



REPORT TO COUNTY COUNCIL

FROM: Alan Smith, General Manager of Economic Development

DATE: April 15, 2019

SUBJECT: Tourism Van – New Engine Required

RECOMMENDATIONS:

WHEREAS the six (6) year old surplus Library van will be utilized for tourism purposes commencing in May 2019 to replace the current thirteen (13) year old Tourism Cruiser which is in need of many repairs; and

WHEREAS \$8,500 was included in the 2019 Capital Budget for shelving and graphic wrapping of the library van to prepare it for use as a new Tourism Cruiser;

WHEREAS the surplus Library van has been assessed and requires a new engine at a cost of \$6850;

THEREFORE be it resolved that

THAT Council approve an additional \$5,500 from the Capital Reserve to be used to augment the \$8,500 previously included in the 2019 Capital Budget to complete necessary repairs on the surplus Library van to allow for the van to be use as the County's Tourism Cruiser; and

THAT the report titled "Tourism Cruiser – New Engine Required" from the General Manager, Economic Development dated April 15, 2019 be received and filed.

INTRODUCTION:

As an initiative to promote Elgin County Tourism throughout the County and surrounding area, in 2013, the Elgin County Economic Development and Tourism department launched the Tourism Cruiser. Instead of purchasing a new van, the County's library delivery van, a 2006 GMC Savana, was repurposed; wrapped with new graphics, a brochure rack was made at the back of the van, and an awning was added to the roof to allow some shade for staff. Currently using a thirteen (13) year old vehicle, the Economic Development Department has been anticipating the turnover of the library delivery van. Recently, the Community and Cultural Services department has purchased a new library van; and, in turn, like the previous procedure, the old van will be repurposed into a new Tourism Cruiser for Economic Development. However, in order to overcome the mechanical issues of the former library van, a new engine will need to be installed. This vehicle, a 2013 Chevy Express, currently has 198,000 km. The primary purpose of this van was to deliver library materials across Elgin County, four days per week up to six hours per day.

DISCUSSION:

The Tourism Cruiser has played an integral role in promoting Elgin County at various events locally and in the surrounding areas, over the past six years. Last summer the Cruiser attended 13 events with the accompanying student providing information to 4,173 people. Having being in use over the past 13 years by both the departments of Community and Cultural Services and Economic Development, now with 252,002 km, the operational life of the current van has come to an end.

In order to continue to use the Tourism Cruiser as a key promotional tourism tool, Economic Development was expecting to receive the use of the recently replaced library van for the next five years. However, there a number of mechanical issues with the former library van that needs to be addressed before tourism can use the vehicle. After being inspected by three different mechanics, it was determined that the best course of action would be to replace the van's engine. This will cost approximately \$6,850.00 which also includes a three year or 160,000 km guarantee on the new engine - whichever comes first. There might be costs of other parts during the installation; however, usually they are taken off the original vehicle. It should be noted that repairs to the current 13 year-old Tourism Cruiser is not recommended as the longevity of the body and motor are questionable; and, the safety of the driver must be maintained.

The County's Management Team carefully contemplated other options including:

- the purchase of a new Ford Transit 150 low roof cargo with a 3.7L V6 for \$28,000 plus Hst;
- a used engine for the recently replaced library van at a cost of \$3,725 with a 90 day guarantee. If the engine fails during this time period there would be an installation cost of \$1600, and the County would be receiving an engine with an unknown history;
- make repairs to camshaft and lifter of the recently replaced library van at a cost of \$5,640.00. However, when these types of repairs are done there is a possibility that the heads will also need replacing. This would cost approximately \$1500 and the van would still have an engine with close to 200,000 km on it; or
- leasing a new van for a time period ranging from 3 to 5 years with varying levels of monthly payments and end of lease residuals. However, the County can finance the purchase of a vehicle through a building loan cheaper than can be obtained in a lease scenario as there are hidden costs within a lease as well as simple the interest rate.

In the 2019 Capital Budget, \$8500 is allocated for the conversion of the former library van into the "new" Tourism Cruiser. Updated estimates of wrapping/graphics and shelving installation will cost up to \$6000.00. Therefore, to cover the costs of engine replacement and any associated parts, costs etc. would require accessing the Capital Reserve of up to \$5500.

CONCLUSION:

Having the Cruiser on the road during the summer months plays an important role in promoting tourism throughout Elgin County and the surrounding areas. The operational life of the current tourism van has come to an end. Changing of this vehicle with the recently replaced library van was planned for 2019. However, in order to make this transition possible requires investment in a new motor. In doing so, this will enable the County to continue to promote Elgin's tourism product(s) throughout the area and neighbouring counties; for the next five years till the next library van becomes available.

All of which is Respectfully Submitted

Approved for Submission

Alan Smith
General Manager of Economic Development

Julie Gonyou
Chief Administrative Officer