



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

REGULAR BOARD MEETING MINUTES
AUGUST 9, 2023

1. CALL TO ORDER/ROLL CALL (7:05 pm.) Directors Marie Bowman, Delano Doss, Steve Hill and Charles Davidson present in person. Director Robyn Mikel present via Zoom.
2. PLEDGE OF ALLEGIANCE (2:00)
3. ADJOURN TO CLOSED SESSION (2:22)
4. RECONVENE IN OPEN SESSION/CLOSED SESSION REPORT OUT (2:53) Nothing to report out.
5. ANNOUNCEMENTS OF DISTRICT EVENTS (3:00) 8/12: Firefighter story time at Hercules Library. 9/10: Chili Cookoff in Rodeo.
6. CONFIRMATION OF THE AGENDA (3:50) Motion made by Vice Chair Doss to confirm the agenda. Seconded by Director Hill.

ROLL CALL VOTE (5-0)

Bowman: Yes
 Doss: Yes
 Hill: Yes
 Davidson: Yes
 Mikel: Yes

7. REVIEW OF CORRESPONDENCE TO THE BOARD (4:27) None.
8. PUBLIC COMMUNICATIONS ON ITEMS NOT ON THIS AGENDA (4:39) None.
9. CONSENT CALENDAR (5:11) Motion to approve minutes from meetings of 2/3/23, 2/22/23, 2/28/23, 3/22/23, 3/31/23, 4/12/23, 6/14/23, 7/12/23 but with a change to item 9 from the 7/12/23 minutes to say "Chief Ramirez" instead of "Chief Bermudez" made by Director Hill. Seconded by Director Davidson.

ROLL CALL VOTE (5-0)

Bowman: Yes
 Doss: Yes
 Hill: Yes
 Davidson: Yes
 Mikel: Yes

10. EAST BAY HILLS WILDFIRE PREVENTION AND COORDINATION PRESENTED BY JON KAUFMAN (6:46)

Public Comment

Tanya Little
Soheila Bana
Maureen Brennan
Vince Wells
Susan Keefe

11. STRATEGIC PLAN UPDATE (56:56)

Public Comment

Tanya Little
Susan Keefe
Maureen Brennan
Vince Wells

12. CALIFORNIA PUBLIC RECORDS ACT AND RHFD PROCESS (1:49:15)

Public Comment

Tanya Little
Maureen Brennan

Motion by Chair Bowman to accept CPRA policy with procedural and other amendments made to document and presented as informational item at the next regular board meeting. Seconded by Director Hill.

ROLL CALL VOTE (5-0)

Bowman: Yes
Doss: Yes
Hill: Yes
Davidson: Yes
Mikel: Yes

13. 2021 ANNUAL REPORT (2:03:20) Motion to accept made by Director Hill. Seconded by Director Davidson.

ROLL CALL VOTE (5-0)

Bowman: Yes
Doss: Yes
Hill: Yes
Davidson: Yes
Mikel: Yes

14. 2022 ANNUAL REPORT (2:06:22) Motion made by Director Hill to accept report with change made to include wording “all funds” to Revenue/Expense chart. Seconded by Vice Chair Doss.

ROLL CALL VOTE (5-0)

Bowman: Yes
Doss: Yes
Hill: Yes
Davidson: Yes
Mikel: Yes

15. FIRE PREVENTION SERVICES CONTRACT (2:08:31)

Public Comment

Vince Wells
Tanya Little
George Apple
Maureen Brennan

Motion made by Director Davidson to adopt Resolution 2023-10 with change to wording to read “up to \$100,000”. Seconded by Director Hill.

ROLL CALL VOTE (5-0)

Bowman: Yes
Doss: Yes
Hill: Yes
Davidson: Yes
Mikel: Yes

16. END OF YEAR 2022-2023 BUDGET UPDATE (2:26:52) Chief Ramirez presented update on where the District’s 2022-23 finances stand.

17. MEASURE O EXEMPTIONS (2:30:50) Presentation by council representative from Meyers Nave.

Public Comment

Robert Baum
Tanya Little
Jesse Bork

18. NOTICING OF AGENDA UPDATE (2:48:40) Agenda was posted at Rodeo and Hercules senior centers, Rodeo and Hercules libraries, Hercules Rec Center and Hercules City Hall. Agenda emailed to various local organizations.

19. FIRE CHIEF’S REPORT (2:50:37) Report presented by Chief Ramirez and Captain Jack Clapp.

20. STAFF REPORTS (3:16:13) None

21. BOARD MEMBER REPORTS (3:16:27) Chair Bowman appointed Director Davidson to budget committee in place of Vice Chair Doss. Strategic Plan: special meeting possible before presentation in

September. Accessibility features desired for website. Chair Bowman attended National Night Out and Measure O Oversight Committee meeting.

22. MEASURE O OVERSIGHT COMMITTEE (3:24:28) Maureen Brennan speaking. Ms. Brennan is pleased with the direction district is heading with regard to budgeting of Measure O funds.

23. LOCAL 1230 COMMENT (3:28:17) Vince Wells speaking.

24. REQUEST FOR FUTURE AGENDA ITEMS (3:33:03)

- Zoom transcription
- Measure O money from rental units
- 2023-24 budget
- Appropriations limit
- Despain report
- Closed session: Chief's performance review
- CPRA: follow up
- Measure O exemption: financial analysis and additional information

25. ADJOURNMENT (11:06 pm)

8:18 PM
09/06/2023

Date	Num	Name	Memo	Account	Amount
08/01/2023	September 2023	The Standard	September 2023	1060 · Group Insurance	-580.00
08/01/2023	August 2023	Health Care Dental	August 2023	1060 · Group Insurance	-2,046.33
08/01/2023	13645	Precision IT Consulting	September 2023	2310 · Professional/Specialized Servic	-2,424.53
08/02/2023	2669123144	Go daddy	.org domain renewal	2100 · Office Expenses	-23.17
08/02/2023	August 2023	Stamps.com	August 2023	2250 · Rents & Leases	-19.99
08/06/2023	INV21366639	Zoom	07/06/23-08/05/23	2100 · Office Expenses	-138.21
08/07/2023	76-528495-08	EBMUD	75-06/01/23-08/01/23	2120 · Utilities	-1,492.33
08/07/2023	76-828407-08	EBMUD	76-06/01/23-08/01/23	2120 · Utilities	-326.91
08/10/2023	2023-24-025	Alameda County Fire Department	E75-repairs	2271 · Central Garage Maintenance	-95.00
08/10/2023	2023-24-026	Alameda County Fire Department	375-repairs	2271 · Central Garage Maintenance	-673.61
08/10/2023	2023-24-028	Alameda County Fire Department	T76-repairs	2271 · Central Garage Maintenance	-2,958.11
08/10/2023	2023-24-027	Alameda County Fire Department	776-repairs	2271 · Central Garage Maintenance	-760.00
08/10/2023	76-4017223667-AUG	P.G.&E.	Annual True Up Charges	2120 · Utilities	-8,645.00
08/10/2023	76-4017223667-AUG	P.G.&E.	76-07/11-08/08/23	2120 · Utilities	-943.94
08/10/2023	9941765691	Verizon Wireless	07/11-08/10/23	2110 · Communications	-19.06
08/11/2023	249634	All Star Fire Equipment	hose	2474 · Firefighting Supplies	-829.84
08/11/2023	75-5183799518-AUG	P.G.&E.	75-07/12-08/09/23	2120 · Utilities	-290.98
08/14/2023	184-1099437	Goodyear	Q76A-Tires (2)	2273 · Central Garage-Tires	-2,565.73
08/14/2023	107183618-0	Fastrak	August 2023	2303 · Travel Expenses-Other	-235.00
08/14/2023	AUG23	Comcast	75-July 8155400470000371	2110 · Communications	-262.25
08/14/2023	AUG23	Comcast	76-July 8155400640388805	2110 · Communications	-439.59
08/14/2023	AUG23	Comcast	76-July 8155400640000053	2110 · Communications	-297.99
08/14/2023	AUG23	Comcast	75-July 8155400470275700	2110 · Communications	-326.50
08/14/2023	AUG23	Comcast	76-July 815540064267207	2110 · Communications	-111.79
08/15/2023	IN19817	Municipal Emergency Services	SCBA Repair	2474 · Firefighting Supplies	-68.27
08/16/2023	75-1888920692-08	P.G.&E.	75-07/13-08/10/2023	2120 · Utilities	-31.03
08/16/2023	2023-24-041	Alameda County Fire Department	E75-repairs	2271 · Central Garage Maintenance	-1,734.01
08/17/2023	85060531	Bound Tree	Medical Supplies	2140 · Medical Supplies	-136.65
08/21/2023	IN1922608	Municipal Emergency Services	Suspenders for turnouts	2474 · Firefighting Supplies	-72.81

08/23/2023 W1002820	Golden State Emergency Vehicle Service	E75 Repairs	2271 · Central Garage Maintenance	-1,366.92
08/23/2023 75-9173373209-8	P.G.&E.	75-07/25-08/22/23	2120 · Utilities	-54.03
08/24/2023 252771	JW Enterprises	September 2023	2310 · Professional/Specialized Servic	-359.00
08/24/2023 208209	Meyers Nave	July 2023	2310 · Professional/Specialized Servic	-11,382.57
08/25/2023 85068955	Bound Tree	Medical Supplies	2140 · Medical Supplies	-82.65

RODEO-HERCULES FIRE PROTECTION DISTRICT

MEMORANDUM

TO: Board of Directors, RODEO-HERCULES FIRE DISTRICT

FROM: Rebecca Ramirez, Interim Fire Chief

DATE: September 13, 2023

SUBJECT: Fiscal Year 2023-24 Changes to Preliminary Budget

BACKGROUND:

As a Special District, CA H&S §13890 requires that on or before June 30 of each year a preliminary budget be adopted. On June 14, 2023, the preliminary budget was presented by staff and approved by the Board. The preliminary budget and staff report identified several areas of adjustments that should be anticipated and would be included in the final budget. For transparency and clarity all changes are identified below.

EXPENDITURES

Personnel, Supplies and Services changes:

DESCRIPTION	GL CODE	PRELIMINARY BUDGET	FINAL BUDGET	INC/(DEC)
Overtime	1014	\$ 713,611	\$ 818,640	105,029
FICA	1042	\$ 50,000	\$ 58,000	8,000
Retirement	1044	\$ 2,259,896	\$ 2,560,962	301,066
Worker's Comp Insurance	1070	\$ 440,000	\$ 441,129	1,129
Office Expenses	2100	\$ 30,550	\$ 34,750	4,200
Communications	2110	\$ 230,575	\$ 217,915	(12,660)
Utilities	2120	\$ 34,826	\$ 41,495	6,669
Small Tools & Equipment	2130	\$ 9,500	\$ 10,500	1,000
Household Expenses	2170	\$ 16,500	\$ 9,100	(7,400)
Memberships	2200	\$ 5,835	\$ 13,482	7,647
Vehicle Repair	2271	\$ 40,000	\$ 100,000	60,000
Vehicle Mnt.-Tires	2273	\$ 10,000	\$ 15,000	5,000
Maint. Radio & Equip	2276	\$ 57,380	\$ 7,380	(50,000)
Employee travel expenses	2303	\$ 4,560	\$ 5,400	840
Maintenance Bldg & Grnds	2281	\$ 31,500	\$ 36,500	5,000
Professional Services	2310	\$ 372,565	\$ 410,864	38,299
Firefighting Supplies	2474	\$ 96,958	\$ 98,458	1,500
Educational Suppl&Courses	2477	\$ 29,263	\$ 32,763	3,500
				\$ 478,819

The justification for expenditures experiencing an increase or decrease of over \$10,000 are below:

Overtime

Overtime has been continually underfunded. The adjustment represents a 5-year average with consideration for present and predicted staffing levels and salaries increases.

Retirement

The previous few years have been flat with only nominal increases. The lack of increase in line with salary increases coupled with a lowering of assumptions on returns have dramatically increased the recommended retirement contribution beyond what was anticipated. A rate reduction is expected in FY24-25.

Communications

Switching to a different provider for all communications and bundling all services has reduced expected expenditures in this line item.

Vehicle Repair and Maintenance

Deployment of Quint 76 as a first-out unit, coupled with an aging fleet, has caused an increase in repair costs. The increase represents an average of the last two years of repair costs.

Maintenance of Radio and Equipment

Reduction of allocation from the supplies and services budget effectively transferred the expected costs of replacing failing communication equipment to the capital budget causing a reduction in this line item.

Professional Services

Increase in expenditure due to a contract with CSG for prevention services.

CAPITAL

DESCRIPTION	PRELIMINARY		FINAL		INC/(DEC)
	BUDGET		BUDGET		
Station 76 Roof*	\$ 35,000	\$	35,000		0
Alerting System 75/76	\$ 220,000	\$	220,000		0
Communication Equipment**	\$ -	\$	70,000		70,000
Station 76 Bathroom Remodel	\$ 35,000	\$	35,000		0
Station 75 Bathroom Remodel	\$ -	\$	50,000		50,000
Station 76 Paint Interior	\$ 15,000	\$	15,000		0
Concrete Floor Rehab 75	\$ 9,000	\$	9,000		0
Concrete Floor Rehab 76	\$ 9,000	\$	9,000		0
Carpet Replacement 75	\$ 7,500	\$	7,500		0
Carpet Replacement 76	\$ 7,500	\$	7,500		0
Replace Concrete/T ank 76	\$ 90,000	\$	90,000		0
Station 76 Kitchen Remodel	\$ 35,000	\$	-		(35,000)
Station 75 Kitchen Remodel	\$ 35,000	\$	-		(35,000)
Station 76 App Bay Painting	\$ 12,000	\$	-		(12,000)
Training Room Painting/Flooring	\$ 25,000	\$	-		(25,000)
Cost Overrun	\$ 65,000	\$	15,000		(50,000)
	\$ 600,000	\$	563,000	\$	(37,000)

*City of Hercules Responsibility; may be removed from exposure

**Possible alternative funding

The capital expenditures have been modified causing a net decrease to the request. This reduction is due to the deferral of projects from the capital list request (Station 75 and 76 kitchen remodels, apparatus bay painting, and training room improvements) until FY 2024-25. Repairs to the station 75 bathroom and replacement of communication equipment have been added. Based upon the existing lease, the City of Hercules may be responsible for some of the capital projects (roof and replacement of concrete) which, if realized, would significantly reduce the expenditures listed above.

Communication Equipment

Failing communication equipment has been included in the final capital budget beyond what was in the preliminary budget.

REVENUE

DESCRIPTION	PRELIMINARY		FINAL		
	BUDGET		BUDGET	INC/(DEC)	
REVENUES	\$	9,255,124	\$	9,519,598	264,474

Previous property tax revenues had been largely based on forecasted revenues, not actual received. Based upon the Budget Ad Hoc Committee’s feedback and further analysis, the methodology was changed to utilize actual received revenues for property tax projections. As a result, the FY 2023-24 budget projects a total revenue of \$9,519,598, an increase of 3% from the prior-year actual received secured property tax revenue (as of August 2023, prior to completion of an audit) and an increase of \$264,474 from the preliminary budget. The audit has not yet been completed and a change in audited figures would affect the calculations.

TOTALS

DESCRIPTION	PRELIMINARY		FINAL		
	BUDGET		BUDGET	INC/(DEC)	
REVENUES	\$	9,255,124	\$	9,519,598	264,474
EXPENSES	\$	9,024,069	\$	9,502,888	478,819
Personnel	\$	7,589,195	\$	8,004,419	415,224
Supplies and Services*	\$	1,434,874	\$	1,498,469	63,595
					0
SURPLUS/(DEFICIT)	\$	231,055	\$	16,710	

Capital not included*

The budget is balanced by a narrow margin.

RECOMMENDATION:

Staff presents the report for informational purposes only.



Rodeo-Hercules Fire Protection District

Fiscal Year 2023-24

Changes to Preliminary Budget

September 13, 2023

Expenditures

Changes to compensation, supplies, and services (regular and recurring)

Net change increase \$478,819

- Overtime
- Retirement
- Vehicle repair
- Prevention

DESCRIPTION	GL CODE	PRELIMINARY		FINAL	
		BUDGET		BUDGET	INC/(DEC)
Overtime	1014	\$ 713,611	\$	818,640	105,029
FICA	1042	\$ 50,000	\$	58,000	8,000
Retirement	1044	\$ 2,259,896	\$	2,560,962	301,066
Worker's Comp Insurance	1070	\$ 440,000	\$	441,129	1,129
Office Expenses	2100	\$ 30,550	\$	34,750	4,200
Communications	2110	\$ 230,575	\$	217,915	(12,660)
Utilities	2120	\$ 34,826	\$	41,495	6,669
Small Tools & Equipment	2130	\$ 9,500	\$	10,500	1,000
Household Expenses	2170	\$ 16,500	\$	9,100	(7,400)
Memberships	2200	\$ 5,835	\$	13,482	7,647
Vehicle Repair	2271	\$ 40,000	\$	100,000	60,000
Vehicle Mnt.-Tires	2273	\$ 10,000	\$	15,000	5,000
Maint. Radio & Equip	2276	\$ 57,380	\$	7,380	(50,000)
Employee travel expenses	2303	\$ 4,560	\$	5,400	840
Maintenance Bldg & Grnds	2281	\$ 31,500	\$	36,500	5,000
Professional Services	2310	\$ 372,565	\$	410,864	38,299
Firefighting Supplies	2474	\$ 96,958	\$	98,458	1,500
Educational Suppl&Courses	2477	\$ 29,263	\$	32,763	3,500
					\$ 478,819

Capital Expenditures

Additions

- Bathroom at Station 75
- Communication / Radios

Postponed to FY 24/25

- Kitchens at 75 & 76
- Apparatus bay painting 76
- Training room painting / floor

Decrease of \$37,000

DESCRIPTION	PRELIMINARY		FINAL	
	BUDGET		BUDGET	INC/(DEC)
Station 76 Roof*	\$ 35,000		\$ 35,000	0
Alerting System 75/76	\$ 220,000		\$ 220,000	0
Communication Equipment**	\$ -		\$ 70,000	70,000
Station 76 Bathroom Remodel	\$ 35,000		\$ 35,000	0
Station 75 Bathroom Remodel	\$ -		\$ 50,000	50,000
Station 76 Paint Interior	\$ 15,000		\$ 15,000	0
Concrete Floor Rehab 75	\$ 9,000		\$ 9,000	0
Concrete Floor Rehab 76	\$ 9,000		\$ 9,000	0
Carpet Replacement 75	\$ 7,500		\$ 7,500	0
Carpet Replacement 76	\$ 7,500		\$ 7,500	0
Replace Concrete/Tank 76	\$ 90,000		\$ 90,000	0
Station 76 Kitchen Remodel	\$ 35,000		\$ -	(35,000)
Station 75 Kitchen Remodel	\$ 35,000		\$ -	(35,000)
Station 76 App Bay Painting	\$ 12,000		\$ -	(12,000)
Training Room Painting/Flooring	\$ 25,000		\$ -	(25,000)
Cost Overrun	\$ 65,000		\$ 15,000	(50,000)
	\$ 600,000		\$ 563,000	\$ (37,000)

*City of Hercules Responsibility; may be removed from exposure

**possible alternative funding

Revenue

Secured property tax:
forecast a 3% increase
based on 2022/23 actuals

Net change equals an
increase of \$264,474

DESCRIPTION	PRELIMINARY BUDGET	FINAL BUDGET	INC/(DEC)
REVENUES	\$ 9,255,124	\$ 9,519,598	264,474

Revenue Expenditure Totals

Surplus decreased by
\$214,345

Budget is balanced with
surplus of \$16,710

DESCRIPTION	PRELIMINARY		FINAL		INC/(DEC)
	BUDGET		BUDGET		
REVENUES	\$ 9,255,124		\$ 9,519,598		264,474
EXPENSES	\$ 9,024,069		\$ 9,502,888		478,819
Personnel	\$ 7,589,195		\$ 8,004,419		415,224
Supplies and Services*	\$ 1,434,874		\$ 1,498,469		63,595
					0
SURPLUS/(DEFICIT)	\$ 231,055		\$ 16,710		

Capital not included*

RODEO-HERCULES FIRE PROTECTION DISTRICT**MEMORANDUM**

TO: Board of Directors, RODEO-HERCULES FIRE DISTRICT

FROM: Rebecca Ramirez, Interim Fire Chief

DATE: September 13, 2023

SUBJECT: Fiscal Year 2023-24 Final Budget

BACKGROUND:

CA H&S §13890 requires that on or before October 1st of each year, a district board shall adopt a final budget which shall conform to the accounting and budgeting procedures for special districts contained in Subchapter 3 (commencing with §1031.1) of, and Article 1 (commencing with §1121) of Subchapter 4 of, Chapter 2 of Division 2 of Title 2 of the California Code of Regulations. If the board cannot adopt a budget before that deadline, the previous fiscal year budget will remain until a budget is adopted.

The Rodeo-Hercules Fire Protection District (RHFD) is an autonomous special district under CA H&S §13800. Revenue to the Fire District is primarily derived from ad valorem property tax, property-based special benefit assessment, a supplemental benefit assessment, and one tax measure. The Fire District's financial position has improved with the revenue provided by Measure O. Without this parcel tax, the Fire District would return to a single-station model. Fully funding two fire stations and providing uninterrupted emergency service is the continued primary focus when creating this budget.

At present, the fiscal year 2023-24 proposed revenues are expected to be \$9,519,598 and expenditures are anticipated to be \$9,502,888. The result is a year-end fund balance of \$16,710.^[1] As of July 1, 2023, the estimated fund balance is \$7,485,675. Pending audit results due by January 1, 2024, this number may change.

The Budget for FY 2023-24 is balanced by a very thin margin. This budget is forecasted with a slightly precautionary mindset by planning for a moderate to moderately high level of expenditures and a slightly conservative mindset when planning for revenues. Previous years have consistently shown expenditures to be less than budgeted and revenues exceeding projections. If this same trend continues, the actual budget impact may be reduced.

EFFICIENCIES:

An analysis is underway to develop options for maintaining or improving current service levels provided by RHFD. This would be expected to encompass a review of all administrative responsibilities or workload and provide a gap analysis matrix, including an analysis of all reasonable proposed partnerships and cost benefit analysis. Additionally, it will seek options for more consistent and reliable methods to generate revenue.

The Fire District will continue to work with its Battalion 7 partners to provide service to the community regarding emergency operations.

The Fire District enjoys a cooperative relationship with the United Professional Firefighters of Contra Costa County. The current MOU with District represented employees expires June 30, 2024.

RHFD0015

^[1] This figure does not include fund balances carried over from prior years and excludes Capital expenditures.

In cooperation with neighboring agencies, the District was a partner in the application process for a grant (Assistance for Firefighter Grant “AFG”) and Measure X funds for communications equipment (radios).

FINAL BUDGET:

The staff has prepared the budget based on fiscal forecasting, revenue projections, and audited fund balances.

Revenue

Previous revenues had been largely based on forecasted revenues, not actual received. Based upon the Budget Ad Hoc committee’s feedback and further analysis the methodology was changed to utilize actual received revenues. The FY 2023-24 budget projects a total revenue of \$9,519,598, with an increase of 3% in secured property taxes from the prior-year actual received revenue (as of August 2023) prior to completion of audit. A change in audited figures would affect the calculations. The budget revenue projections are only mildly conservative. The budget is not built to absorb the impact of a negative swing in market assumptions such as a recession.

Property taxes, the benefit assessment, and Measure O equal 90% of the revenues received annually, while miscellaneous/other revenues equal 10% of total revenue:

• Property taxes	\$4,595,759	48%
• Benefit Assessment	\$1,361,582	14%
• Measure O	\$2,645,510	28%
• Miscellaneous other	<u>\$ 916,747</u>	<u>10%</u>
	\$9,519,598	100%

Expenditures

The budget includes the following assumptions and significant expenditures:

- Medical benefits costs for current and retired employees (\$70,031)
- Settlement of FLSA claim (\$280,000) assigned fund balance.
- FLSA (\$137,277)
- Budgeting apparatus lease costs in the General Fund (\$200,000)
- Deferred facilities and equipment maintenance (\$563,000) assigned fund balance/capital.
- Apparatus Maintenance (\$100,000)
- Professional Services for Fire Prevention (\$50,000)
- Four months of salary for Financial Stabilization Fund (\$1,300,000)
- Contra Costa County Employees' Retirement Agency (CCCERA) retirement system costs for current employees' ongoing payments and the unfunded liabilities (UAAL) incurred for the pensions for current and retired employees. These two costs total \$2,560,962.
- Regular and routine increases to compensation and benefits as agreed upon in the MOU with Local 1230, along with matching increases to administrative compensation and benefits.
- Increase of overtime (\$105,029)

Total regular and recurring expenditures for fiscal year 2023-24 are \$9,502,888.

RECOMMENDATION:

Staff is recommending approval of the final budget in the amount of \$9,502,888 for regular and recurring expenditures and \$843,000 from fund balances for committed and assigned expenditures which includes capital at \$563,000 and FLSA settlement of \$280,000.



Rodeo-Hercules Fire Protection District

Fiscal Year 2023/24

Final Budget

September 13, 2023

2022/23 ACCOMPLISHMENTS

- ✓ Completion of the 2022-2027 Strategic Plan
- ✓ Completion of Management/Administrative Assessment
- ✓ Adoption of 2022 Uniform Fire Code
- ✓ Hiring of an Interim Fire Chief
- ✓ Execution of agreement for services with M.E.D. Enterprises for continued analysis
- ✓ Purchase of command vehicle
- ✓ Hiring of one firefighter/paramedic to obtain full staffing level

CALIFORNIA HEALTH & SAFETY CODE

§13890

- Requires a District Board to adopt a Preliminary Budget on or before June 30 of each year
- Requires a District Board to adopt a Final Budget on or before October 1 of each year, after making any changes in the Preliminary Budget

COMPARING 22/23 TO 23/24

- Step and 5% salary increases
- Retirement
- Overtime and FLSA increase
- FLSA claim settlement
- Vehicle maintenance expenses
- Lease payment
- Capital expenditures
- Prevention services



PERSONNEL - 2 STATIONS FULLY STAFFED

Administration

Station 75

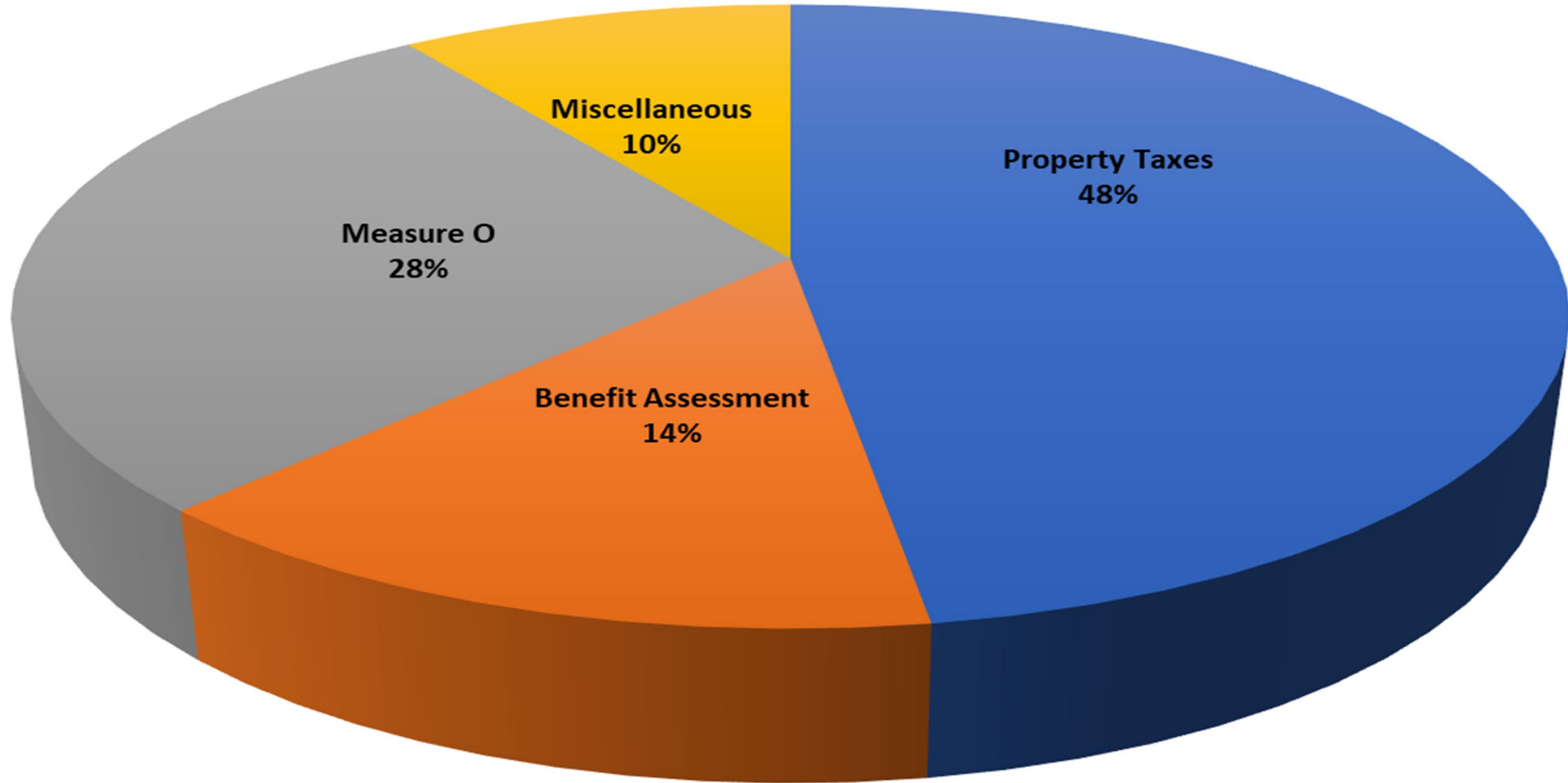
- **3 Captains**
- **3 Engineers**
- **3 Firefighters**

- **Fire Chief**
- **Battalion Chief**
- **Fire Inspector (0.5)**
- **Administrative Services Officer**
- **Administrative Assistant**

Station 76

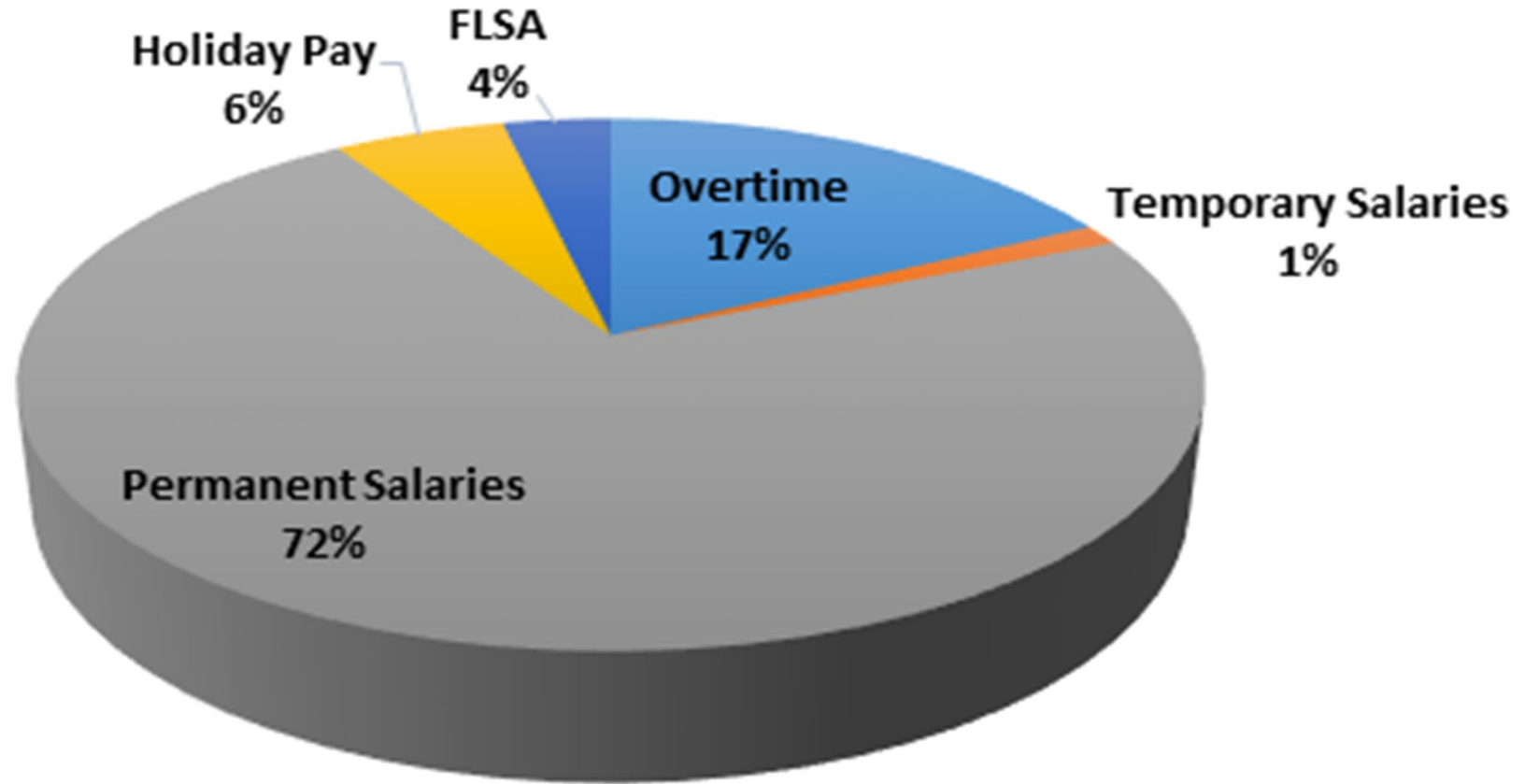
- **3 Captains**
- **3 Engineers**
- **3 Firefighters**

REVENUE SOURCES



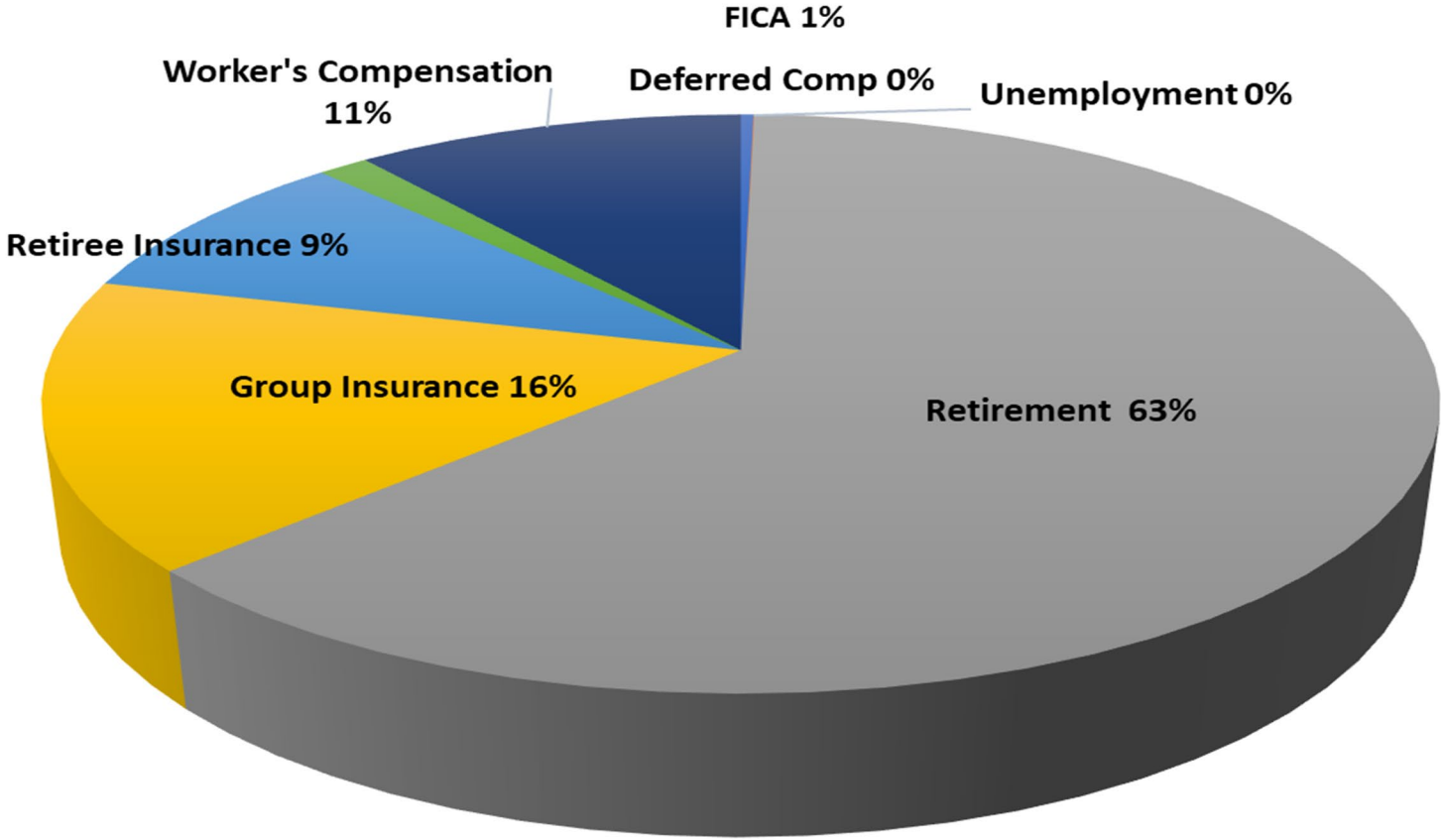
■ Property Taxes ■ Benefit Assessment ■ Measure O ■ Miscellaneous

COMPENSATION DISTRIBUTION



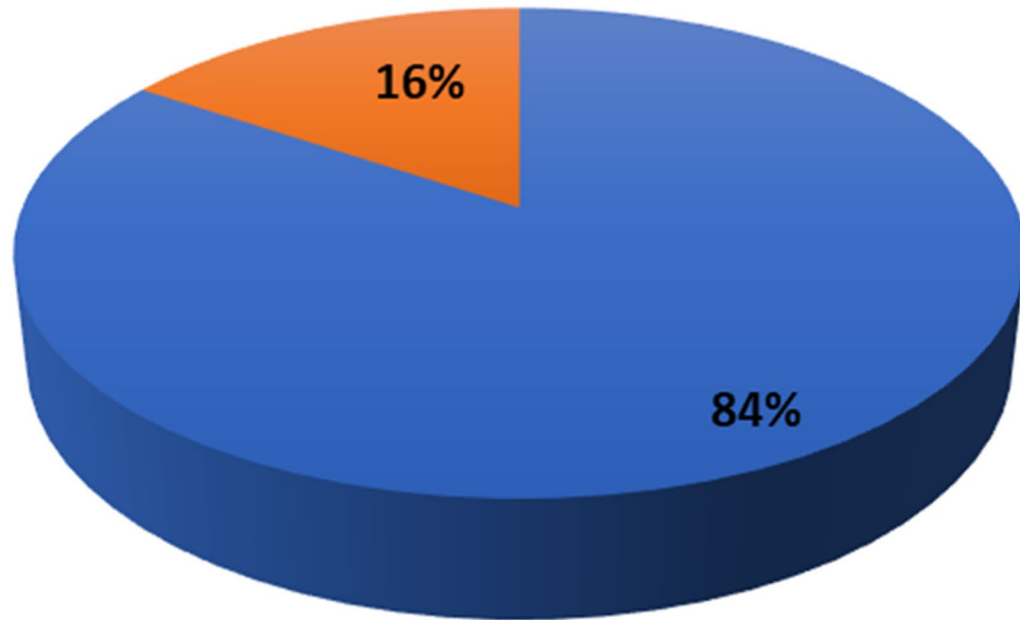
■ Overtime ■ Temporary Salaries ■ Permanent Salaries ■ Holiday Pay ■ FLSA

BENEFIT DISTRIBUTION



- Deferred Comp
- Unemployment
- Retirement
- Group Insurance
- Retiree Insurance
- FICA
- Worker's Compensation

SALARY & BENEFITS VS. SUPPLIES & SERVICES



■ Salary & Benefits ■ Supplies and Services

Salaries & Benefits:
\$8,004,419

Supplies & Services:
\$1,498,469

Total Expenses
\$9,502,888

MEASURE O FUND

- Approved 3.0% CPI increase for 23/24 levy, bringing per parcel charge to \$245.00
- Estimated revenue: \$2,645,510
- Approximate number of Parcels with charges: 10,908
- 678 senior exemptions received for 23/24 (\$166,110)
- Funds used for:
 - Alerting system, apparatus lease, EMS training, prevention services, dispatch services, salaries with some future flexibility

HOW FUND BALANCES ARE USED

COMMITTED - FLSA settlement: \$280,000

ASSIGNED - Capital expenditures: \$563,000

FISCAL STABILIZATION - 4 months of operating expenses: \$1,300,000

UNASSIGNED - No designation: \$5,342,675

TOTAL FUND BALANCE 07/01/2024: \$7,485,675



23/24 REVENUES VS. ALL REGULAR AND RECURRING EXPENDITURES

Revenues

\$9,519,598



Expenditures

\$9,502,888

CAPITAL EXPENSES

- Station 76 roof* \$35,000
- Alerting system \$220,000
- Communication equipment \$70,000
- Station 76-bathroom remodel \$35,000
- Station 75-bathroom remodel \$50,000
- Station 76 interior paint \$15,000
- Concrete floor rehab 76 \$9,000
- Concrete floor rehab 75 \$9,000
- Carpet replacement 76 \$7,500
- Carpet replacement 75 \$7,500
- Replace Concrete/tank* \$90,000
- Cost overrun \$15,000

Total \$563,000



*Working with City of Hercules on projects based upon lease agreement

CHALLENGES TO THE DISTRICT



PLANNING FOR THE FUTURE: 2023-24

AGENDA ITEM 12a

- Use incremental and intentional approach
 - Evaluate and adjust personnel budget to align with actual expected costs
 - Adequately fund for retirement and UAAL
 - Evaluate capital assets and allocate funds for ongoing facility/equipment needs

- Evaluate apparatus and deployment, develop apparatus replacement plan

- Provide Board of Directors with options and choices to set direction and policy

- Minimize fiscal impact while making meaningful, positive progress

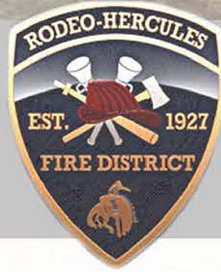
23/24 FINAL BUDGET CONCLUSION



- Questions
- Comments
- Public Comment

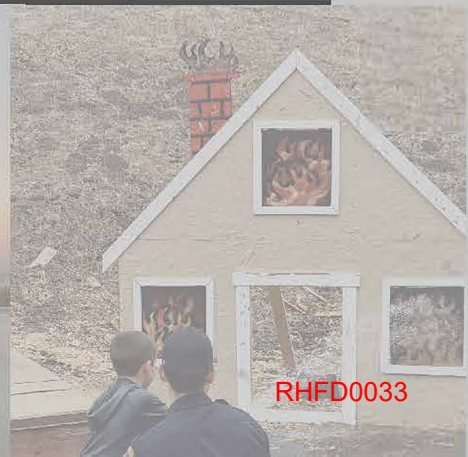
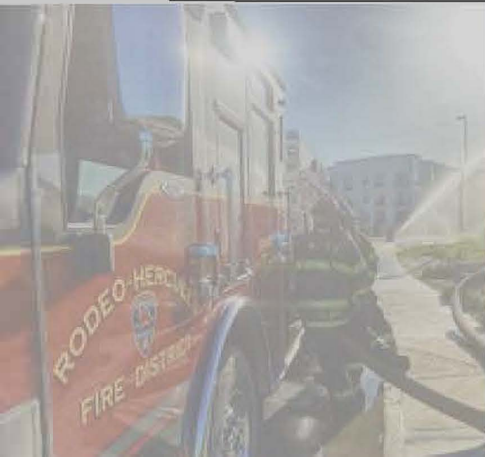


RODEO-HERCULES



FIRE DISTRICT

2023-24 BUDGET



I. MISSION STATEMENT**Rodeo-Hercules Fire Protection District****Mission Statement**

This organization's mission is to provide the highest level of service to the community, mitigate the devastating effects of fires and other disasters, deliver emergency medical services, educate the public and maintain a constant state of readiness.

Core Values

To that end, we value:
Service to the Community
Public Trust
Professionalism
Educated Work Force
Compassion
Teamwork
Safety, Health & Welfare of the Organization

Board of Directors

The Board of Directors is the elected policy-making body for the Rodeo-Hercules Fire Protection District. The Directors provide financial oversight and strategic policy direction to maximize the public value of Fire District services.

Marie Bowman (Board Chair)

Delano Doss (Vice Chair)

Steve Hill

Charles Davidson

Robyn Mikel

Interim Fire Chief

Rebecca Ramirez

The Fire Chief is the Chief Executive Officer of the Fire District. In collaboration with the Board of Directors and partnership with all members of the organization, the Fire Chief provides direction, protection, and order to the Fire District.

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II. Executive Summary

A. Transmittal Letter

September 13, 2023

Board of Directors
Rodeo-Hercules Fire Protection District
1680 Refugio Valley Road
Hercules, CA 94547

Members of the Board of Directors:

As your Interim Fire Chief, I am pleased to present the Fiscal Year 2023-24 budget for the Rodeo-Hercules Fire Protection District. The creation of this budget wouldn't have been possible without the support of the Fire District Board of Directors. Its continued leadership has allowed the Fire District to provide a budget with complete financial transparency. With the assistance of the Board of Directors, budget ad hoc committee, the firefighters, administrative staff, and the Fire District's financial advisor ("MRG"), District staff present this budget.

The budget is developed based upon the needs and priorities of the Fire District with consideration of historical spending, trend analysis, present and forecasted needs, and staff capacity. The development, approval, and implementation of the budget are critical to proper management the district's finances.

This Fire District has faced many challenges over the years, and 2023-24 is no exception. However, under Board direction, significant progress to identify and address these challenges has been made. While the challenges will be addressed within this document, let's take a moment to identify and celebrate the significant accomplishments which have taken place during the 2022-23 fiscal year:

- ✓ Completion of the 2022-2027 Strategic Plan
- ✓ Completion of Management/Administrative Assessment
- ✓ Adoption of the 2022 Uniform Fire Code
- ✓ Hiring of an Interim Fire Chief
- ✓ Execution of agreement for services with M.E.D. Enterprises for continued analysis
- ✓ Purchase of Command Vehicle
- ✓ Hiring of one firefighter to obtain full staffing level

These accomplishments would not have been possible without the tireless efforts of personnel and staff and the support of our Board and our community.

Background

In the spring of 2022, at the direction of the Fire District Board of Directors, staff entered into a contract with Fitch & Associates to update their Strategic Plan (SP) and conduct a Management/Administrative Assessment Plan (MAP) to help identify challenges to the District and help provide a roadmap for the future of the District.

To ensure the process was community driven, the team of consultants led by retired Fire Chief Micheal Despain, in collaboration with staff, met with stakeholders for several months to gather information. The plans were completed and received by the Board in fall of 2022 and its findings were accepted. At the direction of the Board, staff began developing, implementing, and tracking portions of the plans that were achievable within the constraints of the 2022-23 budget and the capacity of staff. The findings have served to inform the budget recommendations contained within this document.

In the spring of 2023 a new Interim Fire Chief was selected by the Board. The appointment was made in mid-May 2023. Concurrently, at the direction of the Board, staff executed an agreement with retired Fire Chief Micheal Despain to assist with an analysis of options for maintaining or improving current service levels provided by RHFD. This would be expected to encompass a review of all administrative responsibilities or workload and provide a gap analysis matrix, including an analysis of all reasonable proposed partnerships. Additionally, it would seek options for more consistent and reliable methods of generating revenue.

The Strategic Plan ad hoc committee continues to provide direction and collaboration with Chief Despain. Because this process is still underway, no additional staff are included within this budget document. These efforts are intended to address the significant long-term challenges of sustainability which will not be deeply addressed within this document. Several areas of near-term challenges which will be addressed in this budget document have been identified, including inadequate funding of personnel overtime and capital expenditures.

Personnel

The personnel budget is a portion of the budget where there is very limited flexibility and represents 84% of the overall budget. Much of the budget is set by outside parties and formulas are inserted, i.e., health care costs set by CalPERS, retirement calculations recommended by CCCERA, payroll taxes, workers compensation rates, and personnel compensation as dictated by the Firefighters' MOU. Based on the "constant staffing" model that the RHFD has employed, every time a line employee takes time off from a regularly assigned shift, it necessitates backfill overtime, which accounts for a significant portion of the personnel budget.

The methodology by which the personnel budget lines have been developed to ensure personnel staffing, compensation, and benefit allocations align with expected costs has been evaluated and adjustments have been made to the final budget in three distinct areas: overtime, FLSA, and retirement.

To properly account for the causes of overtime and to specifically understand overtime needed for shift replacement (filling a seat as minimum staffing on a fire apparatus) vs. administrative overtime (which does not have a direct operational nexus, such as training, medical follow ups, special meetings, collateral assignments, and community events), an updated tracking mechanism has been put in place to track overtime uses going forward. Several years of data will be needed to provide accurate future estimates. Some assumptions related to the likelihood of exposure to overtime overages are included in this final budget.

In the past, Fair Labor and Standards Act (FLSA) calculations were not accurately calculated. Staff and counsel have worked collaboratively with labor (Local 1230) to come to an agreement on back pay owed and methodology for accurate calculations going forward. The new rates as well as the payout for back pay owed are included within the final budget. Regular and routine increases to compensation and benefits, as agreed upon in the MOU with Local 1230, are also included along with matching increases to administrative compensation and benefits.

Retirement benefits are formula-based calculations provided by Contra Costa County Employee Retirement Association (CCCERA) and are based upon current salaries and present and future retirees. Recent years have been flat with only nominal increases. The lack of increases in line with salary increases, coupled with a lowering of assumptions on returns, have dramatically increased recommended retirement contributions beyond what was anticipated and brings the District perilously close to deficit spending. It should be noted that a significant decrease is anticipated for FY 2024-25.

Facilities

Forecasting and budgeting for capital expenditures, including facilities, has been inadequate as to funding and staff capacity. The District has relied heavily upon line staff to address these overarching needs in a manner that is not consistent with their roles. This creates an undue burden on the firefighters to complete large projects while still being responsible for their regular duties. It also places demands on their off-duty days, causing further delays and an increase in overtime costs.

Deferred maintenance at both stations 75 and 76 has led to health and safety issues as well as operational deficiencies and should be addressed during this fiscal cycle. Preliminary bids have been obtained for some projects and are contained within the budget. Additional bids will require adjustment once obtained.

Equipment

The district's Apparatus Committee has evaluated all apparatus and updated the apparatus replacement spreadsheet which assesses condition and identifies expected replacement needs. The committee recommended at least one heavy apparatus—Quint 76A, be decommissioned. A subsequent evaluation of deployment options is presently underway after which specifications will need to be developed. This process is likely to take several months. Additionally, market lease and interest rates are high and economic indicators suggest some settling of rates in 2024.

Therefore, no additional apparatus requests are included in the final budget. It is anticipated that the replacement apparatus will likely be requested during the mid-year budget process. It should be noted that supply chain issues and inflation have led to 2-3 year build times and significant cost increases all of which are being taken into consideration. In the meantime, an increase to the repair and maintenance costs has been included in the final budget.

While some grant requests (AFG and Measure X) for portable radios are still pending, the outlook is not presently optimistic. An additional expenditure for communications equipment has been included in the final budget as a capital expenditure.

Fire Prevention

In order to become more consistent with inspections and mandated reporting, increase cost recovery, capacity and resilience, and better serve the community, an outsourced contract for service has been executed with CSG Consultants. CSG will provide a wide array of fire prevention services up to and including Fire Marshal-level services as needed. The contract has increased costs in the final budget.

Due to the efforts of staff and the dedication of this Board, in particular the Budget Ad Hoc Committee, the Budget for FY 2023-24 is balanced. The District is currently maintaining both fire stations at full staffing. This budget is forecasted by planning for a moderate level of expenditures and a mildly conservative mindset when planning for revenues. Previous years have consistently shown expenditures to be less than budgeted and revenues to exceed projections. If this same trend continues, the actual budget impact may be reduced. This budget is built to manage mild fluctuations in both staffing and market assumptions. The budget is not built to absorb the negative impact significant changes in present staffing (unforeseen vacancies and/or injuries and illness) or a negative swing in market assumptions such as a recession.

A summary of the significant changes (any increase over \$10,000) from the preliminary budget to the final budget is listed below:

DESCRIPTION	GL CODE	PROPOSED BUDGET	FINAL BUDGET	INC/(DEC)
Overtime	1014	\$ 713,611	\$ 818,640	105,029
Retirement	1044	\$ 2,259,896	\$ 2,560,962	301,066
Communications	2110	\$ 230,575	\$ 217,915	(12,660)
Vehicle Repair	2271	\$ 40,000	\$ 100,000	60,000
Maint. Radio & Equip	2276	\$ 57,380	\$ 7,380	(50,000)
Professional Services	2310	\$ 372,565	\$ 410,864	38,299
				\$ 441,734

As of July 1, 2023, the estimated fund balance is \$7,347,029. Pending audit results, due by January 1, 2024, this number may change.

During this budget preparation process, we have continued to review existing practices and identify and implement cost saving opportunities while seeking to expand high demand services. As always, the District will continue to be diligent in its fiscal responsibilities to the public.

This budget will enable the District to maintain high-quality fire and emergency response while maintaining a top priority on the health and safety of the public and our personnel.

In summary, I would like to express appreciation to the Board of Directors for their continued support, direction, and dedication to public safety.

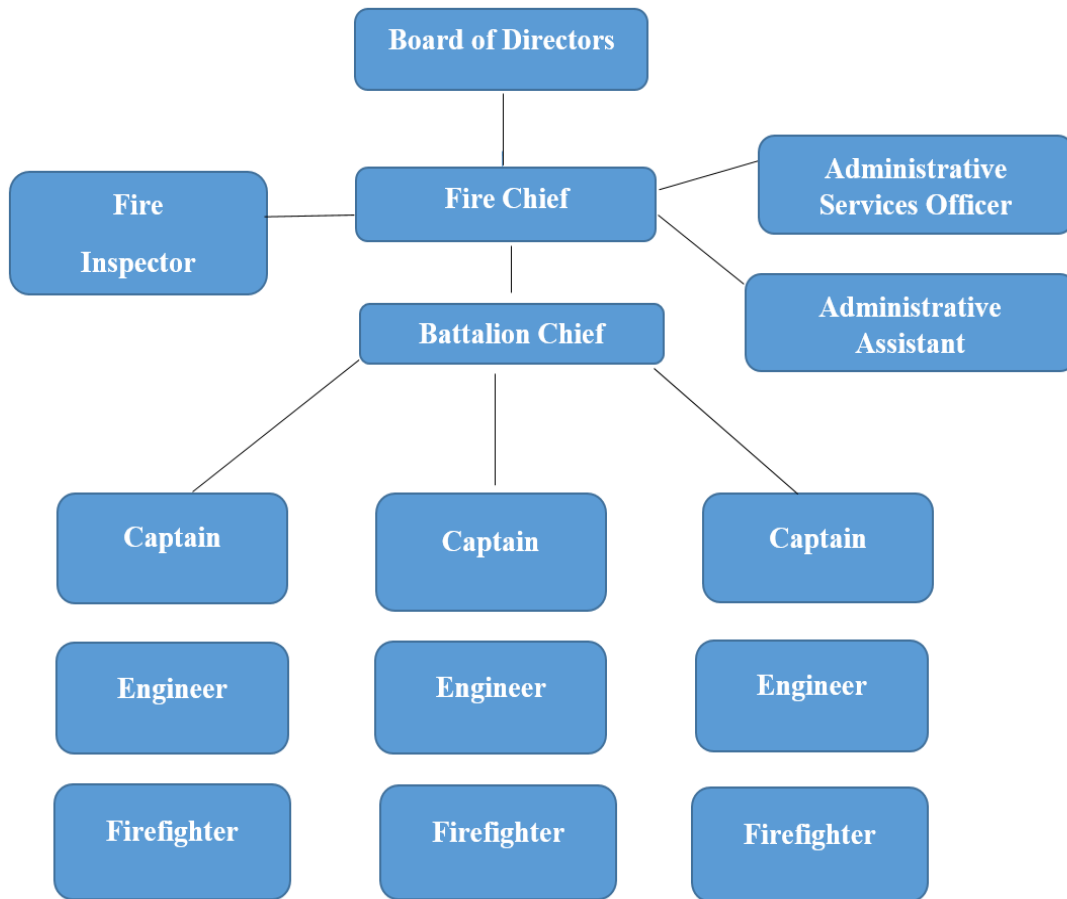
In Continued Dedicated Service,



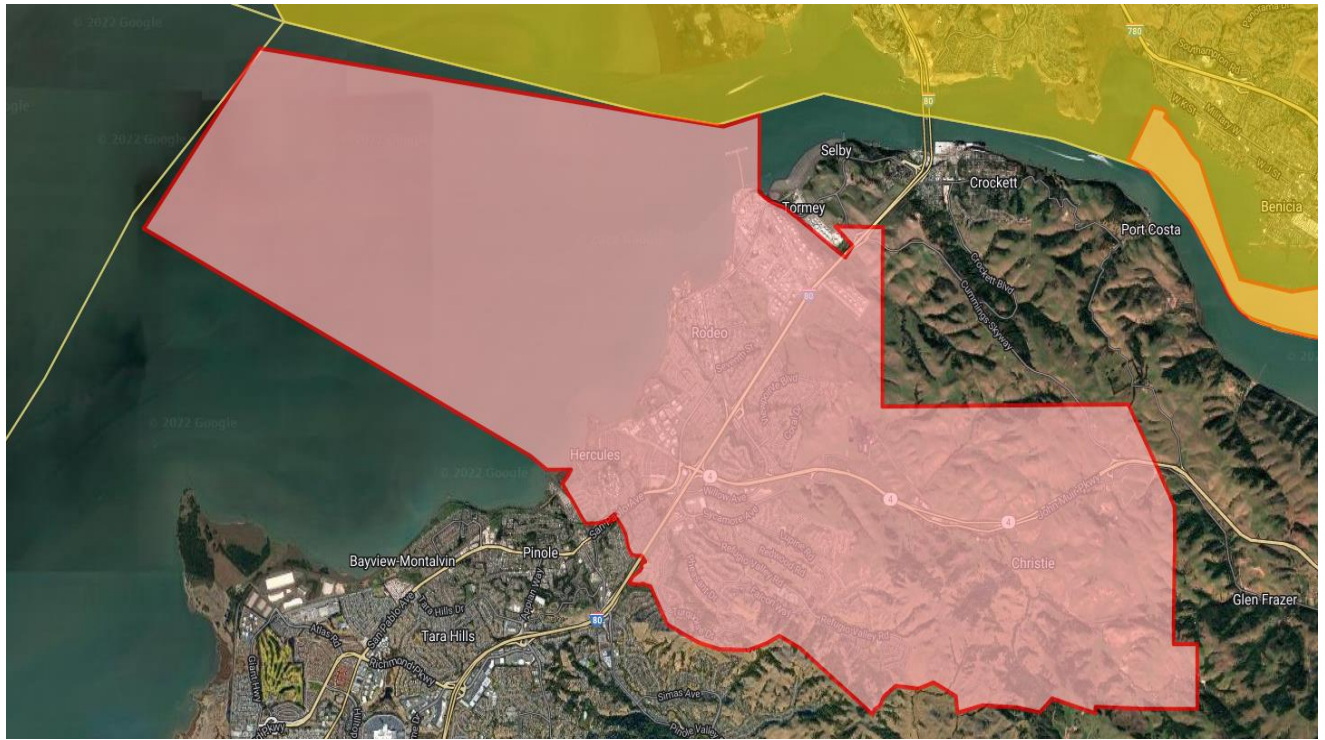
Rebecca Ramirez
Interim Fire Chief

B. District Overview

Organizational Chart



District Boundaries



III. FIRE OPERATIONS

Rodeo-Hercules Fire Protection District is a two-station, all-risk department operating individual fire companies specially trained to respond to residential and commercial fires, refinery and industry-related incidents, wildland fires, vehicle extrication, technical rescue, and hazard materials first responder duties. Engine companies are also tasked with determining the origin and cause of fires and providing rescue and advanced life support services. The Fire District provides a minimum of one advanced life support paramedic on duty 365 days a year in the Town of Rodeo and the City of Hercules.

Rodeo-Hercules Fire Protection Fire District operates within Battalion 7 along with Contra Costa County Fire Protection Fire District, providing a single Battalion Chief along with CCCFPD’s two Battalion Chiefs. This arrangement ensures the consistent establishment of incident command, firefighter safety, and judicious resource management at emergencies. The Battalion also serves communities outside of Rodeo-Hercules, including Pinole, Tara Hills, Bayview, Montalvan Manor, Montara Bay, East Richmond Heights, San Pablo, El Sobrante, unincorporated Contra Costa County, and Martinez. Each of these areas presents a unique set of complex hazards, and the rapid establishment of fire ground command is essential to the successful resolution of an array of calls for service.

The Fire District also responds to automatic aid (additional unit response on a call regardless of jurisdictional boundaries) and mutual aid (request for additional resources for large incidents or due to multiple simultaneous incidents). Residents in participating communities benefit from this sharing of resources and regionalized approach. Our partners include the Contra Costa County Fire Protection

Fire District, Crockett-Carquinez Fire Protection Fire District, Richmond Fire Department, El Cerrito Fire Department, Moraga-Orinda Fire Protection Fire District, and Vallejo Fire Department. This aid is reciprocity-based.

The Fire District also participates in the California Fire Assistance Agreement (CFAA) for the State of California and Federal Fire Agencies. This agreement, which the Office of Emergency Services manages, has called upon RHFPD to provide Mutual Aid resources throughout California, Oregon, and Nevada. The CFAA aid is cost-recovery based.

Strategic Plan

In February 2022, the Fire District entered into a contract with Fitch & Associates to produce a five-year strategic plan. This plan has provided administrative and operational roadmaps for the success of the District moving forward. Completion of the plan was achieved in September 2022. An additional contract for service with consultant Mike Despain was executed in June of 2023 to assist with an analysis of options for maintaining or improving current service levels provided by RHFD. This would be expected to encompass a review of all administrative responsibilities or workload and provide a gap analysis matrix including an analysis of all reasonable proposed partners. Additionally, it will seek options for more consistent and reliable methods to generate revenue, adding new staff, training existing staff, identifying possibilities to subcontract work, or a combination of the above to enhance District services to the community while maintaining financial sustainability.

The Strategic Plan Ad Hoc committee has worked diligently with Mr. Despain and in consultation with the Fire Chief to create strategic priorities that can begin to drive the deliverables. The priorities as identified have informed the requests contained within the budget.

Fire Prevention

The District currently employs a single part-time Fire Marshal, who works an average of eleven hours per week, primarily conducting plan review and new fire system inspections with a smaller emphasis on code enforcement and existing business inspections. Construction plan review and compliance with Fire District, local and state requirements and meetings with developers and contractors are addressed with district staff.

Shift personnel assist with fire and life safety inspections and code enforcement for businesses and schools within the Fire District as is feasible given their primary responsibilities of emergency response, training, and maintaining operational readiness. Engine companies also conduct inspections of public and private properties for hazardous and/or combustible fuels, unabated annual grasses and urban blight and give notifications to abate said hazards. Despite the best efforts of the present personnel, inspections as described above have been inconsistent.

In order to become more consistent with inspections and mandated reporting, increase cost recovery, capacity and resilience, and better serve the community, an outsourced contract for service has been executed with a CSG Consultants. CSG will provide a wide array of fire prevention services up to and including Fire Marshal-level services as needed. The contract has increased costs in the final budget by an additional \$40,000 from what was shown in the preliminary budget. It is anticipated that cost

recovery will increase as a result of expected process improvements.

Apparatus

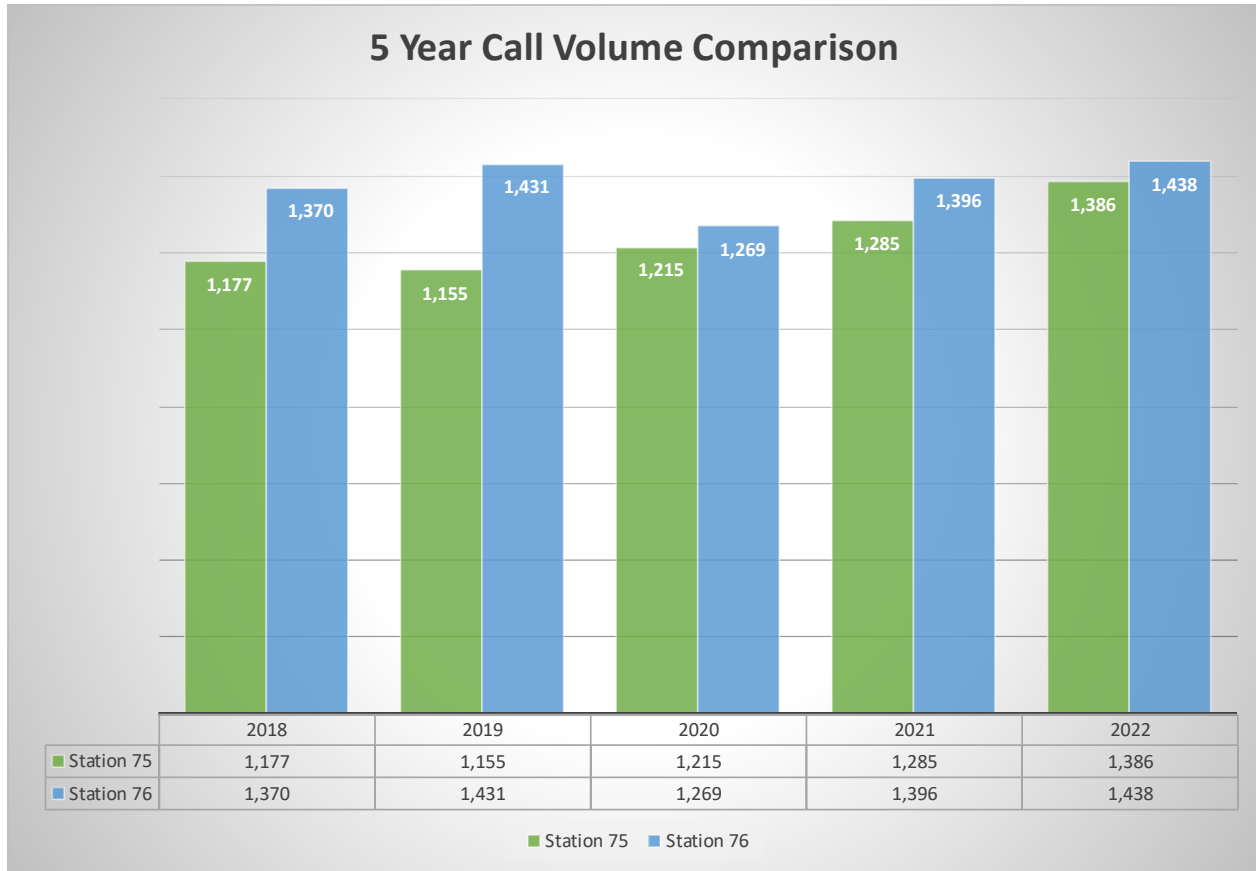
The Fire District operates a variety of Fire Apparatus* including:

- One 100-foot Quint Ladder Truck
- One Type 1 Rescue Pumper
- Two Type 3 Wildland Engines
- One Type 1 Rescue Pumper (Reserve)
- One 75-foot Quint Ladder Truck (Reserve)

**Fire apparatus is identified into standard category typing within the Incident Command System to organize multiagency resources through the National Interagency Fire Center and the Office of Emergency Services.*

The Fire District maintains a variety of fire apparatus and equipment to meet the public safety needs of our service area which includes major highways and streets, undeveloped wildland, developed urban residential, and refinery/industrial areas.

Incident Calls-2022			
Incident Type	Number of Calls		Total
	Station 75	Station 76	
Fire	97	56	153
EMS/Rescue	907	836	1743
Hazardous Condition	19	34	53
Service Call	96	109	205
Good Intent	221	283	504
False Call	45	119	164
Other	1	1	2
TOTALS	1386	1438	2824



A. Budget Overview and Summary

Structure for Budgeting and Accounting

As a single-purpose fire authority, the Fire District maintains one governmental account. Within this single account are five separate funds: the General Fund, the Measure O Fund, the Capital Fund, the Hercules Developer Impact Fund, and the Rodeo Developer Impact Fund. The Fire District reports the majority of its financial activities in the General Fund. Revenues and expenditures are reported in accordance with government accounting standards. Government funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when funds are available if the revenues are collected within 60 days after year-end and expenditures are recorded when the related liability is incurred.

Budget Control and Amendments

The Fire Chief is responsible for ensuring expenses are within program allocations and shall adopt budget policies necessary to carry out that responsibility within his/her authority. Except in prescribed emergencies, no expenditure of funds shall be authorized unless enough funds have been appropriated

by the Board of Directors as outlined in this budget. The Fire District has three distinct formal budgetary review and approval cycles within a given fiscal year: Preliminary, Final, and Mid-Year (Amended) Budget if needed. The final budget is approved after holding a public hearing and formal adoption by the Fire District's Board of Directors. The budget includes the proposed expenditures of the Fire District and the means of financing them. The Board reviews total budgeted appropriations and any necessary amendments throughout the year. Formal budgetary integration at the fund level is employed as a management control device to monitor budget-to-actual performance throughout the fiscal year. Quarterly budget financial reports are also provided to the Board and are available to the general public. The Fire District's Budget is adopted on a basis consistent with the Governmental Accounting Standards Board method (GASB).

Budget Goals for Fiscal Year 2023-24

As the Board and community are aware, the Fire District has struggled in the past to maintain solid financial footing. The much-needed replacement revenue from Measure O has improved the Fire District's finances by adding some financial stability. Fire District staff have developed a budget that recognizes the District's current obligations and provides accurate information on the fiscal realities and the global economic impacts faced by the District. The Fire District will continue its efforts to secure additional revenue sources to stabilize its financial future and provide for the health and safety of the community and its firefighters.

Operations: Replace alerting system and communication equipment. Repair and maintain apparatus while planning for replacements.

Fire Prevention: Reduce risk to the community by completing 100% of mandated and high-hazard inspections, improving cost recovery and fuel management processes.

Capital: Repair facilities to create a healthy and positive living environment for fire personnel.

Compensation and Benefits: Ensure personnel costs are adequately forecasted for potential yet reasonable levels of exposure and retirement obligations.

Financial Stabilization: Four months of salary, fully loaded, amounts to approximately \$1.3 million and has been placed in a Financial Stabilization Fund.

Projected Revenues

Previous revenues had been largely based on forecasted revenues, not actual received revenues. Based upon the Budget Ad Hoc Committee's feedback and further analysis, the methodology was changed to utilize actual received revenues. The FY 2023-24 budget projects a total revenue of \$9,519,598, an increase of 3% from the previous year's actual received secured property tax revenues (as of August 2023), prior to completion of the audit. A change in the audit would effect these calculations. This revenue projection is based on the following assumptions: \$4,595,759 in Property Tax revenue, \$2,645,510 in Measure O revenue, \$1,361,582 in Benefit Assessment revenue, and \$916,747

in Intergovernmental revenue. The budget revenue projections are only mildly conservative. The budget is not built to absorb the impact of a negative swing in market assumptions such as a recession.

In November 2016, the Fire District successfully passed a parcel tax measure for maintaining emergency services within the Fire District. Measure O revenues are allocated for Fire District operations and fully expended to provide emergency services during the budget year. We have experienced some reductions in the total Measure O revenues due to the provision for senior exemptions and inflation having outpaced 3% maximum annual escalation. The total projected revenue, factoring in expected senior exemptions, is \$2,645,510.

Fiscal Year 2023-24 Projected Expenditures

Budget expenditures include full staffing for two stations. A full-staffing compliment for FY 2023-24 includes:

- One Fire Chief
- One Battalion Chief
- Six Captains
- Six Engineers
- Six Firefighters
- One part-time Fire Inspector
- One full-time Administrative Services Officer
- One full-time Administrative Assistant

The constant staffing configuration which the Fire District employs provides for permanent employees to staff the two-station configuration. However, this model can lead to an increase in firefighter fatigue, injuries, and burnout which may, in turn, lead to higher workers' compensation costs as well as an increase in overtime. A full review of overtime, along with a five-year cost averaging with an adjustment for present full-staffing compliment, forecasted an additional \$105,029 in overtime exposure for FY 2023-24, beyond what was placed in the preliminary budget. Should significant unforeseen injuries or illnesses occur, additional funds may be required to maintain present service levels. It is important to note that backfilling for vacancies is not included in the overtime projections as it is typically offset by the salary savings created by the vacancy.

Fire District Financial Position

While the FY 2023-24 recurring budget is a balanced budget, reserve funds will be required if much needed capital projects and purchases are to be accomplished and claim obligations, including retirement, are to be met.

The Fire District's financial position has improved with the revenue provided by Measure O. Full funding for two fire stations and providing uninterrupted emergency service is the continued primary focus when creating the budget. The development, implementation and establishment of an industry-

standard budgeting and accounting system has streamlined processes and built a budget based on actual revenue and expenses. **Despite the welcome influx which Measure O has brought, future projections forecast an increasing reliance on the reserve fund to meet capital needs and a growing cost of compensation and benefits for both present and retired employees.**

Forecasted Future Financial Issues

Most of the financial issues faced by the Fire District originate externally and are difficult or impossible to control. A number of these involve actions by outside agencies, or result from past economic conditions outside the Board's control. The information below is preliminary and may need modification prior to finalizing the budget. These issues include the following:

- Inflation has outpaced Measure O revenues. Additionally, senior exemptions have grown year over year, causing a further reduction in growth despite Board approval of the maximum allowable CPI increases.
- High-density rental development within the City of Hercules is causing service demands without corresponding revenue. Multi-story high-density residential and commercial projects require additional equipment and resources to protect. Although the Fire District was successful in increasing its Fire Facilities Impact Fee schedule, it was not to the full extent necessary to provide adequate funding to acquire all additional equipment needed to provide suitable fire and emergency response to these areas.
- Rising payroll will continue to impact CCCERA and OPEB costs and are largely out of the District's control. Additionally, market fluctuations and changes in assumptions can either decrease or increase contributions. It may be necessary to establish a funding policy to better manage the effects of unexpected increases.

This budget document contains several Budget Management, Control, and Reserve Policies (see *Section V. Budget Policies* for details). These policies describe important fiscal control areas to ensure that the Board's financial decisions are implemented thoroughly and professionally, and that detailed and transparent financial reporting is provided to both the Board and the public on an ongoing basis.

IV. Statement of Unfunded Liabilities: CCCERA & OPEB UAALS

The Fire District provides two benefit programs to employees that require ongoing contributions to be sustainable. These are (1) the pension benefits provided through contracts with the Contra Costa County Employees' Retirement Association (CCCERA) and (2) "other post-employment benefits" (medical insurance) for qualifying retirees (OPEB program). The costs of these programs are funded through two types of contributions: the current or 'normal' costs and the contributions required to fund the Unfunded Actuarial Accrued Liability (UAAL). The UAAL is the difference between the retirement system's assets and the pension accrued (for past service) to current and future retirees. This calculation is the difference between the actuarially stated amount needed to pay for future benefits and the current funding set aside for those benefits. The two programs treat those two components differently, as described on page 14.

The normal retirement and UAAL retirement recommended contributions for 2023-24 were received and showed an unforeseen and dramatic increase. The increase in both areas equated to a \$301,066 increase in allocation. RHFPD appears to have been on a (fixed or flat) UAAL payment arrangement in previous years, which helped with the budget cash flow. The lack of increases in line with salary increases, coupled with a lowering of assumptions on returns are largely responsible for the increase.

In the latest valuation dated December 31, 2022 that was just completed, the forecast shows UAAL amortization annual payment going down in 2024-25. This will help reduce the UAAL rates for FY 2024-25. Each year, a payment is made against the UAAL reflecting the amortization payment and interest. The amount is expected to rebound with another likely increase in 2025-26 and, pending changing assumptions and salaries, become somewhat more consistent going forward. Therefore, unless sufficient contributions are made, the UAAL will continue to be a financial burden to the Fire District. The unfunded liability as of 06/30/22 was \$3,772,996. This number is provided by CCCERA and can vary from year to year based on adequate contributions.

The Fire District's Other Post Employment Benefit (OPEB) Program funds retiree medical insurance. The Fire District pays the cost of qualifying retiree medical insurance based on an agreement with the employees. The Fire District is currently paying the full cost of that coverage to retirees—the 'normal' costs of the OPEB program. For FY 2023-24, \$360,000 is budgeted for this program. The CERBT Fund is a Section 115 trust fund dedicated to pre-funding Other Post-Employment Benefits (OPEB) for all eligible California public agencies. By joining this trust fund, California public agencies can help finance future costs from investment earnings provided by CalPERS. As of June 30, 2023, the District's balance in the CERBT Fund is \$2,860,320.

While unfunded liability for pension and retiree healthcare is a significant obligation of the District, we continue to manage these liabilities in accordance with Board direction.

V. BUDGET POLICIES

The following budget policies were adopted by the Board of Directors during the FY 2017-18 budget adoption and currently remain in place with no additions or deletions.

A. Policy for Reserves and Fund Balances and Goals for Reserves and Fund Balance Maintenance

Fund Balance and Reserve Policy

A Fund Balance is defined as the Fire District's balance sheet assets less liabilities, which equals a Fund Balance. There are varieties of defined fund balances that are based on the extent to which the Fire District is bound to honor specific spending constraints.

The Rodeo-Hercules Fire Protection Fire District utilizes the following definitions for its Budgetary Practices:

An **Unassigned Fund Balance** is defined as any Fund Balance amounts not classified as a Restricted Fund Balance, Committed Fund Balance, or an Assigned Fund Balance.

An **Assigned Fund Balance** is intended to be used by the Fire District for a specific purpose; however, the activity does not meet the criteria to be classified as restricted or committed.

A **Committed Fund Balance** is defined as funds that can only be used for a specific purpose, as determined by formal action of the Fire District's Board of Directors.

A **Restricted Fund Balance** is defined as funds that can only be spent for specific purposes for which the funds were intended. These typically include expenditures controlled by outside agencies such as the State and Federal Government, employee retirement, medical and other funds, as well as funds required for surety for debt obligations.

The establishment and maintenance of the Fire District's financial stability and sustainability are of primary importance to the Board of Directors. The Board has established the following policies for the Fire District to implement:

Financial Stabilization Fund —the key financial stabilization objective is to build the District's Reserve. The reserve is to provide the Fire District with the needed flexibility to provide for unanticipated changes in revenues or expenditures and to assure the provision of stable services to the Fire District's residents and businesses.

It was previously recommended that the Board establish the goal of having funds for four months of operations as Unassigned Fund Balance for economic uncertainty. Therefore, the initial contribution for four months of salary, fully loaded, is approximately \$1.3 million and is included within this budget under the financial stabilization fund.

General Fund Committed Fund Balance—The Fair Labor Standards Act (FLSA) requires employers to pay overtime at one and one-half times the employee's regular rate of pay. Incentive/premium pays, such as paramedic pay, must be included in the regular rate of pay for the purposes of calculating overtime. In the past, overtime was not being calculated accurately, prompting a claim from Local 1230 which has now reached a settlement. \$280,000 has been allocated in the FY 2023-24 budget to settle this claim.

Assigned Fund Balance—included in the assigned fund balance are funds for specific program activities that benefit from a protected source of funding. These are generally specific programs that include high-cost items that last for many years such as fire apparatus, equipment, and buildings. Capital Facilities (buildings and facilities) maintenance is a major Fire District obligation that includes higher cost periodic funding. These are expenditures that are less frequent and require planning to accomplish. The budget does include a capital replacement reserve to handle expected capital expenditures outlined as follows:

CAPITAL EXPENDITURE LIST

TASK	ESTIMATED COST	PRIORITY LEVEL	PROJECTED COMPLETION DATE	INCLUDED IN FY23/24 BUDGET?
STATION 76 ROOF*	\$ 35,000	1	FY 23-24	YES
ALERTING SYSTEM 75/76	\$ 220,000	1	FY 23-24	YES
COMMUNICATION EQUIPMENT**	\$ 70,000	1	FY 23-24	YES
STATION 76 BATHROOM REMODEL	\$ 35,000	1	FY 23-24	YES
STATION 75 BATHROOM REMODEL	\$ 50,000	1	FY 23-24	YES
STATION 76 PAINT INTERIOR	\$ 15,000	2	Spring 2024	YES
CONCRETE FLOOR REHAB 75	\$ 9,000	2	Summer 2024	YES
CONCRETE FLOOR REHAB 76	\$ 9,000	2	Summer 2024	YES
CARPET REPLACEMENT 75	\$ 7,500	2	Summer 2024	YES
CARPET REPLACEMENT 76	\$ 7,500	2	Summer 2024	YES
REPLACE CONCRETE/TANK 76*	\$ 90,000	2	Summer 2024	YES
STATION 76 KITCHEN REMODEL	\$ 35,000	3	FY 24-25	NO
STATION 75 KITCHEN REMODEL	\$ 35,000	3	FY 24-25	NO
STATION 76 APP BAY PAINTING	\$ 12,000	3	FY 24-25	NO
TRAINING ROOM PAINTING/FLOORING	\$ 25,000	3	FY 24-25	NO
COST OVERRUN	\$ 15,000			YES
	\$ 670,000			
FY 2023-24 COSTS:	\$ 563,000			

*City of Hercules responsibility; may be removed from expenditure

**Possible alternative funding

At the direction of the board of directors via the budget ad hoc committee, \$563,000 is recommended for Capital Expenditures to maintain the health and safety of District employees and achieve greater efficiency and effectiveness in the District’s operations. There is an understanding that modification of either the list and/or amounts will likely need to be adjusted once bids and estimates are obtained. Based upon the existing lease, the City of Hercules is likely responsible for some of the capital projects (roof and replacement of concrete) which, if realized, would significantly reduce the expenditures listed above.

Replacement of Fire District equipment is another major obligation. The Fire District owns several pieces of equipment that have a replacement cost of more than \$5,000 per unit. These are expenditures that are less frequent and require planning to accomplish. Failing communication equipment has been included in the final budget in the amount of \$70,000 above what was in the preliminary budget. It is expected that without alternative funding, the next two fiscal cycles would be similarly impacted in order to achieve full replacement over a three-year period.

Another change from the preliminary budget pushes out four projects from the capital list request (Station 75 and 76 kitchen remodels, apparatus bay painting, and training room improvements) until FY2024-25. The net change is a decrease in the capital request from \$600,000 in the preliminary budget to \$563,000 in the final budget.

At least one heavy apparatus, Quint 76A, is recommended to be decommissioned. A subsequent evaluation of deployment options is presently underway after which specifications will need to be developed. This process is likely to take several months. Additionally, market lease and interest rates are high and economic indicators suggest some settling of rates in 2024. Therefore, no additional apparatus requests are included in the final budget. It is anticipated that the replacement apparatus will likely be requested during the mid-year budget process. It should be noted that supply chain issues and inflation have led to 2-3 year build times and significant cost increases, all of which are being taken into consideration. In the meantime, an increase of funds to repair and maintain the aging fleet has been included in the final budget amounting to an additional \$60,000 over the preliminary budget.

The Board will annually review the status of the Fire District's reserves—including the General Fund Unassigned Fund Balance, the General Fund Committed Fund Balance, the Assigned Fund Balances for Apparatus, Capital Equipment, and UAAL for the Fire District's Retirement and OPEB obligations. The Board will designate funding levels for each as the Board determines its priorities for the Fire District's short and long term commitments. The Board will conduct its review based on staff's third quarter financial review, which will include the estimated year-end fund balances in all the Fire District's reserves.

VI. FIRE DISTRICT REVENUES, EXPENDITURES & FUND BALANCES

A. Fire District Revenues

The Fire District has historically received most of its revenue from property taxes generated within its service boundary. There are several components to the property tax income, but the largest has been the Fire District's share of the ad valorem (1% of assessed value) property tax collected by the County and distributed to qualifying agencies.

The Fire District historically received a "pass-through" of 100% of the ad valorem property tax received by the County in the Rodeo redevelopment project area and a portion in the City of Hercules redevelopment project areas. The dissolution of the Redevelopment Agency has reduced the pass-through.

Other revenue sources are generated through voter-approved special taxes, including two long-standing fire district benefit assessments and the 2016 Measure O parcel tax that became effective on July 1, 2017.

Property taxes, the Benefit Assessment, and Measure O equal 90% of the revenues received annually while Miscellaneous/other revenues equal 10% of total revenue:

• Property taxes	\$4,595,759	48%
• Benefit Assessment	\$1,361,582	14%
• Measure O	\$2,645,510	28%
• Miscellaneous other	<u>\$ 916,747</u>	<u>10%</u>
	\$9,519,598	100%

Property tax and Fire District Benefit Assessment revenues have been in place since the Fire District incorporated, and the voters approved the Measure O funding in 2016. These three sources of revenue will provide a stable long-term revenue stream for the Fire District. While the Fire District’s Benefit Assessment and Measure O revenues are based on set annual amounts, the property tax is "ad valorem" based on commercial property and residential dwellings. The annual revenue from property tax varies year to year, depending on the general economic conditions and assessed value of the real property. Total proposed revenues for all funds in FY 2023-24 are \$9,519,598.



2023-24 ESTIMATED REVENUE

RODEO HERCULES FIRE PROTECTION DISTRICT REVENUE ALL FUNDS FY2023-2024 BUDGET

DESCRIPTION	GL CODE	ADOPTED BUDGET FY2021-22	ACTUAL AUDITED FY2021-22	ADOPTED BUDGET FY2022-2023	PROJECTED ACTUALS FY2022-2023	PROPOSED BUDGET FY2023-2024	FINAL BUDGET FY2023-24
Prop. Taxes-Current secured	9010	4,211,244	3,855,500	3,855,500	4,101,008	3,971,165	4,224,038
Prop. Tax-Supplemental	9011	105,584	163,410	85,000	185,917	181,557	181,557
Prop. Tax-Unitary	9013	74,000	78,900	78,900	83,712	84,000	84,000
Prop. Tax-Current Unsecured	9020	130,000	130,339	137,000	148,524	135,000	135,000
Prop Tax-Prior-Secured	9030	(5,361)	(14,285)	(14,285)	(17,614)	(17,614)	(17,614)
Prop Tax-Prior-Supplemental	9031	(4,981)	(5,860)	(5,860)	(10,406)	(10,406)	(10,406)
Prop Tax-Prior-Unsecured	9035	(1,000)	1,643	590	(442)	(816)	(816)
TOTAL PROPERTY TAXES		4,509,486	4,209,647	4,136,845	4,490,699	4,342,886	4,595,759
Benefit District	9066	1,361,249	1,362,081	1,362,081	1,361,582	1,361,582	1,361,582
TOTAL BENEFIT DISTRICT		1,361,249	1,362,081	1,362,081	1,361,582	1,361,582	1,361,582
H/O Prop Tax Relief	9385	29,956	27,760	29,956	26,693	29,000	29,000
Other In Lieu Taxes	9580	192	171	-	183	183	183
RDA NonProp-Tax Pass Thru	9591	427,275	523,503	523,503	555,796	639,165	639,165
Earnings on Investment	9181	14,000	5,679	6,000	35,374	18,000	35,374
Fire Prevention Plan Review	9741	20,000	17,311	17,000	14,468	11,887	11,887
Misc. Current Services	9980	23,109	22,041	23,000	11,283	15,000	15,000
Other Revenue/Measure H	9895	85,592	85,504	92,161	86,388	92,161	86,388
TOTAL INTERGOVERNMENTAL		600,124	681,969	691,620	730,185	805,396	816,997
Measure O	9066	2,519,748	2,513,864	2,584,204	2,584,326	2,645,510	2,645,510
TOTAL MEASURE O		2,519,748	2,513,864	2,584,204	2,584,565	2,645,510	2,645,510
Grant Funds	9980	-	100,000	-	99,750	99,750	99,750
Stale Dated Check	9975		1,495		3,988	0	-
Misc. State Aid	9435		276,087			0	-
Indemnifying Proceeds	9969		4,910			0	-
Development Impact Fee	9980		14,706		-	0	-
TOTAL OTHER REVENUE		-	397,198	-	103,738	99,750	99,750
TOTAL REVENUE		8,990,607	9,164,759	8,774,750	9,270,769	9,255,124	9,519,598

Measure O

The Fire Chief met with the Measure O Oversight Committee and Legal Counsel to better understand the legal parameters by which the Measure O funds can be utilized and worked collaboratively with the Board and the Measure O Oversight Committee to stay within the scope of those parameters. Allocations for Measure O funds as listed are reflective of the changes.

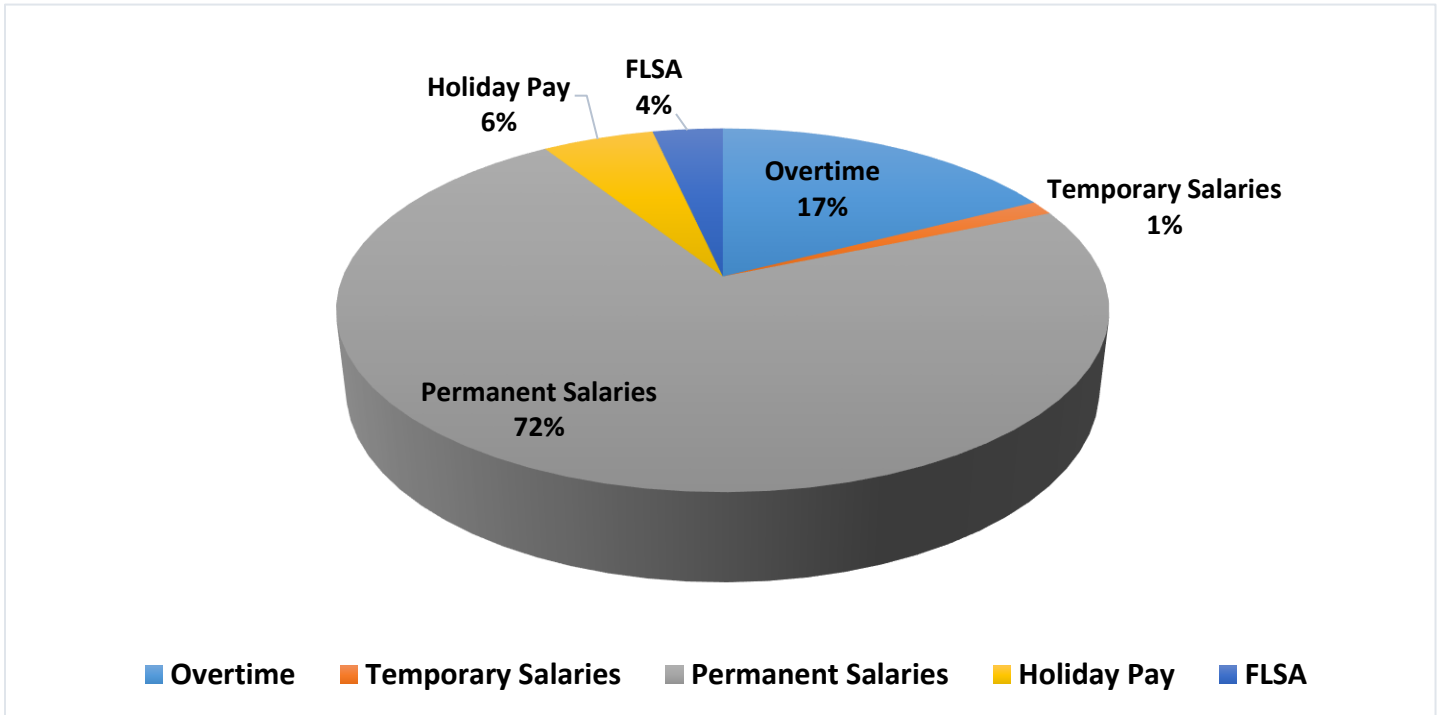
**RODEO-HERCULES FIRE PROTECTION DISTRICT
FISCAL YEAR 2023-24 MEASURE O BUDGET**

DESCRIPTION	GL CODE	ADOPTED BUDGET FY2020-21	AUDITED ACTUAL FY 2020-21	ADOPTED BUDGET FY2021-22	AUDITED ACTUAL 6/30/2022	ADOPTED BUDGET 2022-23	PROPOSED BUDGET FY2023-24	FINAL BUDGET FY2023-24
Beginning Fund Balance:		802,156		834,148		880,680	904,349	904,349
REVENUE:		2,500,704	2,502,195	2,519,748	2,513,864	2,584,204	2,645,510	2,645,510
TOTAL MEASURE O REVENUE:		2,500,704	2,502,195	2,519,748	2,513,864	2,584,204	2,645,510	2,645,510
Permanent Salaries	1011	-	-	-	-	-	-	1,574,451
CCCERA-UAAL Payment	1044	1,639,704	1,639,704	1,684,896	1,684,896	1,684,896	1,684,896	-
Group Insurance-Active	1060	433,504	452,926	468,184	491,869	505,639	505,639	119,573
OPEB Matching Funds	1060	70,000	64,507	92,635	31,129	-	-	-
Group Insurance-Retiree	1061	303,170	303,323	327,424	285,934	360,000	360,000	83,500
CCCFPD Dispatch Services 23-24	2110	-	-	-	-	-	-	164,715
Apparatus Lease Payment	2250	-	-	-	-	-	-	100,000
Fire Prevention	2310	-	-	-	-	-	-	99,000
Alerting System for Stations 75& 76	2474	-	-	-	-	-	-	220,000
EMS Training for Personnel	2477	-	-	-	-	-	-	42,000
County Collection Fee	3530	10,000	9,743	10,000	10,005	10,000	10,000	10,000
TOTAL EXPENDITURES:		2,456,378	2,470,203	2,583,139	2,503,833	2,560,535	2,560,535	2,413,239
NET Change in Measure O Funds		44,326	31,992	(63,391)	10,031	23,669	84,975	232,271

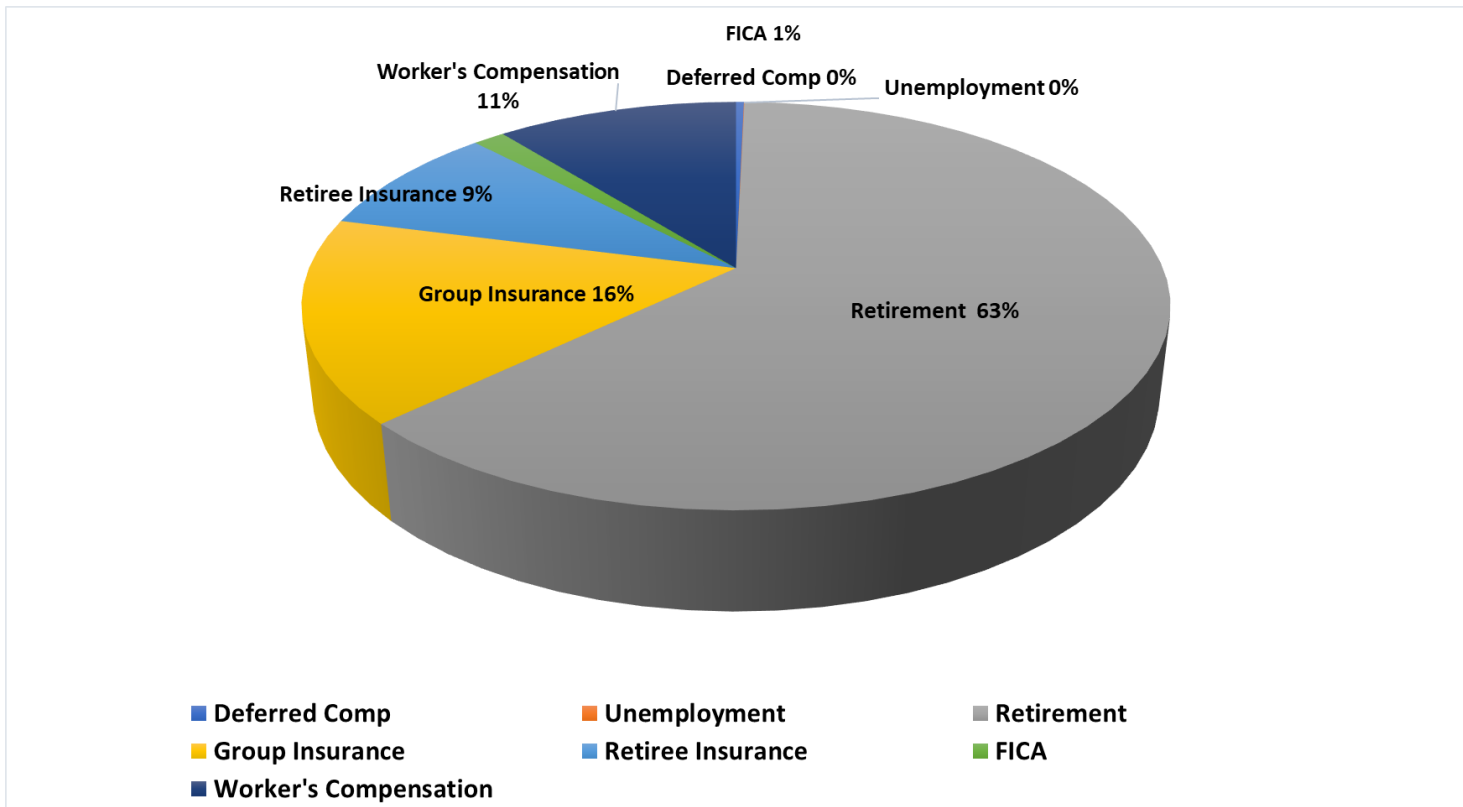
B. Fire District Expenditures

As discussed within this document, the Final Budget for FY 2023-24 is based on maintaining the Fire District's two station configuration, fully staffed, and accounts for increases in salaries or benefits. As discussed, the major increases in salary and benefits are to overtime, CCCERA retirement and UAAL. The total projected expenditures for FY 2023-24 are \$9,502,888.

COMPENSATION DISTRIBUTION



BENEFITS DISTRIBUTION



**RODEO HERCULES FIRE PROTECTION DISTRICT
EXPENDITURES for All FUNDS
FY2023-2024 BUDGET**

	GL	ADOPTED BUDGET	ACTUAL AUDITED	ADOPTED BUDGET	PROJECTED ACTUALS	PROPOSED BUDGET	FINAL BUDGET
DESCRIPTION	CODE	FY2021-22	FY2021-22	FY2022-23	FY2022-23	FY2023-24	FY2023-24
Holiday Pay	1001	174,648	166,731	198,190	196,121	218,393	218,393
Permanent Salaries	1011	2,724,066	2,355,302	2,592,837	2,368,446	2,822,138	2,822,138
Drill/Temporary Salaries	1013	54,960	46,649	33,280	48,773	49,000	49,000
Overtime	1014	660,413	998,321	700,000	1,003,218	713,611	-
FLSA	1014-01						137,277
Backfill/Ancillary	1014-02						681,363
Strike Team	1014-03						
Strike Team Reimbursement	1014-04						
Deferred Compensation	1015	10,800	10,800	10,200	8,700	14,400	14,400
FICA	1042	40,000	57,844	60,000	57,775	50,000	58,000
Retirement-Normal	1044	500,000	561,968	575,000	613,250	575,000	670,795
Retirement-UAAL	1044	1,684,896	1,684,896	1,684,896	1,684,896	1,684,896	1,890,167
Group Insurance	1060	530,667	610,181	628,122	518,311	660,757	660,757
Group Insurance-Retiree	1061	420,059	314,893	360,000	373,776	360,000	360,000
Unemployment Insurance	1063	1,000	-	1,000	-	1,000	1,000
Worker's Compensation Ins.	1070	320,000	321,653	402,600	435,676	440,000	441,129
TOTAL SALARIES AND BENEFITS		\$ 7,121,509	\$ 7,129,238	\$ 7,246,125	\$ 7,308,942	\$ 7,589,195	\$ 8,004,419
Office Expenses	2100	22,850	18,466	22,850	13,945	30,550	34,750
Books/periodicals/subscriptions	2102	2,485	3,214	2,485	3,971	4,000	4,000
Communications	2110	225,375	209,478	225,375	215,624	230,575	217,915
Utilities	2120	36,323	38,333	36,323	40,896	34,826	41,495
Small Tools and Equipment	2130	23,500	1,259	18,000	2,578	9,500	10,500
Medical supplies	2140	78,000	10,599	48,000	14,367	26,500	26,500
Food	2150	4,420	2,651	4,420	435	4,420	4,420
Clothing &personal supplies	2160	13,440	13,106	13,440	12,600	13,440	13,440
Household expenses	2170	16,500	11,578	16,500	11,560	16,500	9,100
Publications and legal notices	2190	1,300	803	1,300	910	1,300	1,300
Memberships	2200	5,312	4,606	5,312	3,158	5,835	13,482
Rents and leases	2250	272,774	280,435	203,360	101,450	203,660	203,660
Repair & service equipment	2270	34,458	12,466	34,458	6,055	41,920	41,920
Vehicle repair services	2271	80,000	127,141	80,000	49,408	40,000	100,000
Gas & oil supplies	2272	8,100	4,615	15,000	25,776	32,100	32,100
Vehicle maintenance-tires	2273	10,000	9,359	10,000	17,059	10,000	15,000
Maint. Radio& electrical equip.	2276	57,380	550	57,380	56	57,380	7,380
Maintenance building & grounds	2281	151,450	44,142	139,050	8,170	31,500	36,500
Employee travel expenses	2303	4,560	3,152	4,560	1,831	4,560	5,400
Professional/Specialized service	2310	293,088	364,934	405,776	434,797	372,565	410,864
Data processing service	2315	960	731	960	4,242	4,200	4,200
Data processing supplies	2316	323	-	323	-	323	323
Information security	2326	2,194	1,919	2,194	4,564	4,620	4,620
Insurance	2360	60,832	56,750	70,394	66,990	97,509	97,509
Firefighting supplies	2474	56,770	72,854	56,770	67,105	96,958	98,458
Recreation/Physical Fitness	2476	2,000	-	1,300		2,600	2,600
Educational Supplies & Courses	2477	19,763	7,790	22,163	7,101	29,263	32,763
Other Special Departmental Exp	2479	3,420	4,560	3,420	10,669	4,270	4,270
Interest on Notes & Warrants	3520	1,000	-	1,000	-	1,000	1,000
Tax Assessments	3530	23,000	21,240	23,000	11,269	23,000	23,000
Total Services & Supplies Expenses		1,511,577	1,326,731	1,525,113	1,136,584	1,434,874	1,498,469
Total Operational Expenses		\$ 8,633,086	\$ 8,455,969	\$ 8,771,238	\$ 8,445,525	\$ 9,024,069	\$ 9,502,888

C. Fire District Fund Balances

Fund	Assigned Amount
Committed	\$ 280,000
Assigned	\$ 563,000
Unassigned	\$ 5,342,675
Fiscal Stabilization	\$ 1,300,000
TOTAL FUND BALANCE 07/01/2024:	\$ 7,485,675

VII. GENERAL FUND EXPENDITURES

The Proposed Budget expenditures assume the Fire District is operating at full staffing. The Fire District is currently at full staffing and anticipates a full staffing complement to provide permanent employees to the two-station configuration for the 2023-24 fiscal year.

VIII. DEVELOPMENT IMPACT FEES:

A development impact fee is a monetary fee that a local government agency charges to an applicant in connection with the approval of a development project for adequately defraying all or a portion of the cost to mitigate the impacts created by such development. The legal requirements for the enactment of the development impact fees program are outlined in Government Code §66000 under the Mitigation Fee Act. The City of Hercules and the Contra Costa County Department of Conservation and Development currently collect fees on behalf of the Fire District. The Fire District's current adopted fee structure established by a Fire Facilities Impact Fee Study is as follows: Single Family Homes: \$1,817; Multi-Family Home: \$1120.00; Accessory Dwelling Unit: \$849.00; Commercial: \$0.91 per square foot; Office: \$1.21 per square foot; Industrial: \$0.52 per square foot and Hotel: \$110.00 per room. Fees that are collected by the Fire District must be held in a separate account and accounted for in a different revenue and expense balance sheet.

Annual report: Government Code §66006 (b)(1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues: No Developer fees are anticipated for the 2023-24 budget cycle. This may be adjusted if projects come to fruition earlier than anticipated.

Some DIF fees remain within the fund balance and are anticipated to be utilized as shown on the following page.

2023-2024 DEVELOPMENT IMPACT FEE EXPENDITURES

FY 2023-24 FIRE FACILITIES FEE REVENUES AND EXPENDITURES				
DESCRIPTION		ADOPTED BUDGET FY 2022-23	PROJECTED ACTUAL FY 2022-23	FINAL 2023-24
OPENING FUND BALANCE JULY 1, 2023				
Hercules DIF	233,125			
Rodeo DIF	20,612			
	<u>253,737</u>			
EXPENDITURES				
Purchase of new emergency staff vehicle		48,091	48,091	
Outfitting of new emergency staff vehicle		50,000		50,000
TOTAL		98,091	48,091	50,000

IX. FIVE YEAR REVENUE & EXPENDITURE PROJECTIONS

Preparation of the Final Budget included creating Five-Year Revenue and Expenditure Projections to provide the Board and Staff with a roadmap for financial decisions and policy.

The district prepares a 5-year financial forecast which shall be updated periodically with unexpected changes in economic conditions or other circumstances.

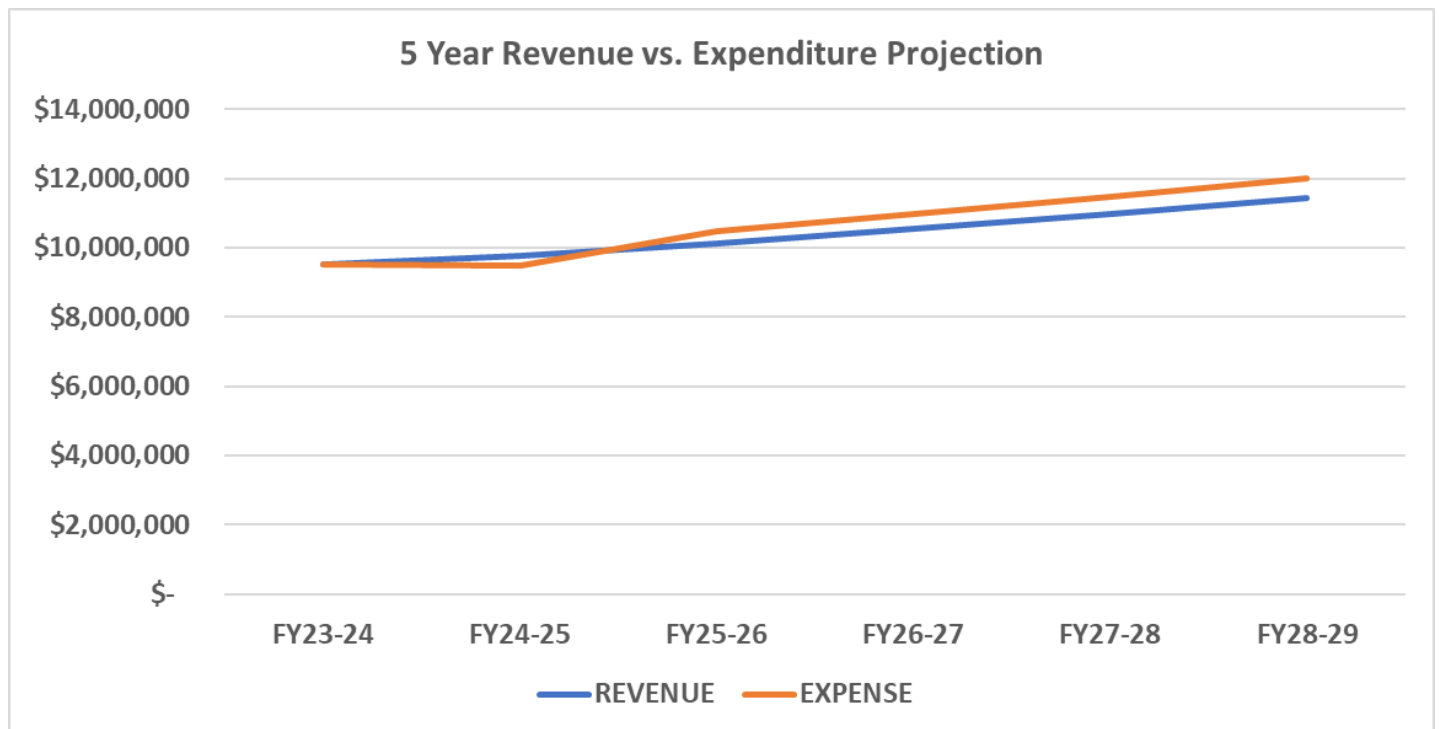


Figure A:

RODEO-HERCULES FIRE PROTECTION DISTRICT
Five-Year Projections for Revenue and Expenditures

	FINAL FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
Property taxes	4,595,759	4,733,632	4,875,641	5,119,423	5,375,394	5,644,164
Homeowners Tax Relief	29,000	29,956	29,956	30,855	31,780	32,734
Measure H EMS	86,388	86,388	86,388	86,388	86,388	86,388
Special Tax/Fire (Benefit Assessment)	1,361,582	1,362,081	1,362,081	1,362,081	1,362,081	1,362,081
Total General Fund Revenue	6,072,729	6,212,057	6,354,066	6,598,746	6,855,643	7,125,366
RDA Nonprop tax Pass Thru	639,165	703,082	773,390	850,729	935,801	1,029,382
Measure "O"	2,645,510	2,724,875	2,779,373	2,862,754	2,948,637	3,037,096
Earning on Investment	35,374	36,435	37,528	38,654	39,814	41,008
Other District Revenue	15,183	15,638	16,108	16,591	17,089	17,601
Fire prevention plan review	11,887	11,887	12,244	12,611	12,989	13,379
Philip Grant	99,750	99,750	99,750	99,750	99,750	99,750
TOTAL Other Revenue	3,446,869	3,591,668	3,718,392	3,881,089	4,054,080	4,238,216
TOTAL GRAND REVENUE	9,519,598	9,803,724	10,072,458	10,479,835	10,909,723	11,363,582
Expenditures	-	-	-	-	-	-
Salaries and Benefits	8,004,419	7,940,146	8,824,872	9,266,116	9,729,421	10,215,892
Services and Supplies Expenditures	1,498,469	1,573,392	1,622,168	1,672,455	1,724,301	1,777,754
TOTAL EXPENDITURES	9,502,888	9,513,538	10,447,040	10,938,570	11,453,722	11,993,647
Change in Revenue and Expenditures	16,710	290,186	(374,582)	(458,735)	(543,999)	(630,065)

Assumptions:

- Property Tax Revenue for FY2024-2025 and 2025-2026 will increase by 3% and may increase by 3-5% going forward.
- Special Tax/Benefit Assessment will remain flat based on prior year experience
- Measure "O" will increase by 3% for FY2024-25 and increase by 2% FY2025-26 and increase 3% in subsequent years (at Board discretion)
- Earnings on investment increase by 3%
- RDA Pass Thru will increase by 10%
- Salary and Benefit increases by 5% due to MOU changes and other benefit increases
- Services and Supplies increase by 3.6% in 2024-25, 3.1% 2025-26 and 3.1% subsequent years (Source: U.S Bureau of Labor & Statistics CPI)
- Salary and Benefits for FY2024-25: Unfunded Liability (UAAL) will go down by \$464,494 based on CCCERA Actuarial Valuation
- This schedule does not include the Capital Expenditures proposed in the FY2023-2024 budget.
- The proposed budget in FY2023-2024 is balanced
- This schedule assumes the Phillips 66 will continue to subsidize the District budget for the next 5 years

Note:

If high inflation persists longer than expected or if the Federal Reserve policy causes greater pullback by businesses or individuals, the economy could tip into a mild recession. This could lead to steeper decline in the housing market which will have a negative effect on property tax, which is a major source of revenue for the District.

RESOLUTION 2023-11**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RODEO HERCULES FIRE PROTECTION DISTRICT ADOPTING A BUDGET FOR THE 2023-2024 FISCAL YEAR**

WHEREAS, the CA H&S §13895 requires that on or before October 1st of each year, a district board shall adopt a final budget which shall conform to the accounting and budgeting procedures for special districts contained in Subchapter 3 (commencing with §1031.1) of, and Article 1 (commencing with §1121) of Subchapter 4 of Chapter 2 of Division 2 of Title 2 of the California Code of Regulations. If the Board is unable to adopt a budget before the deadline, the previous fiscal year budget will remain in place until a preliminary budget is adopted.

WHEREAS, the preliminary and final budget for the 2023-2024 fiscal year has been prepared in compliance with the Health and Safety Code of the State of California; and

WHEREAS, the Rodeo Hercules Fire Protection District has determined that the Final 2023-2024 Budget is balanced and there will be sufficient revenue to meet the amount of expenditures needed to protect life and property for the 2023-2024 fiscal year; and

WHEREAS, the preliminary and final budget cycles are hereby consolidated into a single final cycle and publication for the 2023-2024 fiscal year; and midyear budgetary amendments will be brought to the Board in February 2024; and

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS: The Final Budget for the Rodeo Hercules Fire Protection District for the fiscal year beginning July 1, 2023 and ending June 30, 2024, is hereby adopted by the Board of Directors of the Rodeo Hercules Fire Protection District as set forth and shall serve as both the Preliminary and Final Budget.

IF ANY PART OF THE RESOLUTION OR ANY ATTACHMENTS TO IT are for any reason determined to be invalid or unconstitutional, such determination shall not affect the validity of the remaining portions of this Resolution or its attachments, and the Board hereby declares that it would have adopted this Resolution, and each section, subsection, sentence, clause, and phrase hereof, irrespective of any one or more sections, subsections, sentences, clauses or phrases being declared invalid or unconstitutional. The foregoing Resolution was duly and regularly adopted at a regular meeting of the Rodeo-Hercules Fire Protection District Board of Directors meeting held on the 13th day of September 2023, by the following vote of the Board:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie Bowman, Chairperson

**RODEO-HERCULES FIRE PROTECTION DISTRICT RESOLUTION NO. 2023-12, A
RESOLUTION ESTABLISHING THE APROPRIATIONS LIMIT FOR FISCAL YEAR 2023-24**

WHEREAS, the Appropriations limit adopted for Fiscal Year 2022-23 was \$18,746,605.

WHEREAS, Article XIII B of the California Constitution and §7902(b) and 7910 of the Government Code require that each local agency subject thereto establish by resolution the applicable appropriations limit for each Fiscal Year by applying the limit for the previous Fiscal Year the factors, as issued by the California Department of Finance, reflecting changes in the California per capita personal income and in the local agency's population; and

WHEREAS, the applicable factors for FY2023-24 are as follows: (1) the change in the California per capita personal income was 4.44% and (2) the change in population for the City of Hercules and unincorporated Contra Costa County from January 1, 2022 to January 1, 2023 was 0.51%.

NOW, THEREFORE BE IT RESOLVED that the Rodeo-Hercules Fire Protection establishes an appropriations limit for Fiscal Year 2023-24 of \$19,678,806.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Rodeo Hercules Fire Protection District this 13th day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie Bowman
Board Chair

ATTEST:

Kimberly Corcoran
Clerk of the Board

ATTACHMENT A
RODEO HERCULES FIRE PROTECTION DISTRICT
APPRORPATIONS LIMIT FOR FISCAL YEAR 2023-24

Set out below is the methodology proposed to be used to calculate Fiscal Year 2023-24 appropriations limit for the District.

1. Appropriations limit for FY 2022-2023	\$18,746,605
2. Population change (January 1, 2022-January 1, 2023)	0.51%
3. Change in California per Capital Personal Income	4.44%
4. Fiscal Year 2023-24 adjustment factor (1.0444 x 1.0051)	1.04972644
5. Fiscal Year 2023-24 appropriations limit (\$18,746,605 x 1.04972644)	\$19,678,806



RODEO-HERCULES FIRE DISTRICT

EXPLORING STRATEGIES FOR LONG-TERM ORGANIZATIONAL SUSTAINABILITY

Micheal Despain M.A., EFO, CFO, MIFireE

SCOPE OF PROJECT

- Analyze current organizational systems and programs for any gaps
 - 2022 Management/Administration Assessment
 - 2022-2027 Strategic Plan
- Analyze all reasonable proposed partners and provide pros and cons
- Provide recommendations for consistent and reliable methods of generating revenue
- Provide additional services as needed and directed by the Board



ANALYZE CURRENT ORGANIZATIONAL SYSTEMS AND PROGRAMS FOR ANY GAPS

- 2022 Management/Administration Assessment
 - Strategic Recommendation 1 – **Decide on an option for Executive Staff and Admin Support for the RHFD. Implement strategies to realistically support administrative and human resources processes that are in alignment with District capacity.**
 - Strategic Recommendation 2 – **Decide on an option to support investment in recruitment, retention, training, professional development, succession, health and safety, and behavioral wellness of personnel.**
 - Strategic Recommendation 3 – **Enhance regional service delivery opportunities.**
 - Specific Recommendation 4 – Provide professional training to the Board of Directors on the roles and responsibilities of Board Members, staff, improving teamwork and effective governance.
 - Specific Recommendation 5 – Hire a consultant that specializes in assisting elected Board and Officials Development strategies for **effective governance**, teamwork, **professional standards** and establishing roles and responsibilities of elected officials and staff.
 - Specific Recommendation 6 – **Provide training to the Fire Chief and other Executive staff to increase administrative skills and abilities.**



CURRENT ORGANIZATIONAL SYSTEMS AND PROGRAMS

- Numerous systems and programs are still being evaluated and some repairs are being made as we progress
 - Administrative Services –
 - No data/GIS support
 - No State Mandated Inspection Reporting
 - Missing contracts with service provider
 - Finance –
 - No capacity to write or administer grants
 - Single Point of Failure for Payroll
 - Battalion 7 contract with ConFire
 - Fire prevention program
 - Implemented a contract for life safety inspections
 - Confirmed proposed benchmark performance standards for inspection program
 - Refining the weed abatement program to be more proactive
 - Cost Recovery program



CURRENT ORGANIZATIONAL SYSTEMS AND PROGRAMS

- Numerous systems and programs are still be evaluated and some repairs are being made as we progress
 - Operations
 - Confirmed benchmark performance measures (goals) from the Board
 - Worked with FireStats LLC to evaluate the current baseline performance (found significant gaps)
 - Will provide the Board with options based on the findings
 - Battalion Chief model needs to be re-evaluated
 - Training/Health/Safety
 - CalJAC and Instructional Service Agreement records management
 - Need to update Illness and Injury Prevention Program as required by CalOSHA
 - New OSHA requirements for PPE
 - Logistics (facilities/apparatus/equipment)
 - Lack of formal apparatus replacement evaluation process
 - Lack of facility maintenance program with City of Hercules



RESPONSE TIME PERFORMANCE

1. Percentage of time Turnout time for fire/rescue calls were within 1 minute and 50 seconds.
 - a. 2022 = **48.96%**
 - b. Rolling 365 = **55.34%**

2. Percentage of time Turnout time for EMS calls were within 1 minute and 30 seconds.
 - a. 2022 = **37.26%**
 - b. Rolling 365 = **39.77%**

3. Percentage of time total response time for the first suppression unit on fires/rescues were within 8 minutes in the urban areas.
 - a. 2022 = **52.25%**
 - b. Rolling 365 = **61.00%**



RESPONSE TIME PERFORMANCE

4. Percentage of total response time for EMS calls within 7 minutes and 40 seconds
 - a. 2022 = (RHFD w/AMR) = **53.14%**
 - b. Rolling 365 (RHFD w/AMR) = **55.83%**

5. Percentage of total call processing times (alarm handling) within 90-seconds.
2022 = **65.10%**

6. Percentage of total response time for ambulance within 11 minutes and 45 seconds (EOA contract requirement)
2022 = **84.63%**



Option 1 – Status Quo	Option 2 – Seek Additional Revenue	Option 3 - Outsource Services
<p>What are the current gaps in service? What service gaps can be closed? What service gaps are acceptable? What services need to be lessened or discontinued? What are the impacts to the community? (WIFM)</p>	<p>What sources are available? How will the investment maintain services? How will performance be measured? What are the impacts to the community? (WIFM)</p>	<p>Which agencies or entities? What services? What level of performance measurement? What are the impacts to the community? (WIFM)</p>



NEXT STEPS

- Allow Chief Ramirez additional time to evaluate internal processes and uncover any additional gaps in service
- There are significant gaps between the benchmark performance levels (goals) and baseline performance (actual). We will be evaluating more realistic benchmark performance times and provide recommendations to the Board for acceptance.
- Continue to meet with other fire agencies and non-fire entities in the region to seek out partnership opportunities. (Contra Costa County Fire Protection District, Alameda County Fire Department, Crockett Carquinez Fire Department / El Cerrito-Kensington Fire Department, CalFIRE SCU)
- Allow 4 to 6 weeks to complete the data gathering. Tentative update to Board in November 2023.



Rodeo Hercules Fire Protection District
MEMORANDUM

To: Board of Directors, Rodeo Hercules Fire District
From: Rebecca Ramirez, Interim Fire Chief
Subject: Fire Chiefs Report
Date: September 13, 2023

Labor Relations /Personnel

No personnel on long term leave.

Reporting: Chief Ramirez

Operations

- Q-76, E-75, E-73 Batt-7 & EMS responded to a solo vehicle accident, head on into a tree on Refugio Valley Rd at the round-a-bout. Occupants required extrication; all three occupants had significant injuries.
- A Police pursuit with subsequent vehicle accident and fire which caught adjacent trees and grass on fire; crews quickly contained the fire.
- A five-vehicle accident on Highway 4 at Willow with multiple injuries including critical patients.
- Crews responded to a 2.5-acre vegetation fire on highway 4 near Cummings and obtained rapid containment.
- Chief Johnson led a strike regional response strike team to the Happy Fire Camp Complex in Klamath. The team was deployed for 15 days to the fire which has now consumed approx. 28,283 acres and is 55% contained.

Reporting: Captain Solidum

Training

Intentional Multiple Casualty Incident (IMCI) training continues with regional partners. Off road driver training for crews. High angle rescue drill with multiple crews. All Risk Division Group Supervisor training for company officer Cochnauer. Extrication training for all crews.

Reporting: Captain Solidum

Facilities/Equipment

Received initial bids on alerting system replacement on both station 75 and 76. Have met with contractors and City of Hercules on roof leak, parking lot cracks, and bathrooms. City is reviewing contract for areas of responsibility. Received Bids on station 76 Bathroom. Awaiting bids for station 75 bathroom.

Reporting: Chief Ramirez

Fleet Management

The apparatus committee has completed an apparatus evaluation and updated the status of the fleet. After a month out of service, Quint76 has returned from warranty repairs.

Quint 76A is in the shop for extensive repairs to replace turbo and associated parts. ETA 2-3 weeks

down. Q76A 2 received new front tires. Engine75 back in service after two weeks out of service and receiving four new rear tires. 375 assigned out of county on strike team detail.376 will be scheduled soon to have its turbo replaced. (2006 International)

Reporting: Captain Solidum

Grants/Reimbursements

FEMA has begun announcing awards for Assistance for Firefighting grants (AFG). No awards have yet posted for the county wide radio grant meant to replace outdated radios. Matching funds and/or replacement funds will need to be considered.

Reporting: Chief Ramirez

Community Risk Reduction

Community/Wildfire Prevention- RHFD continues to receive weed abatement complaints and issue correction notices. Fire trail grading has been completed.

Reporting: Chief Ramirez

Prevention

CSG has begun to evaluate and supplement prevention efforts. Company inspections have been prioritized to ensure mandated inspections, high hazard, and assembly occupancies are completed. Educational occupancies have noticed of upcoming inspections. Fees will be charged commensurate with approved fee structure for the above noted inspections.

Reporting: Chief Ramirez

Fiscal Stabilization –Defer to final budget presentation and reports. Annual audit underway.

Reporting: Chief Ramirez

Community Activities/Meetings –Q76 firefighters read and showed off the Quint to children at the Hercules library. Q76 visited Ohlone Elementary kindergarten. Attended Rodeo Back on the Block party. Meeting with Phillips 66 CAP.

Reporting: Chief Ramirez

Commendations/Awards/Notables – Nothing to report.

Strategic Plan: Progress Report

Consultant Mike Despain met with Ad-hoc committee. Defer to SP Ad-hoc committee.

Reporting: Chief Ramirez

Incident Type Count Report

Date Range: From 8/1/2023 To 8/31/2023

Selected Station(s): All

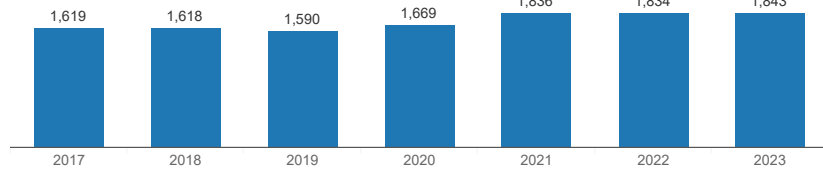
<u>Incident Type</u>	<u>Description</u>	<u>Count</u>	
Station:			
Incident Type is blanks		59	19.28%
Total - incident type left blank		59	100.00%
Total for Station		59	19.28%
Station: 75			
100 - Fire, other		2	0.65%
142 - Brush, or brush and grass mixture fire		3	0.98%
150 - Outside rubbish fire, other		1	0.33%
151 - Outside rubbish, trash or waste fire		1	0.33%
Total - Fires		7	6.25%
321 - EMS call, excluding vehicle accident with injury		70	22.88%
322 - Vehicle accident with injuries		5	1.63%
324 - Motor vehicle accident with no injuries		1	0.33%
360 - Water & ice related rescue, other		1	0.33%
Total - Rescue & Emergency Medical Service Incidents		77	68.75%
500 - Service Call, other		2	0.65%
5410 - Snake problem		1	0.33%
550 - Public service assistance, other		2	0.65%
553 - Public service		2	0.65%
554 - Assist invalid		2	0.65%
Total - Service Call		9	8.04%
600 - Good intent call, other		1	0.33%
611 - Dispatched & cancelled en route		10	3.27%
6610 - EMS call cancelled		2	0.65%
Total - Good Intent Call		13	11.61%
700 - False alarm or false call, other		4	1.31%
736 - CO detector activation due to malfunction		2	0.65%
Total - Fals Alarm & False Call		6	5.36%
Total for Station		112	36.60%
Station: 76			
111 - Building fire		1	0.33%
118 - Trash or rubbish fire, contained		1	0.33%
131 - Passenger vehicle fire		3	0.98%
143 - Grass fire		1	0.33%
Total - Fires		6	4.48%
300 - Rescue, emergency medical call (EMS) call, other		1	0.33%
321 - EMS call, excluding vehicle accident with injury		71	23.20%
322 - Vehicle accident with injuries		10	3.27%
352 - Extrication of victim(s) from vehicle		1	0.33%
Total - Rescue & Emergency Medical Service Incidents		83	61.94%
411 - Gasoline or other flammable liquid spill		1	0.33%

Incident

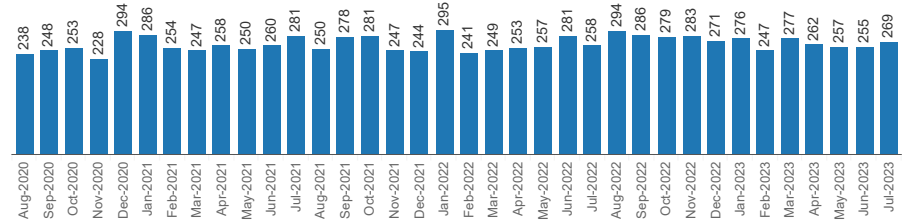
<u>Type</u>	<u>Description</u>	<u>Count</u>	
Station: 76 - (Continued)			
Total - Hazardous Conditions (No fire)		1	0.75%
521 -	Water evacuation	1	0.33%
5410 -	Snake problem	1	0.33%
542 -	Animal rescue	1	0.33%
550 -	Public service assistance, other	2	0.65%
553 -	Public service	3	0.98%
554 -	Assist invalid	4	1.31%
Total - Service Call		12	8.96%
611 -	Dispatched & cancelled en route	21	6.86%
651 -	Smoke scare, odor of smoke	4	1.31%
Total - Good Intent Call		25	18.66%
700 -	False alarm or false call, other	3	0.98%
730 -	System malfunction, other	1	0.33%
733 -	Smoke detector activation due to malfunction	1	0.33%
735 -	Alarm system sounded due to malfunction	1	0.33%
736 -	CO detector activation due to malfunction	1	0.33%
Total - Fals Alarm & False Call		7	5.22%
Total for Station		134	43.79%
Station: MA			
740 -	Unintentional transmission of alarm, other	1	0.33%
Total - Fals Alarm & False Call		1	100.00%
Total for Station		1	0.33%
		306	100.00%

Rodeo Hercules - July 2023 - Incident Snapshot

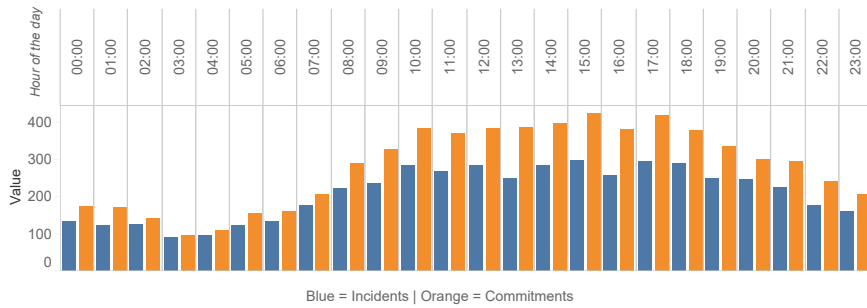
Number of Incidents Year to Date Year-Over-Year - January to July



Number of Incidents by Month (Last 36 Months)



Number of Incidents and Number of Engine and Truck Commitments by Hour of Day Over 36 Months



Average Times for Engines and Trucks Responding to Fire and Rescue Emergencies When First On Scene – Last 12 Months Including July 2023

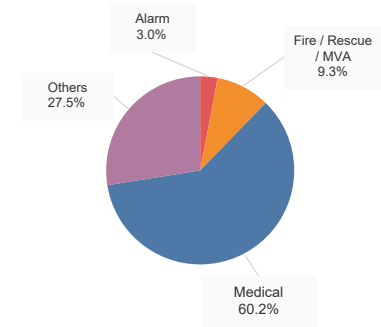
Duration	Benchmark	Compliance	Average	Count
Call Processing	00:01:30	59.2%	00:01:30	218
Turnout	00:01:50	51.5%	00:01:49	202
Travel			00:04:54	214
Response			00:06:39	214
Total Response	00:08:00	56.4%	00:08:02	218

Average Times for Engines and Trucks Responding to EMS Emergencies When First On Scene – Last 12 Months Including July 2023

Duration	Benchmark	Compliance	Average	Count
Call Processing	00:01:30	56.68%	00:01:37	1,092
Turnout	00:01:30	38.02%	00:01:47	1,010
Travel			00:04:22	1,083
Response			00:06:07	1,091
Total Response	00:07:40	51.92%	00:07:40	1,092

Number of Incidents by Type - July 2023

	Incidents	% of Total
Alarm	8	3.0%
Fire / Rescue / MVA	25	9.3%
Medical	162	60.2%
Others	74	27.5%
Grand Total	269	100.0%



Mutual and Auto Aid for the Last 12 Months
Total Amount of Time Committed by Engines and Trucks from Rodeo Hercules to Other Agencies and From Those Agencies to Rodeo Hercules

Jurisdiction	Aid Given	Aid Received
CCCFPD	159:35:48	128:34:25
Crockett	49:30:22	43:27:03
El Cerrito	06:31:30	01:14:37
Moraga Orinda	00:00:00	00:01:41
Richmond	05:01:46	00:34:17
Other	00:00:00	05:57:22
Grand Total	220:39:26	179:51:13