

COUNCIL REPORT

To: Mayor and Council

From: Administration

Date: December 7, 2022

Subject: Commercial Garbage Truck

RECOMMENDATION:

THAT Council authorizes Administration to rent a Commercial Garbage Truck from Big Truck Rentals at a monthly cost of \$11,235 plus GST;

AND THAT Council authorizes the Chief Administrative Office to execute the Rental agreement and any other related documentation.

BACKGROUND:

We are currently using a 2007 International Garbage Truck with a Heil compactor set up to collect commercial garbage. This unit is now at the end of its life cycle. The body of the truck is rusted, the compactor box is rusted out and there are holes in the floor of the compactor. If this vehicle was to remain in our fleet, it is estimated that between \$30,000 to \$50,000 in engine and fabrication repairs are eminent. There is also a likelihood that this vehicle will not pass inspection without significant work being performed on it which could cause a lengthy interruption in our service delivery.

Staff researched options to rent a commercial garbage truck and found two possible leads. One being Big Truck Rentals out of Ontario that has a vehicle available in BC and another company out of the States that was not able to find a solution for us. Administration is recommending that we rent a 2023 Freightliner rear loader garbage truck from Big Truck Rental. The cost to modify this truck for our use is included in the rental rate and it will take up to 60 days to install this equipment. This vehicle is fully warrantied and the District would be responsible for preventative maintenance, wearable items that need to be replaced such as tires, hoses etc. and consumables such as oil and filters, etc.

The rental of this vehicle will afford staff the time to fully understand all possible options available to provide commercial garbage collection service in Mackenzie. Staff will be bringing forward a permanent solution as soon as possible in the new year. During this review staff will ensure that bear resistant bins are an option to consider.

The monthly rental cost for the commercial garbage truck is \$11,235 or \$134,820 annually. Garbage service is funded through user fees and those rates are set to fully recover the costs of operations and replacement of capital assets. Commercial garbage user fees would have to increase by 80% to cover the additional costs of the garbage truck rental. For the average user (one 3-yard bin with 1 pick-up a week) their rate would have to change from \$214.92 to \$386.86 bi-monthly, or approximately \$24,500 to \$44,100 per year.

Since that increase would be an unexpected burden, staff are proposing a small rate increase, similar to prior years, to be discussed during budget discussions with the remaining funds being covered through accumulated surplus that is allowed to be used for operating expenses. The garbage service budget is included under the general operating fund, so general operating surplus funds can be used for this operational expense.

At the November 28, 2022 Council meeting, staff brought forward a 2022-2026 Financial Plan Amendment report that included \$489,000 of additional revenue received be transferred to surplus for future operational and capital needs.

BUDGETARY IMPACT:

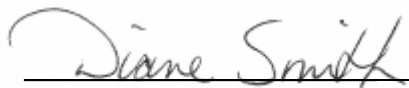
Funding for the commercial garbage truck rental will be allocated from accumulated surplus up to a maximum amount of \$134,820 for the 2023 fiscal year.

COUNCIL PRIORITIES:

Community and Social Development

- Our investment in the municipality's services and infrastructure, our commitment to principles of social equity and well-being, and our belief in the value of resident engagement, creates a healthy community in which everyone feels valued and enjoys a high quality of life.

Respectfully Submitted,



Diane Smith,
Chief Administrative Officer



Kerri Borne
Chief Financial Officer