



## TOWNSHIP OF NORTH HURON

## REPORT

Item No.

**REPORT TO:** Reeve Vincent and Members of Council  
**PREPARED BY:** Jeff Molenhuis  
**DATE:** 03/10/2016  
**SUBJECT:** Fleet Equipment Repairs Report  
**ATTACHMENTS:** NONE

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### **RECOMMENDATION:**

THAT the Council of the Township of North Huron hereby receive the report Equipment Repairs for information;

AND THAT the Council of the Township of North Huron hereby identify the funds necessary to support any necessary equipment repairs for the remainder of the 2016 budget year, being part of the Transfer to Reserve expense within the 2016 Roads Budget.

### **EXECUTIVE SUMMARY**

Roads staff encountered two significant equipment maintenance issues: one in the summer and one into early fall. One of the John Deere units required almost \$17,000 in repairs in August to be operational. This unit was repaired and returned to fleet equipment functionality.

The Volvo grader unit had a few maintenance issues earlier in the year where staff tried to address with in-house repairs. However, problems persisted and in mid-September staff had a heavy equipment mechanic look at the issue for this unit. Another significant repair is required to bring the unit back to functionality as the hydraulic pump needs to be replaced. This unit is necessary to begin the process for repairs immediately as fall grading activity and winter preparation is of imperative importance to maintain safe road conditions and winter response. It was decided with Township staff that, considering the necessity and urgency to provide this service, an Emergency Purchase was warranted in accordance with Section 2.7 of North Huron's Procurement Policy. The unit is currently out of operation awaiting final repairs. The total estimated cost to complete this repair is \$15,000-\$20,000.

Additionally, other smaller repairs are planned for later in the fall. This may be in the order of \$7,500. Considering the current and planned expenditures for Equipment Maintenance in 2016, we are tracking to be over budget by approximately \$11,000 for a budget item of \$82,800. This figure does not include any unplanned equipment maintenance expenditures.

### **DISCUSSION**

The emergency element is based on the need to prevent damage to roadway and to be prepared to meet legislative requirements for roadway maintenance. Fall grading operations into winter

### **FINANCIAL IMPACT**

As noted, the Equipment Maintenance budget will be over by approximately \$11,000 for planned expenditures. The shortfall, and any further expenditures for equipment maintenance, are recommended to be funded using the Transfer to Reserve budget item

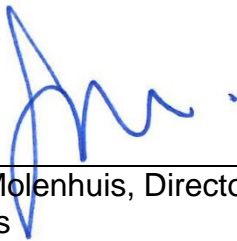
within the 2016 Roads Budget for \$54,500. After maintenance expenditures are complete, the remaining amount at year end would still be transferred as previously planned.

**FUTURE CONSIDERATIONS**

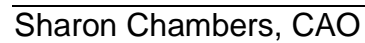
There is a need for a fleet maintenance program and strategy based on the major maintenance issues that arise. Part of the Shared Service Business Plan in 2017 will include this initiative.

**RELATIONSHIP TO STRATEGIC PLAN**

Goal 3 the Township is healthy and safe. Goal 4 the administration is fiscally responsible and strives for operational excellence.

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Jeff Molenhuis, Director of Public  
Works

A handwritten signature in blue ink, appearing to read 'Sharon Chambers', is positioned above a horizontal line.

Sharon Chambers, CAO