



**MEASURE O OVERSIGHT
COMMITTEE REPORT
FISCAL YEAR 2017-2018**

History

Measure O, a special tax replacement measure was approved by the voters on November 8, 2016, to be used for any lawful purpose permissible to Fire Districts pursuant to California Health and Safety Code Section 13800 et seq., including but not limited to enhancing the level of fire protection, emergency fire protection and paramedic response services through increasing staffing levels to operate and maintain the District's fire stations, maintaining and when necessary replacing fire protection and lifesaving equipment and apparatus to optimal levels of function, and to fund capital improvements.

Purpose

To independently review the expenditures of the Measure O parcel tax revenues for compliance with the special tax and to inform the public and advise the Board if the funds were expended in accordance with the intentions of the voters.

Financial Highlights

Measure O funding replaced the expiring Federal SAFER grant, allowing the District to continue to employ firefighters hired with grant funds while keeping both fire stations open and fully staffed. **These funds were used for Permanent Salaries and the CCCERA Unfunded Actuarial Liability Payments.** 230 Senior Exemptions (Residents 65 and older residing in the exempt property) were received, amounting to a reduction in funding of \$49,680.00. Beginning in the 2020/21 budget cycle a separate budget category will be created within the budget narrative detailing the revenue and expenditures of Measure O.

Financial Summary

Measure O Revenues received were \$2,429,757, and total expenditures were \$2,285,666, leaving a fund balance of \$144,091.

Measure O funds were used to reimburse the following General Fund Expenses:

Permanent Salaries July 2017 through January 2018: \$1,311,748

Unfunded Actuarial Accrued Liability December 2017 through June 2018 : \$964,124.00

Detailed Measure O expenditure information is provided in the Independent Accountant's Report, Exhibit A of which is attached to this Annual Report.

Conclusion

The Measure O Oversight Committee has determined that Measure O parcel tax revenues for Fiscal Year 2017-2018 were expended in Fiscal Year 2017-18 in accordance with the voter-approved requirements of Measure O. Additionally the unexpended amount of \$144,091 was carried forward for expenditure in Fiscal Year 2018-2019.

Signature

Measure O Oversight Committee

EXHIBIT A

**RODEO - HERCULES FIRE PROTECTION DISTRICT
HERCULES, CALIFORNIA**

MEASURE O REPORT

FOR THE YEAR ENDED JUNE 30, 2018

**Harshwal & Company LLP
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RODEO - HERCULES FIRE PROTECTION DISTRICT

JUNE 30, 2018

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the
 Rodeo - Hercules Fire Protection District
 Hercules, California

Report on Financial Statements

We have performed the procedures enumerated below, which were agreed to by the Rodeo - Hercules Fire Protection District' management, on the Rodeo - Hercules Fire Protection District's (the "District") Measure O - Special Tax revenues received and expenditures made by the District for the fiscal year ended June 30, 2018. The District's management is responsible for the receipt of Measure O - Special Tax revenues and deposit of such proceeds into the District's Measure O - Special Tax Revenue Fund and use it solely for any lawful purpose permissible to the District as instructed in Ordinance 2016-1. The sufficiency of these procedures is solely the responsibility of the District's management. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

PROCEDURES:

The procedures performed and findings are listed below:

1. We agreed the actual Measure O - Special Tax proceeds collected and expended to the amounts recorded in the District's general ledger and recalculated the mathematical accuracy of the following schedule provided by the District:

Revenues:	
Measure O - Special Tax Revenue	<u>\$ 2,429,757</u>
Expenditures:	
Permanent Salaries	1,311,747
Unfunded Actuarial Accrued Liability Payments	964,124
County Collection Fee	<u>9,795</u>
Total Expenditures	<u>2,285,666</u>
Net Change in Measure O Funds	144,091
Available Measure O Funds, Beginning	<u>-</u>
Available Measure O Funds, Ending	<u><u>\$ 144,091</u></u>

The District received the Measure O Parcel tax funds in October 2017. During fiscal year 2017-18, funds were used as follow:

Permanent Salaries - The District transferred a total of \$1,311,748 from the Measure O Fund to the General Fund through a County Interfund transfer to cover Permanent Salaries through February 7, 2018. Detail of salaries paid through Measure O Fund resources were as follow:

Permanent Salaries Paid through General Fund:

July 2017	\$ 191,536
August 2017	196,430
September 2017	185,900
October 2017	179,100
November 2017	190,888
December 2017	180,986
January 2018	186,908
	<u>\$ 1,311,748</u>

Unfunded Actuarial Accrued Liability Payments - The District transferred a total of \$964,124 from the Measure O Fund to the General Fund through a County Interfund transfer to cover 7 installments of the District's Unfunded Actuarial Accrued Liability to Contra Costa County Employee's Retirement Association. Detail of payments made using Measure O Fund resources were as follow:

Unfunded Actuarial Accrued Liability Paid through General Fund:

December 2017	\$ 137,732
January 2018	137,732
February 2018	137,732
March 2018	137,732
April 2018	137,732
May 2018	137,732
June 2018	137,732
	<u>\$ 964,124</u>

County Collection Fees - Contra Costa County assesses fees to levy assessments and taxes. Charges for the Measure O Levy totaled \$9,795, which was paid using Measure O Fund resources.

2. We traced the proceeds of the Measure O tax and reviewed the expenditures made by using those proceeds, as listed in aforementioned schedules, in accordance with Ordinance 2016-1 Section 4 and California Health and Safety Code section 13800 et seq regarding use of tax proceeds.

FINDINGS:

Proceeds of taxes as listed in the schedule presented by the District's management were paid into the District's Measure O Special Revenue Fund and had been used by the District, in compliance with Ordinance 2016-1 Section 4 and California Health and Safety Code section 13800 et seq, with no exceptions.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's Measure O - Special Tax revenues received and expenditures made by the District for the fiscal year ended June 30, 2018. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the District's management and is not intended to be and should not be used by anyone other than these specified parties.

Harshwal & Company LLP

Oakland, California
January 30, 2019