



MEASURE O OVERSIGHT COMMITTEE REPORT

FISCAL YEAR 2020-2021

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. 497 Senior Exemptions were received, amounting to a reduction in funding of \$113,316.

Financial Summary

2020-2021 Measure O Revenues received were \$2,502,195, and total expenditures were \$2,470,203, leaving a fund balance of \$31,992. Measure O funds were used to reimburse the following General Fund Expenses:

Group Insurance Health Active Employees July 2020 through June 2021: \$517,433
Group Insurance Health Retiree July 2020 through June 2021: \$303,323
Unfunded Actuarial Accrued Liability payments: \$1,639,704
County Collection Fees: \$9,743

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

Conclusion

The Measure O Oversight Committee has determined that Measure O parcel tax revenues for fiscal year 2020-2021 were expended in fiscal year 2020-21 in accordance with the voter-approved requirements of Measure O. Additionally the unexpended amount of \$31,992 for fiscal year 2020-21, combined with the unexpended amount of \$802,155 for fiscal year 2019-20, result in a total unexpended amount of Measure O revenues of \$834,147.

However, all Measure O unexpended funds are contained within the total budget and do not represent an actual separate fund. The represented unexpended funds are for bookkeeping purposes only.

Signature

Measure O Oversight Committee

Attachment:

Measure O Annual Fire Chief Fiscal Year 2020-2021 Report dated April 13, 2022



MEASURE O ANNUAL FIRE CHIEF REPORT

FISCAL YEAR 2020-21

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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). Measure O funding continues to be a crucial component of the Fire District's ability to maintain its fire stations and fire station staffing. Beginning in fiscal year 2019-20, the Board of Directors has increased the parcel tax by the allowable rate as follows:

FISCAL YEAR	PER PARCEL RATE
2017-18	\$216.00
2018-19	\$216.00
2019-20	\$222.00
2020-21	\$228.00

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 497 Senior Exemptions for fiscal year 2020-21, an increase from exemptions received in fiscal year 2019-20. The exemptions equate to a \$113,316.00 reduction in Measure O revenue. Fiscal year 20-21 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.

Darren Johnson
Interim Fire Chief
April 13, 2022

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 \$2,502,195, and total expenditures were \$2,470,203, leaving a fund balance of \$834,147¹.

Measure O funds were used for the following expenses:

Unfunded Actuarial Accrued Liability	\$	1,639,704
Active Employee Medical Premiums	\$	452,926
OPEB Matching Funds	\$	64,507
Retiree Medical Premiums	\$	303,323
County Fees	\$	9,743
	\$	2,470,203

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.

RODEO - HERCULES FIRE PROTECTION DISTRICT

HERCULES, CALIFORNIA

MEASURE O REPORT

JUNE 30, 2021



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, 2021. 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	\$ 2,502,195
Expenditures:	
Group Insurance Health Active Employees	517,433
Group Insurance - Retiree	303,323
Unfunded Actuarial Accrued Liability Payments	1,639,704
County Collection Fee	<u>9,743</u>
Total Expenditures	<u>2,470,203</u>
Net Change in Measure O Funds	31,992
Available Measure O Funds, Beginning	<u>802,155</u>
Available Measure O Funds, Ending	<u><u>\$ 834,147</u></u>

The District received the Measure O Parcel tax funds mostly in October 2020. During fiscal year 2020-21, funds were used as follows:

Group Insurance Active Employees - The District transferred a total of \$517,433 from the Measure O Fund to the General Fund through a County Interfund transfer to cover Group Insurance of active employees through June 30, 2021. Detail of insurance paid through Measure O Fund resources were as follows:

Group Insurance Active Employees Paid through General Fund:

July 2020	\$	35,359
August 2020		33,608
September 2020		34,578
October 2020		32,672
November 2020		35,348
December 2020		37,762
January 2021		43,231
February 2021		40,916
March 2021		39,328
April 2021		40,260
May 2021		39,953
June 2021		104,418
		<hr/>
	\$	<u>517,433</u>

Group Insurance - Retiree - The District transferred a total of \$303,323 from the Measure O Fund to the General Fund through a County Interfund transfer to cover Group Insurance Retiree through June 30, 2021. Detail of insurance paid through Measure O Fund resources were as follows:

Group Insurance - Retiree Paid through General Fund:

July 2020	\$	25,405
August 2020		24,888
September 2020		25,398
October 2020		25,174
November 2020		24,936
December 2020		24,171
January 2021		25,321
February 2021		25,860
March 2021		25,543
April 2021		25,860
May 2021		25,225
June 2021		25,542
		<hr/>
	\$	<u>303,323</u>

Unfunded Actuarial Accrued Liability Payments - The District transferred a total of \$1,639,704 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 2020.

County Collection Fees - Contra Costa County assesses fees to levy assessments and taxes. Charges for the Measure O Levy totaled \$9,743, 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 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, 2021. 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.

Harshmal & Company LLP

Oakland, California
January 11, 2022