

Capital Replacement Schedule

# **CENTRAL ARIZONA FIRE & MEDICAL**

# CAPITAL REPLACEMENT SCHEDULE

## ✘ General Information

Development and review required by:

Board Policy 6.8 – Annual Budget

Standard Operating Guideline – Job Descriptions

Standard Operating Guideline (SOG) 113 – Budget

Accreditation Performance Indicator 4A.2 – 8<sup>th</sup>

Edition – Policies, Guidelines, and Processes for developing the Annual Budget

# CAPITAL REPLACEMENT SCHEDULE

- ✘ Used as Planning/Forecasting Tool
  - + Current Capital Items
    - ✘ Years of Service (10 years minimum for Fire Engines)
    - ✘ Miles or Engine hours (160,000 for staff vehicles)
    - ✘ Reserve Status
    - ✘ Surplus Status (Evaluated annually – cost vs. benefit)
    - ✘ Projected replacement costs (3% annual increase)
    - ✘ Priority Assignments (wear and tear)



# CAPITAL REPLACEMENT SCHEDULE

## ✘ Planning/ Forecasting Tool Continued:

### + Future Capital

- ✘ Growth Projections – future commitments
- ✘ Capital Cost Impacts – budget forecasting
- ✘ “Needs” vs. “Wants”
- ✘ Savings plan – Capital Reserve Fund
- ✘ Purchasing discounts



# CAPITAL REPLACEMENT SCHEDULE

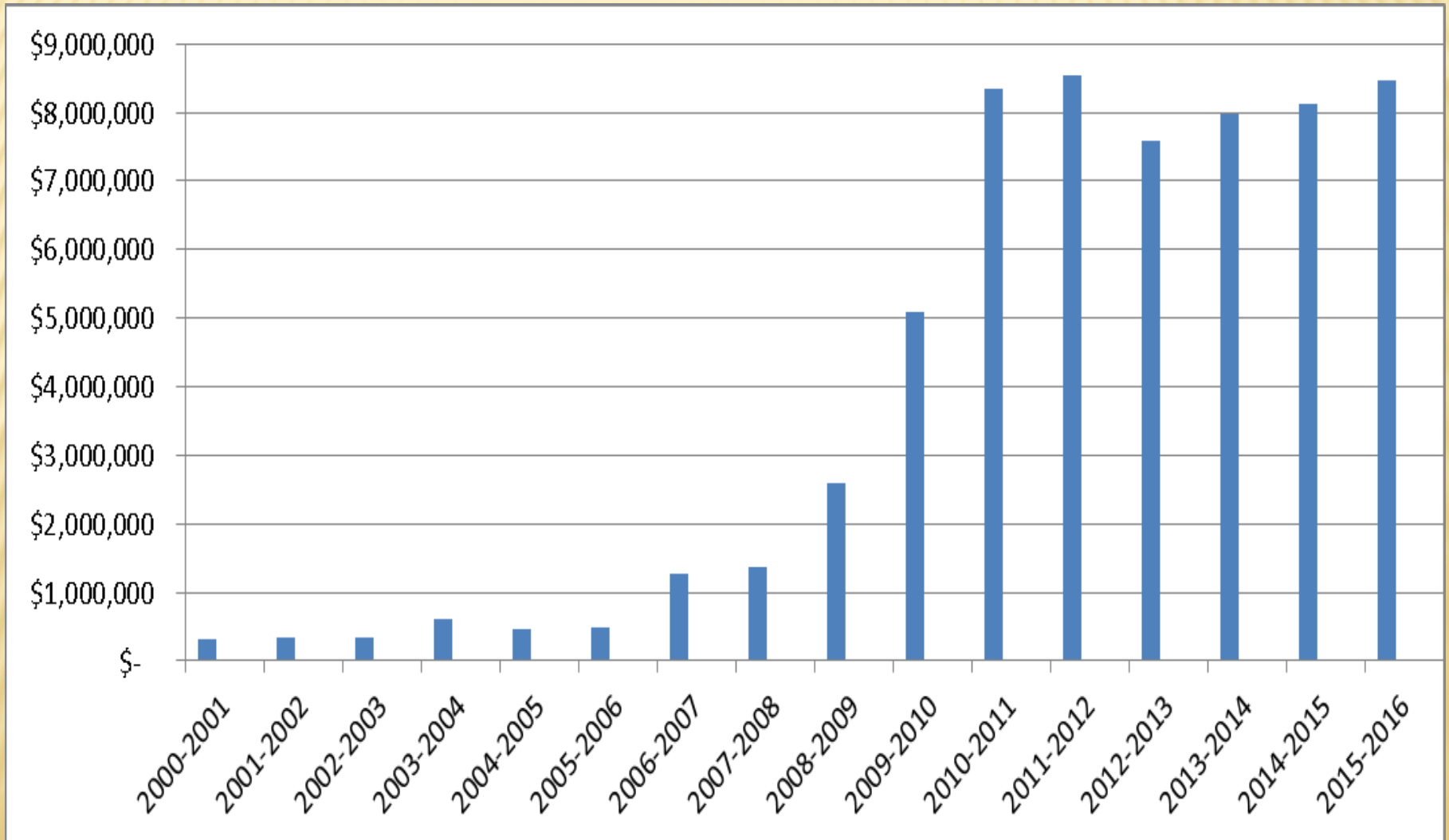
- ✘ Planning/ Forecasting Tool Continued:
  - + Considerations
    - ✘ History – Lease Purchase Options
    - ✘ “One Time” Purchases
    - ✘ Multiple Years Purchases (ongoing replacement)
    - ✘ Construction Savings Plan
    - ✘ Fluid – Not “set in stone”
    - ✘ Used for budgeting, resource tracking
    - ✘ IS NOT A FIXED ASSET INVENTORY

# CAPITAL REPLACEMENT SCHEDULE

## × Funding History

- + Lease/ Purchase
- + Roll over funds into Capital Reserve Account
- + Maintenance and Operating Funds (Taxes)
- + Exclusive Capital Funds - Bonds
- + Need to return to a “balanced funding” – Capital Reserve Funds and M&O Funds

# CAPITAL REPLACEMENT SCHEDULE



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- ✘ Transfers from the CYFD and CVFD total just over 9 million to CAFMA Capital Reserve Fund.
- ✘ Anticipation to reduce that to 4.5 million in 8 to 9 years reported last year (FY 2017 planning).
- ✘ CAFMA Plan for FY 2017-2018
- ✘ Questions?