



**BEFORE THE BOARD OF DIRECTORS
PENRYN FIRE PROTECTION DISTRICT
COUNTY OF PLACER, STATE OF CALIFORNIA**

RESOLUTION NO. 2024-09

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE PENRYN FIRE PROTECTION DISTRICT
ADOPTING AN ANNUAL FEE REPORT AND CAPITAL IMPROVEMENT PLAN TO UPDATE THE
FIRE FACILITIES IMPACT AND MITIGATION FEE SCHEDULE**

WHEREAS, the Placer County Board of Supervisors approved the Penryn Fire Protection District Fire Facilities Impact Fee (Impact Fee) based on the 2024 Nexus Fee Study on June 16, 2024, pursuant to Placer County Code section 15.36.101 and the Mitigation Fee Act; *and*

WHEREAS, the 2024 Nexus Fee Study authorized annual adjustments to the Impact Fee based on the applicable Construction Cost Index (CCI) in the Engineering News Record; *and*

WHEREAS, consistent with the Mitigation Fee Act (Gov. Code, sections 66000, et seq.) and Placer County Code, the Penryn Fire Protection District has prepared an Annual Mitigation Fee Review and Report for 2024/2025 (Annual Report) and Capital Improvement Plan (CIP); *and*

WHEREAS, the Board of Directors of the Penryn Fire Protection District has reviewed and considered the Annual Report and CIP at a duly noticed public hearing; *and*

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Penryn Fire Protection District does hereby adopt the Annual Report and CIP, which support a new 2024/2025 fee of \$2.01 per square foot for new construction, including residential, commercial, office, and industrial building space as well as to additions to existing buildings which requires the issuance of a permit or approval from the County of Placer.

BE IT FURTHER RESOLVED, this adjustment reflects an adjustment of 9.4% over the prior year based on the average of the Construction Cost Index (CCI) of the San Francisco area as reported in the Engineering News Record (ENR) as reported by CA Department of General Services (DGS) from January 1 through December 31, 2023.

BE IT FURTHER RESOLVED, the above fee shall be imposed sixty (60) days after the approval by the Placer County Board of Supervisors.

APPROVED, PASSED AND ADOPTED at a regular meeting of the Governing Board of the Penryn Fire Protection District at Penryn, California on October 21, 2024, by the following vote:

AYES: Hotelling, Hardesty, Mahoney, Shields

NOES: 0

ABSENT: Neifer

APPROVED:


Cheryl Hotelling, Board Chair

ATTEST: 
Susan Mahoney, Secretary



PLACER HILLS-NEWCASTLE-PENRYN FIRE PROTECTION DISTRICTS

STAFF REPORT

To:	Board of Directors, Penryn Fire Protection District
From:	Ian Gow, Fire Chief
By:	Mark D'Ambrogi, Fire Marshal
Date:	October 21, 2024
Subject:	Public Hearing: Review of the Capital Improvement Plan and Mitigation Fee Review and Report for 2024

The Issue

Shall the Board conduct a Public Hearing to review and approve the Capital Improvement Plan (CIP) and Mitigation Fee Review and Report and by resolution adopt the 2024 Fire Facilities Impact Fee schedule?

Conclusion and Recommendation

Staff recommends the Board conduct a Public Hearing to review and approve the Capital Improvement Plan (CIP) and Mitigation Fee Review and Report and by resolution adopt the 2024 Fire Facilities Impact Fee schedule.

Background

Government Code 66000 et seq allows local agencies to collect fees from new development to offset the impacts of that development on local services. Placer County Code Chapter 15.36.010.A identifies the requirements for fire protection districts to follow to collect such fees. The Placer County Board of Supervisors has the final approval to the adoption and adjustment to any fees imposed by fire districts.

As part of the requirements an annual Capital Improvement Plan (CIP) and report on mitigation fees collected and expended over the prior Fiscal Year need to be reviewed and adopted by the Board of Directors at a public hearing. The annual mitigation fee report may include an adjustment to the fee schedule based on the Construction Cost Index (CCI) published by the *Engineering News-Record*.

The CIP provides information on facilities, apparatus, and capital equipment, depreciation programs; estimated costs, schedule of replacement/purchase, and

long-term capital projects. The CIP provides an effective planning tool for the District and assists in the annual budget process.

The Mitigation Review and Report identifies the amount of mitigation fees collected, the amount of fees spent on capital purchases, and the types of purchases made with mitigation fees. The Review and Report may propose any changes to the current fee schedule based on the CCI for a given period.

Every 5-8 years a Fire Facilities Impact Study is performed by the Fire District to make any adjustments to the Fire Facilities Impact Fee Schedule.

The last Fire Facilities Impact Study was adopted by the Board of Supervisors on June 16, 2024.

Using the Construction Cost Index (CCI) of the San Francisco area (applies to the Sacramento area) as reported in the Engineering News-Record (ENR), for the 2023 calendar year the CCI indicated a 9.4% average increase in construction costs. It is recommended this construction cost increase of 9.4% be used as the basis to increase the Fire Facilities Impact and Mitigation Fee.

Current and Proposed Fee Schedule:

Residential dwellings:	\$1.84 per sq. foot to \$2.01 per sq. foot
Retail Commercial:	\$1.84 per sq. foot to \$2.01 per sq. foot
Office Commercial:	\$1.84 per sq. foot to \$2.01 per sq. foot
Industrial Commercial:	\$1.84 per sq. foot to \$2.01 per sq. foot
Agricultural/Commercial:	\$1.84 per sq. foot to \$2.01 per sq. foot

The fee schedule will be implemented and imposed on all new construction sixty (60) days after the Approval by the Placer County Board of Supervisors.

Alternatives Available to the Board

1. Conduct a Public Hearing and adopt by resolution, the Capital Improvement Plan (CIP) and Mitigation Fee Review and Report;
2. Take no action, the District will be unable to make adjustments to the current Mitigation Fee schedule.

Fiscal Impact

No fiscal impact or costs incurred to the budget is associated by this action. Future mitigation fees may be increased bringing added funding to the fire fee mitigation account.

PENRYN FIRE PROTECTION DISTRICT



CAPITAL IMPROVEMENT PLAN (CIP)

AND MITIGATION FEE REVIEW AND REPORT 2024

Overview

The Capital Improvement Plan (CIP) is considered a planning process for the Penryn Fire Protection District. This plan attempts to identify the capital needs of the organization not only the immediate needs but also seeks to identify longer-term capital needs. In general, the CIP is a planning document that is updated annually through the budget process and subject to change as the needs of the organization and community become more defined and projects move along in their respective planning and budgeting processes. The use of a CIP provides for considerable advance project identification, planning, evaluation, scope, definition, design, public discussion, cost estimating, and financial planning.

Objectives used to develop the CIP include:

- To preserve and improve the infrastructure of the organization through capital asset procurement in a sustainable manner.
- To maximize the useful life of capital investments by scheduling major renovations, modifications, and procurement at the appropriate time.
- To identify and examine current and future infrastructure and equipment needs and establish priorities among projects so that available resources are used to the best advantage; and
- To improve financial planning and stability by comparing needs with resources, estimating future funding issues, and identifying potential fiscal implications.

This plan will serve several specific purposes such as a guide for the District Board and its administration towards current and future capital improvement needs, informs the district's personnel, the community, business, and other interested parties about the capital needs of the district and the projected costs of those needs, and identifies financial decisions, allocations, and needs over a prescribed period of time whether funding is available or not.

The Fire District

The Fire Protection District provides all hazard services to the communities of Penryn and portions of the Town of Loomis in Placer County. The district's jurisdiction includes over 11 square miles of rural and suburban area and provides emergency medical services (EMS), fire response and suppression, fire prevention inspections, code enforcement, fire investigation, rescue operations, vehicle extrication, hazardous materials response, fire district administration, staff training, public education, and participates in the California Master Mutual Aid System through the Office of Emergency Services (OES) Fire & Rescue Branch.

Recommended standards for fire protection and emergency medical services are issued by the National Fire Protection Association (NFPA) and often considered industry standards. In addition are the Public Protection Classification Surveys performed by the Insurance Services Office (ISO) for the insurance industry. These surveys have a direct bearing on the premiums charged by companies for fire insurance. A major area of importance of these surveys include apparatus, equipment, and facilities.

Capital Improvement Components

Capital improvement components contain, but not limited to the following:

Apparatus: Purchase and replacement of Type I Engines, Type III Engines; rescue vehicles, water tenders, command vehicles, utility vehicles, and support vehicles.

Major Equipment: Purchase and or replacement of personal protective equipment (PPEs), self-contained breathing apparatus (SCBAs), rescue tools, life support equipment, fire hose, communications equipment, information technology related devices and hardware, and small/portable equipment.

Facilities: New construction, renovation, and or replacement of fire stations, vehicle maintenance facilities, training facilities (both didactic classrooms and manipulative drill ground buildings and props), and administrative and support offices.

Property acquisition may also be considered a capital purchase to serve future needs of the fire district.

Capital Acquisitions Apparatus

The Fire District has established some standard apparatus and equipment depreciation and replacement schedules. Primary funding is now provided through general funds, loans, mitigation fees, and or through grants.

Type I Engine Replacement Recommendations: Continue to follow and implement an apparatus replacement schedule of 15 years of frontline service for all Type I firefighting apparatus, with a minimum of 5 years reserve service before consideration of decommissioning the apparatus. Apparatus refurbishment may also be a consideration.

Type III Engine Replacement Recommendations: Continue to follow and implement an apparatus replacement schedule of 20 years of frontline service for all Type III firefighting apparatus. Apparatus refurbishment may also be a consideration.

Water Tender Replacement Recommendations: Continue to follow and implement an apparatus replacement schedule of 25 years of frontline service for all Water Tender apparatus. Apparatus refurbishment may also be a consideration.

Light Duty Vehicle Replacement Recommendations: It is recommended that light vehicles should be considered for a replacement of 10 years for Command Vehicles and utility vehicles (due to intense, high mileage use).

Specialized Apparatus and Vehicles Recommendations: Specialized vehicles such as air units, rescues, and ATV units are recommended to be replaced as needs of the Fire District determine and based on the type of use and condition of such unit(s). Typical replacement may occur between 15 and 25 years. Refurbishment may also be a consideration.

See Attachment for District Capital Replacement Schedule

Capital Acquisitions Major Equipment

This section discusses the replacement of major equipment in the on-going business of fire, rescue, and EMS service delivery by the Fire District. It includes personal protective equipment (PPE) turnout gear, self-contained breathing apparatus (SCBA), rescue extrication tools, life support cardiac monitoring/intervention equipment, fire hose, small equipment, radios, and information technology related devices. While some items may not be considered a capital asset by policy, they are included as a way of presenting ongoing equipment needs.

Personal Protective Equipment (PPE): PPE's are recommended to be replaced every 5 years, or when such turnout gear has met its life expectancy, or whenever the equipment is damaged beyond repair or fails an inspection. Wildland gear are recommend to be replaced between 3-5 years or has met its life expectancy, or whenever the equipment is damaged beyond repair or fails an inspection.

Fire Hose and Nozzles: The National Fire Protection Association's (NFPA) Standard-1962 calls for annual hose testing and allows for keeping hose as long as it passes the annual service test. However, a generally accepted practice is to remove hose from service after 20 years, as recommended by the NFPA in Standard-1962 (2008 Edition), Annex A.7.1., which states "While all users should establish their own retirement schedule, fire departments should give careful consideration to a 10-year maximum service life under normal operating conditions."

Rescue Tools: Hydraulic rescue tools are mission critical equipment for delivering service. These units should be replaced every 10 years depending on advances in technology and the cost of maintenance and repairs to each unit. "Jaws" that have been purchased and used in the last 5-10 years can have a life expectancy of up to 20 years.

EMS Equipment: The defibrillators and CPR Lucas devices are an integral part of the EMS delivery the Fire District provides. These units are recommended to be replaced every 15 years depending on advances in technology and the cost of maintenance and repairs to each unit.

Self-Contained Breathing Apparatus (SCBA): All SCBA cylinders require periodic hydrostatic testing as required by 49 CFR 180.205. Wrapped carbon fiber cylinders should be tested every five years and have a 15- year service life. Therefore the life expectancy of a SCBA is 15 years and the recommended replacement schedule.

Communication Equipment: Communication equipment such as radios, tablets, and pagers are ever changing due to new technology and need to be replaced when such technology no longer supports the Fire District mission. As new technology advances communication equipment need to adapt to the environment to ensure the safest and most efficient means for personnel to perform in the field.

See Attachment for District Capital Replacement Schedule

Capital Acquisitions Facilities

Capital improvements and investments in facilities can represent some of the largest expenditures of a Capital Improvement Plan, especially if new fire facilities are contemplated. The following is the list of facilities within the Fire District and estimated replacement values and future long term capital improvements.

Penryn Fire Protection District Facilities

Fire Station #38, 7206 Church St., Penryn CA.

Fire District Facilities	Facility Type	Replacement Cost
Fire Station #38	Fire Station	\$6,000,000.00
Total		\$6,000,000.00

Future Long Term Capital Improvements: Facilities

Facility	Description	Status	Estimated Costs
Station #38	Renovation, add adequate dorm facilities	Renovate/addition to include adequate dorm (sleeping) quarters for personnel and enclose 1 apparatus bay. Conduct needs assessment and cost analysis, identify funding sources. Schedule-TBD Unfunded Project	\$1,200,000.00

Funding Sources for Capital Improvement

Sources for capital improvements derive from a number of sources. Funds are generated through local property tax allotment, assessments, fees, charges for services, and outside funding such as grants and loans. The availability of funds fluctuates on a number of factors including assessed property values, employee costs, consultants and service contracts, insurance costs, and general economic cost increases. Other funding sources for capital purchases may include:

General Fund. General funds are monies collected from property tax apportionment, fees for services, assessments, and other revenue generation in relation to services provided. Unless designated, general funds are spent on the operations of the organization, including capital expenditures.

Loan Financing. Loan financing is generated through the borrowing of funds (principal) at a cost (interest) through a financial institute and or governmental agency and can include the sale of municipal bonds. Loans are typically used for specific one-time capital purchases.

Grant Funding. Grant funding is made available for capital purchases primarily through the Federal Emergency Management Agency (FEMA) through the Assistance to Firefighter's Grants (AFG). This program is offered on a national level and is extremely competitive throughout the United States Fire Service.

Mitigation and Facility Impact Fees. These fees derive from development within the fire district and are intended to off-set impacts development may have on the fire district in providing services. These fees may be restrictive in what they can be used for regarding capital projects.

Review and Reporting of Fire Facility Impact and Mitigation Fees.

The Fire District, under Government Code § 66000 *et. seq.*, is allowed to collect fees from new development to offset the impacts on local services. This is known as the Fire Facilities Impact and Mitigation Fee. The fee is collected on all new construction including additions and is applied towards capital expenditures such as fire facilities, apparatus, and firefighting equipment to meet future service demands of the Fire District.

The most important part of AB 1600 is the requirement for findings that connect any impact stemming from a development project to the type and amount of the fee imposed or what is commonly referred to as the “Nexus” requirement. Government Code Section 66001 states that in any action “establishing, increasing, or imposing a fee as a condition of approval of a development project,” the local agency shall do all of the following:

- 1) Identify the purpose of the fee.
- 2) Identify how the fee is to be used. If the use is for financing public facilities, the facilities shall be identified.
- 3) Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
- 4) Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
- 5) Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Purpose of the Fee

The purpose of this development impact fee is to ensure that new development within the District pays its proportionate share of the capital investments to be made by the District along with its share of future capital costs, which are necessary to provide fire protection, fire suppression and other fire safety services adequate to accommodate a growing service population. The District is prudent in requiring that new development will not burden existing property owners with the cost of public facilities required to accommodate growth. The District can further this objective through the imposition of development impact fees. The purpose of the development impact fee is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fee helps to ensure that the level of service is maintained as new development offsets the increased costs of providing service as growth occurs.

Use of the Fee

The development impact fee will fund new construction of fire stations, apparatus, vehicles, and capital equipment needed to serve new development. All facilities and capital equipment will be located within the boundaries of the District. As identified in the Capital Improvement Plan, these facilities include:

- ◆ land for new fire stations
- ◆ fire station construction or expansion
- ◆ fire apparatus acquisition
- ◆ vehicle acquisition
- ◆ capital equipment acquisition
- ◆ financing costs associated with the above listed capital expenditures

Benefit Relationship

The Fire District will restrict fee revenues to the acquisition of land, construction/reconstruction/expansion of buildings, and purchase of apparatus, vehicles and capital equipment, and related financing costs to serve new development. Fire facilities and capital equipment funded by the fee will further the District-wide network of services accessible to the additional residences and businesses associated with new development. Thus, there is a reasonable relationship between the use of fee revenues and the residential and non-residential types of new development that will pay the fee.

Burden Relationship

The purpose of assessing an impact fee is to provide the capital resources necessary to sustain a constant level of service for fire protection, emergency medical response, rescue and extrication, containment and mitigation of hazardous materials exposure, and other life safety services that is required of a growing service population. Based on the District's historical experience in responding to calls for service among the varying types of development in its boundaries, it is appropriate to assess the fee on a uniform basis in order to share the costs on a pro rata basis among existing and new development. Thus, there is a reasonable relationship between the use of the fee and the type of development served by the capital resources funded by the fee.

Proportionality

The reasonable proportionality relationship can be established by identifying the facility costs attributable to future development, then establishing fee rates that allocate those costs in proportion to the demands created by each type of development project. The fee apportions costs between the existing population and new development in a manner proportional to their contribution of the need for that facility. Further, fees are imposed based on building size as measured by habitable and enclosed square feet of each building.

The Fire District utilizes the services of a consultant to perform a "nexus" study. This study is intended to update the development impact fee imposed by the District. This report summarizes an analysis of the need for fire facilities and equipment to accommodate new development within the District's boundaries and documents a reasonable relationship between new development, the fee, and the facilities and capital equipment to be funded.

The study updates the development impact fee based on the current values of all fire equipment and facilities necessary to protect current residents at current service levels. This fee is translated into a per square foot cost that is imposed on any new construction which may occur. Impact fees

paid will allow for the District to provide the necessary facilities, vehicles, and equipment necessary to maintain current service levels.

The nexus study for this district was approved by the Placer County Board of Supervisors on June 16, 2024. The Mitigation Fee Act requires this fee review and study every 5-7 years.

Placer County has and will continue to experience growth. Consequently, local fire districts are faced with the challenge of providing service to an expanding customer base with limited resources for upgrading the infrastructure necessary to accommodate such expansion. The Fire District too faces the challenge of providing fire facilities and services to service new development within its boundaries. The impact fees collected as a result of new construction provides a funding source for the construction of fire facilities and purchase of vehicles and equipment necessary for this purpose.

This fee can be adjusted annually using the Construction Cost Index (CCI) of the San Francisco area (applies to the Sacramento area) as reported in the Engineering News-Record (ENR) and is approved for use as an annual cost escalator to be applied to the fee.

For the 2023 calendar year, January 1 through December 31, the CCI indicated a 9.4% average increase in construction costs. It is recommended this construction cost increase of 9.4% be used as the basis to increase the Fire Facilities Impact and Mitigation Fee.

Current and Proposed Fee Schedule:

Construction Type	Current Fee	Proposed Fee
Residential dwellings	\$1.84 per sq. foot	\$2.01 per sq. foot
Additions, garages, storage	\$1.84 per sq. foot	\$2.01 per sq. foot
Commercial/Industrial	\$1.84 per sq. foot	\$2.01 per sq. foot

Penryn Fire Protection District Annual Mitigation Fee Reporting for FY 23/24

	FY 22/23	FY 23/24	Budgeted 24/25
Revenue			
Mitigation Fees	68,573	54,070	38,220
Investment Interest	13,851	26,938	28,000
Sale of Capital Asset		26,300	
Operating Transfer In		108,535	
Motion Pro Donation	3,677		
Total Revenue	86,100	215,843	66,220
Expense			
Type 1 Engine	51,220	51,220	51,220
Buildings and Improvements			
Fixed Assets-Equipment		19,111	15,000
Total Expense	51,220	70,331	66,220
Net Revenue	34,880	145,512	0
 Beginning Balance	 759,024	 793,904	 939,416
Ending Balance	793,904	939,416	939,416

The Penryn Fire Protection District shows a current mitigation fee balance of \$939,416 and FY 23/24 mitigation fee revenues of \$215,843 with expenditures of \$70,331. FY 24/25 projected expenditures are \$66,220 with estimated revenues of \$66,220 with a mitigation fee balance of \$939,416.

Current Capital Funding Obligations

Type 1 Engine Loan- \$51,220.10/Year. Last Payment FY 32/33

The Penryn Fire Protection District has been transferring operating funds into the mitigation fund in anticipation of the purchase of a new Type 3 engine. The intent of the Board is to fully fund this purchase without loan obligation.

PENRYN FIRE DISTRICT CAPITAL REPLACEMENT SCHEDULE

DESCRIPTION	YEAR	MAKE	SC H	REP YR	PUR PRICE	TODAYS COST	ANN %	CATCH-UP COSTS	FACTORED REPLACE	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	34/35																														
Command	2013	Ford	10	2023	32,885	75,000	3.0%	22,500	97,500	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750																														
Type 1	2019	Pierce	15	2034	637,000	978,750	3.0%	440,438	1,419,188	94,613	94,613	94,613	94,613	94,613	94,613	94,613	94,613	94,613	94,613																														
Type 3	1998	Inter	20	2018	95,000		3.0%	0	0	0	0	0	0	0	0	0	0	0	0																														
Type 3	2008	Inter	15	2023	265,000	475,000	3.0%	213,750	688,750	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917																														
Defilbs (2)	2018	Lifepak	15	2033	6,000	6,920	3.0%	3,114	10,034	669	669	669	669	669	669	669	669	669	669																														
SCBAs (8)	2015	Scott	15	2030	60,000	95,000	3.0%	42,750	137,750	9,183	9,183	9,183	9,183	9,183	9,183	9,183	9,183	9,183	9,183																														
Structure PPE (18)			5		12,000	14,400	3.0%	2,160	16,560	3,312	3,312	3,312	3,312	3,312	3,312	3,312	3,312	3,312	3,312																														
Hose			20		12,000	17,500	3.0%	10,500	28,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400																														
Jaws	2007		15	2022	13,000	28,000	3.0%	12,600	40,600	2,707	2,707	2,707	2,707	2,707	2,707	2,707	2,707	2,707	2,707																														
Facility Projects																																																	
St 38 Replacement						Future																																											
Total Annual Required to Maintain Apparatus and Equipment																																																	
Total Facility Project Expenses										167,550										167,550										167,550																			
Totals										6,000,000										167,550										167,550										167,550									