



MEASURE O OVERSIGHT COMMITTEE REPORT

FISCAL YEAR 2018-2019

History

Measure O, a special tax replacement measure was approved by the voters on November 8, 2016, to be used for any lawful purpose permissible to Fire Districts pursuant to California Health and Safety Code Section 13800 et seq., including but not limited to enhancing the level of fire protection, emergency fire protection and paramedic response services through increasing staffing levels to operate and maintain the District's fire stations, maintaining and when necessary replacing fire protection and lifesaving equipment and apparatus to optimal levels of function, and to fund capital improvements.

Purpose

To independently review the expenditures of the Measure O parcel tax revenues for compliance with the special tax and to inform the public and advise the Board if the funds were expended in accordance with the intentions of the voters.

Financial Highlights

Measure O funding replaced the expiring Federal SAFER grant, allowing the District to continue to employ firefighters hired with grant funds while keeping both fire stations open and fully staffed. These funds were used for Permanent Salaries and the CCCERA Unfunded Actuarial Liability Payments. 345 Senior Exemptions, (Residents 65 and older residing in the exempt property), an increase of 114 exemptions from Fiscal Year 2017-2018 were received, amounting to a reduction in funding of \$74,520. Beginning in the 2020/21 budget cycle a separate budget category will be created within the budget narrative detailing the revenue and expenditures of Measure O.

Financial Summary

Measure O Revenues received were \$2,405,916, and total expenditures were \$2,332,606, leaving a fund balance of \$217,401.

Measure O funds were used to reimburse the following General Fund Expenses:

Permanent Salaries July 2018 through December 2018: \$1,200,312

Unfunded Actuarial Accrued Liability November 2018 through June 2019: \$1,122,560

Detailed Measure O expenditure information is provided in the Independent Accountant's Report; see Exhibit A.

Conclusion

The Measure O Oversight Committee has determined that Measure O parcel tax revenues for Fiscal Year 2018-2019 were expended in Fiscal Year 2018-19 in accordance with the voter-approved requirements of Measure O. Additionally the unexpended amount of \$217,401 was carried forward for expenditure in Fiscal Year 2019-2020.

Signature

Measure O Oversight Committee

Exhibits:

(A) Rodeo-Hercules Fire Protection District, Hercules, California, Measure O Report for the Year Ended June 30, 2019 dated January 30, 2020

(B) Measure O Annual Fire Chief Fiscal Year 2018-19 Report dated April 8, 2020

EXHIBIT A

RODEO - HERCULES FIRE PROTECTION DISTRICT
HERCULES, CALIFORNIA

MEASURE O REPORT

JUNE 30, 2019

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

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

Report on Financial Statements

We have performed the procedures enumerated below, which were agreed to by the Rodeo - Hercules Fire Protection District' management, on the Rodeo - Hercules Fire Protection District's (the "District") Measure O - Special Tax revenues received and expenditures made by the District for the fiscal year ended June 30, 2019. The District's management is responsible for the receipt of Measure O - Special Tax revenues and deposit of such proceeds into the District's Measure O - Special Tax Revenue Fund and use it solely for any lawful purpose permissible to the District as instructed in Ordinance 2016-1. The sufficiency of these procedures is solely the responsibility of the District's management. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

PROCEDURES:

The procedures performed and findings are listed below:

1. We agreed the actual Measure O - Special Tax proceeds collected and expended to the amounts recorded in the District's general ledger and recalculated the mathematical accuracy of the following schedule provided by the District:

Revenues:	
Measure O - Special Tax Revenue	<u>\$ 2,405,916</u>
Expenditures:	
Permanent Salaries	1,200,312
Unfunded Actuarial Accrued Liability Payments	1,122,560
County Collection Fee	<u>9,734</u>
Total Expenditures	<u>2,332,606</u>
Net Change in Measure O Funds	73,310
Available Measure O Funds, Beginning	<u>144,091</u>
Available Measure O Funds, Ending	<u><u>\$ 217,401</u></u>

The District received the Measure O Parcel tax funds in October 2018. During fiscal year 2018-19, funds were used as follow:

Permanent Salaries - The District transferred a total of \$1,200,312 from the Measure O Fund to the General Fund through a County Interfund transfer to cover Permanent Salaries through December 31, 2018. Detail of salaries paid through Measure O Fund resources were as follow:

Permanent Salaries Paid through General Fund:	
July 2018	\$ 198,201
August 2018	197,909
September 2018	198,045
October 2018	207,619
November 2018	200,919
December 2018	<u>197,619</u>
	<u>\$ 1,200,312</u>

Unfunded Actuarial Accrued Liability Payments - The District transferred a total of \$1,122,560 from the Measure O Fund to the General Fund through a County Interfund transfer to cover 8 installments of the District's Unfunded Actuarial Accrued Liability to Contra Costa County Employee's Retirement Association. Detail of payments made using Measure O Fund resources were as follow:

Unfunded Actuarial Accrued Liability Paid through General Fund:	
November 2018	\$ 140,320
December 2018	140,320
January 2019	140,320
February 2019	140,320
March 2019	140,320
April 2019	140,320
May 2019	140,320
June 2019	<u>140,320</u>
	<u>\$ 1,122,560</u>

County Collection Fees - Contra Costa County assesses fees to levy assessments and taxes. Charges for the Measure O Levy totaled \$9,734, which was paid using Measure O Fund resources.

2. We traced the proceeds of the Measure O tax and reviewed the expenditures made by using those proceeds, as listed in aforementioned schedules, in accordance with Ordinance 2016-1 Section 4 and California Health and Safety Code section 13800 et seq regarding use of tax proceeds.

FINDINGS:

Proceeds of taxes as listed in the schedule presented by the District's management were paid into the District's Measure O Special Revenue Fund and had been used by the District, in compliance with Ordinance 2016-1 Section 4 and California Health and Safety Code section 13800 et seq, with no exceptions.

This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's Measure O - Special Tax revenues received and expenditures made by the District for the fiscal year ended June 30, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the District's management and is not intended to be and should not be used by anyone other than these specified parties.

Harshwal & Company LLP

Oakland, California
January 30, 2020

EXHIBIT B



MEASURE O ANNUAL FIRE CHIEF REPORT

FISCAL YEAR 2018 - 2019

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The Fire Chief, or his designee, including but not limited to the District's chief fiscal officer, shall file an annual report with the Board. The annual report shall at a minimum, report upon the following: (a) The amount of tax proceeds collected and expended; and (b) The status of any project required or authorized to be funded in accordance with this section.

Measure O

History

In November 2016, the residents of Rodeo and Hercules voted overwhelmingly to pass Measure O, an annual parcel tax of \$216.00 (this amount may increase annually by the lesser of 3% or the CPI in the San Francisco-Oakland-San Jose Area by a vote of the Board of Directors). This funding replaced the expiring Federal SAFER Grant, allowing the District to continue to employ firefighters hired with grant funds, and keep both fire stations opened and fully staffed.

Senior Exemptions

Seniors who are 65 or older are eligible for an exemption to the parcel Tax. Seniors must reside in the property for which they are claiming an exemption, and they must fill out an exemption form on an annual basis, and turn it into the Parcel Tax Administrator by the deadline of January 31 of each year. All complete and eligible exemptions that were received by January 31 were submitted to the County for exclusion on the tax roll.

SENIOR EXEMPTIONS

Fiscal Year	# of Exemptions Received	Per Parcel Charge	Total
17/18	231	\$216.00	\$49,896
18/19	345	\$216.00	\$74,520
19/20	326	\$222.00	\$72,372
20/21	497	\$222.00	\$110,334

Financial Highlights

A total of 345 Senior Exemptions were received (an increase of 114 exemptions), amounting to a reduction in Measure O revenue of \$74,520.00. Measure O funds were used for Permanent Salaries and the CCCERA Unfunded Actuarial Accrued Liability Payments.

Looking Ahead

Beginning in the 2020/21 budget cycle a separate budget category will be created within the budget narrative detailing all revenues and expenditures related to Measure O.

Bryan Craig
Fire Chief
April __, 2020

The proceeds of the special tax funding replacement measure imposed by this Ordinance shall be placed in a special account or fund to be used solely for any lawful purpose permissible to Fire Districts pursuant to California Health and Safety Code §13800 et seq., including but not limited to enhancing the level of fire prevention, emergency fire protection and paramedic response services through increasing staffing levels to operate and maintain the District's fire stations, maintaining and when necessary replacing fire protection and lifesaving equipment and apparatus to optimal levels of function and performance, and to fund capital improvements.

Financial Summary

Measure O Revenues received were \$2,405,916, and total expenditures were \$2,332,606, leaving a fund balance of \$217,401.

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Detailed Measure O expenditure information is provided in the Independent Accountant's Report, a copy of which is attached to this Annual Report.