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## 2005 BUDGET BRIEFING NOTE: Toronto Fire Services – Fire Vehicle Replacement

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### Issue/Background:

The Fire Services fire vehicle fleet currently has 45 or 25% of the 178 vehicles over 15 years of age. The age of the fleet is a concern of the commercial insurance sector as identified in the Fire Underwriters' Survey of 2002. This survey is based on:

- Public Fire Protection Classification or "town grade" which is expressed on a scale of 1 to 10, where Class 1 represents the highest level of public fire protection and Class 10 represents the absence of any effective public fire protection;
- the grading is developed from a comprehensive review of all facets of a community's fire defences;
- the review included major features of the water supply system, fire department administration and operations, communications systems and fire safety inspection programs;
- the grading system considers the resources needed to control fires, based on the structural conditions in the community being assessed;
- the 2002 survey for Toronto stated that vehicles that exceed the useful life cycle maximum of 15 years are not eligible to be recorded as fire apparatus in determining the classification; and,
- the survey recommended 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.

Toronto's current rating of 3 was given conditionally pending a review to determine if adjustments have been made to deal with issues which the Underwriter's assessment identifies for firefighting defences for the City of Toronto.

Council has approved incremental budget increases in the fleet reserve provision to accelerate the replacement program. The goal of the program in its vehicle replacement plan was to have annual funding of \$7.2 million annually to achieve the needed turnover level to eliminate all 15 year-old vehicles in a 5 year time frame.

**Annual Fleet Reserve Contribution - \$000's**

1999	2000	2001	2002	2003	2004
\$1,000	\$1,283	\$2,954	\$3,561	\$4,561	\$5,561

The 2005 Budget Request included an initial provision of \$7.195 million. The provision as recommended by the Executive Management team (EMT) is \$5.561 million, which represents no increase over the approved 2004 estimate.

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**Key Point(s):**

Based upon the 2002 Fire Underwriters Survey, if the City of Toronto's Commercial Classification of 3, were to be downgraded, there could be a potential 12 to 15 percent increase in insurance costs for Commercial buildings. Currently, the Fire Underwriter's Survey is reassessing the classification for Toronto. In the 2002 review, Toronto benefited from improvements it had undertaken in the areas of fleet maintenance and firefighter staffing. The Fire Underwriter's Survey has indicated that Council's commitment to date in making improvements in the rate of fire vehicles fleet replacement will be taken into consideration in determining Toronto's classification.

The following chart provides a replacement schedule of the heavy fleet at various funding levels based on oldest vehicles being replaced first:

Replacement Year	\$millions		
	Current \$5.561	\$6.561	Request \$7.195
2005	7	9	11
2006	11	13	14
2007	11	13	13
2008	10	11	13
2009	11	14	16
2010	11	13	15
Balance 15 + years*	29	17	8
Percent over 15+	16.3%	9.6%	4.5%

\*Total number of vehicles reaching 15 years by 2011 is 90; balance represents outstanding still to be replaced; some of the oldest vehicles shown in the first year represent aeriels, which are more costly and so fewer vehicles are replaced with the available funding.

The chart indicates that the current fleet contribution of \$5.561 million will reduce the overall percentage of vehicles over 15 years from the current 25% to 16.3% in 6 years. Higher contribution rates will reduce the backlog further, but will not eliminate it within in the originally proposed 5 year time frame until the contribution rate is approximately \$7.2 million.

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**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). While the current reserve contribution rate of \$5.561 million will reduce the overall percentage of vehicles over 15 years of age, there will still be a continuing backlog.

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