

**FULL TEXT OF
MEASURE O**

ORDINANCE NO. 2016-1

AN ORDINANCE OF THE RODEO HERCULES FIRE PROTECTION DISTRICT TO AUTHORIZE THE LEVY OF A SPECIAL TAX FUNDING REPLACEMENT MEASURE TO FINANCE FIRE PROTECTION AND EMERGENCY SERVICES AND AUTHORIZING AN INCREASE IN THE APPROPRIATIONS LIMIT FOR THE RODEO HERCULES FIRE PROTECTION DISTRICT;

THE PEOPLE OF THE RODEO HERCULES FIRE PROTECTION DISTRICT DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Authority, Purpose and Intent.

Pursuant to the authority of Sections 13911 and 13913 of the California Health and Safety Code, and other applicable law, there is hereby levied and assessed a special tax by the Rodeo Hercules Fire Protection District on all parcels of real property in the Rodeo Hercules Fire Protection District for each fiscal year.

Section 2. Special Tax Imposed.

A special tax funding replacement measure for the purpose specified in Section 4 of this ordinance shall be imposed on all parcels of real property in the Rodeo Hercules Fire Protection District for each fiscal year, commencing with fiscal year 2017-2018. The maximum amount of the special tax for fiscal year 2017-2018 shall be \$216.00 per parcel. Beginning with fiscal year 2017-2018 and for each fiscal year thereafter, the maximum amount of the special tax shall increase by the lesser of (i) three percent or (ii) the percentage by which the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Area published by the Bureau of Labor Statistics of the United States Department of Labor, or any successor to that index, increased in the twelve months prior to March of the calendar year in which the adjustment is made. In no event shall the special tax for any parcel for any year be less than the amount established for the preceding year. If or when applicable, for parcels divided by Tax Rate Area lines, the amount of the special tax for the portion of the parcel within Contra Costa County shall be calculated the same as set forth above. For properties wholly within Contra Costa County and divided by Tax Rate Area lines into multiple parcels, the property shall be taxed as a single parcel.

The records of the Contra Costa County Assessor as of March 1st of each year shall determine each parcel to be charged and the person or entity financially responsible for the calculation and payment of the special tax applicable to that parcel in the following fiscal year.

For the purposes of this ordinance, the term "parcel" shall mean a parcel of real property having a separate assessor's parcel number as shown on the last equalized assessment roll of Contra Costa County.

Section 3. Annual levy; Public Hearing.

The Board of Directors shall annually by an affirmative vote of at least a majority of its members establish the amount of the special tax levy, in an amount that does not exceed the maximum amount specified in Section 2 of this ordinance. The special tax funding replacement measure shall not be measured by value of the property.

The Board of Directors shall conduct a public hearing regarding the proposed annual levy of the special tax funding replacement measure during the budget hearing for the applicable year. Notice of the public hearing shall be published in accordance with District procedures at least ten (10) days prior to the hearing.

Section 4. Special Fund, Use of Tax Proceeds, Annual Report, District Formation of an independent 2016 Special Tax Funding Replacement Measure Oversight Committee

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 District's pursuant to California Health and Safety Code section 13800 et seq., including but not limited to enhancing the existing 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.

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.

The Board of Directors shall form and appoint members to an independent 2016 Special Tax Funding Replacement Measure Independent Oversight Committee who shall receive, review, and advise the Board upon the Annual Report. At a minimum, members of the Oversight Committee shall be residents or property owners within the District, and registered to vote.

Section 5. Collection.

The special tax replacement funding measure imposed by this ordinance shall be collected in the same manner,

on the same dates, and shall be subject to the same penalties and interest as other charges and taxes fixed and collected by the County of Contra Costa on behalf of the Rodeo Hercules Fire Protection District. Said special tax replacement funding measure, together with all penalties and interest thereon, shall constitute a lien upon the parcel upon which it is levied until it has been paid, and said special tax, together with all penalties and interest thereon, shall, until paid, constitute a personal obligation to the Rodeo Hercules Fire Protection District by the persons who own the parcel on the date the tax is due.

Section 6. Amendment.

The Board of Directors shall be empowered to amend this ordinance by an affirmative vote of at least a majority of its members to carry out the general purposes of this ordinance, to conform the provisions of this ordinance to applicable state law, to modify the methods of collection, or to assign the duties of public officials under this ordinance.

In no event shall the Board of Directors amend this ordinance to increase the maximum amount of the special tax established in section 2 of this ordinance, unless approved by two-thirds of the voters voting thereon.

Section 7. Exemptions.

The special tax funding replacement measure shall not be imposed upon any parcel that is exempt from the special tax pursuant to any provision of the Constitution, California State law, or any paramount law. The special tax funding replacement measure shall not be imposed upon any parcel owned and occupied by a person or persons 65 years of age or older. The special tax funding replacement measure shall not be imposed upon any parcel occupied by a person or persons financially responsible for paying the property tax upon the parcel who is 65 years of age or older. A qualified owner or occupant must file an application for the exemption with the District no later than January 31 annually. The Board of Directors by resolution may adopt exemptions to the special tax imposed by this ordinance.

Section 8. Appropriations Limit.

The appropriations limit of the Rodeo Hercules Fire Protection District established under Article XIII B, Section 6 of the California Constitution shall be increased by the proceeds received from the special tax funding replacement measure imposed by this ordinance.

Section 9. Exemption from CEQA

This Ordinance is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., "CEQA," and 14 Cal. Code Reg. §§ 15000 et seq., "CEQA Guidelines"). The special tax authorized by this Ordinance is a special tax that can only be used to fund the projects,

facilities, and services described in the Ordinance but does not approve any specific projects or services. As such, under CEQA Guidelines section 15378(b)(4), the special tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project or service that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have such effect, the District would undertake the required CEQA review for that particular project or service. Therefore, pursuant to CEQA Guidelines Section 15060, review of the Ordinance under CEQA is not required. Prior to commencement of any project or service funded by the special tax, any necessary environmental review required by CEQA shall be completed. The District shall perform CEQA analysis for the project prior to approving the project or service, if the project or service requires analysis under CEQA.

Section 10. Severability.

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any other provision or applications, and to this end the provisions of this ordinance are declared to be severable. The Board of Directors, and the electorate by referendum, do hereby declare that they would have adopted this ordinance and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases, parts or portions thereof, be declared invalid or unconstitutional.

Section 11. Effective Date.

This ordinance shall be adopted and become effective only if approved by two-thirds of the voters voting thereon, at an election to be held on November 8, 2016.

Section 12. Termination.

This Ordinance shall continue unless and until it is rendered null and terminated by a vote of the voters of the District. Notwithstanding the previous sentence, Section 5, relating to collection and enforcement of liens or obligations for the special tax procedures shall continue in full force and effect until all such collections have been completed.

**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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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