

RODEO-HERCULES FIRE PROTECTION DISTRICT**MEMORANDUM**

TO: Board of Directors, RODEO - HERCULES FIRE DISTRICT

FROM: Rebecca Ramirez, FIRE CHIEF

DATE: May 14, 2025

SUBJECT: Agreement between Dissolving Rodeo Hercules Fire Protection District and Successor District Contra Costa County Fire Protection District and Contra Costa County Employees' Retirement (CCCERA) Association Regarding Transfer of CCCERA Retirement Accounts

EXECUTIVE SUMMARY AND FISCAL IMPACT

As part of the Contra Costa County Local Area Formation Commission (LAFCO) approved reorganization, Rodeo Hercules Fire Protection District (RHFPD) will be formally dissolved, and Contra Costa County Fire Protection District (CCCFPD) will assume full responsibility for all operations, assets, liabilities, and personnel effective July 1, 2025. The agreement contained herein provides a clear and collaborative framework to transfer all RHFPD related pension assets and obligations to CCCFPD, as held, managed and administered by the Contra Costa County Employees' Retirement Association (CCCERA). The agreement ensures that all employees and retirees continue to receive their earned retirement benefits without interruption and under consistent governance.

RHFPD's current balance of pension assets and liabilities on CCCERA's books will be transferred to Contra Costa County Fire Protection District's account with CCCERA. Assets in the account will then be available for use by CCCERA to provide retirement benefits for Contra Costa County Fire Protection District's employees, retirees, and their beneficiaries, including former RHFPD employees, retirees, and their beneficiaries. As of the last valuation of RHFPD's pension assets and liabilities on December 31, 2023, its assets were valued at \$49,585,141 and its actuarial accrued liabilities were estimated at \$60,012,133. CCCERA will complete an updated valuation prior to the transfer.

BACKGROUND

On December 11, 2024, LAFCO approved the dissolution of RHFPD effective June 30, 2025 and simultaneous annexation into CCCFPD, effective July 1, 2025. As a result, CCCFPD will become the successor agency for all operational responsibilities, assets, liabilities, contracts, and personnel of RHFPD. The action reflects a shared commitment to public safety, operational efficiency, and long-term financial sustainability.

Consistent with this reorganization, CCCFPD and RHFPD adopted substantially similar resolutions (CCCFPD Resolution No. 2024-10 and RHFPD Resolution No. 2024-18) affirming CCCFPD's role as successor agency. These actions include the transfer of pension responsibilities, as acknowledged in

LAFCO Resolution No. 2024-4, which includes a provision that RHFPD's pension plans will be made consistent with CCCFPD's existing pension structure under CCCERA.

DISCUSSION

The Dissolving and Successor Districts Agreement formalizes the terms for transferring all CCCERA-related pension assets and liabilities from RHFPD to CCCFPD, ensuring the continuity of retirement benefits for active, deferred, and retired RHFPD employees, and their beneficiaries.

Key provisions of the agreement include:

- **Transfer of Pension Accounts:** All assets and liabilities associated with RHFPD's CCCERA account will be transferred to CCCFPD's account as of the effective date. CCCERA will no longer maintain a separate RHFPD account.
- **Obligation Assumption:** CCCFPD will assume all employer and employee pension obligations associated with RHFPD's current and former employees. CCCFPD's responsibilities will align with its existing obligations to CCCERA.
- **Preservation of Employee Benefits:** The agreement respects and protects the earned retirement benefits of RHFPD employees, including those with cost-of-living adjustments (COLAs) greater than those available under CCCFPD. CCCERA will pro-rate COLAs to ensure equitable benefit distribution based on service history.
- **Updated Valuation:** CCCERA will perform a final valuation of RHFPD pension assets and liabilities, updated to June 30, 2025, including all contributions, benefit payments, and investment returns since the last valuation on December 31, 2023.
- **Legal and Operational Continuity:** The agreement is governed by California law and includes standard provisions for indemnification, amendment, and successor liability.

This agreement ensures a seamless transition for employees and retirees while maintaining the fiscal and administrative integrity of the pension system.

FISCAL IMPACT

There is no direct fiscal impact from the approval of this agreement. The agreement ensures that all pension obligations attributable to RHFPD are lawfully and operationally assumed by CCCFPD, mitigating risk to the pension fund and member benefits.

CONCLUSION

This agreement represents a collaborative, forward-looking step in the seamless transition of services, operations, and responsibilities from RHFPD to CCCFPD. It reflects a strong inter-agency commitment to preserving the integrity of employee benefits while strengthening regional fire protection services. Approval of the Dissolving and Successor Districts Agreement is a critical administrative step in the RHFPD-CCCFPD annexation process. It preserves pension benefits, clarifies responsibilities, and ensures legal compliance with CCCERA and LAFCO requirements.

RECOMMENDATION

Staff respectfully requests the Board of Directors adopt Resolution 2025-11 approving and authorizing execution of the Dissolving and Successor Districts Agreement between the Rodeo Hercules Fire Protection District (RHFPD), the Contra Costa County Fire Protection District (CCCFPD), and the Contra Costa County Employees' Retirement Association (CCCERA), facilitating the transfer of pension assets and liabilities in connection with the LAFCO-approved annexation of RHFPD into CCCFPD effective July 1, 2025.

Attachments:

1. Dissolving and Successor Agreement RHFPD, CCCFPD and CCCERA
2. Resolution No. 2025-11 Approving and Authorizing Execution of the Dissolving and Successor Districts Agreement