

Engine 1 Replacement



Engine 1 History

- Purchased new in 1999
- Cost approx. \$180,000
- Capital savings account paid 90%
- Maximum life 20 years with possible extension

Fire Underwriters Survey (FUS)

- FUS is a national organization
- Provides fire protection data to insurance companies
- FUS grades fire risk in each community
- Insurance premiums discounted based on risk grade

Why FUS grades?

- Insurance underwriters looking to reduce risk
- FUS grades define risk level
- Low risk – high premium discounts
- High risk – no premium discounts
- Discounts encourage upgrading fire protection

What constitutes lower risk?

- Water supply
- Fire department specifics
- Front line apparatus
 - Specifications
 - Age

3 levels of FUS rating

- Fully protected – maximum discount
 - Requires fire hydrants
- Semi-protected – discounts up to 50%
 - 15+ firefighters in department
 - Front line apparatus < 20 years old
- Unprotected – No discounts

Thetis Island Grade 3B- Semi Protected

- At risk due age of Engine 1
- Current life extension to 25 years expires this December
- Applied for further extension to 30 years
 - Should get it but no guarantees
- No extensions beyond 30 years possible

If Grade 3B is lost, what happens?

- Immediate loss of property insurance premium discounts
- Some underwriters will not cover unprotected status
- Regaining semi-protected status difficult
 - Requires complete re-assessment from scratch
- If insurance cancelled, mortgage will also be cancelled

Impact on property insurance premiums

- Loss of 50% discount increases premium 100%
- Loss of 33% discount increases premium 50%
- Examples - Quotes from insurers
 - B&B on Moore Hill
 - current premium \$5700, unprotected premium \$8550 - 50% increase
 - Foster Point Rd.
 - Current premium \$2257, unprotected premium \$3417 - 52% increase
- Lasqueti Island lost its semi-protected status about 10 years ago
 - One resident reported losing insurance coverage as a result
 - Eventually found coverage for \$5300, cancelled policy had cost \$1200

Why not buy a used pumper?

- 2 Year internet search for used pumpers
- No suitable candidates found
- All either too old, too small or too big

Search for a new pumper

- Issued RFP specification to 3 manufacturers
- Common specification for apple-to-apples comparison
- Both Canadian manufacturers responded
- American one did not respond

Assessing the proposals

- Hub's proposal came to \$624,410 including taxes
 - Price held until Aug 13, 2024
 - Did not include two specified items
- Fort Garry made two proposals
 - MXV met all specifications for \$599,875.36 including taxes
 - Price held until Oct 10, 2024
 - Stock Liberty pumper for \$549,510 including taxes
 - Available in April 2025
 - Lower water capacity
 - 7 items on specification list not included
 - Missing items available at extra charge
- Fort Garry MXV selected

Fort Garry MXV Pumper



Timeline

- Chassis delivered to Ft Garry 10 months after order placed
- Completed MXV pumper delivered 8-10 months later

Payments

- No deposit required at time of order
- Pay for chassis on delivery to Ft Garry
 - Cost approx. C\$200,000
- Pay balance on delivery of completed pumper
- \$26,780.15 GST recoverable fiscal year after delivery

Why the hurry?

- If Engine 1 gets a 5-year life extension from FUS, why not wait?
 - In 2027 the EPA will issue a new standard for NOx emissions
 - Forecast to be very expensive, up to 30% increase in chassis cost
 - Trucking industry demand for pre-2027 chassis is skyrocketing
 - Supply chain issues arising from high demand
- Ft Garry has limited number of chassis ordered
 - We can get one if we order now
- Cost of fire trucks currently increasing 3% per quarter
- If Engine 1 does not get a life extension, FUS will maintain our grade if we have a new pumper on order.

Grants

- Search for grants towards a new fire truck
 - None found applicable to improvement districts
 - Gaming capital grant available to societies
 - TIVFS spent many hours researching this opportunity
 - Bottom line: We are not eligible
 - Gaming Branch requires Society to own truck
 - FUS requires Authority Having Jurisdiction over FD to own truck
 - Only society run fire departments are eligible

Finances

- TIID Capital Works Account current balance \$**504,000**. At the end of this we want a CWA balance of \$100,000.
- Long term financing (CTA)
 - \$200,000 at 4.9% over 5 years. Payment $\$45,227/400 = \113.07 annually
 - Total interest paid \$26,133

 - \$200,000 at 4.9% over 10 years. Payment $25,305/400 = \$63.26$ annually
 - Total interest paid \$53,049
- Short term financing(annual budget 2025 and 2026)
 - \$100,000 divided by 400 = \$250 annually for 2 years
 - No interest paid

The Vote

- To support the recommendation by the Improvement District trustees to proceed with the purchase of the Fort Garry Fire trucks MXV Front Line pumper (\$599,875) and financing up to \$200,000 as outlined in the presentation.
- Yes or No