

Kenwood Fire Protection District

Replacement Reserve Study

Prepared by Jack Atkin, Director and Tony Ghisla, Captain

January 2022

Kenwood Fire Protection District

Memo to: Board of Directors
From: Jack Atkin, Director & Tony Ghisla, Captain
Re: Replacement Reserve Study
Date: January 3, 2022

Attached you will find, for your review, a copy of the 2022 Replacement Reserve Study. The study was created for the district directors to allow them to prudently manage district financial resources, and to plan for future purchases of critical replacement assets.

The study evaluated all the replaceable assets of the district, determined their useful life, replacement cost and amount of funds necessary to set aside annually. It must be emphasized this analysis is a tool to guide the district. There are many variables that can change as identified in the study, some are in the districts control and others not. However, we believe the study creates a baseline for current and future decisions the directors will need to make.

It should be noted the district is fortunate to have a healthy replacement reserve. Prior district management did outstanding work in saving for the future. However, the existing reserve can quickly be depleted as assets are replaced without a consistent annual contribution to the reserve. Based on current assumptions about assets and economic conditions, our analysis shows to manage the replacement of these assets, an amount of \$222M should be set aside annually out of the operating budget. It's critical to note that changes in conditions or assets can cause the required contribution to a reserve to change materially.

We would like to thank you for the opportunity to complete the study and provide you with our analysis and recommendations. In addition, we would like to thank Chief Bellach for his time and cooperation.

Kenwood Fire Protection District

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The Case for a Replacement Reserve

The district has a substantial investment in fixed assets. At the time of this study the estimated current replacement cost of these assets was approximately \$ 3.3 million. These assets require major maintenance or replacement at predictable intervals, and the cost of such replacement can place a heavy burden on operating budgets if prudent financial preparations are not made. The most dependable way to prepare is to make regular contributions to a replacement reserve fund from the operating budget so funds are available when replacements are needed.

If an adequate reserve is not maintained only three things can happen, and they're all undesirable. They are (1) deferred maintenance of equipment, which can lead to equipment failure, (2) cutting back on other expenses to fund equipment replacement, or (3) proposals to increase taxes, which may be unwelcome in the community.

Purposes of a Reserve Study

A reserve study is a tool. Its primary purpose is to assist district officials in prudently managing financial resources and planning for the orderly maintenance and replacement of the major equipment and building components that require periodic replacement.

The study seeks to answer two key questions:

- How much must be regularly placed aside into a replacement reserve account so that adequate funds are available when the time comes to replace major assets?
- Is the current reserve balance adequate, or is it over or under funded?

A reserve study does not purport to make any judgement or provide any information related to proposed acquisitions or expansion or remodeling of existing buildings. In the event of such an acquisition or expansion, a calculation could be made to determine the annual contribution that would be required to the replacement reserve to fund future replacements.

Findings & Conclusions

1. The district is fortunate in having a sizeable reserve fund, which speaks well to past leadership. Based on the assumptions used we concluded the district's replacement reserve balance of \$2,330,459, estimated as of 6/1/2022, is slightly underfunded by \$66,047.
2. The five vehicles owned by the district comprise approximately 71% of the districts replaceable assets as measured by current replacement costs. Assumptions about future costs and useful lives of these five assets will have a proportionately large impact on any reserving plan or decisions.
3. To maintain a fully funded reserve for replacement of major assets and building components now owned will require a regular annual contribution of \$221,943 from the operating account to the replacement reserve.
4. When assets have reached the end of their useful lives, no annual contribution is calculated for them, under the assumption the reserve for their replacement has been fully funded. When those assets are replaced and the reserve calculation is revised, the annual contribution can increase noticeably. For example, pumper engine 3182 currently requires no contribution to the reserve. However, if it were replaced at the estimated replacement cost and useful life, the additional required annual contribution for that vehicle alone would be in the range of \$90,000.
5. Because the study is based on assets currently owned and assumptions deemed reasonable at the time of the study, changes in assets and in economic conditions, including inflation, can lead to conclusions different from the ones that result from this study.
6. The rate of return on the current reserve fund held by the Sonoma County Treasurer is less than 1%. At this rate, the reserve fund is losing ground to inflation. Using the reserve study worksheet a 1% increase in the assumed rate of return would have required a lower annual contribution in the range of \$12,000- \$15,000.
7. Estimating useful lives and remaining useful lives is not an exact science. The process is further complicated by the fact that some equipment, like turnouts, was not all acquired at the same time. If there is a consensus that other estimates would be more accurate, the estimates can be changed and the numbers rerun.

Recommendations

1. We recommend the district adopt a policy of making regular, annual contributions to the replacement reserve to assure there will be adequate financial resources available when needed.
2. We recommend the study be updated periodically, say every three years, or when assets valued at \$100,000 or more are placed in service or when economic conditions warrant reconsideration.
3. We recommend that any nonrecurring revenues from donations or grants not be used as a substitute for regular annual contributions from the operating budget. If such non-recurring revenue were used as a substitute for regular contributions to a replacement reserve, we see a risk that the financial discipline necessary to maintain a reserve could be eroded.
4. We recommend the board consider the investment of funds in the replacement reserve with the goal of keeping up with inflation. Preservation of capital and liquidity are important objectives, but if the return is less than the rate of inflation, the district is losing ground to inflation. Because the useful life of the more significant assets exceeds 10 years adopting a longer time horizon for investment of reserves might be worth consideration, with the ultimate goal of improving the rate of return. Additionally, assets other than money market instruments may be considered for a portion of the funds held in reserve.
5. If the replacement reserve were ever deemed to be over funded by a material amount, we recommend the district consider splitting the current reserve fund into two separate funds, one being a replacement reserve and the other designated as a contingency reserve for other uses, expansion of facilities or emergencies. Any over funding in the replacement reserve would be transferred to the contingency reserve.

Sensitivity Analysis

The results of the calculations in the study are highly dependent on assumptions with respect to 1) estimated replacement costs, 2) the rate of inflation, 3) investment returns and 4) useful lives. The outcomes can vary, sometimes substantially, depending on the assumptions used.

To demonstrate how sensitive results can be to changes in assumptions, the following sensitivity analysis uses ranges of assumptions about the variables noted above. In this analysis we chose to use only changes in the cost and useful lives of the five vehicles due to their large portion of assets and to the wide range of the estimated replacement costs. The other assets in the study did not have such large variations. Note that the change in total replacement cost of vehicles from the high to low is roughly 32%.

Vehicle	High Replacement Cost	Used in Study	Low Replacement Cost
Type 1 pumper #3181	\$800,000	\$700,000	\$600,000
Type 1 pumper #3182	\$800,000	\$700,000	\$600,000
Water Tender #3197	\$475,000	\$400,000	\$350,000
Type 3 Wildland #3160	\$475,000	\$475,000	\$375,000
Utility/Rescue #3141	\$115,000	\$100,000	\$90,000
Total	\$2,665,000	\$2,375,000	\$2,015,000

The analysis shows the following results:

Factors	Conservative Assumptions	Assumptions Used in Study	Aggressive Assumptions
Replacement Cost – 5 vehicles	\$2,665,000	\$2,375,000	\$2,015,000
Useful Life	12	15	20
Inflation Rate	5.0%	5.0%	3.0%
Investment Return	0.7%	1.0%	5.0%
Calculated Required Annual Contribution (1)	\$288,529	\$221,943	\$128,929
Reserve Over/(Under) Funding (1)	\$(349,752)	\$(66,047)	\$695,254

(1) Includes all assets in study

It should be noted that the assumptions not only impact the calculated required annual contribution to the replacement reserve but also significantly impact the amount the reserve is over/under funded.

Methodology of the Study

A. Gather data

1. The first step was to take inventory of all major physical assets and major building components.
2. Step two was to gather data about the estimated replacement cost, the useful life and remaining useful life of each asset. Sources of this information included direct contact with vendors, internet research and conversations with Chief Bellach.

B. Cull list

Next, we culled the list to only include items with a current replacement cost of \$5,000 or more and a useful life of five years or more.

C. Calculate future replacement cost

We arrived at the future replacement cost by inflating the current replacement cost at the assumed rate of inflation over the remaining useful life of the asset.

D. Calculate the amount that should be in the replacement reserve

Using the future replacement cost for each asset we calculated what the annual contribution would have had to be for each asset. We then calculated what the reserve would have grown to over the years in use had the annual contributions all been made and invested at the assumed rate of return. For assets in service beyond their estimated useful life, we assumed no additional contributions to the replacement reserve once the asset reached the end of its useful life. In instances when the calculations indicate the current reserve is underfunded, the actual reserve balance is allocated proportionately among the assets based on current estimated replacement cost.

E. Calculate Annual Contribution Required

Using the current amount in the reserve, the remaining useful life, the assumed rate of return on reserve funds and the estimated future replacement cost we calculated the annual contribution that would be required to produce the future replacement cost at the end of the estimated useful life.

All the calculations were performed using financial formulas in an Excel spreadsheet.

Supporting Documentation

The pages that follow include details about specification, quantities, sources of cost data for the assets in the inventory, and in some cases for other assets not included because they were culled out as described earlier. Sources of this information included direct contact with vendors, internet research and conversations with Chief Bellach.

Engines (11/5/21)

Information Source: Bryce Anderson 530-379-6170

Notes:

- The price ranges are for good quality mid-range-but not all the bells and whistles
- Includes ladders and suction
- Wildland unit is 4WD.
- Expect 3 to 5% increase annually (prior to any inflation)
- Maximum life 15 years per Bryce
- Plus tax

Squad (11/7/21)

Standard ¾ ton pickup 4WD price based upon internet

Notes:

- Truck \$75M
- Utility boxes estimate costs internet-Warner/Stahl or Knapheide -\$8 to \$10M (could reuse existing boxes)
- Light package-\$15M
- Paint for utility boxes \$5M
- Plus tax

Type	Low Cost	High Cost	Chief's Estimate
Type 1 pumper #3181	\$600M	\$800M	\$700M
Type 1 pumper #3182	\$600M	\$800M	\$700M
Water Tender #3197	\$350M	\$475M	\$400M
Type 3 Wildland #3160	\$375M	\$475M	\$475M
Utility/Rescue #3141	\$90M	\$115M	\$100M
Total	\$2,015M	\$2,665M	\$2,375M
Cost for Study			\$2,375M

Air Compressor (11/14/21)

Information Source: Grainger

Notes:

- Ingersoll Rand product
- 60 gallon
- 5 HP, vertical
- Two stage
- Useful life 20 years
- Plus Tax
- Acquired 2016

Cost for study: \$6,500

Auto defibrillator -AED's (11/18/21)

Information Source: Grainger internet

Notes:

- Model Life Pak 1000 (3182 has Life Pak 500) **New Units**
- Current inventory is 5 units-one on each engine
- Prices vary as technology changes
- Unit itself is pretty bullet proof
- Battery useful life 2 to 7 years
- Pad useful life 2 to 5 years
- Suggest overall 5-year life

Price range \$1,750 to \$2,500-suggest high end for study

Cost for Study \$12,500

Extrication Equipment (11/9/21)

Information Source: Western Extrication Services-Holmatro distributor Dane Jackson (805-624-7475)

Notes:

- New unit type comparable to our existing unit
- Added Struts
- Expect 2-5% price increase annually before inflation
- Gas operated
- Plus tax/shipping
- Need 2 units-3181 and 3182 each have a unit
- 15-year useful life

Item	Model	Cost
Ram	RA 5322	\$5,767
Cutter	CU 5050i	\$8,066
Spreader	SP 5240	\$8,913
Power Unit	SR 20	\$9,999
Ram	TR 5350	\$6,536
Struts (\$1,175 each x 2)	Not given	\$2,350
Hose (\$1,147 each x 2)	32'	\$2,294
Total		\$43,925
2 Sets-3181 and 3182		\$87,850
Cost for Study		\$87,850

Radios and Pagers (12/3/21)

Information Source: BendexKing

Notes:

- Engine radios are Kenwood
- Portables are Bendex King
- Pagers are Motorola
- Single band
- Useful life 10 years. Technological changes may reduce the useful life.
- Practical life much longer
- Bendex does not make pagers

Current Inventory

Item	3181	3182	3160	3197	3141	Other	Total
Mobile	1	1	1	1	1	1	6
Portables	4	4	4	2	2	4*	20

*Assigned to Daren, Ben, Tony & Gary

Prices

Company	Mobiles	Portables	
Bendex	\$5,600	\$3,085	
Amount	6	20	
Sub Total	\$33,600	\$61,700	
Cost for Study			\$95,300

Company	Pagers
Mortorola	\$428
Amount	25
Cost for Study	\$10,700

Total Cost for Study \$106,000

SCBA Compressor (11/15/21)

Information Source: Compressed Air Anaheim, Shawn Townsend (714-991-8800)

Notes:

- Existing model is a Bauer UNII/13
- New similar unit is a Bauer UN4/13H
- Expect 20 years life
- 15-year service life due to pressure/de-pressure which wears on parts
- 4 bottle air tanks-we have now and can reuse tanks
- Plus tax/shipping or set up included
- List price-Shawn said they are willing to negotiate on prices

Item	Cost
Base Model	\$61M
CO Meter	\$4M
Estimated install	\$5M
Total	\$70M
Cost for Study	\$70M

SCBA's (11/9/21)

Information Source: Phone calls to Fisher Scientific owns Scott (800-766-700) and MSA from Curtis (888-950-6677)

Notes:

- Currently have Scott
- MSA a good comparison
- Price includes mask, pack and bottle.
- Higher the price the more accessories
- Plus tax/shipping
- Highest price used for study due to California prices
- Most likely discount for large purchase

Source	Brand	Low Cost	High Cost
Fisher	Scott	\$6,009	\$9,855
Curtis	MSA	\$6,000	\$8,500
Grainger (bottles)	Scott	\$1,500	\$1,500

Engine	Number Units	Average Cost	Total Cost
3181	4	\$7,591	\$30,364
3182	5	\$7,591	\$37,955
3160	3	\$7,591	\$22,772
3197	2	\$7,591	\$15,182
Spare Bottles	22	\$1,500	\$33,000
Total			\$139,273
Cost for Study			\$139,273

Thermal Imaging cameras (11/20/21)

Information source:

Notes:

- Current inventory is 1 handheld and 10 mini handheld
- Useful life 10 years
- Price range for handheld \$10,000 -\$15,000
- Price for mini-handheld is \$600

Cost for study \$21,000

Structure Turnouts (11/9/21)

Information Source: Internet from Curtis/Denko/Darley/MES

Notes:

- Tried to keep brands same as our existing brands
- 10-year max life per OSHA
- Existing gear purchased in 2017
- Would expect discount for large purchase
- Plus tax/shipping
- If two brands are shown, then first is lowest price and second is highest price
- Highest price used for study due to California prices

Item	Brand	Brand	Low Cost	High Cost
Helmet	MSA Cairns 1010		\$366	\$509
Hood	Majestic		\$90	\$115
Gloves	Vanguard		\$90	\$125
Coats	Honeywell	Morning Pride	\$1,100	\$1,500
Pants	Honeywell		\$785	\$1,149
Boots	Honeywell		\$473	\$655
Total			\$2,904	\$4,053
Cost for Study				\$4,053
25 firefighters				25
Total Cost for Study				\$101,325

Wildland Turnouts (11/9/21)

Information Source: Internet from Curtis

Notes:

- Tried to keep brands same as our existing brands
- 10-year max life per OSHA
- Life of the tent shelter 5 years
- Existing gear purchased at various times-suggest 5 years on average
- Would expect discount for large purchase
- Plus tax/shipping
- Highest price used for study due to California prices

Item	Brand	Low Cost	High Cost
Helmet/Shroud/Goggles	MSA	\$251	\$287
Gloves	Protech	\$37	\$37
Jacket	Crewboss	\$278	\$435
Pants	Crewboss	\$247	\$505
Boots	All brands	\$400	\$575
Web Gear	Wolfpack	\$245	\$275
Fire Tent Shelter	Anchor	\$450	\$530
Total		\$1,908	\$2,644
Cost for Study			\$2,644
25 firefighters			25
Total Cost for Study			\$66,100

Fuel Tank (12/3/21)

Information Source: Oldcastle Sales, Con Vault distributor- Danelle 925-750-6656

Notes:

- Brand is Con Vault
- 1,000-gallon diesel rectangle shape
- Pumps separate purchase
- Delivered and set on pad
- Practical life is 40 years, pumping gear annual upkeep
- Some costs for installing pumps only an estimate
- Plus tax

Item	Price
Tank	\$17M to \$20M
Pump/Accessories	\$5M
Pump Installation costs	\$3M
Total	\$25M to \$28M
Cost for Study	\$28M

Generator (11/12/21)

Information Source: Lette Electric (707) 545-0484 Alan

Notes:

- Sold us the one we have in 2016
- Total size is 80K KW diesel
- Cost was \$38M
- Useful life is 20,000 hours
- Replace in 15 years as often as we use it
- Plus tax

Price

\$48M for the unit

\$5M for installation

Cost for study \$53M Total

18'

18'

18'

18'

18'

HVAC and Engine Bay Heaters

Information Source: Casey Monaco, Monaco HVAC-(707)321-4972

Notes:

- 1-heater and A/C for office area
- 1-heater only for kitchen and drill room
- Bryant brand units
- 20-year life for both HVAC and bay heaters
- Drill room and kitchen do not have AC
- Price includes installation
- Bay heaters are 150,000 BTU
- Plus tax

Item	Brand	Low Cost	High Cost
HVAC Office	Bryant	\$14,000	\$14,000
Heater only drill and kitchen	Bryant	\$8,000	\$8,000
Bay heater	Bryant	\$5,500	\$6,000
Bay heater	Bryant	\$5,500	\$6,000
Total		\$33,000	\$34,000
Cost for Study			\$34,000

Kitchen Equipment (11/9/21)

Information Source: internet prices

Notes:

- Does not include replacement of hood and sinks-assets should last but may need occasional repairs to faucets and blower unit.
- Plus tax
- **Range only in study-all other dollar amounts too small. operational budget items**

Unit	Type	Model	Cost
Refrigerator	Arctic 2 door	54 inch	\$2,635
Freezer	GE 872	21.3 CF	\$872
Range	Wolf 4 burner	60 inch	\$6,690
Dishwasher	Bosch 500	24 inch	\$999
Ice Machine	Scotsman	24 inch	\$2,102
Total Cost			\$13,290
Cost for Study			\$6,690

40' Storage Container (12/24/21)

Information Source: Internet

Notes:

- Steel container originally purchased in the late 70's early 80's.
- Used for storage only.
- In need of some repair but can certainly last another 10 years or more
- Useful life is 50+ years or more if maintained.
- Most likely needs to be replaced in the next 10 years
- Current costs run from \$5,000 to \$10,000

Cost for Study \$10,000

Flooring, linoleum(11/11/21)

Information Source: Conklin Brothers now Proteck (707) 542 – 4981 Emily

Notes:

- Good quality mid-range flooring
- Useful life 20 years
- Tear out old and replace with new baseboard
- Included Association room even though it was just redone
- Plus tax

Area	Square Feet
Big room	1,462
Kitchen	260
Table room	140
Hallway	190
Water Heater	9
Men's bath	112
Women's bath	126
Washer Dryer	9
Association Room	448
Total	2,756

Price Range- \$15 to \$18/foot

Total Price \$41,340 to \$49,608

Cost for Study \$49,608

Painting (11/13/21)

Information Source: Gaddy Commercial Painting-Greg Gaddy

Notes:

- Same colors
- Including soffit
- Interior of bay doors not included (not painted now)
- We would help him move items

Price

Exterior \$18M to \$25M

Interior \$14M to \$18M

Total \$32M to \$43M

Cost for Study \$43M

Paving (11/17/21)

Information Source: Empire Asphalt-Rodney 707-292-2370

Note:

- Complete re-do of existing pavement
- Remove old, grade, pack and pave
- Rodney knows the station
- Prices of asphalt are very volatile
- Rodney suggested using \$5 s/f for an estimate however that would be on the high side.
- Useful life 10 years

Total Area is 17,895 x \$5/foot

Cost for Study \$89,475

Roof, composite (11/9/21)

Information Source: Cornerstone Roofing Paul Whyte

Notes:

- Layover existing roof
- 10% price increases annually for the past several years
- \$450/square installed
- 6,172 total roofing s/f
- Metal roof not included

Cost for Study: $6,172/100 \times \$450 = \$27,774$

Other assets (not included in reserve study calculations)

Engine Tires (11/12/21)

Information Source: From recent water tender purchase of 10 tires (approximately the same size as the other engines).

Notes

- Cost was \$600 each for the water tender
- Maximum life 6 years per OSHA
- 3141 standard pickup tires – based on recent purchase of \$300/each Les Schwab
- **Replace as needed-operational budget expense**
- Plus tax

Type	Number Tires	Per Tire	Total Cost
3181 Structure	6	\$600	\$3,600
3182 Structure	6	\$600	\$3,600
3160 Wildland	6	\$600	\$3,600
3197 Water Tender	10	\$600	\$6,000
3141 Squad	4	\$300	\$1,200
Total			\$28,800

Batteries for Engines

Replace as needed-Operations Budget Expense

Hoses

Although if all the hoses had to be replaced at one time this would be a large expense.

Hoses are replaced as they wear down and not that frequently so they can be part of the operational budget

Rope Rescue Equipment

Replace parts as needed. Operational budget item.

Computers & Peripherals (office)

Too small of a dollar amount for study

Operational budget

Copier

This unit is leased so no capital output

Washer/Dryer (11/9/21)

Information Source: Lowe's internet price

Notes:

- Stackable units to match existing
- 7-10 year life
- Too small of an amount for the study-operational budget item

Unit	Model	Low Cost	High Cost
Washer	GE-stackable	\$1,249	\$1,375
Dryer	GE-stackable	\$1,149	\$1,449

Tables (11/9/21)

Information Source: internet prices from "Lifetime" manufacturer on Amazon

Notes:

- Currently we have 16 tables in storage area
- Lifetime tables are 96 x 30 model number 22984
- Seat 8 to 10
- 15-year life
- Plus tax

Price is \$299 each x 16 = **\$4,784**

Not included in study. Association purchase

Carpet (11/11/21)

Information Source: Conklin Brothers now Proteck (707) 542 – 4981 Emily

Dollar amount too small for study. Operational budget item.

Notes:

- Good quality mid-range carpet
- Carpet tiles vs. rolled carpet as tiles can be individually replaced
- Useful life 15 years
- Tear out old and replace
- 2-5% price increase annually
- Measure in yards
- Plus tax

Area	Square Feet
Bedroom	98
Bedroom	98
Walk in area	168
Office	120
Large office area	210
Total	694
Total Yard	77

Price Range- \$35 to \$40/yard

Total Price \$2,695 to \$3,080

Exterior Awnings (11/16/21)

Information Source: Daren priced these out with Santa Rosa Awning

Notes:

- 2 awnings
- To be replaced in December 2021
- Installation included
- Practical life 15 years
- awnings only not frames
- **Too small of an amount for the study. Operational budget item**

Price \$3,300 for both

Chairs (11/9/21)

Information Source: internet prices from "Lifetime" manufacturer on Amazon

Notes:

- Currently we have +/- 200 chairs
- Lifetime Dura-style Folding come in 4 packs
- 15-year life
- Plus tax

Price is \$47 each x 200 = **\$9,300**

Not included in study. Association purchases

Computers for engines (12/21/21)

Information source: Daren

Notes:

- Currently only 3181 has a computer
- Balance of engines have iPads
- Goal is to have at least two more computer – 1 for 3182 and 1 for 3160
- Estimated useful life is 3 years due to technological changes
- New models are approximately \$12,000; refurbished models are \$1,500

Not included in study due to short useful life and cost of refurbished model. Operational budget item.

Jointly Owned Assets

Burn Trailer (12/24/21)

Information Source: N/A

Notes:

- Originally purchased in approximately 2010 area
- Purchased in a 3 way 'partnership' with Schell Vista and Sonoma
- Unit is a 30+ foot steel cargo container with limited if any technology
- Useful life is 30+ years or more
- Located at the SDC Fire Department
- Any part that needs to be replaced is not a major cost and would be shared

Replace parts as needed-operational budget item

Turn Out Washer and Dryer Extractor (12/24/21)

Information Source: Internet Uni Mac product

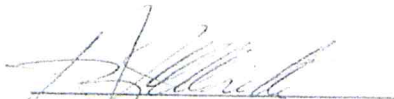
Notes:


- Originally purchased in approximately 2010 area
- Purchased in a 3 way 'partnership' with Schell Vista and Sonoma
- Units are basically a heavy-duty washing machine and dryer that super clean dirty turn-outs, much faster spin cycles
- The machine removes the 'bad' particles and smoke smell and make them clean.
- Located at Sonoma Fire Department
- Typical use is higher with Sonoma and Schell Vista-Kenwood use is fairly limited.
- Useful life 10 to 15 years and parts can be replaced and would be shared
- New units-UniMac price range is \$20M +/- for washer and dryer

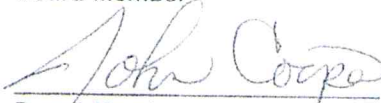
Budgeted operational expense as we share the costs

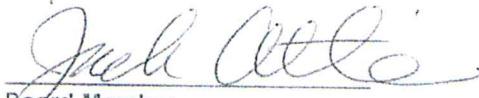
FY 2021-22 Final Budget Summary
KENWOOD FIRE DISTRICT
718106
KENWOOD FIRE-CAP REPLACE

- | | |
|--|-----------|
| (1)* Acutal Beginning Fund Balance @ 7/1/21: | 2,412,665 |
| (2) Plus: Budgeted FY 2021-22 Revenues:
(total from attached worksheet) | 17,794 |
| (3) Less: Budgeted FY 2021-22 Expenditures:
(total from attached worksheet) | 100,000 |
| (4)* Estimated Ending Fund Balance @ 6/01/22: | 2,330,459 |
| (5) Preliminary Budget Approval Date:
(Please have your Board Members sign below or
attach resolution confirming approval) | 9/15/2022 |


Board Member


Board Member


Board Member


Board Member


Board Member

* If District Fund Balance is separated into multiple categories, each district should keep records to identify how much beginning and ending fund balance is available for each fund balance category and should work with their external auditors to identify appropriate GASB 54 fund balance classifications.

Replacement Projection

Description	Basic Data		Calculation		Fiscal Year Ending																							
	Estimated Current Replacement Costs	Est. Useful Life (New)	Est. Years of Use	Est. Remaining Useful Life	Estimated Current replacement cost	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	Beyond		
Type 1 pump # 3181	700,000	15	2	13	1,319,954														1,319,954									
Type 1 pump # 3182	700,000	15	15	0	700,000	700,000																						
Water tender #3197	400,000	15	20	0	400,000	400,000																						
Type 3 wildland engine # 3160	475,000	15	8	7	668,373					668,373																		
Utility/rescue vehicle #3141	100,000	15	10	5	127,628					127,628																		
Air compressor	6,500	20	10	10	10,588											10,588												
Auto defibrillator-AED	12,500	5	4	1	13,125		13,125																					
SCBA Compressor	70,000	15	10	5	112,121					112,121																		
Extraction equipment	87,850	10	8	2	116,865			116,865																				
Radio and pagers	106,000	20	17	3	81,034				81,034																			
SCBA's	139,273	15	5	10	226,861						226,861																	
Thermal Imaging cameras	21,000	10	5	5	26,802				26,802																			
Turnout gear - structure	101,325	10	4	6	135,785					135,785																		
Turnout gear - wildland	66,100	10	5	5	84,362				84,362																			
Fuel tank (diesel)	28,000	40	30	10	45,609						45,609																	
HVAC - engine bay heaters	34,000	30	5	25	179,477																							
Generator	53,000	20	15	5	43,394				43,394																			
Range	6,690	25	25	0	6,690	6,690																						
40' Storage Container	10,000	50	40	10	16,289						16,289																	
Flooring, linoleum	49,608	20	20	0	49,608	49,608																						
Painting	43,000	10	10	0	43,000	43,000																						
Paving	89,475	10	5	5	114,195				114,195																			
Roof, composite	27,774	30	8	22	81,246																							
Totals	3,327,095				1,199,298	1,199,298	13,125	116,865	81,034		508,502	135,785	668,373			299,347			1,319,954								45,609	
Replacement Reserve Fund Balance Projection:																												
Beginning balance						2,330,459	1,376,409	1,598,991	1,720,059	1,878,169	2,118,894	1,853,524	1,958,217	1,531,370	1,768,626	2,008,256	1,950,935	2,192,387	2,436,254	1,362,606	1,598,175	1,836,100	2,076,404	2,319,111	2,564,245	2,766,222		
+Contribution to reserve (does not change without reworking study)						221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	221,943	
-Investment earnings						23,005	13,764	15,990	17,201	18,782	21,189	18,535	19,582	15,314	17,686	20,083	19,509	21,924	24,363	13,626	15,982	18,361	20,764	23,191	25,642	27,662		
-Expenditure from reserve						1,199,298	1,312,500	1,168,650	1,034,000	908,502	508,502	135,785	668,373			299,347				1,319,954						45,609	304,117	
Ending balance						1,376,409	1,598,991	1,720,059	1,878,169	2,118,894	1,853,524	1,958,217	1,531,370	1,768,626	2,008,256	1,950,935	2,192,387	2,436,254	1,362,606	1,598,175	1,836,100	2,076,404	2,319,111	2,564,245	2,766,222	2,711,711		

Notes:
 1. The timing of expenditures tracks the estimated useful life of assets. In many cases the actual useful life will be longer than the original estimates.
 2. This projection is intended to be a tool in managing assets only, and is not a concrete timetable for replacing assets, or an accurate predictor of the fund balance.
 3. The amounts shown are the calculated future replacement cost based on inflating the estimated current replacement cost by the assumed rate of inflation.