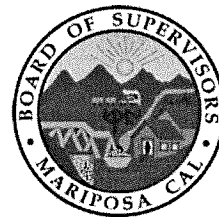


# MARIPOSA COUNTY

Administration • 209-966-3222



## **RESOLUTION - ACTION REQUESTED 2014-479**

MEETING: September 16, 2014  
TO: The Board of Supervisors  
FROM: Rick Benson, County Administrative Officer  
RE: Revised CSA #3 Replacement Fund

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**RECOMMENDATION AND JUSTIFICATION:** Approve revised CSA #3 replacement fund schedule.

When CSA #3 was initiated by your Board for the purchase of fire engines and water tenders a commitment was made to set aside general fund dollars in order to facilitate replacement of the equipment at the end of its useful life. A replacement schedule was approved and has been adhered to since 2009. It was also recommended at that time that the schedule be reviewed every five years since the time frame is lengthy and estimates should be updated.

After reviewing the performance of the schedule it is recommended that it be adjusted for the next fiscal year and beyond.

In developing the replacement fund assumptions were made regarding the rate of inflation as well as rate of return on the County's investment portfolio. Although inflation is less than what was contemplated, interest rates have fallen dramatically. Therefore, there is a shortfall in the replacement fund. The revised replacement schedule addresses that shortfall.

Attached for your Board's review is the schedule approved in 2009 along with the newly recommended schedule. The new schedule calls for the general fund contribution to be increased by over \$10,000 from what was previously scheduled for the next two years in order to catch up with the lost interest earnings. This increase is somewhat less than might have been expected due to inflation also remaining below earlier estimates.

It is also recommended that the schedule be reviewed again in 2019 to determine if adjustments are warranted at that time. The new schedule uses the average interest rate and inflation rate for the past five years. As the two rates tend to move in the same direction, any discrepancy will be minimal and should be addressed at the next five-year review.

**BACKGROUND AND HISTORY OF BOARD ACTIONS:** Your Board approved the replacement fund schedule on September 16, 2009 with direction that it be reviewed in five

## Resolution - Action Requested 2014-479

years.

**ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:** If changes are not made to the replacement schedule it is likely, although not certain, that there will be a shortfall in the fund when the current fleet of engines are to be replaced.

**ATTACHMENTS:**

revised replacement fund (PDF)

**CAO RECOMMENDATION**

  
Mary Hodson, Interim CAO 9/9/2014

**RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]**  
**MOVER:** Lee Stetson, District I Supervisor  
**SECONDER:** John Carrier, District V Supervisor  
**AYES:** Stetson, Jones, Bibby, Cann, Carrier

Revised	CSA #3 Vehicle Replacement Schedule
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Current CSA #3 Vehicle Replacement Schedule	Approved by the Board of Supervisors 9/16/2009
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	Annual Set-Aside	Cumulative Funds Collected	Annual Set-Aside	Cumulative Funds Collected
2009-10	\$ 126,375	130,646	\$ 126,375	130,646
2010-11	\$ 173,858	308,920	\$ 173,858	308,920
2011-12	\$ 179,387	498,749	\$ 179,387	498,749
2012-13	\$ 185,092	700,698	\$ 185,092	700,698
2013-14	\$ 190,977	915,359	\$ 190,977	915,359
2014-15	\$ 197,050	1,143,349	\$ 197,050	1,071,858
2015-16	\$ 203,317	1,385,311	\$ 214,000	1,298,915
2016-17	\$ 209,782	1,641,916	\$ 220,000	1,534,738
2017-18	\$ 216,453	1,913,866	\$ 226,000	1,779,434
2018-19	\$ 223,336	2,201,891	\$ 230,806	2,031,918
2019-20	\$ 230,439	2,506,754	\$ 235,715	2,292,385
2020-21	\$ 237,766	2,829,249	\$ 240,728	2,561,039
2021-22	\$ 245,327	3,170,205	\$ 245,847	2,838,085
2022-23	\$ 253,129	3,530,487	\$ 251,075	3,123,734
2023-24	\$ 261,178	3,910,995	\$ 256,415	3,418,202
2024-25	\$ 269,484	4,312,671	\$ 261,868	3,721,710
2025-26	\$ 278,053	4,736,493	\$ 267,437	4,034,485
2026-27	\$ 286,896	5,183,482	\$ 273,125	4,356,758
2027-28	\$ 296,019	5,654,702	\$ 278,933	4,688,765
2028-29	\$ 305,432	6,151,263	\$ 284,865	5,030,749
2029-30	\$ 315,145	6,674,321	\$ 290,923	5,382,957
2030-31	\$ 325,167	7,225,079	\$ 297,110	5,745,642
2031-32	\$ 335,507	7,804,794	\$ 303,429	6,119,064
2032-33	\$ 346,176	8,414,772	\$ 309,882	6,503,488
2033-34	\$ 357,184	9,056,376	\$ 316,472	6,899,186
2034-35	\$ 368,543	9,731,024	\$ 323,202	7,306,434
2035-36	\$ 180,000	10,075,478	\$ 330,076	7,725,516
Estimated 2036 Replacement Cost	\$ 9,998,885		Revised Estimated 2036 Replacement Cost	\$ 7,744,757