



MEASURE O OVERSIGHT COMMITTEE REPORT

FISCAL YEAR 2019-2020

History

Measure O, a special tax parcel 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 parcel 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 Group Insurance Health (Active Employees and Retiree) and CCCERA Unfunded Actuarial Liability Payments. 328 Senior Exemptions (a decrease of 17 exemptions from Fiscal Year 2018-2019) were received, amounting to a reduction in funding of \$72,816. The 2020/21 budget cycle will include a separate budget category within the budget narrative detailing the revenue and expenditures of Measure O.

Financial Summary

Measure O Revenues received were \$2,475,105, and total expenditures were \$1,890,351, leaving a fund balance of \$802,155. Measure O funds were used to reimburse the following General Fund Expenses:

Group Insurance Health Active Employees July 2019 through June 2020: \$463,446
Group Insurance Health Retiree July 2019 through June 2020: \$303,059
Unfunded Actuarial Accrued Liability payments transferred November 2019: \$1,113,976
County Collection Fees: \$9,870

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

Conclusion

The Measure O Oversight Committee has determined that Measure O parcel tax revenues for Fiscal Year 2019-2020 were expended in Fiscal Year 2019-20 in accordance with the voter-approved requirements of Measure O. Additionally the unexpended amount of \$802,155 was carried forward for expenditure in Fiscal Year 2020-2021.

Signature

Measure O Oversight Committee

Attachments-2

Rodeo-Hercules Fire Protection District, Hercules, California, Measure O Report for the Year Ended June 30, 2020 dated January 28, 2021

Measure O Annual Fire Chief Fiscal Year 2019-2020 Report dated Feb 26, 2021

RODEO- HERCULES FIRE PROTECTION DISTRICT
MEASURE O REPORT

JUNE 30, 2020

RODEO - HERCULES FIRE PROTECTION DISTRICT
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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's 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, 2020. 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	\$ 2,475,105
Expenditures:	
Group Insurance Health Active Employees	463,446
Group Insurance - Retiree	303,059
Unfunded Actuarial Accrued Liability Payments	1,113,976
County Collection Fee	9,870
Total Expenditures	1,890,351
Net Change in Measure O Funds	584,754
Available Measure O Funds, Beginning	217,401
Available Measure O Funds, Ending	<u>\$ 802,155</u>

The District received the Measure O Parcel tax funds mostly in October 2019. During fiscal year 2019-20, funds were used as follow:

Group Insurance Active Employees - The District transferred a total of \$463,446 from the Measure O Fund to the General Fund through a County Interfund transfer to cover Group Insurance of active employees through June 30, 2020. Detail of insurance paid through Measure O Fund resources were as follows:

Group Insurance Active Employees Paid through General Fund:

July 2019	\$	68,296
August 2019		33,505
September 2019		(33)
October 2019		67,693
November 2019		33,742
December 2019		55,920
January 2020		35,441
February 2020		34,097
March 2020		15,821
April 2020		34,189
May 2020		34,724
June 2020		<u>50,051</u>
	\$	<u>463,446</u>

Group Insurance - Retiree - The District transferred a total of \$303,059 from the Measure O Fund to the General Fund through a County Interfund transfer to cover Group Insurance Retiree through June 30, 2020. Detail of insurance paid through Measure O Fund resources were as follows:

Group Insurance - Retiree Paid through General Fund:

July 2019	\$	50,411
August 2019		24,956
September 2019		(255)
October 2019		50,421
November 2019		24,955
December 2019		25,703
January 2020		25,703
February 2020		25,703
March 2020		(255)
April 2020		25,703
May 2020		25,581
June 2020		<u>24,433</u>
	\$	<u>303,059</u>

Unfunded Actuarial Accrued Liability Payments - The District transferred a total of \$1,113,976 from the Measure O Fund to the General Fund through a County Interfund transfer to cover the District's Unfunded Actuarial Accrued Liability to Contra Costa County Employee's Retirement Association in November 2019.

County Collection Fees - Contra Costa County assesses fees to levy assessments and taxes. Charges for the Measure O Levy totaled \$9,870, 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 taxproceeds.

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 engagement to apply agreed-upon procedures 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, 2020. 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 28, 2021



MEASURE O ANNUAL FIRE CHIEF REPORT

FISCAL YEAR 2019 - 2020

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The Fire Chief, or his designee, including but not limited to the District's chief fiscal officer, shall file an annual report with the Board. The annual report shall at a minimum, report upon the following: (a) The amount of tax proceeds collected and expended; and (b) The status of any project required or authorized to be funded in accordance with this section.

Measure O

History

In November 2016, the residents of Rodeo and Hercules voted overwhelmingly to pass Measure O, an annual parcel tax of \$216.00 (this amount may increase annually by the lesser of 3% or the CPI in the San Francisco-Oakland-San Jose Area by a vote of the Board of Directors). The Rodeo-Hercules Board of Directors passed this CPI increase in fiscal year 2019-20, raising the annual parcel tax to \$222. Measure O funding continues to be a crucial component of the Fire District's ability to maintain its fire stations and fire station staffing.

Senior Exemptions

Seniors who are 65 or older are eligible for an exemption to the parcel Tax. For someone to qualify for the senior exemption, they must meet the following qualifications:

- The qualifying person must reside in the property for which they are claiming an exemption.
- A new exemption form must be submitted on an annual basis and returned to the Measure O Parcel Tax Administrator by the deadline of January 31 of each year and include proof of eligibility.

For the convenience of our residents, an exemption drop-off mailbox is in front of our District offices.

Financial Highlights

The Fire District received 328 Senior Exemptions for fiscal year 19-20, a slight decrease from fiscal year 18-19, which equates to a \$ \$72,816 reduction in Measure O revenue. Fiscal year 19/20 Measure O funds were distributed for

Health Insurance for Active Employees, Retiree Health Insurance, Unfunded Actuarial Accrued Liability Payments, County Measure O Collection Fee.

Efficiencies

The practice of illustrating the Measure O revenues in a separate budget category within the Fire District's annual budget will continue.

Bryan Craig

Fire Chief

February 26, 2021

The proceeds of the special tax funding replacement measure imposed by this Ordinance shall be placed in a special account or fund to be used solely for any lawful purpose permissible to Fire Districts pursuant to California Health and Safety Code §13800 et seq., including but not limited to enhancing the level of fire prevention, 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 performance, and to fund capital improvements.

Financial Summary

Measure O Revenues received were \$2,475,105, and total expenditures were \$1,890,351, leaving a fund balance of \$802,155¹.

Measure O funds were used for the following expenses:

Unfunded Actuarial Accrued Liability	\$ 1,113,976.00
Active Employee Medical Premiums	\$ 409,150.18
OPEB Matching Funds	\$ 54,295.56
Retiree Medical Premiums	\$ 303,059.25
County Fees	\$ 9,869.69
	<u>\$ 1,890,350.68</u>

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

¹ This fund balance is allocated for use in the next fiscal year's Measure O expenses for approximately four months until the Measure O revenues are realized in October.