

## Budget Adjustment Request – Fire Major Apparatus Replacement and New Fire Stations

### ISSUE

This report seeks City Council’s approval for two budget adjustments related to the purchase of new Fire Major Apparatus. The first adjustment is to Capital Project P.02379.04 which does not have enough funding to proceed with the originally planned replacement of two apparatus due to higher pricing than originally anticipated. The second adjustment is to P.10074.01 New Fire Stations and Upgrades for Fire Station No. 10, in order to advance the purchase of the required one apparatus to 2024 instead of as originally planned in 2025 due to the longer than expected lead times.

### RECOMMENDATION

1. That a budget increase to Capital Project P.02379.04 Fire-Major Apparatus Replacement, for the two replacement fire pumpers, in the amount of \$1,620,000, to be funded from the Fire Apparatus Reserve, be approved;
2. That a budget increase to Capital Project P.10074.01 New Fire Stations and Upgrades, in the amount of \$1,860,000, to be funded from the Major Capital Prioritization Funding Plan be approved for the earlier than anticipated purchase of one fire pumper; and
3. That a corresponding reduction in the 2025 Capital Plan in the amount of \$1,860,000 for P.10074.01 New Fire Stations and Upgrades be considered at the 2025 budget deliberations meeting.

### BACKGROUND

#### Capital Project P.02379 Fire-Major Apparatus Replacement

Capital Project P.02379 Fire-Major Apparatus Replacement provides for the replacement and refurbishment of major firefighting apparatus used by the Saskatoon Fire Department (SFD). This project includes fire pumpers, aerials, rescue trucks, hazardous material units, brush and tanker trucks, and the Emergency Management Organization’s Mobile Command Unit. This project is funded by the Fire Apparatus Reserve (Reserve). The Reserve receives annual funding of \$1,349,800 and has a current balance of \$1,909,987. Capital Budget approvals include \$900,000 in 2022 and \$1,200,000 in 2023 for replacement of two apparatus that have reached the end of their useful life.

#### Capital Project P.10074.01 New Fire Stations and Upgrades for Fire Station No. 10

P.10074.01 New Fire Stations and Upgrades includes \$1,346,000 approved in 2024 for design and land purchase, and \$7,616,000 in 2025 for construction and purchase of new apparatus and equipment for the new Fire Station No. 10.

The fire pumper is necessary to meet National Fire Protection Association (NFPA) 1710 *Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments* - deployment standards for structure fires. Fire ground operations are necessary operational objectives with water suppression, rescues, ventilation, and motor vehicle collisions.

## **DISCUSSION/ANALYSIS**

### **Capital Project P.02379 Fire-Major Apparatus Replacement**

A Request for Proposal (RFP) for two replacement rescue pumpers was issued in December 2023. The RFP included two new design elements to better protect the health and safety of firefighters and to reduce fossil fuel emissions. The cab of these rescue pumpers incorporates the clean cab concept which supports cancer prevention practices of reducing long term exposures to cancer causing toxics associated with fire incidents and motor vehicle collisions. Also, the RFP requested reduced idling technology to mitigate fossil fuel consumption while maintaining essential electrical components like emergency lighting and Heating, ventilation, and air conditioning (HVAC) at non fire related incidents.

The Capital Budget previously approved under P.02379.04 for two units is \$2,100,000. The results of the public procurement process resulted in a total cost of \$3,714,238 for the two units. Due to the higher than anticipated costs, the recommendation is to have the capital projects funding increased by \$1,620,000. The recommended funding source for the additional costs is the Fire Apparatus Reserve which has \$1,909,987 available prior to this allocation.

The last rescue pumper RFP issued was in 2015 for five pumpers, with the final apparatus delivery in 2020 at a cost of approximately \$860,000 per unit. The current cost of \$1,842,119 per unit represents a cost escalation of 114%. The addition of reduced idling technology, clean cab concept, changeover to a different engine, and the vendor supplied equipment increased the per unit purchase price by approximately \$205,000, resulting in an inflationary increase of 90% over a 9-year period, with much of the inflation occurring post-2021. As part of 2024 budget deliberations, Administration had identified the need for \$770,000 in additional funding requirements for the Fire Apparatus Reserve which represented a 67% increase to fund inflationary impacts of the current replacement strategy. As part of the 2024 budget, \$192,500 was approved to be added to the Fire Apparatus Reserve with a plan to further phase in inflationary impacts in future budgets.

In response to the significant increase in cost of pumper trucks, further budgetary phase-ins will be required to maintain and replace the existing fleet. However, in an effort to mitigate these impacts as much as possible, P.100072 Alternate Response Vehicle Pilot Project, approved in 2024 and proposed for 2025, involves the purchase of two Alternative Response Vehicles, with the expectation that fire apparatus engine hours will be reduced, extending asset life of large apparatus and decrease the impact on the Maintenance and Mechanical shop for repairs and servicing.

The goal is to have a positive financial impact on the current replacement strategy in response to the significant inflationary impacts.

Capital Project P.10074.01 New Fire Stations and Upgrades for Fire Station No. 10

P.10074.01 New Fire Stations and Upgrades includes construction of a new Fire Station, No. 10, expected to be operational in the summer of 2026. This project included funding in 2025 to supply the new Fire Station with a fire pumper, however, due to the 23-month delivery time for apparatus, it is necessary to order the pumper truck required for this station in 2024. The previously approved plan was to have this budget approved in 2025, however, due to the lead time, the Administration is recommending that \$1,860,000 of the 2025 Major Capital Prioritization Funding Plan be advanced to 2024 to allow for the procurement of an additional pumper truck. A reduction to the 2025 allocation will be included in the recommended budget adjustments as part of 2025 budget deliberations.

**FINANCIAL IMPLICATIONS**

Capital Project P.02379 Fire-Major Apparatus Replacement

Regarding the budgetary increase required for the replacement of the two pumper trucks, there are sufficient funds in the Reserve to provide for the requested budget adjustment for Capital Project P.02379, however, following this allocation the reserve will be depleted to a balance of approximately \$290,000. Moving forward the Reserve is insufficient to provide for the long-term large apparatus replacement needs even with the implementation of the Alternative Vehicle Response project. Beginning in 2018, the contributions to the Reserve have increased by \$75,000 annually, as a phased-in approach, to address rising costs at that time. In response to costs escalating even further following the pandemic, in 2024 this amount was increased by \$192,500. An additional \$115,500 is planned to be phased-in in each of the next 5 years to address the inflationary increases.

Capital Project P.10074.01 New Fire Stations and Upgrades for Fire Station No. 10

Regarding the additional apparatus for Fire Station No. 10, Capital Project P.10074 is budgeted to receive funding in both the 2024 and 2025 budget years. If the recommendation is approved, the increase of \$1,860,000 in 2024 will be offset by a corresponding decrease in the 2025 capital plan, which will be brought forward at the 2025 budget deliberation meeting. The Major Capital Prioritization Funding Plan has sufficient funds to move these costs into 2024. There is no overall increase in the total costs of P.10074.

**OTHER IMPLICATIONS**

There are no privacy, legal, social, or environment implications identified.

**NEXT STEPS**

There is no further follow up needed.

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### Report Approval

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