



RODEO-HERCULES FIRE PROTECTION DISTRICT
1680 REFUGIO VALLEY ROAD, HERCULES, CALIFORNIA 94547
(510) 799-4561 FAX: (510) 799-0395

MEASURE O OVERSIGHT COMMITTEE MEETING AGENDA
March 9, 2021

3:00 p.m.

VIA TELECONFERENCE ONLY

CORONA VIRUS (COVID-19) ADVISORY INFORMATION

To slow the spread of COVID-19, the Health Officer's Shelter Order of March 16, 2020 prevents public gatherings. In lieu of a public gathering, the Board of Directors meeting will be accessible via teleconference to all members of the public as permitted by the Governor's Executive Order 29-20.

This meeting is being held in accordance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020 to allow attendance by members of the Rodeo Hercules Fire Protection District Board of Directors by teleconference, video conference, or both.

If you would like to watch the meeting, or speak on an agenda item, you can access the meeting remotely: Join from a PC, Mac, iPad, iPhone, or Android device: Please use this URL:

<https://us02web.zoom.us/j/84343717035?pwd=bVY4UUN2VDU5K0tzSjNvMmVnVGYrdz09>

Meeting ID: 843 4371 7035

Passcode: 649159

If you do not wish for your name to appear on the screen, then use the drop-down menu and click on "rename" to rename yourself to be anonymous.

Or join by phone:

*67 1-669-900-9128

Enter Meeting ID: 843 4371 7035

If you want to comment during the public comment portion of the agenda, Press *9 and we will select you from the meeting queue.

NOTE: Your phone number will appear on the screen unless you first dial *67 before dialing the numbers as shown above."

Alternatively, you may submit comments prior to the meeting, via email, to corcoran@rhfd.org, and they will be read by the Board Clerk during the meeting at the appropriate time and will remain limited to 3 minutes.

If any member of the public wishes to speak on any item on the agenda, please complete a speaker card and submit it to the Clerk of the Board. The Rodeo Hercules Fire Protection District (“District”), in complying with the Americans with Disabilities Act (“ADA”), requests individuals who require special accommodations to access, attend, and/or participate in District Board meetings due to a disability, to please contact the District Chief’s office at (510) 799-4561, at least one business day before the scheduled District Board meeting to ensure that the District may assist you.

1. CALL TO ORDER/ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. CONFIRMATION OF AGENDA
4. APPROVAL OF PRIOR MEETING MINUTES
5. PUBLIC COMMUNICATIONS

Public comment on any item of interest to the public that is within the Board’s jurisdiction will be heard. The Board may limit comments to no more than 3 minutes per speaker. Public comment will also be allowed on each specific agenda item prior to Board action thereon.

6. DISCUSSION OF COMMUNITY OUTREACH BY SUBCOMMITTEE
7. RECEIVE 2019-20 FIRE CHIEF'S REPORT
8. RECEIVE 2019-20 MEASURE O REPORT
9. REPORT ON IMPACT OF CONSOLIDATION OF RODEO-HERCULES FIRE PROTECTION DISTRICT WITH CONTRA COSTA FIRE PROTECTION DISTRICT BY SUBCOMMITTEE
10. ADJOURNMENT

I hereby certify that this agenda in its entirety was posted on March 4, 2021 at the Hercules Fire Station, 1680 Refugio Valley Road, Hercules, CA, the Rodeo Fire Station, 326 Third Street, Rodeo, CA, on the District’s website at www.rhfd.org and telecopied to the West County Times.

Kimberly Corcoran, Board Clerk

Any writings or documents provided to a majority of the Board of Directors regarding any item on this Agenda are available during normal business hours for public inspection in the District offices, located at 1680 Refugio Valley Road, Hercules, CA 94547.



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MEASURE O OVERSIGHT COMMITTEE MEETING MINUTES
February 17, 2021

3:00 p.m.

VIA TELECONFERENCE ONLY

1. CALL TO ORDER/ROLL CALL - Members in attendance: E. Genai, P. Freese, A. Ziff, and M. Bowman. No members absent. Chief Craig in attendance.
2. PLEDGE OF ALLEGIANCE
3. CONFIRMATION OF AGENDA
4. APPROVAL OF PRIOR MEETING MINUTES (:08 - partial audio) June minutes approved-motion seconded by A. Ziff. Passed 4-0. Motion made to accept September minutes made by M.Bowman, seconded by E. Genai. Passed 4-0.
5. PUBLIC COMMUNICATIONS (1:05) None
6. DISCUSSION OF OUTREACH INCLUDING VIA NEXTDOOR WEBSITE (2:18) Motion to establish subcommittee consisting of A. Ziff and E. Genai to discuss outreach via Nextdoor and / or Marketplace made by M. Bowman. Seconded by P. Freese. Passed 4-0.
7. RECEIVE AUDITOR'S REPORT (12:13) Motion to accept Auditor's Report made by P. Freese, seconded by M. Bowman. Passed 4-0.
8. DISCUSSION OF CHAIRMANSHIP (23:06)
9. DISCUSS EFFECT ON MEASURE O FROM CONSOLIDATION OF RHFD WITH CONFIRE AND/OR ECCFPD (26:30) Motion to create subcommittee to review impact on Measure O tax of potential consolidation of Rodeo-Hercules Fire Protection District with Contra Costa Fire Protection District made by P. Freese, Seconded by M. Bowman. Passed 4-0.
10. ADJOURNMENT (1:22:22)

Kimberly Corcoran, Board Clerk



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
	\$ 1,890,350.68

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.

DRAFT MEASURE O ANNUAL REPORT 2019-2020

Title Page

Layout-- similar to 2017-2018 & 2018-2019 Meas. O Report. Title "Measure O Oversight Committee Report", FISCAL YEAR 2019-2020

Report

History

Measure O, a special **parcel** 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 **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**, (Residents 65 and older residing in the exempt property), an **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**



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	<u>1,890,351</u>
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.

From: Measure O Oversight Committee

To: Rodeo Hercules Fire District (RHFD) Board of Directors

Date: March 9, 2021

Subject: RHFD Potential Consolidation with Contra Costa County Fire District (ConFire)

Due to the anticipated large impact to funds provided by voter approved local Measure O (a \$216 district parcel tax in 2016), and to be fully transparent to the citizens of both Hercules and Rodeo, the Measure O Oversight Committee has specific questions and concerns that must be addressed in any feasibility study, discussions, and negotiations regarding the potential consolidation of RHFD with ConFire. Our request is for complete open communication and transparency for all the citizens of Hercules and Rodeo, their governing agencies (e.g., Hercules City Council) and other interested bodies (e.g., Rodeo MAC, Voices of Rodeo). We want what is best for the citizens of Hercules and Rodeo, especially as the local area develops and the need for improved and extended fire protection services grows.

Questions and Concerns from Measure O Oversight Committee

Definition of Terms

The terms “consolidation, annexation and merger” seem to be used interchangeably in discussion and correspondence regarding this subject. What is the legal definition of the process being proposed? Any continued discussions and negotiations need to have the terms clearly defined. For purposes of this letter, we’ll only use the term “consolidation”.

Board of Directors

Will there still be a Board of Directors for RHFD? Or will the County Board of Supervisors, acting under County Ordinance 24-2.402 control the newly consolidated district like they do now with ConFire? If an RHFD “Board” is retained, will it have actual authority over Measure O funds (revenue & expenses) or simply be an “advisory” body? If retained, would an RHFD Board be elected or appointed (and by whom) since the RHFD District would be dissolved?

Vote of the People

Since Measure O was approved under the protections of Prop 218, with a Board resolution and ballot language indicating the funds to be used locally

in the RHFD, wouldn't approval for a consolidation with another district where Measure O funds are used jointly also require a vote by the citizens of Rodeo and Hercules? Any consolidation negotiated solely on the vote of the RHFD Board of Directors could be construed as "taxation without representation" and illegal.

What Happens to Measure O?

Legally, what happens to voter approved special taxes (e.g., Measure O) when a smaller district is consolidated into a larger district? If there is no RHFD in which to manage and apply Measure O funds, will Measure O be terminated? If Measure O funds are not included in the process will ConFire still pursue a consolidation with RHFD? What realistically happens to Measure O oversight? What **legal bases** apply here? (**Important to RHFD General Counsel:** Please cite code sections and/or other legal authority for your position rather than just opine).

Since Measure O has been consistently used for paying UAAL, how will the pension system be affected for both retirees and existing employees? How will the OPEB debt be addressed? The RHFD FY2020/21 Budget Page 7 shows that RHFD is currently not paying the "Unfunded Actuarial Accrued Liability" (UAAL) portion of the OPEB program (CalPERS CERBT), which is currently around \$3.8 million.

As Measure O represents approximately one third (1/3) of the funding for the RHFD where will the other two-thirds (2/3) funding come from?

Will the consolidation guarantee that there will not be a need for additional funds from the citizens of Rodeo and Hercules?

Recusal for Conflict of Interest

All appointees to the RHFD are required to comply with the Ralph M. Brown Act, Government Code 54950 (which applies to all applies to California city and county government agencies, boards, and councils). RHFD Board Chair Steve Hill, the Public Information Officer for ConFire should recuse himself from any negotiations or votes in regards to consolidation due to primary and secondary conflicts of interest. Even the “appearance of impropriety” supports a recusal. The RHFD is obligated to look into this matter.

What a Future District Looks Like

What assurances are there that current RHFD stations will continue to fully operate? Please be clear as to the use of the Rodeo station as a full-service firehouse or is it to be used only as a training facility or other function, as has been discussed in the past? Or will it be closed a few years after the consolidation? What happens as Hercules continues to develop with waterfront expansion, transit station, multi-story buildings, hotel and more commercial and residential? There will be a definite need for another station and upgraded equipment to meet the growing and changing fire service requirements. What happens to the Pinole Fire Department? Are they part of this consolidation? Who decides in a large, consolidated district how resources are expended and where? Can and will this consolidation guarantee to the residents of Rodeo and Hercules that the existing stations will remain open and services will expand as needed? This is the problem with loss of local control.

Feasibility Study/Clifford Moss Proposal – Why the Rush?

What is the current status of the “Triton” feasibility study, which was not in the packet nor made available to the public, at the most recent RHFD Special Board meeting? One agenda item at the Special Board Meeting states, “Discuss proposal from Clifford Moss regarding public outreach for Annexation study (**Action Item**)”. Who invited Clifford Moss to provide a proposal? And why were they the only firm selected to give a proposal? Clearly, there was an attempt to push the consolidation. In public comment, Vince Wells, an Officer of the IAFF said, “Let’s get on with this annexation, get married”. With that being said, the Clifford Moss proposal seems to be

premature. Based on information from their website and in their proposal to RHFD, Clifford Moss is a consultancy whose mission is to persuade citizens (and voters) to take specific positions on their client's issues. Who are their clients? What is their relationship with ConFire? How are they involved in the East County Fire negotiations? Why weren't there other public relations firms considered? Why was this consultancy agreement sole sourced? RHFD should review procurement laws to ensure that this agreement was not entered into illegally.

What's the big rush to consolidate? This is all very short term and doesn't consider the long term needs of the Rodeo and Hercules community. A consolidation might be worthwhile; but there are too many unanswered questions, all options have not been explored and concerns need to be addressed. Citizens of Rodeo and Hercules have a right to vote on an issue as important as this one.

Thank you for your consideration
Measure O Oversight Committee