



Budget Report

Report Title: Equipment Budget 2023

Prepared By: John Yungblut, Director of Public Works

Department: Public Works

Date: Feb. 17, 2023

Report Number: PW-2023-02-1

File Number: C11-PW23

Attachments: Equipment Budget 2023 Business Plan

Recommendation:

THAT the Township of Huron-Kinloss Council hereby receives for information Report Number PW-2023-02-1 prepared by John Yungblut, Director of Public Works and approves the 2023 Equipment Business Plan in principle AND FURTHER authorizes staff to apply to the Near Term Investments Program for a street sweeper and landfill compactor.

Budget Overview:

2023 Proposed Budget Total Net Expenditures: \$275,000.00

| Compare to: | Total Net Expenditures | Difference (\$) | Difference (%) |
|-------------|------------------------|-----------------|----------------|
| 2022 Budget | \$250,000.00 | \$25,000.00 | 10.0% |
| 2022 Actual | \$250,000.00 | \$25,000.00 | 10.00% |

Council Reference – Tab – General – Pages – 20, 30

Discussion:

While the supply chain disruption is still causing issues, four of the five new pickup trucks that were ordered in 2021 and 2022 have now been delivered. One of the half tonne trucks that was ordered in May 2022, was no longer available in a 2022 model year and a 2023 model was offered at a \$4,000 increase. Staff elected to reject this offer and cancelled the order. While the new truck would have been beneficial to our operations, we are no longer in a truck shortage position and we have the ability to re-tender in 2023.

The 2011 John Deere motor grader that operates out of Ripley, has issues with peeling paint and staff have been working towards sandblasting and painting the entire machine for the past two years. We have run into painting contractors that we are unable to complete the work and quotes coming in over budget. Staff are confident that a budget increase to \$35,000 will be sufficient to complete this project in 2023.

In 2017, the Township purchased a 2017 Case Farmall 100C tractor that has been used primarily for roadside grass cutting and plowing sidewalks on Campbell St. in Lucknow. Over the past few years, this machine has started to show signs of wear and tear and has broken down on multiple occasions. Public Works staff believe that the tractor is not well suited for the tasks it is being used for, so now would be a good time to replace the machine while it still has value.

This machine was scheduled for replacement in 2022, however, staff were unable to finalize the requirements for the new tractor before the end of the year, but we expect to be in a position to request bids in 2023.

Treasurer's Comments:

We continue to transfer any surplus between the revenue earned for each piece of equipment and the direct costs to maintain them into a reserve for future equipment replacement. This allows us to keep the net capital investment into our fleet a consistent amount annually. Based on the rising costs of equipment and estimated future replacements, we have increased the annual net budget to 275,000.00.

The near term investments funding provides a valuable opportunity to upgrade our fleet with equipment that will last us far into the future.

Strategic Alignment / Link:

The information provided in this report is consistent with and in keeping with the Municipality's Vision & Mission. The recommendations contribute to our goals in achieving an accessible community by being open and transparent.

Respectfully Submitted By:

John Yungblut, Director of Public Works

Approved By:

Mary Rose Walden, Chief Administrative Officer