



Memorandum

Meeting Details: November 15, 2023

Prepared For: Mayor & Board of Commissioners

From: Megan Wepfer, Public Works Director

Subject: FY24 Capital Garbage Truck Purchase or lease discussion

Background

Pursuant to the FY24 Capital Improvement Plan, Sanitation is due to replace Truck #33 which is a 2016 Peterbuilt model 348 Garbage truck with a rear load Heil 27-yard packer. Truck #33 has 64,599 miles with 10,403 hours. Truck #33 needs approximately \$3500 minimum to replace the rear main seal on the engine, currently the truck is inoperable. Staff is not able to repair this truck in house as it needs the transmission dropped to get to the motor and we do not have the tools or manpower needed. Garbage trucks are typically replaced every 7 to 8 years due to wear and tear from everyday refuse collection.

The new trash toter program was introduced in March 2023 with the future goal of moving to a more streamlined system of automated side loader pickup due to staffing shortages. In the past 9 years the sanitation department has only been fully staffed sporadically for very short periods of time (a few months). We have had to rely on a temporary labor company to supply workers to be able to provide the level of service our residents deserve. There is only one labor company nearby that allows workers to be on the back of the trucks due to liability reasons. This labor company has been tough to work with and the workers are typically subpar and count as half of a person which strains everyone else who must pick up the slack. Moving to a side loader for the residential route would allow the crew to drop from a 3 person to a 1-person crew if staffing conditions are at the worst-case scenario. Staff is planning to keep a 2-person residential crew but also pre planning in the event of an emergency or serious staffing shortages in the future to allow the route to continue with 1 person.

The sanitation department has a newer fleet of garbage trucks with 2 of the trucks being 2020 and the newest 2023. After FY24 garbage purchase the next replacement is not scheduled until 2027 and could be pushed out depending on the annual maintenance cost and overall operational of the truck. As the truck ages the maintenance cost increases further than oil changes, tires, and hydraulic hoses to needing to reline the packer and blade repairs as a few examples. The city mechanic is planning to retire within the next few years and does most of the repairs in house, which saves the city a tremendous amount of money. Preplanning for the future and looking for ways to cut down on the cost of garbage trucks staff has reached out to RDK to discuss the option to lease a garbage truck. There are both pros and cons to leasing a garbage truck: pros they will cover the cost of repairs and bring a replacement truck so that the fleet is not short and the fleet will always be newer and cons: \$8500 a month for a 13-month period is a bit pricy and city will not own the asset.

Staff is looking for recommendations from the Board on weather to purchase or lease the next garbage truck.

Fiscal Impact

The lease cost of the truck From RDK is \$8,500 per month / \$102,000 Annually with a term of 13 months

Purchase price of a truck from RDK:

1. 2022 Crane Carrier Side loader with a 33 CY Automated Side loader \$379,170.00
2. 2022 Crane Carrier Side loader with a pac-tec body \$369,170.00

Purchase price from All Roads Truck

1. 2024 Battle Chassis with New Way Automated Side loader 33 CY \$401,0173.00
2. 2024 Battle Chassis with a Heil Durapack Python Automated Side Loader 33 CY \$402,864.00

Recommendation(s)

The staff is looking for recommendations from the Board of Commissioners on the option to lease or purchase a truck.

Attachments

- RDK Quote
- All Roads Truck Quote with 33 CY New Way Automated Side Loader
- All Roads Truck Quote with 33 CY Heip Durapack Python Automated Side Loader