

BRIEFING NOTE

Toronto Fire Services – 2004 Operating Budget **Fleet Issues**

Issue/Background:

The Fire Services fire vehicle fleet currently has 23% of the 178 heavy vehicles over 15 years of age. The age of the fleet is a concern of the commercial insurance sector. The 2004 Budget Request included an increase in the annual contribution to the fleet reserve to address the concerns about the increase in the number of fire vehicles over their 15 year lifespan, as identified in the Fire Underwriters' Survey of 2002. The increased provision was an attempt to accelerate the replacement to bring the fleet within acceptable standards within 5 years. If the Insurance industry considers the replacement rate inadequate, the impact could be an increase in commercial insurance rates of between 12 % and 15%, if the City's commercial insurance classification dropped from a 3 to a 4.

The 2004 Budget Request included an initial provision of \$7.195 million. At the time of Community Services Committee budget review, the provision as recommended by the Executive Management team (EMT) is \$5.561 million.

Key Point(s):

The Fire Underwriters Survey is the standard classification system and criteria developed by the Insurance Industry to evaluate fire services for insurance rating purposes. In February 2002, a new survey was completed in Toronto, which was very critical of the age and condition of Toronto Fire Services fleet, and that this would seriously affect the City's classification if not corrected. The survey recommends replacement of all front line apparatus after a maximum of 12 years in service and three years in reserves, for a total of 15 years. Vehicles that exceed the useful life cycle maximum of 15 years are not eligible to be recorded as fire apparatus in determining the classification.

The following chart provides a replacement schedule of the heavy fleet at various funding levels:

Replacement Year	2003 Approved \$4.561M	2004 EMT Recommended \$5.561M	2004 Request \$7.195M
Total Vehicles over 15 Years of Age	97	97	97
2004	6	7	10
2005	9	11	14
2006	8	11	14
2007	9	10	12
2008	9	9	15
2009	7	11	16
Total Replaced	48	59	81
Balance Unreplaced after 2009	49	38	16
Percent of Fleet over 15years in 2009	27.5%	21.3%	9.0%

The chart indicates that the city will fail to catch up or fall behind the replacement schedule at current fleet contribution rates.

Conclusion:

Toronto Fire Services currently has a total of 45 heavy fire vehicles at or over 15 years old, which therefore fall outside of the Fire Underwriters Survey guidelines of a 15 year life cycle (12 years as a front line vehicle and 3 additional years in reserve). The total cost to replace front line vehicles that do not meet the Fire Underwriters Survey guidelines would be \$24.9 million.

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