



MEASURE O ANNUAL FIRE CHIEF REPORT

FISCAL YEAR 2023-24

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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
2021-22	\$231.00
2022-23	\$238.00
2023-24	\$245.00

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 31st 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 678 Senior Exemptions for fiscal year 2023-24, approximately 10% more than exemptions received in fiscal year 2022-23. The exemptions equate to a \$166,110 reduction in Measure O revenue. Fiscal year 2023-24 Measure O funds were distributed for Health Insurance for Active Employees, Retiree Health Insurance, Permanent Salaries, Fire Prevention fees, a portion of Capital expenditures, dispatch fees, and the 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.

Rebecca Ramirez
Interim Fire Chief
April 9, 2025

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 \$2,647,187, and total expenditures were \$2,404,931, leaving a fund balance of \$1,210,389¹.

Measure O funds were used for the following expenses:

Permanent Salaries	\$ 1,576,876.00
Active Employee Medical Premiums	\$ 118,347.00
Retiree Medical Premiums	\$ 80,390.00
County Fees	\$ 9,716.00
Services & Supplies	\$ 619,602.00
TOTAL	\$ 2,404,931.00

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, 2024



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

Report on the 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, 2024. 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.

Emphasis of Matter

We draw attention to Note 1A of the financial statements, which describes the approval of the annexation of the District into the Contra Costa County Fire Protection District. The District's Board of Directors approved the annexation on July 31, 2024. On February 12, 2025, Contra Costa LAFCO ordered the annexation of the Rodeo-Hercules Fire Protection District into Contra Costa County Fire Protection District and the dissolution of the Rodeo-Hercules Fire Protection District, with July 1, 2025, as the date of completion. Upon completion of the annexation, the District will be dissolved and fully absorbed by the Contra Costa County Fire Protection District. These conditions raise substantial doubt about the District's ability to continue as an ongoing concern. Management's evaluation of these matters and related plans are also described in Note 1A.

The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

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>\$ 2,647,187</u>
Expenditures:	
Permanent salaries	1,576,876
Group insurance health active employees	118,347
Group insurance - retiree	80,390
County collection fee	9,716
Services and supplies	<u>619,602</u>
Total expenditures	<u>2,404,931</u>
Net change in Measure O Fund	242,256
Available Measure O fund, beginning of year	<u>968,133</u>
Available Measure O fund, ending of year	<u><u>\$ 1,210,389</u></u>

The District received the Measure O Parcel tax funds mostly in September 2023. During fiscal year 2023-24, funds were used as follows:

Permanent Salaries - The District expended a total of 1,576,876 from the Measure O Fund on salaries through June 30, 2024.

Group Insurance Active Employees - The District expended a total of \$118,347 from the Measure O Fund to cover Group Insurance of active employees through June 30, 2024. Details of insurance paid through Measure O Fund resources were as follows:

Group insurance active employees paid through Measure O:	
July 2023	\$ 41,416
August 2023	38,159
September 2023	<u>38,772</u>
Total	<u><u>\$ 118,347</u></u>

Group Insurance - Retiree - The District expended a total of \$80,390 from the Measure O Fund to cover Group Insurance Retiree through June 30, 2024. Details of insurance paid through Measure O Fund resources were as follows:

Group Insurance - Retiree paid through Measure O:	
July 2023	\$ 27,835
August 2023	25,500
September 2023	<u>27,055</u>
Total	<u><u>\$ 80,390</u></u>

County Collection Fees - Contra Costa County charges fees to levy assessments and taxes. The total charges for the Measure O Levy amounted to \$9,716, which were paid using Measure O Fund resources.

Services and Supplies - The District expended a total of \$619,602 from the Measure O Fund on services and supplies through June 30, 2024. Of this amount, \$297,696 was spent on capital outlay expenditure. The details of services and supplies expenditures from Measure O Fund resources are as follows:

Services and Supplies:

May 2024	\$ 212,651
June 2024	<u>406,951</u>
Total	<u>\$ 619,602</u>

2. We traced the proceeds of the Measure O tax and reviewed the expenditures made by using those proceeds, as listed in the 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.
3. In accordance with the adopted FY 2023-24 budget, Measure O Funds were utilized to reimburse capital outlay expenditure. This process was carried out in consultation with the Measure O Oversight Committee, with journal transfers executed in compliance with standard accounting procedures.

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's, 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 engagement, 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, 2024. 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.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

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

San Diego, California
March 31, 2025