire – Rental #2194 \$1,046.38

In 2022 Brockton purchased a 2021 Chevrolet Silverado, which is being financed through CIBC at an interest rate of 5.292% and monthly payments of \$1,205.53. At that time there was a very limited market of pick-up trucks available and staff needed to take what was available. This truck is not ideal for parks operations as it is only a two-passenger pick-up truck and four staff travel to each site, requiring two pick-up trucks being needed which is not efficient.

**Analysis:**

The rental model from Thomas Solution has worked well as a short-term solution, especially with the market shortage in fleet over the last three years due to Covid-19. However, there is an opportunity for the Municipality to replace the two recreation units with two new trucks for slightly less than what we are currently paying to rent the two units from Thomas Solution. There is no financial penalty to returning the two units to Thomas Solution, as these rentals have no set term.

Staff obtained quotes from two local dealers on pick-up trucks that would be comparable to the units we are currently renting. Staff are requesting Councils approval to proceed with purchasing the following:

- 2 – 1500 Silverado Crew Cab pick-up trucks financed at 2.99% for 84 months.
- Replace the Chevrolet Silverado with the Crew Cab, at 4.99% for 48 months

The recommendation above provides the recreation department with three trucks that are best suited for their needs and reduces the total operating budget by \$12,540.96 over the term of the loan. Although the savings is minimal, the value of owning our own equipment vs renting, plus the efficiency of deploying one truck per location vs two is significant.

**Strategic Action Plan Checklist:**

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?		
• Recommendations help move the Municipality closer to its Vision		Yes
• Recommendations contribute to achieving Heritage, Culture, and Community		N/A
• Recommendations contribute to achieving Quality of Life		N/A
• Recommendations contribute to achieving Land Use Planning and the Natural Environment		N/A
• Recommendations contribute to achieving Economic Development		N/A
• Recommendations contribute to achieving Municipal Governance		Yes

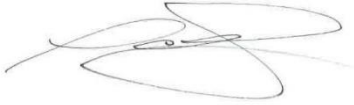
**Financial Impacts/Source of Funding:**

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

The recommendation from staff to return the two rental units, and trade in the 2021 Chevrolet Silverado gives a total savings over the term of the loan of \$12,540.96

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**Respectfully Submitted by:**

A handwritten signature in black ink, appearing to read 'Trish Serratore', with a stylized, looping flourish at the end.

Trish Serratore, Chief Financial Officer/Acting Director of Community Services

**Reviewed By:**

A handwritten signature in black ink, appearing to read 'Sonya Watson', with a long, horizontal, wavy flourish extending to the right.

Sonya Watson, Chief Administrative Officer