


**ROSS VALLEY FIRE DEPARTMENT  
STAFF REPORT**

For the meeting of: January 10, 2018

To: Board of Directors

From:  Roger Meagor, Acting Fire Chief

Subject: Vehicle Replacement Schedule and Funding Plan

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**RECOMMENDATION:**

That the Board approves the updated Vehicle Replacement Schedule and Funding Plan.

**BACKGROUND:**

The Ross Valley Fire Department currently maintains a fire apparatus fleet of seven fire engines, six "Type 1" engines and one "Type 3" engine. The Type 1 engines are designed for structural firefighting and the Type 3 engine is specifically designed for wildland firefighting, but also has limited structure firefighting capabilities. The Type 1 engines carry a full complement of wildland firefighting equipment, but are limited to paved roadways, whereas the Type 3 has off road capabilities. One of the Type 1 engines is owned and maintained by the State of California and operated by Ross Valley Fire for local and statewide response. The Department also maintains a fleet of seven staff vehicles.

In 2013 the Board approved a 12-year Vehicle Replacement Schedule and reviewed the Funding Plan for fire engines and staff vehicles.

The current Schedule provides for fire engines to remain in first-run service for 15 years and in reserve status for a minimum of 5 additional years. Staff vehicles scheduled service is 10 to 15 years. The Schedule includes the estimated replacement cost for each vehicle.

The current Funding Plan provides for the cash purchase of staff vehicles and the lease purchase of fire engines. The amortization schedules for lease purchases include an estimated 4.25% interest rate. Annual contributions by member agencies increase 3% annually through FY24/25.

**DISCUSSION:**

For Board consideration is an updated Vehicle Replacement Schedule and Funding Plan for fire engine and staff vehicle purchases through FY 28/29.

In the last several years, the purchase of fire engines and other vehicles has fallen behind the replacement timeline established in the 2013 Schedule. Additionally annual funding for the Plan has fallen short. The proposed Replacement Schedule and Funding Plan includes a timeline and funding strategy to meet the Departments vehicle replacement needs through FY 28/29.

AGENDA ITEM # 5  
Date 1/10/18

There are several factors that have that have impacted the Funding Plan:

- The replacement cost for fire engines and other vehicles has increased at a faster rate than anticipated.
- Two fire engines that were scheduled for purchase in 2015 have been delayed, resulting in a higher replacement cost.
- The Plan has been under funded by \$273,000 over the last several years.
- The estimated replacement cost of command and utility vehicles did not include the full cost for emergency lighting, radios, other equipment, and installation cost.

In order to address the impacts included above, the updated Funding Plan includes the following:

- Increase the annual inflation factor for vehicle replacement cost from 3% to 4.5% through 2022, thereafter the annual rate drops to 3.5%.
- Increase the FY 18/19 total member contribution amount from \$259,000 to \$300,000, with a 4% annual increase in future years. The increase is 3% annually in the 2013 Plan.
- Transfer \$280,000 from unassigned reserves into the Apparatus Replacement Fund.

**Conclusion:** The Vehicle Replacement Schedule and Funding Plan are designed to be used as a management tool and should be reviewed on a regular basis and updated as needed. The Funding Plan will provide for consistent annual payments by the member agencies, at the same time ensuring there are adequate resources to maintain a reliable apparatus and vehicle fleet. Staff recognizes the updated Funding Plan represents an increase in the level of funding by the member agencies. Staff has always, and will continue to, take advantage of opportunities to reduce costs where possible.

Staff is recommending the Board approve the Vehicle Replacement Schedule and Funding Plan.

#### **FISCAL IMPACT:**

In the current Fiscal Year, \$278,000 will be transferred from unassigned reserves to the Apparatus Replacement fund. After the transfer, \$485,141 will remain in unassigned reserves.

FY18/19 the Funding Plan includes \$300,000 to be contributed by the member agencies, Ross - \$70,110, Sleepy Hollow - \$38,400, Fairfax - \$69,900 and San Anselmo - \$121,590. The contribution amount will increase by 4% annually.

Attachment: 2018 Vehicle Replacement Schedule and Funding Plan  
2013 Vehicle Replacement Schedule and Funding Plan

## Ross Valley Fire Department Vehicle Replacement Schedule - 2013

Fire Engines	Type	Year Purchased	First Run Service	Reserve	Surplus	Total Service	Purchase Cost	Replacement Cost
E-98	Type 3	1998	17	2015	2020	22	182,961	390,000
E-95	Type 1	1995	15	2010	2015	20	230,000	577,425
E-96	Type 1	1996	10	2006	2018	22	204,864	630,968
E-2000	Type 1	2000	15	2015	2021	21	270,000	689,476
E-2003	Type 1	2003	15	2018	2025	22	330,000	776,011
E-2006	Type 1	2006	15	2021	2030	24	442,632	
E-2010	Type 1	2010	15	2025	2033	23	498,092	

Staff Vehicles	Type	Year Purchased	First Run Service	Reserve	Surplus	Total Service	Purchase Cost	Replacement Cost
U1999	Utility	1999	15	2014	2016	17	25,192	44,640
C2002	Command	2002	12	2014	2014	12	28,167	47,500
U2004	Utility	2004	15	2019	2024	20	24,258	47,358
C2008	Command	2008	10	2018	2018	10	38,404	48,500
P2008	Prevention	2007	11	2018	2018	11	25,653	36,000
U2008	Utility	2008	15	2023	2023	15	34,213	48,500

Type 1 Fire Engine is a standard fire engine used for regular responses and structural firefighting

Type 3 Fire Engine is a wildland fire engine

Fire Engines are scheduled to remain in First Run Service for 15 years and Reserve status for 5 to 9 years

Utility vehicles are scheduled to remain in service for 15 years

Command vehicles are scheduled to remain in service for 10 years

Replacement Cost is based on a 3% annual inflation factor

# Ross Valley Fire Department Vehicle Replacement Schedule - 2013

## Funding Plan

Fire Engines	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25
2015 Type 3 Fire Engine				88,221	88,221	88,221	88,221	84,624					
2015 Type 1 Fire Engine				207,997	107,997	107,997	107,997	103,594					
2018 Type 1 Fire Engine							142,729	142,729	142,729	142,729	136,911		
2021 Type 1 Fire Engine										155,964	155,964	155,964	155,964
2025 Type 1 Fire Engine													175,539
2010 Type 1 Fire Engine	88,383	88,383	88,383										

E-2010 lease payments are being paid by the Prior Authority members  
Fire engines are purchased utilizing a lease purchase program, E-2015 Type 1 includes a cash down payment of \$100K  
Lease purchase amortization schedules include an annual interest rate of 4.25%

Staff Vehicles	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25
2015 Utility Vehicle				44,640									
2014 Command Vehicle		47,500											
2019 Utility Vehicle												47,358	
2018 Command Vehicle							48,500						
2018 Staff Vehicle							36,000						
2023 Utility Vehicle										48,500			

All staff vehicles will be cash purchases

<b>Annual Cost</b>	88,383	135,883	88,383	340,858	196,218	196,218	423,447	330,948	142,729	298,694	341,375	203,322	331,503
<b>Annual Funding</b>	88,383	218,383	222,283	237,000	244,110	251,433	258,976	266,746	274,748	282,990	291,480	300,225	309,231
<b>Year-end Balance</b>	23,886	106,386	240,286	136,428	184,321	239,536	75,065	10,863	142,882	127,179	77,284	174,186	151,914

<b>San Anselmo</b>	46,755	99,444	101,025	96,056	98,938	101,906	104,963	108,112	111,355	114,696	118,137	121,681	134,358
<b>Fairfax</b>	26,868	57,158	58,067	55,221	56,878	58,584	60,341	62,152	64,016	65,937	67,915	69,952	77,240
<b>Sleepy Hollow</b>	14,760	31,400	31,899	30,336	31,246	32,183	33,149	34,143	35,168	36,223	37,309	38,429	42,432
<b>Ross</b>		30,381	31,292	55,387	57,049	58,760	60,523	62,338	64,209	66,135	68,119	70,162	77,472
<b>Total</b>	88,383	218,383	222,283	237,000	244,110	251,433	258,976	266,746	274,748	282,990	291,480	300,225	331,503

FY 12/13 through FY14/15 contributions include the 2010 lease payment obligations of the Prior Authority

## Ross Valley Fire Department Vehicle Replacement Schedule - 2018

Fire Engines	Type	Year Purchased	First Run Service	Reserve	Replacement	Total Service	Purchase Cost	Replacement Cost
E-98	Type 3	1998	20	2018	2018	20	182,961	440,000
E-96	Type 1	1996	10	2006	2019	23	204,864	753,170
E-2000	Type 1	2000	19	2019	2019	19	270,000	753,170
E-2003	Type 1	2003	16	2019	2022	19	330,000	851,267
E-2006	Type 1	2006	16	2022	2025	19	442,632	943,815
E-2010	Type 1	2010	15	2025	2034	24	498,092	1,286,323

Staff Vehicles	Type	Year Purchased	First Run Service	Reserve	Replacement	Total Service	Purchase Cost	Replacement Cost
U1999	Utility	1999	19	2014	2018	19	25,192	70,000
C2002	Command	2002	12	2014	2018	16	28,167	90,000
U2004	Utility	2004	18	2019	2024	18	24,258	91,158
FC2008	Fire Chief	2008	12	2018	2020	12	38,404	102,000
P2008	Prevention	2007	11	2018	2018	11	25,653	50,000
C2008	Command	2008	10	2023	2023	15	34,213	117,000
P2014	Prevention	2014	12	26	2026	12		74,500

Type 1 Fire Engine is a standard fire engine used for regular responses and structural firefighting

Type 3 Fire Engine is a wildland fire engine

Fire Engines are scheduled to remain in First Run Service for 15 to 16 years and Reserve status for 4 to 9 years

Replacement Cost is based on a 4.5% annual inflation factor through 2022. In 2023 rate decreases to 3.5%

# Ross Valley Fire Department Vehicle Replacement Schedule - 2018

## Funding Plan

Fire Engines	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
2018 Type 3 Fire Engine			435,000										
2019 Type 1 Fire Engine				366,278	116,278	116,278	116,278	111,537					
2019 Type 1 Fire Engine				366,278	116,278	116,278	116,278	116,278					
2022 Type 1 Fire Engine							192,563	192,563	192,563	192,563	192,563		
2025 Type 1 Fire Engine										213,498	213,498	213,498	231,853

Type 1 Fire engines are purchased utilizing a lease purchase program.  
 2018 Type 3 fire engine is a cash purchase. E-2019 Type 1 fire engines include a \$250K cash down payment

Staff Vehicles	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
2018 Utility Vehicle			65,000										
2018 Command Vehicle			90,000										
2024 Utility Vehicle								83,837					
2020 Fire Chief				90,000									
2018 Staff Vehicle			50,000										
2023 Command Vehicle						112,156							
2026 Staff Vehicle										71,501			

All staff vehicles will be cash purchases

<b>Annual Cost</b>	-	-	640,000	822,556	232,556	232,556	537,274	504,215	192,563	477,561	406,060	213,498	231,853
<b>Annual Funding</b>	250,000	480,000	300,000	312,000	324,480	337,459	350,958	364,996	379,596	394,780	410,571	426,994	444,073
<b>Year-end Balance</b>	541,434	1,021,434	681,434	170,878	262,803	367,707	181,390	42,171	229,204	146,422	150,933	364,429	576,649

<b>San Anselmo</b>	101,325	81,060	121,590	126,454	131,512	136,772	142,243	147,933	78,046	193,556	164,576	86,531	93,970
<b>Fairfax</b>	58,250	46,600	69,900	72,696	75,604	78,628	81,773	85,044	44,867	111,272	94,612	49,745	54,022
<b>Sleepy Hollow</b>	32,000	25,600	38,400	39,936	41,533	43,195	44,923	46,719	24,648	61,128	51,976	27,328	29,677
<b>Ross</b>	58,425	46,740	70,110	72,914	75,831	78,864	82,019	85,300	45,002	111,606	94,896	49,894	54,184
<b>Total</b>	250,000	200,000	300,000	312,000	324,480	337,459	350,958	364,996	192,563	477,561	406,060	213,498	231,853

FY 17/18 funding includes a transfer of \$280K from undesignated reserves