## **Summary**

### **Fleet Truck Purchase Planning Forum**

Steve hosts a fleet planning forum to discuss when to buy new trucks, considering financial and maintenance factors. He shares consolidated slides from Bob and adds a placeholder for Waylon's presentation. The participants experience some initial technical difficulties but eventually get the slides working. Dean reminds everyone about the Q&A session at the end, asking presenters to stay on the call until it's over.

### **Meeting Preparation and Attendance Update**

Steve welcomes participants to the meeting and manages the waiting room as people join. He mentions that he has consolidated the slides with minor formatting changes. The meeting is being recorded and will start at 4:05. Several attendees are noted, including Curtis, John, Jim, Gary Cook, and Jess Fisher, who is surprisingly present despite being on vacation. Sean reminds Steve to start the recording and mentions that Jeff Spicer is on vacation and won't attend.

### **Redbox Fleet Planning Discussion**

Steve introduces the meeting, which was requested by Redbox to discuss fleet planning considerations. He outlines the agenda, including perspectives on new and used trucks, maintenance implications, upfitting considerations, and financial aspects. Steve welcomes Jeff Mayes as the new equipping and training specialist. John Bush then presents on the benefits of buying new trucks, discussing pros and cons, advances in reliability and technology, and the importance of warranty coverage. He emphasizes the latest engine technology, improved fuel economy, custom specs for Redbox, and driver retention benefits of new trucks. John also covers the cons, including higher upfront costs and immediate depreciation.

### **Used vs. New Truck Buying Guide**

The discussion focuses on the considerations for buying used trucks versus new trucks for franchisees. Waylon emphasizes the importance of thorough inspection when purchasing used equipment, recommending checks for trunnions, blow-by, mileage, hours, and maintenance records. He suggests looking into aftermarket warranties and grants for replacing older trucks. Waylon also stresses the critical role of regular preventative maintenance in keeping trucks in good condition, regardless of whether they are new or used. Bob Perry then begins to discuss how maintenance costs influence the decision between new and used trucks, highlighting the importance of understanding total ownership costs over time.

### **Truck Purchase Decisions: New vs. Used**

Bob Perry discusses the advantages of buying new and used trucks, as well as signs indicating when to choose each option. He emphasizes that new trucks typically have lower repair costs for the first three years, better fuel efficiency, full warranty coverage, and easier compliance with regulations. Used trucks offer lower upfront costs and slower depreciation, making them suitable for seasonal fleets or those with fewer miles. Bob stresses the importance of a preventive maintenance program regardless of truck age, highlighting that downtime can be more expensive than scheduled service. He concludes by advising fleet managers to consider total ownership cost, not just purchase price, when making decisions about their fleet.

### **New vs. Used Roll-Off Trucks**

Curtis Smith from Smith Truck Body discusses the pros and cons of buying new versus used roll-off trucks. He emphasizes that new trucks offer lower initial maintenance costs, warranty coverage, and can be tailored to specific needs. Curtis advises that used trucks can be a good option if the buyer has an in-house mechanic or a close relationship with a repair shop, and if the truck's service history can be verified. He stresses the importance of thorough inspections and buying from reputable dealers when considering used trucks.

### **Truck Financing and Tax Benefits**

Jim Stekl from Western Equipment Finance presents financing options for new and used trucks, including loans with terms up to 84 months and leases with residual values. He highlights their Redbox Plus program, which allows payoff after 12 monthly payments without penalties. Jim also discusses the IRS Section 179 tax benefit, which allows businesses to write off up to $1,250,000 in equipment purchases in the first year, applicable to both new and used equipment. He emphasizes the significant tax savings potential and offers to provide quotes on truck financing for interested parties.

### **Truck Maintenance and Acquisition Insights**

The panel discusses various aspects of truck maintenance, availability, and purchasing decisions. Bob Perry reports that parts availability for new trucks has significantly improved, with fill rates now around 95%. Regarding warranty coverage and mobile repairs, Bob and John explain that mobile service is often available for warrantable repairs on trucks that cannot be driven, with the dealership covering any difference in labor rates. Waylon provides insights on used truck pricing, stating that a completely refurbished 2020 roll-off truck might cost around $175,000 compared to a new one at approximately $275,000 plus FET. He emphasizes that refurbished trucks can have a life expectancy of 6-8 years with proper maintenance. The panel also discusses the importance of proper maintenance, regardless of whether a truck is new or used, and the challenges of finding qualified technicians for newer, more technologically advanced vehicles.

### **Truck Maintenance and Lifespan Discussion**

The discussion covers various aspects of truck maintenance and lifespan. Bob Perry suggests that roll-off trucks can typically last 6-10 years with good maintenance, emphasizing that a $400 preventive maintenance (PM) could prevent a $4,000 roadside failure. Dean adds that larger companies often depreciate trucks over 10 years and run them for 12-14 years, replacing about 10% of their fleet annually. Waylon advises that a 2021 truck with 200,000 miles should last another 4-5 years with proper maintenance, potentially needing some repairs but not a full refurbishment. The group also discusses the lifespan of roll-off equipment and vac systems, with Curtis Smith suggesting that well-maintained roll-offs can last 10-15 years. The conversation concludes with a request for more detailed information on expected maintenance costs over time and typical repairs for planning purposes.

### **Maintenance Schedule Access and Resources**

The group discusses the importance of maintenance schedules and how to access them. Steve mentions that maintenance information is available in owner manuals and through Whip Around, a digital tool. John suggests creating a one or two-page summary of maintenance schedules, which Steve agrees to work on. Curtis emphasizes the importance of focusing on hours rather than miles for maintenance. Dean concludes by thanking the presenters and highlighting the significance of overlapping comments from different experts, particularly regarding the importance of maintenance and having access to reliable mechanics.