



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

MEASURE O OVERSIGHT COMMITTEE MEETING
September 16, 2020

3:00 p.m.

VIA TELECONFERENCE ONLY

CORONA VIRUS (COVID-19) ADVISORY INFORMATION

To slow the spread of COVID-19, the Health Officer's Shelter Order of March 16, 2020 prevents public gatherings. In lieu of a public gathering, the Board of Directors meeting will be accessible via teleconference to all members of the public as permitted by the Governor's Executive Order 29-20.

This meeting is being held in accordance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020 to allow attendance by members of the Rodeo Hercules Fire Protection District Board of Directors by teleconference, videoconference, or both.

If you would like to watch the meeting, or speak on an agenda item, you can access the meeting remotely: Join from a PC, Mac, iPad, iPhone, or Android device: Please use this URL:

<https://us02web.zoom.us/j/87425537268?pwd=ZWIKUWJ5WHNxZjBHaFFwMlISUzdDUT09>

Meeting ID: 874 2553 7268

Password: 107128

If you do not wish for your name to appear on the screen, then use the drop-down menu and click on "rename" to rename yourself to be anonymous.

Or join by phone:

*67 1-669-900-9128

Enter Meeting ID: 869 2246 5209

If you want to comment during the public comment portion of the agenda, Press *9 and we will select you from the meeting queue.

NOTE: Your phone number will appear on the screen unless you first dial *67 before dialing the numbers as shown above."

Alternatively, you may submit comments prior to the meeting, via email, to corcoran@rhfd.org, and they will be read by the Board Clerk during the meeting at the appropriate time and will remain limited to 3 minutes.

If any member of the public wishes to speak on any item on the agenda, please complete a speaker card and submit it to the Clerk of the Board. The Rodeo Hercules Fire Protection District (“District”), in complying with the Americans with Disabilities Act (“ADA”), requests individuals who require special accommodations to access, attend, and/or participate in District Board meetings due to a disability, to please contact the District Chief’s office at (510) 799-4561, at least one business day before the scheduled District Board meeting to ensure that the District may assist you.

1. CALL TO ORDER/ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. CONFIRMATION OF AGENDA
4. APPROVAL OF PRIOR MEETING MINUTES
5. PUBLIC COMMUNICATIONS

Public comment on any item of interest to the public that is within the Board’s jurisdiction will be heard. The Board may limit comments to no more than 3 minutes per speaker. Public comment will also be allowed on each specific agenda item prior to Board action thereon.

6. DISCUSSION OF OUTREACH WITH POSSIBLE ACTION ITEMS
7. DISCUSSION AND POSSIBLE ACTION ITEM: MEASURE O REPORT FOR FY 18-19
8. REVIEW FISCAL YEAR 20-21 ADOPTED BUDGET
9. REQUEST FOR FUTURE AGENDA ITEMS
10. ADJOURNMENT

I hereby certify that this agenda in its entirety was posted on June 11, 2020 at the Hercules Fire Station, 1680 Refugio Valley Road, Hercules, CA, the Rodeo Fire Station, 326 Third Street, Rodeo, CA, on the District’s website at www.rhfd.org and telecopied to the West County Times.

Kimberly Corcoran, Board Clerk

Any writings or documents provided to a majority of the Board of Directors regarding any item on this Agenda are available during normal business hours for public inspection in the District offices, located at 1680 Refugio Valley Road, Hercules, CA 94547.



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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

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EXHIBIT A

RODEO - HERCULES FIRE PROTECTION DISTRICT
HERCULES, CALIFORNIA

MEASURE O REPORT

JUNE 30, 2019

RODEO - HERCULES FIRE PROTECTION DISTRICT
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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

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

Report on Financial Statements

We have performed the procedures enumerated below, which were agreed to by the Rodeo - Hercules Fire Protection District' 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

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EXHIBIT B



MEASURE O ANNUAL FIRE CHIEF REPORT

FISCAL YEAR 2018 - 2019

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Measure O

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.

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.

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, a copy of which is attached to this Annual Report.

RODEO-HERCULES FIRE PROTECTION DISTRICT

FISCAL YEAR
2020-2021 BUDGET



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

It is the mission of this organization to provide the highest level of service to the community; to mitigate the devastating effects of fires and other disasters; to deliver emergency medical services; to 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

Andrew Gabriel (Board Chair)

Steve Hill (Vice Chair)

Damon Covington

William Prather

Marc Thorpe

Fire Chief

Bryan Craig

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

August 12, 2020

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

Members of the Board:

I am pleased to present the Fiscal Year 2020-21 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 reach fiscal stability and to provide a Budget with complete financial transparency. This fiscal year's financial roadmap was developed with input from staff, the Fire District's financial advisor (MRG), and the Board's Budget Ad-Hoc Subcommittee.

The Fire District has faced many challenges but none as challenging as the current pandemic, resulting in an economic downturn and the uncertainties it brings. Using the information provided by our financial consulting team, the staff has compiled a budget that is conservative, while also meeting the operational needs of the Fire District. Using accounting principles outlined in the 2016 Fiscal Analysis and Stabilization report as the framework, a full budget narrative, with supporting documentation, projected revenues, expenditures, and operations are all demonstrated in this document.

Although the Fire District has achieved a more stable footing than in prior years, future uncertainties will dictate the ability to stay on that footing. The Fire District continues to bolster its financial stabilization fund to mitigate unplanned fiscal impacts. As always, the Fire District will continue to be diligent in its fiscal responsibilities to the public. The Fire District is continually seeking ways to streamline operations and reduce costs. Looking for other sources of revenue streams is extremely important to overcome the Fire District's financial constraints. Exploratory revenue options are continually sought to firm up the Fire District's finances.

I am pleased to report that with the efforts and dedication of this Board, the Budget for FY 2020-21 is balanced. The Fire District is currently maintaining both of its fire stations at full staffing.

The budget does not contain any unnecessary increases in expenditures for personnel costs (other than MOU benefit cost increases and scheduled merit increases¹), any capital expenditures other than those required to maintain the facilities, and necessary operational

¹ The current MOU between the District and represented employees will expire on June 30, 2021

and support activities. The budget does, however, reflect expenditure increases in a variety of categories primarily due to deferred maintenance and an increase in insurance costs.

We estimate the beginning fund balance for 20-21² for all funds to be \$4,050,696, and a projected ending fund balance for the fiscal year 2020-21 of \$4,790,747. Allocations of General Fund reserves offset unforeseen expenses during the fiscal year. We expect the revenue and expenditures projections used are achievable and take into consideration unpredictable variables.

This budget will enable the Fire District to maintain high-quality fire and emergency response while continuing to place a top priority on the health and safety of the public and our personnel. We believe the budget represents our continued stride forward and to maintain a constant professional level of service to everyone we serve and protect.

I would again like to thank the Board for their continued support, direction, and dedication to public safety.

In continued and dedicated service,

Bryan Craig
Fire Chief

² This is an unaudited estimate that will be finalized during the annual audit

B. 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 four separate funds. They are the General Fund, Measure O Fund, Capital Fund, and the Fire Facilities Fees 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; 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 authority. Except in prescribed emergencies, no expenditure of funds shall be authorized unless enough funds have been appropriated by the Board of Directors as set forth 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 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 as well. The Fire District's Budget is adopted on a basis consistent with the Governmental Accounting Standards Board method (GASB).

Budget Goals for Fiscal Year 2020-21:

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, adding financial stability to the Fire District. This stability will allow the Fire District to make contributions to its Capital and financial stabilization fund. In preparing the Budget, Fire District staff has developed a budget that recognizes the Fire District's current obligations and provides accurate information on the fiscal realities and the global economic impacts faced by the Fire District. The Fire District will continue its efforts to secure additional revenue sources to stabilize its financial future.

Projected Revenues:

The FY 2020-21 budget projects total revenue of \$8,685,001; an increase of 1.8% from the prior year budget. This revenue projection is based on the following assumptions: \$4,156,303 in Property Tax revenues, \$2,500,704 in Measure O revenue, 1,347,041 in Benefit Assessment revenue, \$580,953 in Intergovernmental Revenue, and \$100,000 in Developer Impact Fees.

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 anticipate some reductions in the potential total Measure O revenues due to the provision for senior exemptions. The initial revenue projections indicate approximately \$2.5 million generated for FY 2020-21. With deductions of the qualified senior exemptions, that amount is reduced by \$113,544.

Fiscal Year 2020-21 Projected Expenditures

Budget expenditures include full staffing for two stations. Full staffing compliment for FY 2020-21 includes:

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

A fulltime staffing configuration has reduced the Fire District's overtime costs while providing permanent employees to staff the two-station configuration.

The budget includes the following assumptions and significant items:

- Known contract costs: Represented personnel MOU expires on June 30, 2021 (See Appendix A- Employee Compensation Calculations).
- Increases in medical benefits costs for current and retired employees. (\$15,799).
- Budgeting apparatus lease costs in the General Fund (\$293,623).
- Deferred maintenance of equipment and fixed assets.
- Purchase of replacement apparatus and emergency equipment.

C. Fire District Financial Position

The FY 2020-21 Budget is a balanced budget based on current and predicted revenue and expenditure projections.

The Fire District still struggles with significant revenue reductions imposed by outside influences; including State reductions in subventions and sequestration of property tax through the dissolution of redevelopment agencies. Fortunately, Fire District voters supported and approved a stable revenue source through Measure O in November 2016. This replacement revenue source will continue to be a stabilizing factor in the Fire District for the foreseeable future.

During the economic downturn of 2012-2016, the Fire District was forced to reduce its services significantly and used virtually its entire financial stabilization fund. As indicated within this document, the Board has declared its

intent to rebuild a stabilization fund for the Fire District whenever possible to assure stable service provision in the event of an unexpected circumstance.

Fire District Financial Issues and Revenue Opportunities

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, establishment of an industry-standard budgeting and accounting system have streamlined processes and build a budget based on actual revenue and expenses.

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, the current pandemic, or result from past economic conditions outside the control of the Board.

These issues include the following:

- Property development within the dissolved Hercules Redevelopment is excluded from allocating the full ad-valorem property tax 'pass through' funds to the Fire District.
- 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.
- Contra Costa County Employees' Retirement Agency (CCCERA) retirement system costs for both the ongoing payments for current employees and the unfunded liabilities (UAAL) incurred for the pensions for current and retired employees. These two costs total \$2,139,704, which represents 32% of the projected FY 2020-21 personnel costs for the Fire District's 23 employees.
- Although the Fire District's represented personnel contribute 3.75% of their base salary toward the Fire District's Other Post Employee Benefits (OPEB), the ongoing and accruing unfunded liability for the Fire District's retiree medical program has and will continue to rise as medical insurance costs increase over time. The Fire District is currently not contributing to the Annual Required Contribution (ARC). If the Fire District does not set aside additional funds for this benefit program, the unfunded liability will increase significantly over time. Current Government Accounting Standards Board (GASB) accounting principles require the Fire District to clearly state the unfunded portion of both its retirement and OPEB programs (*See Section III. Statement of Unfunded Liabilities: CCCERA UAAL and OPEB UAAL for details*).
- The Fire District currently operates in its inventory four specialty frontline apparatus and one older apparatus that serves in reserve. The frontline apparatus have an estimated current replacement value of \$5,770,000. The Fire District has implemented a fleet surveying process to forecast its fleet replacement needs. A portion of the Fire District's aging apparatus inventory is addressed within this budget cycle with the purchase of a Type 1 Pumper and a 100-foot Ladder Truck. Replacement of apparatus when it reaches the end of serviceable life represents a significant cost for the Fire

District (see *Section IX. Apparatus Replacement Appendix C* for depreciation schedules and a recommended approach for the replacement of frontline apparatus).

Recommendation

- Continue to monitor and schedule apparatus replacement as needed. Direct staff to pursue alternate funding sources to assist in apparatus replacement.

Revenue Opportunities for Board Consideration

- **Business Inspection Program:** The Fire District currently inspects all businesses, schools, churches, and apartment buildings within the Fire District. Traditionally, the Fire District has not charged for this service unless a business has consistent code violations. Due to the increase in the requirements set forth by the State of California, and the implementation of a new inspection program generated by these requirements, the Fire District will be seeking allowable relief from the State of California.
- **Cost Recovery for Emergency Medical First Responder Service:** The Fire District's current Medical First Responder Fee is only applied to individuals living outside of the Fire District. As other surrounding Fire Districts are modifying this to include all individuals, this option should be considered by the Board.
- **Grants:** The Fire District was successful in receiving several grants within the 2019/20 fiscal year totaling \$35,695. The largest of these grants was awarded from Phillips Refinery for the purchase of Large Diameter Hose. The Fire District is currently waiting for the announcement of award recipients from the Assistance for Firefighter Grants for LUCUS Devices. LUCUS Device is an automated compression device used during Cardiopulmonary Resuscitation.

D. Fire District Budget Control Reporting and Reserve Policies

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

III. 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) which 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 below.

The Contra Costa County Employees' Retirement Association (CCCERA) retirement program is governed by an independent Board of Directors. The CCCERA program mandates that participating employers pay into the fund for both the normal and UAAL costs on an annual basis. CCCERA utilizes regularly scheduled actuarial studies to ensure funding requirements are met and that the benefits are available to retirees when due. The normal and

UAAL rates fluctuate based on numerous factors, including the return on investments for recent years, changes in assumptions regarding future return on investments, changes in assumptions regarding program participants' longevity, and other factors.

The Fire District's CCCERA contribution rates in FY 2020-21 for the normal costs will be 20.2% of payroll for "Legacy" employees and 16.98% for California Public Employees' Pension Reform Act employees (PEPRA³). The UAAL payment for FY 2020-21 is \$1,639,704.

The Fire District's current overall unfunded liability for the CCCERA retirement system is \$11,693,174. Appendix B contains background information on the Fire District's CCCERA retirement program cost calculations for both the normal and the UAAL costs.

The Fire District's Other Post Employment Benefit (OPEB) Program funds retiree medical insurance. The Fire District currently 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 2020-21, \$373,170, is budgeted for this program. This includes matching funds of 3.75% of permanent salaries from represented employees to go towards the California Employers' Retiree Benefit Trust (CERBT). 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 in large part from investment earnings provided by CalPERS.

The Fire District is not currently paying the UAAL portion of the OPEB program. The total liability of that unaddressed obligation is estimated in the Fire District's most recent actuarial study is \$3,746,465. The actuarial study estimated that the Fire District will have set aside \$1,688,993 to fund the UAAL, which leaves an unfunded portion of \$3,697,183. The study indicated as of the end of FY 2017-18, the Fire District's UAAL was funded at a 17.0% level.

The study further estimates that the Fire District would be required to pay an additional \$3,746,465 per year if it were to address the full Net OPEB liability. (*See Appendix B for details.*)

IV. BUDGET POLICIES

The following Budget policies were adopted by the Board of Directors during the FY 2017/2018 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.

³ PEPRA employees are employees that are hired on or after January 1, 2013, and receive pension benefits following the California Public Employees' Pension Reform Act

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

Unassigned Fund Balance

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.

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.

Committed Fund Balance

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.

Restricted Fund Balance

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 purpose of this 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. Based on this standard and the FY 2020-21 budget, the Unassigned Fund Balance goal would be approximately three million dollars.

It is recommended that the Board establish the goal of having funds for four months of operations in this Unassigned Fund Balance. The Board should designate funds to be allocated for this purpose as part of its annual Budget process.

General Fund Committed Fund Balance—the purpose of this reserve is to provide the Fire District with the opportunity to address growing unfunded liabilities in employee retirement benefits. If funds are accumulated by the Fire District in this account, they will only be used to retire the obligations for the retirement and other post-retirement benefits (medical insurance) costs the Fire District currently provides. Using funds to 'prepay' these obligations will provide significant cost savings for the Fire District over the life of the obligations.

It is recommended that the Board strive to set aside funds to address the UAAL associated with the OPEB program.

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. Fire apparatus, equipment, and buildings are examples.

Apparatus represents a substantial Fire District funding obligation. These are high-cost apparatus that typically have an extended life of 7- 20 years. The Fire District currently has no designated reserve funds for the purchase of apparatus and is now relying on lease-purchase agreements.

It is recommended that the Board create, through action, an Apparatus Replacement Reserve and commit to an annual contribution to the Apparatus Replacement Reserve. This designating funding for apparatus could be held within the Local Agency Investment Fund (LAIF) account.

Capital Facilities (buildings and facilities) maintenance is a second 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 not include a capital replacement reserve, but the Board may want to consider a reserve for this purpose in the future.

Replacement of Fire District equipment is a third major Fire District obligation. The Fire District owns hundreds of 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. The budget does not include an equipment replacement reserve, but the Board may want to consider a reserve for this purpose in the future.

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 obligations. The Board will conduct its review based on the Staff's Third Quarter Financial review, which will include the estimated year-end fund balances in all the Fire District's reserves.

B. Critical Funding Areas Policy

Critical Funding Areas are those costs that represent obligations the Fire District has incurred and future expenditures that may have a significant impact on the Fire District's future Budgets.

These areas include:

- Retiree OPEB Obligations
- Retiree Pension UAAL Obligations
- Apparatus Replacement Obligations
- Capital Facilities Obligations
- Equipment Replacement Obligations
- General Fund Unassigned Fund Balance

The Fire District is currently addressing the Retiree UAAL obligations on an ongoing basis.

C. Fire District Financial Reporting Policy and Practices

The Fire District has an accounting software program that will permit detailed revenue and expenditure reporting on an ongoing basis. The system is updated on a regular basis, and reports are generated and

circulated to staff for review and budget management purposes. The Board receives monthly copies of these materials for review at the regular Board meetings.

In addition to this level of reporting, Fire District staff presents quarterly financial updates to the Board at its regularly scheduled meetings. The quarterly report will provide the following information:

- Revenues to date by category, budgeted amount, amount remaining and percentage received—by line item, in conformance with the Fire District's Chart of Accounts;
- Expenditures to date, budgeted amount, amount remaining and percentage used—by line item in conformance with the Fire District's Chart of Accounts;
- A description of any unusual or unanticipated expenditures with the reason for the expenditure and the impact of the expenditure on the Adopted Budget;
- A description of any unanticipated financial situations or issues, upcoming major financial expenditures or issues affecting the Fire District.

D. Fire District Budget Activity Management, Monitoring and Review Program, and Policy

The goal of this program is to normalize the organization's management of available resources and to ensure adequate controls on Fire District expenditures. This Policy is designed to designate staff assignments for responsibly in managing the Fire District's Budget. This Policy will assure expenses and revenues are frequently monitored and regulated by the Fire District.

The Fire District staff will monitor the agency's revenue and expenditures on an ongoing basis throughout the fiscal year. This monitoring program will ensure the Staff, Board, and the public will receive timely and accurate reporting on the Fire District's financial position, as described in the Fire District's Financial Reporting Policy.

The monitoring program has been divided into several categories to assist the staff in managing the budget throughout the year. They are based on the need for frequency of review and confirmation of the accuracy of the expenditures.

Revenues will be tracked and recorded as received and extraordinary revenue booked as received.

Budget monitoring activities include:

Actively managed activity accounts which are reviewed on a frequent basis by the Fire Chief and Administrative Staff to ensure accurate data input and a thorough review of the activity. The year-to-date and budget-to-actual expenditures will be reviewed to ensure conformance with the approved budget. Any inconsistencies will be addressed.

Managed by staff accounts are created by and managed/monitored by line staff—generally, Fire Captains who are responsible for the development of the fiscal year expenditure programs. These identified areas are ten key programs that involve significant expenditures in areas that can potentially exceed the line item programs significantly. Apparatus and equipment repairs and maintenance are examples of these program areas. The assigned staff will ensure the charges are allocated correctly, are needed, and that the budgeted amount for the program will not be exceeded during the fiscal year.

Periodically managed activity accounts are reviewed by administrative staff on a regular basis and are generally infrequent and lower cost items.

Monitored/not managed items are reviewed by administrative staff on a regular basis and are normalized monthly expenditures (leases, rent, and contract agreements) and are lower cost expenditures.

RODEO HERCULES FIRE DISTRICT				
BUDGET ACTIVITY MANAGEMENT/MONITORING/REVIEW CATEGORIES				
ACCOUNT	ACTIVITY DESCRIPTION	BUDGET MANAGEMENT CLASSIFICATION	RESPONSIBLE PARTY	
1001	Holiday Pay	1. Actively Managed	Chief/Staff	
1011	Permanent Salaries	1. Actively Managed	Chief/Staff	
1013	Drill/Temporary Salaries	1. Actively Managed	Chief/Staff	
1014	Overtime	1. Actively Managed	Chief/Staff	
1015	Deferred Compensation	1. Actively Managed	Chief/Staff	
1042	FICA	1. Actively Managed	Chief/Staff	
1044	Retirement	1. Actively Managed	Chief/Staff	
1060	Group Insurance	1. Actively Managed	Chief/Staff	
1061	Group Insurance--Retiree/ARC	1. Actively Managed	Chief/Staff	
1063	Unemployment	1. Actively Managed	Chief/Staff	
1070	Workers Compensation Insurance	3. Periodically Managed	Administrative Staff	
2100	Office Expenses	3. Periodically Managed	Administrative Staff	
2102	Books/Periodicals/Subscriptions	3. Periodically Managed	Administrative Staff	
2110	Communications	3. Periodically Managed	Administrative Staff	
2120	Utilities	3. Periodically Managed	Administrative Staff	
2130	Small Tools & Equipment	2. Managed by Staff	Captains/Program Managers	
2140	Medical Supplies	2. Managed by Staff	Captains/Program Managers	
2150	Food	4. Monitored/Not Managed	Administrative Staff	
2160	Clothing & Personal Supplies	4. Monitored/Not Managed	Administrative Staff	
2170	Household Expenses	2. Managed by Staff	Captains/Program Managers	
2190	Publications & Legal Notices	4. Monitored/Not Managed	Administrative Staff	
2200	Memberships	4. Monitored/Not Managed	Administrative Staff	
2250	Rents & Leases-Equipment	4. Monitored/Not Managed	Administrative Staff	
2270	Repair & Service Equipment	3. Periodically Managed	Administrative Staff	
2271	Vehicle Repair Services	2. Managed by Staff	Captains/Program Managers	
2272	Gas & Oil Supplies	2. Managed by Staff	Captains/Program Managers	
2273	Vehicle Maintenance--Tires	2. Managed by Staff	Captains/Program Managers	
2276	Maintenance-Radio/Electronic Equip	2. Managed by Staff	Captains/Program Managers	
2281	Maintenance-Bldg & Grounds	2. Managed by Staff	Captains/Program Managers	
2303	Employee Travel Expenses	4. Monitored/Not Managed	Administrative Staff	
2310	Professional/Specialized Services	1. Actively Managed	Chief/Staff	
2315	Data Processing Services	4. Monitored/Not Managed	Administrative Staff	
2316	Data Processing Supplies	4. Monitored/Not Managed	Administrative Staff	
2326	Information Security	4. Monitored/Not Managed	Administrative Staff	
2360	Insurance	4. Monitored/Not Managed	Administrative Staff	
2474	Firefighting Supplies	2. Managed by Staff	Captains/Program Managers	
2476	Recreation/Physical Fitness Equipment	2. Managed by Staff	Captains/Program Managers	
2477	Educational Supplies & Courses	3. Periodically Managed	Administrative Staff	
2479	Other Sp. Departmental Expenses	3. Periodically Managed	Administrative Staff	
3520	Interest on Notes & Warrants	4. Monitored/Not Managed	Administrative Staff	
3530	Taxes & Assessments	4. Monitored/Not Managed	Administrative Staff	
ACTIVITY DESCRIPTIONS:				
1.	Actively Managed	Actively Managed Activity Accounts are reviewed on a frequent basis by Chief administrative staff to insure accurate data input and thorough review of the activity		
2.	Managed by Staff	Managed by Staff Activity Accounts are created by and managed/monitored by generally captains who are responsible for development of the fiscal year program and managing the expenses to insure they are appropriate, charged correctly and do not exceed the budgeted amounts.		
3.	Periodically Managed	Periodically Managed Activity Accounts are reviewed by Administrative Staff on a on a regular basis and are normally infrequent and low cost items		
4.	Monitored/not Managed	Monitored/Not Managed Activity Accounts are reviewed by Administrative staff on on a periodic basis these are infrequent, lower cost or normalized expenditures		

V. 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 source of that category 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 eliminated the pass-through. The State's requirement that property tax collected in the former Hercules redevelopment project areas cannot be distributed to qualified agency recipients until the Recognized Obligation Payments have been completed. These payments are forecasted for completion in the year 2025.

Other revenue sources are generated through voter-approved special taxes, which include two long-standing fire district benefit assessments and the 2016 Measure O parcel tax that became effective on July 1, 2017. This particular revenue source will supplant the historic loss of property taxes and the 2014 Benefit Assessment.

Property taxes, the Benefit Assessment, and Measure O equal 91% percent of the revenues received annually, Miscellaneous/other revenues equal 9% of total revenue:

• Property taxes	\$4,156,303	46%
• Benefit Assessment	\$1,347,041	16%
• Measure O	\$2,500,704	29%
• Miscellaneous other	\$ 580,953	<u>9%</u>
		100%

Property tax and Fire District Benefit Assessment revenues have been in place since the Fire District incorporated, and the Measure O funding was approved by the voters in 2016. These three sources of revenue will provide a stable long-term revenue stream for the Fire District. While the Fire District Benefit Assessment and Measure O revenues are based on set annual amounts, the property tax is "ad valorem" based revenue. The annual revenue from property tax varies year to year, depending on the general economic conditions as they affect property values.

Total proposed revenues for all funds in FY 2020-21 are \$8,685,001.

RODEO HERCULES FIRE PROTECTION DISTRICT
FISCAL YEAR 2020-21
Revenues For All Funds

DESCRIPTION	GL CODE	ACTUAL FY18-19	PROJECTED ACTUALS BUDGET FY 2019-20	BUDGET FY 2020-21
Prop. Taxes-Current secured	9010	3,878,166	4,088,621	3,878,166
Prop. Tax-Supplemental	9011	113,695	105,584	105,584
Prop. Tax-Unitary	9013	76,268	73,093	74,884
Prop. Tax-Current Unsecured	9020	127,499	125,937	112,167
Prop Tax-Prior-Secured	9030	(5,850)	(7,262)	(8,569)
Prop Tax-Prior-Supplemental	9031	(4,492)	(4,462)	(4,981)
Prop Tax-Prior-Unsecured	9035	3,247	(3,900)	(948)
TOTAL PROPERTY TAXES		4,188,533	4,377,612	4,156,304
Benefit District	9066	1,352,535	1,347,040	1,347,040
TOTAL BENEFIT DISTRICT		1,352,535	1,347,040	1,347,040
H/O Prop Tax Relief	9385	29,956	29,956	29,956
Other In Lieu Taxes	9580	-	192	-
RDA NonProp-Tax Pass Thru	9591	466,141	525,570	375,000
Earnings on Investments	9181		12,296	12,296
Misc. Government Revenue	9595	59,812	-	-
Fire Prevention Plan Review	9741	98,825	72,448	55,000
Measure H EMS	9895	85,593	85,592	85,592
Miscellaneous other Revenue	9980	43,109	23,109	23,109
			-	
TOTAL INTERGOVERNMENTAL		783,435	749,162	580,953
Measure "O"	9066	2,405,916	2,475,105	2,500,704
Grant Funds	9980	-	-	-
Development Impact Fee	9980	203,061	106,852	100,000
TOTAL OTHER REVENUE		2,608,977	2,581,957	2,600,704
TOTAL PROJECTED FY2020-21 REVENUE		8,933,481	9,055,771	8,685,001

2020-21 ESTIMATED REVENUE

RODEO HERCULES FIRE PROTECTION DISTRICT
FISCAL YEAR 2020-2021 REVENUE BUDGET (MEASURE "O")

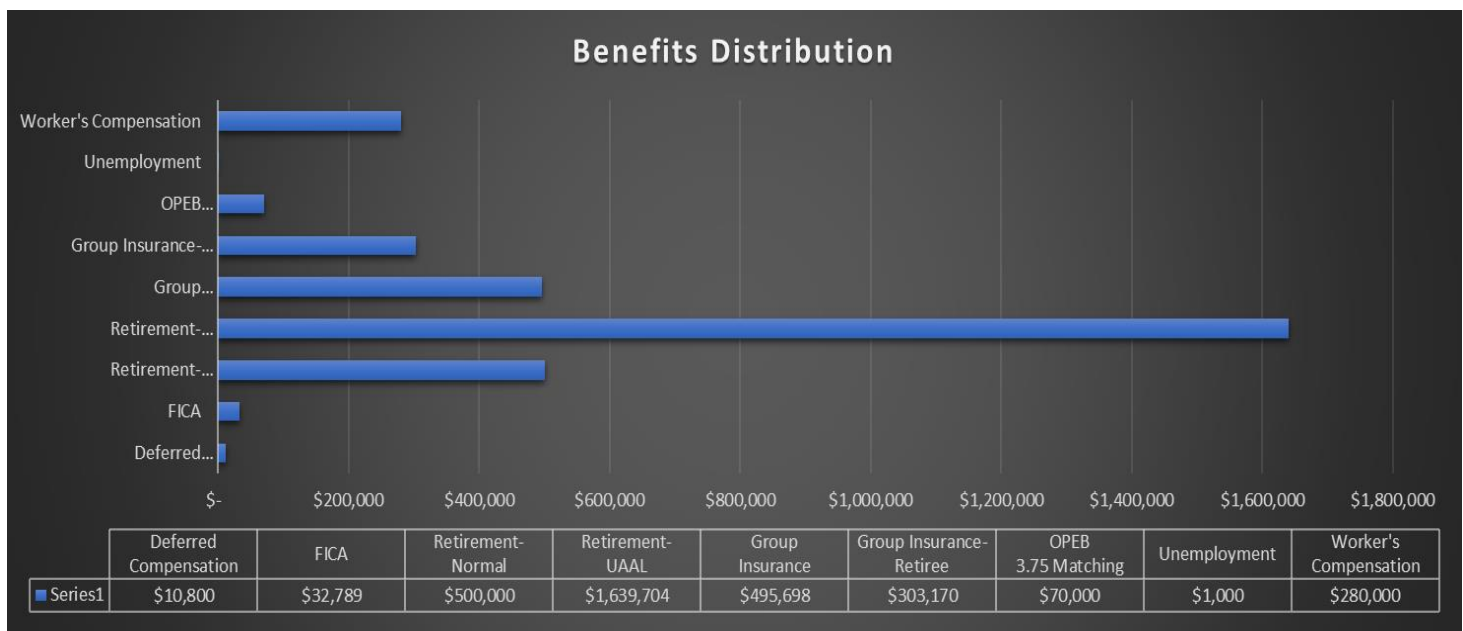
DESCRIPTION	GL CODE	ADOPTED BUDGET FY2018-19	AUDITED ACTUAL FY2018-19	ADOPTED BUDGET FY 2019-20	ESTIMATED* ACTUAL 6/30/2020	PROPOSED BUDGET FOR FY2020-2021
Beginning Fund Balance			144,091		217,406	751,500
Revenue	9066	2,352,672	2,405,916	2,472,636	2,475,105	2,500,704
TOTAL REVENUE		2,352,672	2,550,007	2,472,636	2,692,511	3,252,204
Permanent Salaries	1001	1,200,307	1,200,307			
Group Insurance Health Active Employees	1060			433,027	448,783	433,504
Group Insurance - Retiree	1061			299,825	304,325	303,170
Group Insurance-OPEB Matching Funds	1060			64,057	64,057	70,000
CCERA-UAAL payment	1044	1,122,560	1,122,560	1,113,976	1,113,976	1,639,704
County Collection Fee	3530		9,734	9,733	9,870	10,000
TOTAL EXPENDITURES		2,322,867	2,332,601	1,920,618	1,941,011	2,456,378
ENDING FUND BALANCE*			217,406		751,500	795,826

*Unaudited Estimates for 19-20 & 20-21



B. Fire District Expenditures

As discussed within this document, the Proposed Budget for FY 2020-21 is based on maintaining the Fire District's two station configuration, is fully staffed, and provides no increases in salaries or benefits. It 'holds the line' on expenses to the extent possible. The total projected expenditures for FY 2020-21 are \$7,944,950.



RODEO HERCULES FIRE PROTECTION DISTRICT

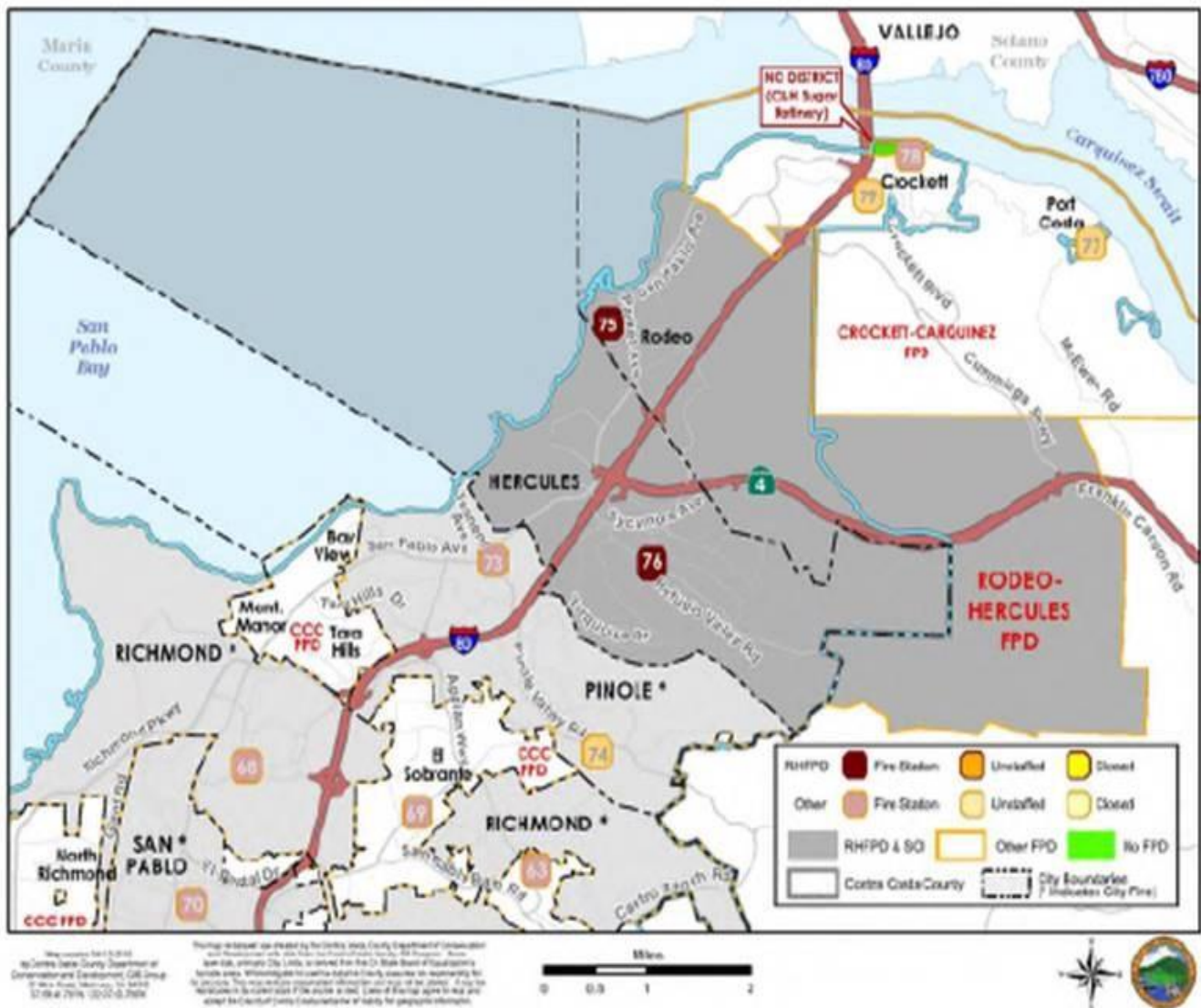
FISCAL YEAR 2020-2021 EXPENDITURES BUDGET (FOR ALL FUNDS)

DESCRIPTION	GL CODE	ADOPTED BUDGET FY2018-19	AUDITED ACTUAL FY2018-19	ADOPTED BUDGET FY 2019-20	ESTIMATED ACTUAL 6/30/2020	PROPOSED BUDGET FOR FY2020-2021
Holiday Pay	1001	149,923		148,122	151,400	161,988
Permanent Salaries	1011	2,360,955	2,319,933	2,304,940	2,300,000	2,491,807
Drill/Temporary Salaries	1013	500	46,691	54,960	42,504	54,960
Overtime	1014	376,200	513,698	385,320	672,429	457,320
FLSA	1014	48,725	-	48,140	51,738	55,464
Deferred Compensation	1015	10,800	10,800	10,800	10,800	10,800
FICA	1042	32,103	47,997	32,789	48,937	32,789
Retirement -Normal	1044	561,262		547,291	476,934	500,000
Retirement - UAAL	1044	1,683,840	2,152,307	1,670,964	1,670,964	1,639,704
Group Insurance **	1060	517,577	483,217	489,187	553,528	495,698
Group Insurance - Employer 3.75% ***	1060			64,057	64,057	70,000
Group Insurance - Retiree	1061	337,050	284,454	299,825	304,460	303,170
Unemployment	1063	1,000	0	1,000	124	1,000
Workers Compensation Insurance	1070	263,108	266,074	263,108	279,619	280,000
TOTAL SALARIES AND BENEFITS		6,343,043	6,125,170	6,320,503	6,627,493	6,554,700
Office Expenses	2100	16,945	16,638	31,495	24,049	28,490
Books/Periodicals/Subscriptions	2102	2,485	2,480	2,485	1,881	2,485
Communications	2110	180,915	195,620	179,355	173,324	206,223
Utlities	2120	28,823	24,292	28,823	32,496	34,823
Small Tools & Instruments	2130	1,400	1,399	1,400	540	1,400
New Vehicle Equipment	2130	-	-	-	-	-
Medical Supplies	2140	7,340	4,545	8,820	9,160	13,320
Food	2150	2,420	905	2,420	325	4,420
Clothing & Personal Supplies	2160	13,200	13,641	13,260	-	13,320
Household Expense	2170	6,000	7,800	6,500	6,692	5,500
Publications & Legal Notices	2190	1,180	1,292	1,180	1,622	1,300
Memberships	2200	4,204	3,951	4,204	5,799	5,349
Rents and Leases - Equipment	2250	8,640	6,811	8,640	6,046	8,385
Lease Payments - Vehicles	2250	80,401	80,401	80,401	80,401	293,623
Repairs & Service Equipment	2270	17,740	24,381	41,720	16,238	37,366
Central Garage Repairs	2271	72,820	65,829	80,000	71,782	80,000
Central Garage Gasoline/Oil	2272	10,000	4,401	10,100	3,930	8,600
Central Garage Tires	2273	12,500	5,113	14,000	11,773	14,000
Maintenance Radio - Electronic Equip	2276	27,300	31,581	21,156	22,734	30,010
Maintenance of Buildings	2281	18,864	18,009	43,350	13,602	123,350
Other Travel Expenses	2303	4,360	2,168	4,560	1,572	4,560
Professional/Specialized Services	2310	346,368	310,054	323,041	224,612	312,519
Data Processing Service	2315	192	955	960	777	960
Data Processing Supplies	2316	323	-	323	-	323
Information Security	2326	1,020	1,646	2,194	1,203	2,194
Insurance	2360	40,423	36,423.00	40,423	53,193	46,250
Fire Fighting Supplies	2474	4,180	12,006	58,405	9,364	65,815
Recreation/Physical Fitness Equipment	2476	700	2,949	1,000	-	1,000
Education Supplies & Courses	2477	17,220	13,864	17,245	2,860	17,245
Other Special Departmental Expenses	2479	1,940	12,923	3420	3,420	3,420
Interest on Notes & Warrants	3520	1,000	0	1000	1,000	1,000
Taxes & Assessments	3530	13,000	11,197.68	22,733	22,733	23,000
Total Service & Supplies Expenditures		943,903	913,276	1,054,613	803,128	1,390,250
TOTAL OPERATIONAL EXPENDITURES		7,286,946	7,038,446	7,375,116	7,430,621	7,944,950

C. Fire District Fund Balances

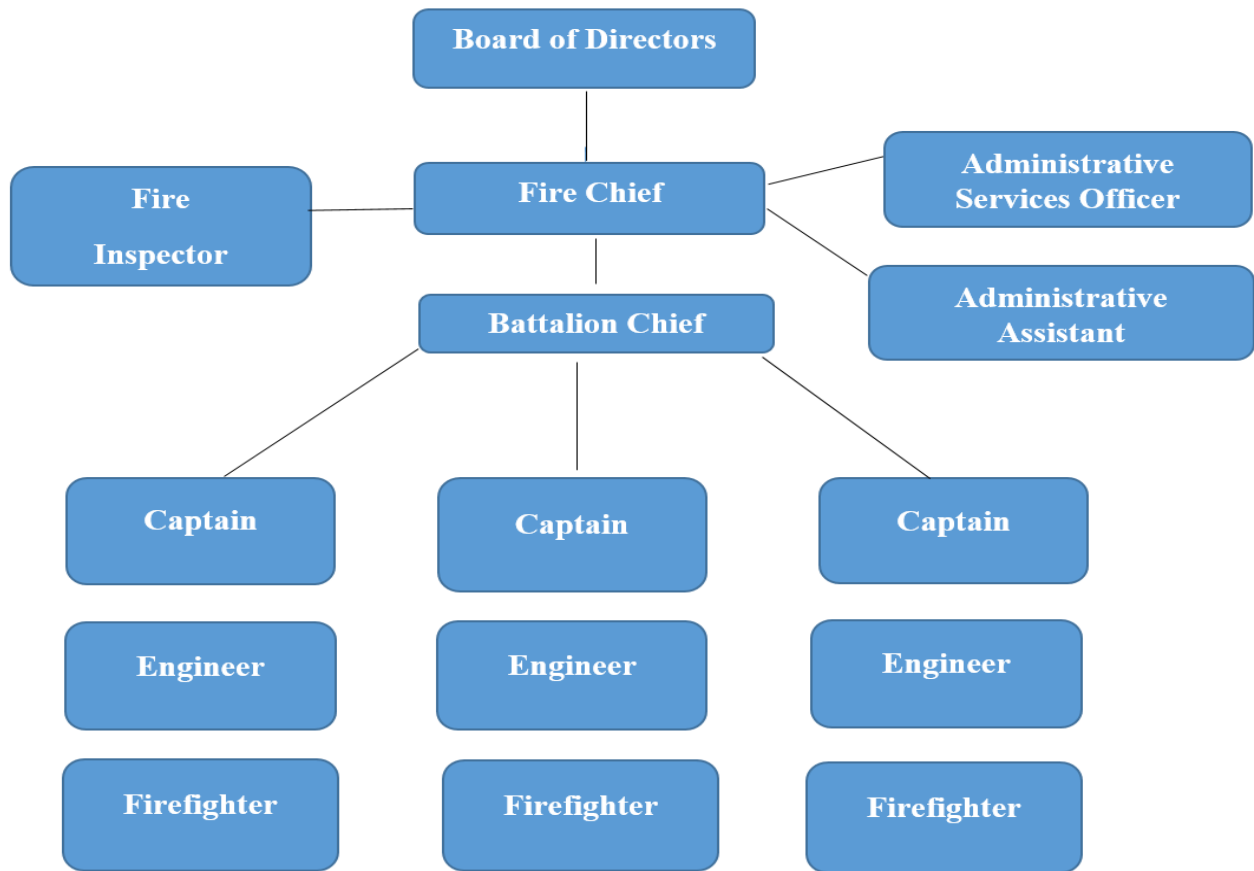
The FY 2020-21 Proposed Budget is balanced. The Fire District is projected to have a year-end fund balance of \$4,790,747⁴ as of June 30, 2021. Due to the Fire District’s conservative financial policy, the Fire District continues to contribute to its financial stabilization fund to meet the recommended \$3 million that is recommended to have in reserves (equal to four months of operating expenses). Staff supports transferring \$1,000,000.00 of these funds into the Local Agency Investment Fund account.

The Fire District's projected fund balances for the next five years are shown in *Appendix D: Five Year Revenue, Expenditures & Fund Balance Projections*.



⁴ This amount does not include the \$1,000,000 that was transferred to the LAIF in FY2019-20.

ORGANIZATIONAL CHART



VI. GENERAL FUND EXPENDITURES

The Proposed Budget expenditures assumes the Fire District is operating at full staffing. Two vacant positions were filled through recruitment during the 2019-20 fiscal year. The Fire District is currently at full staffing and anticipates a full staffing complement for 2020-21 fiscal year.

The ability to have achieved full staffing has reduced the Fire District's overtime costs significantly and provided permanent employees to staff the two-station configuration.

Some observations regarding the proposed expenditures:

- Approximately 83% of all expenditures are employee-related (salaries, benefits, retirement, etc.)

The items in the Professional Services Program are largely continuations of prior expenditures updated to reflect current costs. Several of the items are new or of note. The items of note include:

- *Contra Costa County Board of Elections:* The Fire District holds a staggered general election for Board Members that have reached the end of their term. Funds have been allocated within this year's budget for Board Elections scheduled for November 2020.

- *Target Solutions:* Target Solutions is a web-based training program that is used throughout Contra Costa County. This training platform allows all Battalion 7 cooperating agencies to receive the same training as their counterparts. With the addition of the "Check It" software upgrade, RHFD personnel will have the ability to properly track fleet assets maintenance and the Department of Motor Vehicle Apparatus Checks.
- *Streamline Automation Systems:* Streamline Automation System is a cloud-based business inspection software program. This program will assist the department in maintaining code compliance and record retention for inspected properties throughout the Fire Districts.

VII. FIRE OPERATIONS

Rodeo-Hercules Fire Protection District is an 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, a jointly operated Battalion with Pinole Fire Department and the Contra Costa County Fire Protection Fire District. Each participating entity provides a single Battalion Chief to ensure the consistent establishment of incident command, firefighter safety, and judicious resource management at emergencies. The Battalion also serves the outlying communities 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). Citizens of participating communities benefit from this sharing of resources and a regionalized approach. These extended responses have included the Contra Costa County Fire Protection Fire District, Crockett-Carquinez Fire Protection Fire District, Pinole Fire Department, Richmond Fire Department, El Cerrito Fire Department, Moraga/Orinda Fire Protection Fire District and Vallejo Fire Department.

The Fire District also participates in the California Fire Assistance Agreement for the State of California and Federal Fire Agencies. This agreement, which is managed by the Office of Emergency Services, has called upon RHFPD. to provide Mutual Aid resources throughout the State of California, Oregon, and Nevada.

Community Outreach*:

When not providing emergency services, the Engine Company crews participate in a variety of community outreach programs that include:

- Conducting Blood Pressure Screening for Rodeo and Hercules Senior Citizens
- Providing bicycle safety helmets to Fire District children through donations from the Rodeo Municipal Advisory Council;
- Conduct Fire Department Open House during fire prevention week, distributing bicycle helmets and personal flotation devices;
- Providing smoke detectors and carbon dioxide (CO₂) detectors to Fire District residents;

- Participating with local schools in Adopt-A-Class Programs;
- Participating in the Salvation Army food and toy drive collection;
- Participating in community parades and festivals;
- Participating in the Harvest Festival and Breakfast with Santa at St. Patrick's School;
- Participating in Read Across America;
- Participating in the Hercules Senior Center Pancake Breakfast;
- Participating in Career Day at the Hercules Teen Center;
- Participating in the Boy Scout 9/11 Ceremony;
- Participating in the Rodeo baseball parade, the Hercules Fourth of July Parade, Veterans Walk of Honor, Safety and Health Fairs, Hercules Kidsfest, Christmas Tree Lighting, and National Night Out.
- Providing Fire Extinguisher Training for both the community and local businesses.

Community Outreach Goals:

- Hosting of Neighborhood Emergency Response Teams (NERT) classes.
- Establishing a Citizen Advisory Panel for the Fire District.

*Community outreach may be challenging if not unattainable this year due to the pandemic and State stay at home orders.

Fire Prevention:

Engine companies conduct fire and life safety inspections of all schools and Businesses within the Fire District. Engine companies also conduct an inspection of public and private properties for hazardous and/or combustible fuels, unabated annual grasses, urban blight, and give notifications to abate said hazards.

In addition to the part time Fire Inspector, the Fire District also has an independent contractor to assist with inspection of residential care facilities, licensed childcare and adult care facilities, commercial tenant improvements, new construction, and construction plan review and specifications for compliance with local and state requirements, and regularly meet with developers and contractors.

Apparatus:

The Fire District operates a variety of Fire Apparatus including:

- One 75-foot Quint Ladder Truck
- One Type 1 Rescue Pumper
- Two Type 1 Engines
- Two Type 3 Wild Land Engines

The District expects to take delivery of the following apparatus in December 2020:

- One Type 1 Pumper
- One 100-foot Quint Ladder Truck

The fire apparatus is placed into category types identified in the Incident Command System as a means of organizing multiagency resources through the National Interagency Fire Center. The Fire District maintains a variety of fire apparatus and equipment in order to meet the public safety needs of our service area that includes major highways and streets, undeveloped wildland, developed urban residential and refinery/industrial areas.

Incident Calls—2019

Incident Type	Number of Calls		
	Station 75	Station 76	Total
Fire	65	40	105
EMS/Rescue	738	770	1,508
Hazardous Condition	21	25	46
Service Call	60	102	162
Good Intent	175	363	538
False Call	93	131	224
Other	3	0	3
TOTALS	1,155	1,431	2,547
*See Appendix E for Details			



VII. APPARATUS REPLACEMENT RESERVE

The Budget preparation process included an extensive review of the Fire District's apparatus fleet. The apparatus were categorized by age, use, and role in emergency response, and a replacement program was created. The Fire District's upcoming apparatus replacement will be funded by a line of credit and paying off that debt on the line of credit over a 15-year period.

A 20-year apparatus replacement schedule was created as the basis for the cost modeling used to calculate the costs of leasing apparatus s versus setting aside funds in an apparatus replacement reserve and acquiring the apparatus s with cash.

The Fire District has a current line of credit obligation that requires lease payments through FY 2021-22. The Fire District is replacing Engine 754 (Type I Spartan) and Engine 768 (Quint 76) in FY 2020-21, and the cost modeling assumes that this apparatus will be funded by a 15-year lease.

The proposed (Lease-set aside) approach calls for the Fire District to continue existing leases and add an additional lease agreement for the replacement of Engine 754 and 768 (in 2020-21).
(See *Appendix C—Apparatus Replacement Schedules*).

VIII. DEVELOPMENT IMPACT FEES:

A development impact fee is a monetary fee that is charged by a local government agency to an applicant in connection with the approval of a development project for defraying all or a portion of the cost to adequately mitigate impacts created by new development. The legal requirements for enactment of development impact fees program are set forth in Government Code 66000 under the Mitigation Fee Act. The City of Hercules and 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 the April 8, 2019, Fire Facilities Impact Fee Study is as follows: Single Family Homes: \$1,344, Multi-Family Home: \$828.80, Accessory Dwelling Unit: \$625.00, Commercial: \$0.672 per square foot, Office \$0.904 per square foot, Industrial \$0.384 per square foot and Hotel \$101.00 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: §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. This report is expressed in the spreadsheet on the following page.

RODEO HERCULES FIRE PROTECTION DISTRICT			
FY2020-21 PROJECTED FIRE FACILITIES FEE REVENUE AND EXPENDITURES			
DESCRIPTION	ADOPTED BUDGET FY 2019-20	Projected ACTUAL FY 2019-20	BUDGET FY2020-21
UNAUDITED FUND BALANCE		\$ 343,807	\$ 405,026.00
REVENUE:			
FIRE FACILITIES FEE REVENUE	103,000	106,853	100,000
TOTAL FIRE FACILITIES REVENUE	103,000	106,853	100,000
EXPENDITURES:			
Structure/Wildland Fire PPE	30,000	-	-
SCBA Compressor	53,000	-	-
Rescure/Rope-Water	3,000	-	-
100 LDH Hose	9,600	-	-
100 1 1/2" Hose Wildland	1,600	-	-
50' 1 3/4" Hose	1,848	-	-
Firefighting Supplies		8,634	-
Building and Grounds Maintenance		37,000	71,000
			-
			-
TOTAL FIRE FACILITIES FEES EXPENDITURES	99,048	45,634	71,000
Total Revenue Less Expenditures	3,952	61,219	29,000
PROJECTED YEAR-END FUND BALANCE - JUNE 30, 2020		\$ 405,026	\$ 434,026

IX. FIVE YEAR REVENUE & EXPENDITURE PROJECTIONS

Preparation of the Proposed Budget included the creation of Five-Year Revenue and Expenditure Projections to provide the Board and Staff with a roadmap for fiscal decisions and Policy. (See *Appendix D-Five Year Revenue, Expenditure and Fund Balances*).

In summary, if the projections are sustained, the Fire District is not projected to experience any significant financial issues. This conclusion is predicated on continued stable staffing, no benefit expansions or improvements, UAAL and other costs rising at the projected rate and no significant diminishment in revenues.

There are, however, several areas of risk worth noting:

- A significant portion of the Fire District's revenue (48%) is property tax which is based on real estate values. A disturbance in values will translate to diminished revenues.
- The projections include a limited increase of 2% per year for personnel related costs, which could be largely consumed by expenditure areas with high growth potential including health care for employees and retirees and UAAL payments for the retirement system.

- As an important reminder, the Fire District's OPEB medical insurance for retirees program is only partially funded. The Fire District is not making payments into the UAAL portion of the program currently calculated as \$561,262 per year. If the Fire District paid the full Actuarially Required Contribution (ARC) the program would be sustainable.
- Overtime is calculated on the minimum allocation per employee and major events/illnesses/long term disabilities could create additional costs.

The Budget for Fiscal Year 2020-21 is balanced and maintains the Fire District's two Fire Station configuration with full staffing. The current Five-Year Revenue and Expenditure projections also show that the Fire District will remain in a balanced position during that period and retain a modest fund balance.

X. RHFD BUDGET APPENDICES

- A. CCCERA Retirement Costs & UAAL**
- B. OPEB Contribution Costs & UAAL**
- C. Apparatus Replacement Schedules**
- D. Five Year Revenue & Expenditure Projections**
- E. Incident Report Detail**



**CONTRA COSTA COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**

**CONTRIBUTION RATE PACKET FOR
JULY 1, 2020 through JUNE 30, 2021**

RHFD BUDGET ATTACHMENT A

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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MEMORANDUM

Date: October 24, 2019

To: Interested Parties and Participating Employers

From: Gail Strohl, Chief Executive Officer

Subject: Contribution Rates Effective July 1, 2020

At its October 9, 2019 meeting, the Retirement Board reviewed the actuary's valuation report for the year ending December 31, 2018. As its October 23, 2019 Board meeting the Board adopted the recommended employer and employee contribution rates, which will become effective on July 1, 2020. A copy of the December 31, 2018 Actuarial Valuation can be found on CCCERA's website at www.cccera.org under the Actuarial Valuations link.

Enclosed are the employer and employee contribution rates to be used effective July 1, 2020 through June 30, 2021.

Please note the following:

- ✓ **The rates are effective July 1, 2020 through June 30, 2021 and have not yet been adopted by the County Board of Supervisors.**
- ✓ **The rates are BEFORE ANY EMPLOYER SUBVENTION of the employee contribution.**
The rates quoted here are the employer required rates without taking into consideration any employer subvention of employee contributions. A convenient methodology for adding subvention is included for your use on page 20. Note that subvention is not always permitted for PEPRA members.
- ✓ **The rates are BEFORE ANY INCREASE IN EMPLOYEE RATE to pay a portion of the employer contribution.**
If an employee's rate needs to be increased to pay a portion of the employer contribution, both employee and employer rates would need to be adjusted accordingly. A convenient methodology for adding subvention is included for your use on page 20.

Exhibit A - 1

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
EMPLOYER CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2020 THROUGH JUNE 30, 2021 for General Tier 1 and 3 Legacy Members**

GENERAL TIERS - ENHANCED	Cost Group #1					Cost Group #3	Cost Group #4	Cost Group #5
	County	Moraga-Orinda Fire District	First 5	LAFCO	Districts without POB	Central Contra Costa Sanitary District	Contra Costa Housing Authority	Contra Costa County Fire Protection District
Tier 1 BASIC Enhanced								
First \$350 monthly & in Social Security	15.28%	N/A	15.44%	18.16%	18.62%	N/A	19.86%	N/A
Excess of \$350 monthly & in Social Security	22.91%	N/A	23.15%	27.24%	27.93%	N/A	29.79%	N/A
All Eligible \$ if NOT in Social Security	22.91%	20.62%	N/A	N/A	27.93%	35.59%	N/A	22.28%
Tier 1 COL Enhanced								
First \$350 monthly	3.60%	N/A	3.87%	6.15%	6.32%	N/A	9.68%	N/A
Excess of \$350 monthly	5.41%	N/A	5.82%	9.23%	9.48%	N/A	14.51%	N/A
All Eligible \$ if NOT in Social Security	5.41%	5.31%	N/A	N/A	9.48%	15.25%	N/A	11.38%
Non-Refundability Factor	0.9577	0.9577	0.9577	0.9577	0.9577	0.9560	0.9536	0.9563

GENERAL TIERS - ENHANCED	Cost Group #2		Cost Group	Employer Name	Tier
	County	Districts without POB			
Tier 3 BASIC Enhanced					
First \$350 monthly	15.51%	18.92%	Cost Group #1	County General	Tier 1 Enhanced (2% @ 55)
Excess of \$350 monthly	23.27%	28.39%		LAFCO	
All Eligible \$ if NOT in Social Security	N/A	28.39%		CC Mosquito & Vector Control District	
				Bethel Island Municipal Improvement District	
				First 5 - Children and Families Commission	
				Contra Costa County Employees' Retirement Association	
				Superior Court	
				East Contra Costa Fire Protection District	
				Moraga-Orinda Fire Protection District	
				Rodeo-Hercules Fire Protection District	
				San Ramon Valley Fire Protection District	
Tier 3 COL Enhanced					
First \$350 monthly	3.59%	6.33%	Cost Group #2	County General	Tier 3 Enhanced (2% @ 55)
Excess of \$350 monthly	5.38%	9.49%		In-Home Supportive Services	
All Eligible \$ if NOT in Social Security	N/A	9.49%		CC Mosquito & Vector Control District	
				Superior Court	
Non-Refundability Factor	0.9540	0.9540			

GENERAL TIER NON-ENHANCED	Cost Group #6		Cost Group	Employer Name	Tier
	Districts without POB				
Tier 1 BASIC NON-Enhanced					
First \$350 monthly	8.62%		Cost Group #3	Central Contra Costa Sanitary District	Tier 1 Enhanced (2% @ 55)
Excess of \$350 monthly	12.92%		Cost Group #4	Contra Costa Housing Authority	Tier 1 Enhanced (2% @ 55)
All Eligible \$ if NOT in Social Security	N/A		Cost Group #5	Contra Costa County Fire Protection District	Tier 1 Enhanced (2% @ 55)
Tier 1 COL NON-Enhanced					
First \$350 monthly	2.59%		Cost Group #6	Rodeo Sanitary District	Tier 1 Non-enhanced (1.67% @ 55)
Excess of \$350 monthly	3.89%			Byron Brentwood Cemetery District	
All Eligible \$ if NOT in Social Security	N/A				
Non-Refundability Factor	0.9512				

Basic rates shown include an administrative expense load of 0.63% of payroll. This load has been integrated and adjusted as appropriate into the first \$350 and excess of \$350 monthly rates shown.

Exhibit A - 2

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 EMPLOYER CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2020 THROUGH JUNE 30, 2021 for General Tier 4 and 5 PEPRA Members with 2% Maximum COLA**

GENERAL PEPRA TIERS

Tier 4 BASIC
 All Eligible \$

Tier 4 COL
 All Eligible \$

Non-Refundability Factor

	Cost Group #1					Cost Group #3	Cost Group #4	Cost Group #5
	County	Moraga-Orinda Fire District	First 5	LAFCO	Districts without POB	Central Contra Costa Sanitary District	Contra Costa Housing Authority	Contra Costa County Fire Protection District
	19.76%	N/A	N/A	N/A	N/A	N/A	N/A	20.60%
	3.94%	N/A	N/A	N/A	N/A	N/A	N/A	10.20%
	0.9574	N/A	N/A	N/A	N/A	N/A	N/A	0.9568

Tier 5 BASIC
 All Eligible \$

Tier 5 COL
 All Eligible \$

Non-Refundability Factor

Cost Group #2	
County	Districts without POB
19.24%	24.29%
3.79%	7.84%
0.9580	0.9580

Cost Group	Employer Name	Tier
Cost Group #1	County General LAFCO CC Mosquito & Vector Control District Bethel Island Municipal Improvement District First 5 - Children and Families Commission Contra Costa County Employees' Retirement Association Superior Court East Contra Costa Fire Protection District Moraga-Orinda Fire Protection District Rodeo-Hercules Fire Protection District San Ramon Valley Fire Protection District	Tier 4 (2.5% @ 67)
Cost Group #2	County General In-Home Supportive Services CC Mosquito & Vector Control District Superior Court	Tier 5 (2.5% @ 67)
Cost Group #3	Central Contra Costa Sanitary District	Tier 4 (2.5% @ 67)
Cost Group #4	Contra Costa Housing Authority	Tier 4 (2.5% @ 67)
Cost Group #5	Contra Costa County Fire Protection District	Tier 4 (2.5% @ 67)
Cost Group #6	Rodeo Sanitary District Byron Brentwood Cemetery District	Tier 4 (2.5% @ 67)

Some tiers are not applicable to employers as shown above in the rate table.

Basic rates shown include an administrative expense load of 0.63% of payroll.

Exhibit A - 3

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

EMPLOYER CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2020 THROUGH JUNE 30, 2021 for General Tier 4 and 5 PEPRA Members with 3% Maximum COLA

GENERAL PEPRA TIERS	Cost Group #1					Cost Group #3	Cost Group #4	Cost Group #5	Cost Group #6
	County	Moraga-Orinda Fire District	First 5	LAFCO	Districts without POB	Central Contra Costa Sanitary District	Contra Costa Housing Authority	Contra Costa County Fire Protection District	Districts without POB
Tier 4 BASIC All Eligible \$	19.88%	17.87%	20.11%	24.18%	24.93%	31.46%	25.40%	21.91%	9.55%
Tier 4 COL All Eligible \$	4.91%	4.87%	5.31%	8.68%	8.96%	14.41%	13.59%	11.72%	3.21%
Non-Refundability Factor	0.9582	0.9582	0.9582	0.9582	0.9582	0.9661	0.9643	0.9585	0.9647

GENERAL PEPRA TIERS	Cost Group #2	
	County	Districts without POB
Tier 5 BASIC All Eligible \$	19.47%	24.52%
Tier 5 COL All Eligible \$	4.71%	8.76%
Non-Refundability Factor	0.9604	0.9604

Cost Group	Employer Name	Tier
Cost Group #1	County General LAFCO CC Mosquito & Vector Control District Bethel Island Municipal Improvement District First 5 - Children and Families Commission Contra Costa County Employees' Retirement Association Superior Court East Contra Costa Fire Protection District Moraga-Orinda Fire Protection District Rodeo-Hercules Fire Protection District San Ramon Valley Fire Protection District	Tier 4 (2.5% @ 67)
Cost Group #2	County General In-Home Supportive Services CC Mosquito & Vector Control District Superior Court	Tier 5 (2.5% @ 67)
Cost Group #3	Central Contra Costa Sanitary District	Tier 4 (2.5% @ 67)
Cost Group #4	Contra Costa Housing Authority	Tier 4 (2.5% @ 67)
Cost Group #5	Contra Costa County Fire Protection District	Tier 4 (2.5% @ 67)
Cost Group #6	Rodeo Sanitary District Byron Brentwood Cemetery District	Tier 4 (2.5% @ 67)

Basic rates shown include an administrative expense load of 0.63% of payroll.

Exhibit B - 1

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 EMPLOYER CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2020 THROUGH JUNE 30, 2021 for Safety Tier A and C Legacy Members**

	Cost Group #7	Cost Group #8		Cost Group #10	Cost Group #11
	County	Contra Costa County Fire Protection District	East Contra Costa Fire Protection District	Moraga-Orinda Fire Protection District	San Ramon Valley Fire Protection District
SAFETY TIERS ENHANCED					
<u>Safety A BASIC Enhanced</u>					
All eligible \$	44.37%	33.85%	59.76%	34.41%	51.39%
<u>Safety A COL Enhanced</u>					
All eligible \$	26.53%	33.53%	53.30%	38.16%	26.84%
Non-Refundability Factor	0.9599	0.9606	0.9606	0.9639	0.9618

	Cost Group #9	Cost Group	Employer Name	Tier
	County			
<u>Safety C BASIC Enhanced</u>		Cost Group # 7	County Safety	Tier A Enhanced (3% @ 50)
All eligible \$	42.49%	Cost Group # 8	Contra Costa County Fire Protection District East Contra Costa Fire Protection District	Tier A Enhanced (3% @ 50)
<u>Safety C COL Enhanced</u>		Cost Group # 9	County Safety	Tier C Enhanced (3% @ 50)
All eligible \$	23.85%	Cost Group # 10	Moraga-Orinda Fire Protection District	Tier A Enhanced (3% @ 50)
Non-Refundability Factor	0.9613	Cost Group # 11	San Ramon Valley Fire Protection District	Tier A Enhanced (3% @ 50)
		Cost Group # 12	Rodeo Hercules Fire Protection District	Tier A Non-enhanced (2% @ 50)
SAFETY TIER NON-ENHANCED				
<u>Safety A BASIC NON-Enhanced</u>				
All eligible \$	17.29%			
Monthly Contribution Towards UAAL	\$61,554			
<u>Safety A COL NON-Enhanced</u>				
All eligible \$	5.00%			
Monthly Contribution Towards UAAL	\$44,511			
Non-Refundability Factor	0.9533			

Basic rates shown include an administrative expense load of 0.63% of payroll.

Exhibit B - 2

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

EMPLOYER CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2020 THROUGH JUNE 30, 2021 for Safety Tier D and E PEPRA Members

SAFETY PEPRA TIERS

Safety D BASIC (3% Maximum COLA)

All eligible \$
Monthly Contribution Towards UAAL

Safety D COL (3% Maximum COLA)

All eligible \$
Monthly Contribution Towards UAAL

Non-Refundability Factor

Cost Group #7	Cost Group #8		Cost Group #10	Cost Group #11	Cost Group #12
	Contra Costa County Fire Protection District	East Contra Costa Fire Protection District	Moraga-Orinda Fire Protection District	San Ramon Valley Fire Protection District	Rodeo-Hercules Fire Protection District
All eligible \$ 36.32%	24.96%	50.87%	26.75%	41.19%	11.65%
Monthly Contribution Towards UAAL N/A	N/A	N/A	N/A	N/A	\$17,745
All eligible \$ 25.20%	31.88%	51.65%	36.64%	24.63%	4.82%
Monthly Contribution Towards UAAL N/A	N/A	N/A	N/A	N/A	\$12,832
<i>0.9716</i>	<i>0.9732</i>	<i>0.9732</i>	<i>0.9733</i>	<i>0.9735</i>	<i>0.9769</i>

Safety E BASIC (2% Maximum COLA)

All eligible \$

Safety E COL (2% Maximum COLA)

All eligible \$

Non-Refundability Factor

Cost Group #8 Contra Costa County Fire Protection District	Cost Group #9 County
24.00%	35.18%
29.85%	23.04%
<i>0.9719</i>	<i>0.9703</i>

Cost Group

Cost Group # 7

Cost Group # 8

Cost Group # 9

Cost Group # 10

Cost Group # 11

Cost Group # 12

Employer Name

County Safety

Contra Costa County Fire Protection District
East Contra Costa Fire Protection District
Contra Costa County Fire Protection District

County Safety

Moraga-Orinda Fire Protection District

San Ramon Valley Fire Protection District

Rodeo Hercules Fire Protection District

Tier

Tier D (2.7% @ 57)

Tier D (2.7% @ 57)

Tier E (2.7% @ 57)

Tier E (2.7% @ 57)

Tier D (2.7% @ 57)

Tier D (2.7% @ 57)

Tier D (2.7% @ 57)

Basic rates shown include an administrative expense load of 0.63% of payroll.

Exhibit C

GENERAL Cost Group #1 Non-PEPRA Member Contribution Rates

Membership Date before January 1, 2013

Effective 7/1/20 - 6/30/21

Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic not in Social</u>	<u>Basic in Social</u>	<u>COLA</u>	<u>Total not in Social</u>	<u>Total in Social</u>
	<u>Security</u>	<u>Security*</u>		<u>Security</u>	<u>Security*</u>
15	5.30%	5.31%	2.51%	7.81%	7.82%
16	5.39%	5.40%	2.56%	7.95%	7.96%
17	5.49%	5.50%	2.61%	8.10%	8.11%
18	5.59%	5.60%	2.67%	8.26%	8.27%
19	5.69%	5.70%	2.72%	8.41%	8.42%
20	5.79%	5.80%	2.77%	8.56%	8.57%
21	5.89%	5.90%	2.82%	8.71%	8.72%
22	5.99%	6.00%	2.87%	8.86%	8.87%
23	6.10%	6.11%	2.93%	9.03%	9.04%
24	6.21%	6.22%	2.99%	9.20%	9.21%
25	6.32%	6.33%	3.05%	9.37%	9.38%
26	6.43%	6.44%	3.10%	9.53%	9.54%
27	6.55%	6.56%	3.17%	9.72%	9.73%
28	6.66%	6.67%	3.22%	9.88%	9.89%
29	6.78%	6.79%	3.29%	10.07%	10.08%
30	6.90%	6.91%	3.35%	10.25%	10.26%
31	7.03%	7.04%	3.42%	10.45%	10.46%
32	7.15%	7.16%	3.48%	10.63%	10.64%
33	7.28%	7.29%	3.55%	10.83%	10.84%
34	7.42%	7.43%	3.62%	11.04%	11.05%
35	7.55%	7.56%	3.69%	11.24%	11.25%
36	7.69%	7.70%	3.76%	11.45%	11.46%
37	7.83%	7.84%	3.83%	11.66%	11.67%
38	7.97%	7.98%	3.91%	11.88%	11.89%
39	8.12%	8.13%	3.98%	12.10%	12.11%
40	8.27%	8.28%	4.06%	12.33%	12.34%
41	8.43%	8.44%	4.14%	12.57%	12.58%
42	8.58%	8.59%	4.22%	12.80%	12.81%
43	8.73%	8.74%	4.30%	13.03%	13.04%
44	8.88%	8.89%	4.38%	13.26%	13.27%
45	9.04%	9.05%	4.46%	13.50%	13.51%
46	9.20%	9.21%	4.55%	13.75%	13.76%
47	9.36%	9.37%	4.63%	13.99%	14.00%
48	9.51%	9.52%	4.71%	14.22%	14.23%
49	9.66%	9.67%	4.79%	14.45%	14.46%
50	9.82%	9.83%	4.87%	14.69%	14.70%
51	9.98%	9.99%	4.95%	14.93%	14.94%
52	10.14%	10.15%	5.04%	15.18%	15.19%
53	10.30%	10.31%	5.12%	15.42%	15.43%
54	10.46%	10.47%	5.20%	15.66%	15.67%
55	10.61%	10.62%	5.28%	15.89%	15.90%
56	10.68%	10.69%	5.32%	16.00%	16.01%
57	10.65%	10.66%	5.30%	15.95%	15.96%
58	10.62%	10.63%	5.29%	15.91%	15.92%
59	10.31%	10.32%	5.12%	15.43%	15.44%
60 and over	10.31%	10.32%	5.12%	15.43%	15.44%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 52.07% applied to Basic rates prior to adjustment for administrative expenses.

***NOTE:** For members in Social Security, the rate should only be applied to monthly compensation in excess of \$116.67.
The rate should be applied to compensation up to the annual IRC 401(a)(17) compensation limit.

Exhibit D

GENERAL Cost Group #2 Non-PEPRA Member Contribution Rates

Membership Date before January 1, 2013

Effective 7/1/20 - 6/30/21

Expressed as a Percentage of Monthly Payroll*

Entry Age	Basic not in Social	Basic in Social	COLA	Total not in Social	Total in Social
	Security	Security*		Security	Security*
15	5.29%	5.30%	2.34%	7.63%	7.64%
16	5.38%	5.39%	2.38%	7.76%	7.77%
17	5.48%	5.49%	2.43%	7.91%	7.92%
18	5.57%	5.58%	2.47%	8.04%	8.05%
19	5.67%	5.68%	2.52%	8.19%	8.20%
20	5.77%	5.78%	2.57%	8.34%	8.35%
21	5.88%	5.89%	2.62%	8.50%	8.51%
22	5.98%	5.99%	2.67%	8.65%	8.66%
23	6.09%	6.10%	2.72%	8.81%	8.82%
24	6.20%	6.21%	2.78%	8.98%	8.99%
25	6.31%	6.32%	2.83%	9.14%	9.15%
26	6.42%	6.43%	2.88%	9.30%	9.31%
27	6.53%	6.54%	2.94%	9.47%	9.48%
28	6.65%	6.66%	3.00%	9.65%	9.66%
29	6.77%	6.78%	3.05%	9.82%	9.83%
30	6.89%	6.90%	3.11%	10.00%	10.01%
31	7.01%	7.02%	3.17%	10.18%	10.19%
32	7.14%	7.15%	3.23%	10.37%	10.38%
33	7.27%	7.28%	3.30%	10.57%	10.58%
34	7.40%	7.41%	3.36%	10.76%	10.77%
35	7.53%	7.54%	3.42%	10.95%	10.96%
36	7.67%	7.68%	3.49%	11.16%	11.17%
37	7.81%	7.82%	3.56%	11.37%	11.38%
38	7.96%	7.97%	3.63%	11.59%	11.60%
39	8.11%	8.12%	3.70%	11.81%	11.82%
40	8.25%	8.26%	3.77%	12.02%	12.03%
41	8.40%	8.41%	3.84%	12.24%	12.25%
42	8.56%	8.57%	3.92%	12.48%	12.49%
43	8.71%	8.72%	3.99%	12.70%	12.71%
44	8.86%	8.87%	4.07%	12.93%	12.94%
45	9.02%	9.03%	4.15%	13.17%	13.18%
46	9.18%	9.19%	4.22%	13.40%	13.41%
47	9.34%	9.35%	4.30%	13.64%	13.65%
48	9.48%	9.49%	4.37%	13.85%	13.86%
49	9.65%	9.66%	4.45%	14.10%	14.11%
50	9.80%	9.81%	4.52%	14.32%	14.33%
51	9.96%	9.97%	4.60%	14.56%	14.57%
52	10.12%	10.13%	4.68%	14.80%	14.81%
53	10.31%	10.32%	4.77%	15.08%	15.09%
54	10.43%	10.44%	4.83%	15.26%	15.27%
55	10.57%	10.58%	4.90%	15.47%	15.48%
56	10.68%	10.69%	4.95%	15.63%	15.64%
57	10.66%	10.67%	4.94%	15.60%	15.61%
58	10.64%	10.65%	4.93%	15.57%	15.58%
59	10.03%	10.04%	4.63%	14.66%	14.67%
60 and over	10.03%	10.04%	4.63%	14.66%	14.67%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 48.48% applied to Basic rates prior to adjustment for administrative expenses.

*NOTE: For members in Social Security, the rate should only be applied to monthly compensation in excess of \$116.67.
The rate should be applied to compensation up to the annual IRC 401(a)(17) compensation limit.

Exhibit E
GENERAL Cost Group #3 Non-PEPRA Member Contribution Rates
Membership Date before January 1, 2013
Effective 7/1/20 - 6/30/21
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	5.48%	2.64%	8.12%
16	5.57%	2.69%	8.26%
17	5.67%	2.74%	8.41%
18	5.77%	2.79%	8.56%
19	5.88%	2.85%	8.73%
20	5.98%	2.90%	8.88%
21	6.09%	2.96%	9.05%
22	6.20%	3.02%	9.22%
23	6.31%	3.08%	9.39%
24	6.42%	3.14%	9.56%
25	6.53%	3.19%	9.72%
26	6.65%	3.26%	9.91%
27	6.77%	3.32%	10.09%
28	6.89%	3.38%	10.27%
29	7.01%	3.45%	10.46%
30	7.14%	3.52%	10.66%
31	7.27%	3.58%	10.85%
32	7.40%	3.65%	11.05%
33	7.53%	3.72%	11.25%
34	7.66%	3.79%	11.45%
35	7.80%	3.86%	11.66%
36	7.95%	3.94%	11.89%
37	8.09%	4.02%	12.11%
38	8.24%	4.09%	12.33%
39	8.40%	4.18%	12.58%
40	8.55%	4.26%	12.81%
41	8.71%	4.34%	13.05%
42	8.86%	4.42%	13.28%
43	9.02%	4.51%	13.53%
44	9.18%	4.59%	13.77%
45	9.35%	4.68%	14.03%
46	9.50%	4.76%	14.26%
47	9.66%	4.84%	14.50%
48	9.82%	4.93%	14.75%
49	9.98%	5.01%	14.99%
50	10.14%	5.10%	15.24%
51	10.30%	5.18%	15.48%
52	10.47%	5.27%	15.74%
53	10.63%	5.35%	15.98%
54	10.77%	5.43%	16.20%
55	10.87%	5.48%	16.35%
56	10.98%	5.54%	16.52%
57	10.94%	5.52%	16.46%
58	10.70%	5.39%	16.09%
59	10.26%	5.16%	15.42%
60 and over	10.26%	5.16%	15.42%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 52.70% applied to Basic rates prior to adjustment for administrative expenses.

***NOTE:** The rate should be applied to all compensation up to the annual IRC 401(a)(17) compensation limit.

Exhibit F
GENERAL Cost Group #4 Non-PEPRA Member Contribution Rates
Membership Date before January 1, 2013
Effective 7/1/20 - 6/30/21
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic not in Social</u>	<u>Basic in Social</u>	<u>COLA</u>	<u>Total not in Social</u>	<u>Total in Social</u>
	<u>Security</u>	<u>Security*</u>		<u>Security</u>	<u>Security*</u>
15	5.27%	5.28%	2.51%	7.78%	7.79%
16	5.37%	5.38%	2.56%	7.93%	7.94%
17	5.46%	5.47%	2.61%	8.07%	8.08%
18	5.56%	5.57%	2.66%	8.22%	8.23%
19	5.66%	5.67%	2.71%	8.37%	8.38%
20	5.76%	5.77%	2.77%	8.53%	8.54%
21	5.86%	5.87%	2.82%	8.68%	8.69%
22	5.97%	5.98%	2.87%	8.84%	8.85%
23	6.07%	6.08%	2.93%	9.00%	9.01%
24	6.18%	6.19%	2.98%	9.16%	9.17%
25	6.29%	6.30%	3.04%	9.33%	9.34%
26	6.40%	6.41%	3.10%	9.50%	9.51%
27	6.52%	6.53%	3.16%	9.68%	9.69%
28	6.63%	6.64%	3.22%	9.85%	9.86%
29	6.75%	6.76%	3.28%	10.03%	10.04%
30	6.87%	6.88%	3.35%	10.22%	10.23%
31	7.00%	7.01%	3.41%	10.41%	10.42%
32	7.12%	7.13%	3.48%	10.60%	10.61%
33	7.25%	7.26%	3.54%	10.79%	10.80%
34	7.38%	7.39%	3.61%	10.99%	11.00%
35	7.52%	7.53%	3.69%	11.21%	11.22%
36	7.65%	7.66%	3.75%	11.40%	11.41%
37	7.79%	7.80%	3.83%	11.62%	11.63%
38	7.94%	7.95%	3.90%	11.84%	11.85%
39	8.09%	8.10%	3.98%	12.07%	12.08%
40	8.24%	8.25%	4.06%	12.30%	12.31%
41	8.39%	8.40%	4.14%	12.53%	12.54%
42	8.54%	8.55%	4.22%	12.76%	12.77%
43	8.69%	8.70%	4.30%	12.99%	13.00%
44	8.84%	8.85%	4.37%	13.21%	13.22%
45	9.01%	9.02%	4.46%	13.47%	13.48%
46	9.16%	9.17%	4.54%	13.70%	13.71%
47	9.31%	9.32%	4.62%	13.93%	13.94%
48	9.46%	9.47%	4.70%	14.16%	14.17%
49	9.63%	9.64%	4.79%	14.42%	14.43%
50	9.77%	9.78%	4.86%	14.63%	14.64%
51	9.94%	9.95%	4.95%	14.89%	14.90%
52	10.10%	10.11%	5.03%	15.13%	15.14%
53	10.28%	10.29%	5.13%	15.41%	15.42%
54	10.43%	10.44%	5.21%	15.64%	15.65%
55	10.57%	10.58%	5.28%	15.85%	15.86%
56	10.63%	10.64%	5.31%	15.94%	15.95%
57	10.67%	10.68%	5.33%	16.00%	16.01%
58	10.51%	10.52%	5.25%	15.76%	15.77%
59	10.05%	10.06%	5.01%	15.06%	15.07%
60 and over	10.05%	10.06%	5.01%	15.06%	15.07%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 52.27% applied to Basic rates prior to adjustment for administrative expenses.

***NOTE:** For members in Social Security, the rate should only be applied to monthly compensation in excess of \$116.67.
The rate should be applied to compensation up to the annual IRC 401(a)(17) compensation limit.

Exhibit G

GENERAL Cost Group #5 Non-PEPRA Member Contribution Rates

Membership Date before January 1, 2013

Effective 7/1/20 - 6/30/21

Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	5.31%	2.55%	7.86%
16	5.40%	2.60%	8.00%
17	5.50%	2.65%	8.15%
18	5.60%	2.70%	8.30%
19	5.70%	2.76%	8.46%
20	5.80%	2.81%	8.61%
21	5.90%	2.86%	8.76%
22	6.01%	2.92%	8.93%
23	6.11%	2.97%	9.08%
24	6.22%	3.03%	9.25%
25	6.33%	3.09%	9.42%
26	6.45%	3.15%	9.60%
27	6.56%	3.21%	9.77%
28	6.68%	3.27%	9.95%
29	6.80%	3.34%	10.14%
30	6.92%	3.40%	10.32%
31	7.04%	3.46%	10.50%
32	7.17%	3.53%	10.70%
33	7.30%	3.60%	10.90%
34	7.43%	3.67%	11.10%
35	7.57%	3.74%	11.31%
36	7.70%	3.81%	11.51%
37	7.85%	3.89%	11.74%
38	7.99%	3.96%	11.95%
39	8.14%	4.04%	12.18%
40	8.29%	4.12%	12.41%
41	8.45%	4.20%	12.65%
42	8.60%	4.28%	12.88%
43	8.75%	4.36%	13.11%
44	8.90%	4.44%	13.34%
45	9.06%	4.53%	13.59%
46	9.22%	4.61%	13.83%
47	9.38%	4.69%	14.07%
48	9.53%	4.77%	14.30%
49	9.69%	4.86%	14.55%
50	9.85%	4.94%	14.79%
51	10.01%	5.03%	15.04%
52	10.16%	5.11%	15.27%
53	10.33%	5.20%	15.53%
54	10.49%	5.28%	15.77%
55	10.60%	5.34%	15.94%
56	10.67%	5.37%	16.04%
57	10.73%	5.41%	16.14%
58	10.61%	5.34%	15.95%
59	10.29%	5.17%	15.46%
60 and over	10.29%	5.17%	15.46%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 52.69% applied to Basic rates prior to adjustment for administrative expenses.

***NOTE:** The rate should be applied to all compensation up to the annual IRC 401(a)(17) compensation limit.

Exhibit H
GENERAL Cost Group #6 Non-PEPRA Member Contribution Rates
Membership Date before January 1, 2013
Effective 7/1/20 - 6/30/21
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic not in Social</u>	<u>Basic in Social</u>	<u>COLA</u>	<u>Total not in Social</u>	<u>Total in Social</u>
	<u>Security</u>	<u>Security*</u>		<u>Security</u>	<u>Security*</u>
15	6.03%	6.04%	2.43%	8.46%	8.47%
16	6.14%	6.15%	2.48%	8.62%	8.63%
17	6.24%	6.25%	2.53%	8.77%	8.78%
18	6.36%	6.37%	2.58%	8.94%	8.95%
19	6.47%	6.48%	2.63%	9.10%	9.11%
20	6.59%	6.60%	2.68%	9.27%	9.28%
21	6.70%	6.71%	2.73%	9.43%	9.44%
22	6.82%	6.83%	2.78%	9.60%	9.61%
23	6.94%	6.95%	2.83%	9.77%	9.78%
24	7.07%	7.08%	2.89%	9.96%	9.97%
25	7.20%	7.21%	2.95%	10.15%	10.16%
26	7.33%	7.34%	3.00%	10.33%	10.34%
27	7.46%	7.47%	3.06%	10.52%	10.53%
28	7.59%	7.60%	3.12%	10.71%	10.72%
29	7.73%	7.74%	3.18%	10.91%	10.92%
30	7.87%	7.88%	3.24%	11.11%	11.12%
31	8.01%	8.02%	3.30%	11.31%	11.32%
32	8.17%	8.18%	3.37%	11.54%	11.55%
33	8.31%	8.32%	3.43%	11.74%	11.75%
34	8.47%	8.48%	3.50%	11.97%	11.98%
35	8.63%	8.64%	3.57%	12.20%	12.21%
36	8.79%	8.80%	3.64%	12.43%	12.44%
37	8.95%	8.96%	3.71%	12.66%	12.67%
38	9.11%	9.12%	3.78%	12.89%	12.90%
39	9.27%	9.28%	3.85%	13.12%	13.13%
40	9.44%	9.45%	3.93%	13.37%	13.38%
41	9.60%	9.61%	4.00%	13.60%	13.61%
42	9.76%	9.77%	4.07%	13.83%	13.84%
43	9.93%	9.94%	4.14%	14.07%	14.08%
44	10.09%	10.10%	4.21%	14.30%	14.31%
45	10.25%	10.26%	4.28%	14.53%	14.54%
46	10.43%	10.44%	4.36%	14.79%	14.80%
47	10.59%	10.60%	4.43%	15.02%	15.03%
48	10.78%	10.79%	4.51%	15.29%	15.30%
49	10.93%	10.94%	4.58%	15.51%	15.52%
50	11.07%	11.08%	4.64%	15.71%	15.72%
51	11.18%	11.19%	4.69%	15.87%	15.88%
52	11.13%	11.14%	4.67%	15.80%	15.81%
53	11.05%	11.06%	4.63%	15.68%	15.69%
54	10.59%	10.60%	4.43%	15.02%	15.03%
55	10.59%	10.60%	4.43%	15.02%	15.03%
56	10.59%	10.60%	4.43%	15.02%	15.03%
57	10.59%	10.60%	4.43%	15.02%	15.03%
58	10.59%	10.60%	4.43%	15.02%	15.03%
59	10.59%	10.60%	4.43%	15.02%	15.03%
60 and over	10.59%	10.60%	4.43%	15.02%	15.03%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 43.77% applied to Basic rates prior to adjustment for administrative expenses.

***NOTE:** For members in Social Security, the rate should only be applied to monthly compensation in excess of \$116.67.
The rate should be applied to compensation up to the annual IRC 401(a)(17) compensation limit.

Exhibit I
SAFETY Cost Group #7 Non-PEPRA Member Contribution Rates
Membership Date before January 1, 2013
Effective 7/1/20 - 6/30/21
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	9.46%	6.27%	15.73%
16	9.46%	6.27%	15.73%
17	9.46%	6.27%	15.73%
18	9.46%	6.27%	15.73%
19	9.46%	6.27%	15.73%
20	9.46%	6.27%	15.73%
21	9.46%	6.27%	15.73%
22	9.60%	6.37%	15.97%
23	9.74%	6.47%	16.21%
24	9.89%	6.57%	16.46%
25	10.04%	6.68%	16.72%
26	10.19%	6.78%	16.97%
27	10.35%	6.89%	17.24%
28	10.50%	7.00%	17.50%
29	10.66%	7.11%	17.77%
30	10.83%	7.23%	18.06%
31	11.00%	7.34%	18.34%
32	11.17%	7.46%	18.63%
33	11.35%	7.59%	18.94%
34	11.53%	7.71%	19.24%
35	11.72%	7.85%	19.57%
36	11.91%	7.98%	19.89%
37	12.10%	8.11%	20.21%
38	12.29%	8.24%	20.53%
39	12.50%	8.39%	20.89%
40	12.72%	8.54%	21.26%
41	12.93%	8.69%	21.62%
42	13.16%	8.85%	22.01%
43	13.39%	9.01%	22.40%
44	13.65%	9.19%	22.84%
45	13.87%	9.35%	23.22%
46	13.89%	9.36%	23.25%
47	13.92%	9.38%	23.30%
48	13.73%	9.25%	22.98%
49 and over	13.21%	8.89%	22.10%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 69.75% applied to Basic rates prior to adjustment for administrative expenses.

***NOTE: The rate should be applied to all compensation up to the annual IRC 401(a)(17) compensation limit.**

Exhibit J
SAFETY Cost Group #8 Non-PEPRA Member Contribution Rates
Membership Date before January 1, 2013
Effective 7/1/20 - 6/30/21
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	9.44%	6.41%	15.85%
16	9.44%	6.41%	15.85%
17	9.44%	6.41%	15.85%
18	9.44%	6.41%	15.85%
19	9.44%	6.41%	15.85%
20	9.44%	6.41%	15.85%
21	9.44%	6.41%	15.85%
22	9.58%	6.51%	16.09%
23	9.72%	6.61%	16.33%
24	9.87%	6.72%	16.59%
25	10.02%	6.83%	16.85%
26	10.17%	6.94%	17.11%
27	10.32%	7.04%	17.36%
28	10.48%	7.16%	17.64%
29	10.64%	7.27%	17.91%
30	10.80%	7.39%	18.19%
31	10.97%	7.51%	18.48%
32	11.15%	7.64%	18.79%
33	11.32%	7.76%	19.08%
34	11.51%	7.89%	19.40%
35	11.70%	8.03%	19.73%
36	11.88%	8.16%	20.04%
37	12.08%	8.30%	20.38%
38	12.27%	8.44%	20.71%
39	12.47%	8.58%	21.05%
40	12.69%	8.74%	21.43%
41	12.91%	8.90%	21.81%
42	13.14%	9.06%	22.20%
43	13.37%	9.22%	22.59%
44	13.62%	9.40%	23.02%
45	13.83%	9.55%	23.38%
46	13.90%	9.60%	23.50%
47	13.84%	9.56%	23.40%
48	13.75%	9.50%	23.25%
49 and over	13.24%	9.13%	22.37%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 71.51% applied to Basic rates prior to adjustment for administrative expenses.

***NOTE:** The rate should be applied to all compensation up to the annual IRC 401(a)(17) compensation limit.

Exhibit K
SAFETY Cost Group #9 Non-PEPRA Member Contribution Rates
Membership Date before January 1, 2013
Effective 7/1/20 - 6/30/21
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	9.04%	3.86%	12.90%
16	9.04%	3.86%	12.90%
17	9.04%	3.86%	12.90%
18	9.04%	3.86%	12.90%
19	9.04%	3.86%	12.90%
20	9.04%	3.86%	12.90%
21	9.04%	3.86%	12.90%
22	9.17%	3.92%	13.09%
23	9.31%	3.99%	13.30%
24	9.45%	4.05%	13.50%
25	9.59%	4.11%	13.70%
26	9.73%	4.18%	13.91%
27	9.88%	4.24%	14.12%
28	10.03%	4.31%	14.34%
29	10.18%	4.38%	14.56%
30	10.34%	4.45%	14.79%
31	10.50%	4.52%	15.02%
32	10.67%	4.60%	15.27%
33	10.84%	4.68%	15.52%
34	11.01%	4.75%	15.76%
35	11.18%	4.83%	16.01%
36	11.36%	4.91%	16.27%
37	11.54%	4.99%	16.53%
38	11.71%	5.07%	16.78%
39	11.91%	5.16%	17.07%
40	12.10%	5.24%	17.34%
41	12.29%	5.33%	17.62%
42	12.49%	5.42%	17.91%
43	12.66%	5.50%	18.16%
44	12.76%	5.54%	18.30%
45	12.77%	5.55%	18.32%
46	12.65%	5.49%	18.14%
47	12.39%	5.37%	17.76%
48	12.72%	5.52%	18.24%
49 and over	13.30%	5.79%	19.09%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 45.09% applied to Basic rates prior to adjustment for administrative expenses.

***NOTE:** The rate should be applied to all compensation up to the annual IRC 401(a)(17) compensation limit.

Exhibit L
SAFETY Cost Group #10 Non-PEPRA Member Contribution Rates
Membership Date before January 1, 2013
Effective 7/1/20 - 6/30/21
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	9.44%	6.15%	15.59%
16	9.44%	6.15%	15.59%
17	9.44%	6.15%	15.59%
18	9.44%	6.15%	15.59%
19	9.44%	6.15%	15.59%
20	9.44%	6.15%	15.59%
21	9.44%	6.15%	15.59%
22	9.58%	6.24%	15.82%
23	9.72%	6.34%	16.06%
24	9.87%	6.44%	16.31%
25	10.02%	6.54%	16.56%
26	10.17%	6.65%	16.82%
27	10.32%	6.75%	17.07%
28	10.48%	6.86%	17.34%
29	10.64%	6.97%	17.61%
30	10.80%	7.08%	17.88%
31	10.97%	7.19%	18.16%
32	11.15%	7.32%	18.47%
33	11.32%	7.43%	18.75%
34	11.51%	7.56%	19.07%
35	11.70%	7.69%	19.39%
36	11.88%	7.82%	19.70%
37	12.08%	7.96%	20.04%
38	12.27%	8.09%	20.36%
39	12.47%	8.22%	20.69%
40	12.69%	8.37%	21.06%
41	12.91%	8.52%	21.43%
42	13.14%	8.68%	21.82%
43	13.37%	8.84%	22.21%
44	13.62%	9.01%	22.63%
45	13.83%	9.15%	22.98%
46	13.90%	9.20%	23.10%
47	13.84%	9.16%	23.00%
48	13.75%	9.10%	22.85%
49 and over	13.24%	8.75%	21.99%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 68.52% applied to Basic rates prior to adjustment for administrative expenses.

***NOTE:** The rate should be applied to all compensation up to the annual IRC 401(a)(17) compensation limit.

Exhibit M
SAFETY Cost Group #11 Non-PEPRA Member Contribution Rates
Membership Date before January 1, 2013
Effective 7/1/20 - 6/30/21
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	9.61%	6.55%	16.16%
16	9.61%	6.55%	16.16%
17	9.61%	6.55%	16.16%
18	9.61%	6.55%	16.16%
19	9.61%	6.55%	16.16%
20	9.61%	6.55%	16.16%
21	9.61%	6.55%	16.16%
22	9.76%	6.66%	16.42%
23	9.90%	6.76%	16.66%
24	10.05%	6.86%	16.91%
25	10.20%	6.97%	17.17%
26	10.36%	7.09%	17.45%
27	10.51%	7.19%	17.70%
28	10.67%	7.31%	17.98%
29	10.83%	7.42%	18.25%
30	11.00%	7.54%	18.54%
31	11.17%	7.67%	18.84%
32	11.35%	7.80%	19.15%
33	11.53%	7.92%	19.45%
34	11.72%	8.06%	19.78%
35	11.90%	8.19%	20.09%
36	12.09%	8.33%	20.42%
37	12.29%	8.47%	20.76%
38	12.49%	8.61%	21.10%
39	12.69%	8.76%	21.45%
40	12.90%	8.91%	21.81%
41	13.12%	9.06%	22.18%
42	13.35%	9.23%	22.58%
43	13.59%	9.40%	22.99%
44	13.82%	9.57%	23.39%
45	14.05%	9.73%	23.78%
46	14.08%	9.75%	23.83%
47	14.02%	9.71%	23.73%
48	13.76%	9.52%	23.28%
49 and over	12.99%	8.97%	21.96%

Administrative Expense: 0.47% of payroll added to Basic rates.

COLA Loading: 71.65% applied to Basic rates prior to adjustment for administrative expenses.

***NOTE:** The rate should be applied to all compensation up to the annual IRC 401(a)(17) compensation limit.

Exhibit N
SAFETY Cost Group #12 Non-PEPRA Member Contribution Ra
Membership Date before January 1, 2013
Effective 7/1/20 - 6/30/21
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>
15	9.57%	6.70%
16	9.57%	6.70%
17	9.57%	6.70%
18	9.57%	6.70%
19	9.57%	6.70%
20	9.57%	6.70%
21	9.57%	6.70%
22	9.71%	6.80%
23	9.86%	6.91%
24	10.00%	7.02%
25	10.16%	7.13%
26	10.31%	7.24%
27	10.46%	7.35%
28	10.62%	7.47%
29	10.78%	7.59%
30	10.95%	7.71%
31	11.12%	7.84%
32	11.30%	7.97%
33	11.47%	8.10%
34	11.66%	8.24%
35	11.86%	8.38%
36	12.04%	8.52%
37	12.23%	8.66%
38	12.43%	8.80%
39	12.64%	8.96%
40	12.86%	9.12%
41	13.07%	9.27%
42	13.31%	9.45%
43	13.54%	9.62%
44	13.76%	9.78%
45	13.97%	9.94%
46	14.03%	9.98%
47	13.95%	9.92%
48	13.79%	9.80%
49 and over	13.05%	9.26%

Administrative Expense: 0.47% of payroll added to Basic rates.
COLA Loading: 73.61% applied to Basic rates prior to adjustment for ad

***NOTE:** The rate should be applied to all compensation up to the annual IRC 401(a)(17) compensation limit.

ites

Total
16.27%
16.27%
16.27%
16.27%
16.27%
16.27%

16.27%
16.51%
16.77%
17.02%
17.29%

17.55%
17.81%
18.09%
18.37%
18.66%

18.96%
19.27%
19.57%
19.90%
20.24%

20.56%
20.89%
21.23%
21.60%
21.98%

22.34%
22.76%
23.16%
23.54%
23.91%

24.01%
23.87%
23.59%
22.31%

ministrative expenses.

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Exhibit O
PEPRA Tiers Member Contribution Rates
Membership Date on or after January 1, 2013
Effective 7/1/20 - 6/30/21
Expressed as a Percentage of Monthly Payroll*

<u>General Tiers</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
Cost Group #1 – PEPRA Tier 4 (2% COLA)	8.68%	1.99%	10.67%
Cost Group #1 – PEPRA Tier 4 (3% COLA)	8.80%	2.96%	11.76%
Cost Group #2 - PEPRA Tier 5 (2% COLA)	8.16%	1.84%	10.00%
Cost Group #2 - PEPRA Tier 5 (3%/4% COLA)	8.39%	2.76%	11.15%
Cost Group #3 - PEPRA Tier 4 (3% COLA)	8.23%	2.83%	11.06%
Cost Group #4 - PEPRA Tier 4 (3% COLA)	8.96%	3.02%	11.98%
Cost Group #5 - PEPRA Tier 4 (2% COLA)	10.07%	2.27%	12.34%
Cost Group #5 - PEPRA Tier 4 (3% COLA)	11.38%	3.79%	15.17%
Cost Group #6 - PEPRA Tier 4 (3% COLA)	9.39%	3.21%	12.60%

<u>Safety Tiers</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
Cost Group #7 - PEPRA Tier D	14.31%	5.73%	20.04%
Cost Group #8 - PEPRA Tier D	13.05%	5.35%	18.40%
Cost Group #8 - PEPRA Tier E	12.09%	3.32%	15.41%
Cost Group #9 - PEPRA Tier E	13.17%	3.57%	16.74%
Cost Group #10 - PEPRA Tier D	12.70%	5.23%	17.93%
Cost Group #11 - PEPRA Tier D	11.44%	4.71%	16.15%
Cost Group #12 - PEPRA Tier D	11.65%	4.82%	16.47%

The Basic rates shown above also include an administrative expense load of 0.47% of payroll.

<p>*NOTE: The rate should be applied to all compensation (whether or not in Social Security) up to the applicable annual Gov. Code 7522.10(d) compensation limit.</p>
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CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SUBVENTION

All rates are shown as a percent of payroll.

Employee contribution rates vary depending upon their tier and age at entry. To compute the exact subvention percent for each employee, do the following:

Employee rate – Decrease the employee's rate by the subvention percent (i.e. 25%, 50%, etc.).

Employer rate – Increase the employer's rate by a **percent** of the employee's decrease using the applicable refundability factor (found on Exhibits A and B):

EXAMPLE FOR COST GROUP #3 LEGACY MEMBERS:

If the subvention percent is 25%, and
the employee's rate is 6.00%,

Employee rates should be decreased by 1.50% ($25\% \times 6.00\%$)
The employer rate should be increased by 1.4340% ($1.50\% \times 0.9560$)

Please note that for PEPRA members, subvention is generally not permitted. The standard under Gov. Code §7522.30(a) is that employees pay at least 50 percent of normal costs and that employers not pay any of the required employee contribution, but there are some exceptions. Gov. Code §7522.30(f) allows the terms (regarding the employee's required contribution) of a contract, including a memorandum of understanding, that is in effect on January 1, 2013, to continue through the length of a contract. This means that it is possible that an employer will subvent a portion of a PEPRA member's required contribution until the expiration date of the current contract, so long as it has been determined that the contract has been impaired.

CAUTION – these rates are for employer **subvention** of up to one-half the member contribution under Gov. Code §31581.1, NOT employer **pick-up** of employee contribution rates. When an employer subvents, the contribution subvented is not placed in the member's account and is therefore not available to the member as a refund. For this reason, the employer pays the contribution at a discount (i.e. "Refundability Factor").

Employer **pick-ups** of employee contributions are those made under Gov. Code §31581.2 and Internal Revenue Code §414 (h)(2) for the sole purpose of deferring income tax. These contributions are added to the member's account, are available to the member as a refund and are considered by CCCERA as part of the member's compensation for retirement purposes.

EMPLOYEE PAYMENT OF EMPLOYER COST

There are several reasons why the attached contribution rates may need to be adjusted to increase the employee portion including the following:

Gov. Code §31631 allows for members to pay all or part of the employer contributions.

Gov. Code §31639.95 allows for Safety members to pay a portion of the employer cost for the "3% at 50" enhanced benefit.

Gov. Code §7522.30(c) requires that an employee's contribution rate be at least equal to that of similarly situated employees.

Gov. Code §7522.30(e) allows the employee contributions to be more than one-half of the normal cost rate if the increase has been agreed to through the collective bargaining process.

If you need to increase the employee contribution rate for any reason, you will need to adjust both employee and employer rates as follows:

Employee rate – Increase the employee’s rate by the desired percent of payroll.

Employer rate – Decrease the employer’s rate by a **percent** of the cost-sharing percent of payroll using the applicable refundability factor:

EXAMPLE FOR COST GROUP #11 LEGACY MEMBERS:

If the required increase in the employee rate is 8.0%,

Employee rates should be increased by 8.0%.

The employer rate should be decreased by 7.6944% ($8.0\% \times 0.9618$)

PREPAYMENT DISCOUNT FACTOR FOR 2020-21

Employer Contribution Prepayment Program & Discount Factor for 2020-21 is **0.9696**

If you are currently participating in the prepayment program and wish to continue, you do not need to do anything other than prepay the July 1, 2020 through June 30, 2021 contributions on or before July 31, 2020. If you wish to start participating, please contact the Accounting Department at CCCERA by March 31, 2020.

The discount factor is calculated assuming the prepayment will be received on July 31 in accordance with Gov. Code §31582(b) in lieu of 12 equal payments due at the end of each month in accordance with Gov. Code §31582(a). The discount factor for the fiscal year July 1, 2020 through June 30, 2021 will be **0.9696** based on the interest assumption of 7.00% per annum. It is calculated by discounting each of the 12 equal payments back to the date that the prepayment is made and is the sum of the discount factors shown in the table below divided by 12. Each of the discount factors below is based on how many months early the payment is made.

Payment Number	Number of Months Payment is Made Early	Discount Factor
1	0	1.0000
2	1	0.9944
3	2	0.9888
4	3	0.9832
5	4	0.9777
6	5	0.9722
7	6	0.9667
8	7	0.9613
9	8	0.9559
10	9	0.9505
11	10	0.9452
12	11	0.9399
Sum of Discount Factors Divided by 12:		0.9696

Rodeo-Hercules Fire Protection District
Actuarial Study of
Retiree Health Liabilities Under GASB 74/75
Valuation Date: June 30, 2019
Measurement Date: June 30, 2019

Prepared by:
Total Compensation Systems, Inc.

Date: May 21, 2020

RHFD BUDGET ATTACHMENT B

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**Rodeo-Hercules Fire Protection District
Actuarial Study of Retiree Health Liabilities**

PART I: EXECUTIVE SUMMARY

A. Introduction

Rodeo-Hercules Fire Protection District engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program as of June 30, 2019 (the measurement date). The numbers in this report are based on the assumption that they will first be used to determine accounting entries for the fiscal year ending June 30, 2020. If the report will first be used for a different fiscal year, the numbers may need to be adjusted accordingly.

This report does not reflect any cash benefits paid unless the retiree is required to provide proof that the cash benefits are used to reimburse the retiree's cost of health benefits. Costs and liabilities attributable to cash benefits paid to retirees are reportable under applicable Governmental Accounting Standards Board (GASB) Standards.

This actuarial study is intended to serve the following purposes:

- To provide information to enable Rodeo-Hercules Fire Protection District to manage the costs and liabilities associated with its retiree health benefits.
- To provide information to enable Rodeo-Hercules Fire Protection District to communicate the financial implications of retiree health benefits to internal financial staff, the Board, employee groups and other affected parties.
- To provide information needed to comply with Governmental Accounting Standards Board Accounting Standards 74 and 75 related to "other postemployment benefits" (OPEB's).

Because this report was prepared in compliance with GASB 74 and 75, Rodeo-Hercules Fire Protection District should not use this report for any other purpose without discussion with TCS. This means that any discussions with employee groups, governing Boards, etc. should be restricted to the implications of GASB 74 and 75 compliance.

This actuarial report includes several estimates for Rodeo-Hercules Fire Protection District's retiree health program. In addition to the tables included in this report, we also performed cash flow adequacy tests as required under Actuarial Standard of Practice 6 (ASOP 6). Our cash flow adequacy testing covers a twenty-year period. We would be happy to make this cash flow adequacy test available to Rodeo-Hercules Fire Protection District in spreadsheet format upon request.

We calculated the following estimates separately for active employees and retirees. As requested, we also separated results by the following employee classifications: Fire Fighters and General Employees. We estimated the following:

- the total liability created. (The actuarial present value of projected benefit payments or APVPBP)
- ten years of projected benefit payments.
- the "total OPEB liability (TOL)." (The TOL is the portion of the APVPBP attributable to employees' service prior to the measurement date.)

Total Compensation Systems, Inc.

- the “net OPEB liability” (NOL). For plans funded through a trust, this represents the unfunded portion of the liability.
- the service cost (SC). This is the value of OPEB benefits earned for one year of service.
- deferred inflows and outflows of resources attributable to the OPEB plan.
- “OPEB expense.” This is the amount recognized in accrual basis financial statements as the current period expense in addition to contributions. The OPEB expense includes service cost, interest and certain changes in the OPEB liability, adjusted to reflect deferred inflows and outflows.
- Amounts to support financial statement Note Disclosures and Required Supplementary Information (RSI) schedules.

We summarized the data used to perform this study in Appendix A. No effort was made to verify this information beyond brief tests for reasonableness and consistency.

All cost and liability figures contained in this study are estimates of future results. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. Service costs and liabilities could easily vary by 10 - 20% or more from estimates contained in this report.

B. General Findings

We estimate the "pay-as-you-go" cost of providing retiree health benefits in the year beginning July 1, 2019 to be \$328,327 (see Section IV.A.). The “pay-as-you-go” cost is the cost of benefits for current retirees.

For current employees, the value of benefits "accrued" in the year beginning July 1, 2019 (the service cost) is \$80,902. This service cost would increase each year based on covered payroll. Had Rodeo-Hercules Fire Protection District begun accruing retiree health benefits when each current employee and retiree was hired, a liability would have accumulated. We estimate the amount that would have accumulated to be \$5,800,020. This amount is called the "Total OPEB Liability" (TOL). Rodeo-Hercules Fire Protection District has set aside funds to cover retiree health liabilities in a GASB 75 qualifying trust. The Fiduciary Net Position of this trust at June 30, 2019 was \$2,053,555. This leaves a Net OPEB Liability (NOL) of \$3,746,465.

Based on the information we were provided, the OPEB Expense for the fiscal year ending June 30, 2020 is \$369,893.

We based all of the above estimates on participants as of June, 2019. Over time, liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

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C. Description of Retiree Benefits

Following is a description of the current retiree benefit plan:

	<i>Safety</i>	<i>Miscellaneous</i>
Benefit types provided	Medical only	Medical only
Duration of Benefits	Lifetime	Lifetime
Required Service	Retirement	Retirement
Minimum Age	Retirement	Retirement
Dependent Coverage	All eligible	All eligible
District Contribution %	100%	100%
District Cap	Kaiser Bay Area Basic Rate	Kaiser Bay Area Basic Rate

D. Recommendations

It is outside the scope of this report to make specific recommendations of actions Rodeo-Hercules Fire Protection District should take to manage the liability created by the current retiree health program. Total Compensation Systems, Inc. can assist in identifying and evaluating options once this report has been studied. The following recommendations are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of Rodeo-Hercules Fire Protection District’s practices, it is possible that Rodeo-Hercules Fire Protection District is already complying with some or all of our recommendations.

- We recommend that Rodeo-Hercules Fire Protection District maintain an inventory of all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Rodeo-Hercules Fire Protection District should determine whether the benefit is material and subject to GASB 74 and/or 75.
- Under GASB 75, it is important to isolate the cost of retiree health benefits. Rodeo-Hercules Fire Protection District should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – ***even on a retiree-pay-all basis*** – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, Rodeo-Hercules Fire Protection District should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- Rodeo-Hercules Fire Protection District should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.
- Several assumptions were made in estimating costs and liabilities under Rodeo-Hercules Fire Protection District's retiree health program. Further studies may be desired to validate

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any assumptions where there is any doubt that the assumption is appropriate. (See Appendices B and C for a list of assumptions and concerns.) For example, Rodeo-Hercules Fire Protection District should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for Rodeo-Hercules Fire Protection District to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

E. Certification

The actuarial information in this report is intended solely to assist Rodeo-Hercules Fire Protection District in complying with Governmental Accounting Standards Board Accounting Statements 74 and 75 and, unless otherwise stated, fully and fairly discloses actuarial information required for compliance. Nothing in this report should be construed as an accounting opinion, accounting advice or legal advice. TCS recommends that third parties retain their own actuary or other qualified professionals when reviewing this report. TCS's work is prepared solely for the use and benefit of Rodeo-Hercules Fire Protection District. Release of this report may be subject to provisions of the Agreement between Rodeo-Hercules Fire Protection District and TCS. No third party recipient of this report product should rely on the report for any purpose other than accounting compliance. Any other use of this report is unauthorized without first consulting with TCS.

This report is for fiscal year July 1, 2019 to June 30, 2020, using a measurement date of June 30, 2019. The calculations in this report have been made based on our understanding of plan provisions and actual practice at the time we were provided the required information. We relied on information provided by Rodeo-Hercules Fire Protection District. Much or all of this information was unaudited at the time of our evaluation. We reviewed the information provided for reasonableness, but this review should not be viewed as fulfilling any audit requirements. Information we relied on is listed in Appendix A.

All costs, liabilities, and other estimates are based on actuarial assumptions and methods that comply with all applicable Actuarial Standards of Practice (ASOPs). Each assumption is deemed to be reasonable by itself, taking into account plan experience and reasonable future expectations.

This report contains estimates of the Plan's financial condition only as of a single date. It cannot predict the Plan's future condition nor guarantee its future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. Determining results using alternative assumptions (except for the alternate discount and trend rates shown in this report) is outside the scope of our engagement.

Future actuarial measurements may differ significantly from those presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the measurement methodology (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. We were not asked to perform analyses to estimate the potential range of such future measurements.

The signing actuary is independent of Rodeo-Hercules Fire Protection District and any plan sponsor. TCS does not intend to benefit from and assumes no duty or liability to other parties who receive this report. TCS is not aware of any relationship that would impair the objectivity of the opinion.

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On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and has been prepared in accordance with generally accepted actuarial principles and practices and all applicable Actuarial Standards of Practice. My experience and continuing education are consistent with the requirements described for actuaries under the Qualification Standards of the American Academy of Actuaries.

Respectfully submitted,



Geoffrey L. Kischuk
Actuary
Total Compensation Systems, Inc.
(805) 496-1700

PART II: BACKGROUND

A. Summary

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly (via an “implicit rate subsidy”).

B. Actuarial Accrual

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method.”

The actuarial cost method mandated by GASB 75 is the “entry age actuarial cost method”. Under this method, there are two components of actuarial cost – a “service cost” (SC) and the “Total OPEB Liability” (TOL). GASB 75 allows certain changes in the TOL to be deferred (i.e. deferred inflows and outflows of resources).

The service cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. Under the entry age actuarial cost method, the actuary determines the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. This amount is the service cost. Under GASB 75, the service cost is calculated to be a level percentage of each employee’s projected pay.

The service cost is determined using several key assumptions:

- The current ***cost of retiree health benefits*** (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the service cost.
- The ***“trend” rate*** at which retiree health benefits are expected to increase over time. A higher trend rate increases the service cost. A “cap” on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing service costs.
- ***Mortality rates*** varying by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.
- ***Employment termination rates*** have the same effect as mortality inasmuch as higher termination rates reduce service costs. Employment termination can vary considerably between public agencies.
- The ***service requirement*** reflects years of service required to earn full or partial retiree benefits. While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

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- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase service costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the real rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. If all actuarial assumptions are exactly met and an employer expensed the service cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the Total OPEB Liability (TOL). The excess of TOL over the value of plan assets is called the Net OPEB Liability (NOL). Under GASB 74 and 75, in order for assets to count toward offsetting the TOL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

The total OPEB liability (TOL) can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience.

Under GASB 74 and 75, a portion of actuarial gains and losses can be deferred as follows:

- Investment gains and losses can be deferred five years
- Experience gains and losses can be deferred over the expected average remaining service lives (EARSL) of plan participants. In calculating the EARSL, terminated employees (primarily retirees) are considered to have a working lifetime of zero. This often makes the EARSL quite short.
- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the EARSL.
- Liability changes resulting from plan changes, for example, cannot be deferred.

PART III: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefit payments (APVPBP) separately for each participant. We determined eligibility for retiree benefits based on information supplied by Rodeo-Hercules Fire Protection District. We then selected assumptions for the factors discussed in the above Section that, based on plan provisions and our training and experience, represent our best prediction of future plan experience. For each participant, we applied the appropriate factors based on the participant's age, sex, length of service, and employee classification.

We summarized actuarial assumptions used for this study in Appendix C.

B. Liability for Retiree Benefits.

For each participant, we projected future premium costs using an assumed trend rate (see Appendix C). We multiplied each year's benefit payments by the probability that benefits will be paid; i.e. based on the probability that the participant is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the participant is not eligible. The participant is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's benefit payments and the probability the benefit will be paid equals the expected cost for that year. We discounted the expected cost for each year to the measurement date June 30, 2019 at 7% interest. Finally, we multiplied the above discounted expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan.

For any *current retirees*, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 1.0000).

We added the actuarial present value of projected benefit payments (APVPBP) for each participant to get the total APVPBP for all participants. The APVPBP is the estimated present value of all future retiree health benefits for all **current** participants. The APVPBP is the amount on June 30, 2019 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last participant dies or reaches the maximum eligibility age.

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Actuarial Present Value of Projected Benefit Payments at June 30, 2019

	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
Active: Pre-65	\$1,648,921	\$1,619,201	\$29,720
Post-65	\$1,395,878	\$1,360,014	\$35,864
Subtotal	\$3,044,799	\$2,979,215	\$65,584
Retiree: Pre-65	\$896,913	\$826,973	\$69,940
Post-65	\$2,541,249	\$2,443,127	\$98,122
Subtotal	\$3,438,162	\$3,270,100	\$168,062
Grand Total	\$6,482,961	\$6,249,315	\$233,646
Subtotal Pre-65	\$2,545,834	\$2,446,174	\$99,660
Subtotal Post-65	\$3,937,127	\$3,803,141	\$133,986

The APVPBP should be accrued over the working lifetime of employees. At any time much of it has not been "earned" by employees. The APVPBP is used to develop expense and liability figures. To do so, the APVPBP is divided into two parts: the portions attributable to service rendered prior to the measurement date (the past service liability or Total OPEB Liability (TOL) under GASB 74 and 75) and to service after the measurement date but prior to retirement (the future service liability).

The past service and future service liabilities are each accrued in a different way. We will start with the future service liability which is funded by the service cost.

C. Cost to Prefund Retiree Benefits

1. Service Cost

The average hire age for eligible employees is 28. To accrue the liability by retirement, the District would accrue the retiree liability over a period of about 27 years (assuming an average retirement age of 55). We applied an "entry age" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated service cost.

Service Cost Year Beginning July 1, 2019

	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
# of Employees	20	19	1
Per Capita Service Cost			
Pre-65 Benefit	N/A	\$3,356	\$1,818
Post-65 Benefit	N/A	\$691	\$2,191
First Year Service Cost			
Pre-65 Benefit	\$65,582	\$63,764	\$1,818
Post-65 Benefit	\$15,320	\$13,129	\$2,191
Total	\$80,902	\$76,893	\$4,009

Accruing retiree health benefit costs using service costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. This service cost would increase each year based on covered payroll.

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2. Total OPEB Liability (TOL) and Net OPEB Liability (NOL)

If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability. We calculated the Total OPEB Liability (TOL) as the APVPBP minus the present value of future service costs. To the extent that benefits are funded through a GASB 74 qualifying trust, the trust's Fiduciary Net Position (FNP) is subtracted to get the NOL. The FNP is the value of assets adjusted for any applicable payables and receivables.

Total OPEB Liability (TOL) and Net OPEB Liability (NOL) as of June 30, 2019

	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
Active: Pre-65	\$1,098,812	\$1,088,671	\$10,141
Active: Post-65	\$1,263,046	\$1,250,778	\$12,268
Subtotal	\$2,361,858	\$2,339,449	\$22,409
Retiree: Pre-65	\$896,913	\$826,973	\$69,940
Retiree: Post-65	\$2,541,249	\$2,443,127	\$98,122
Subtotal	\$3,438,162	\$3,270,100	\$168,062
Subtotal: Pre-65	\$1,995,725	\$1,915,644	\$80,081
Subtotal: Post-65	\$3,804,295	\$3,693,905	\$110,390
Total OPEB Liability (TOL)	\$5,800,020	\$5,609,549	\$190,471
Fiduciary Net Position as of June 30, 2019	\$2,053,555		
Net OPEB Liability (NOL)	\$3,746,465		

The following table shows the reconciliation of the June 30, 2018 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2019 NOL.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2018	\$5,543,398	\$1,854,382	\$3,689,016
Service Cost	\$108,352	\$0	\$108,352
Interest on Total OPEB Liability	\$380,908	\$0	\$380,908
Expected Investment Income	\$0	\$132,686	(\$132,686)
Administrative Expenses	\$0	(\$407)	\$407
Employee Contributions	\$0	\$0	\$0
Employer Contributions to Trust	\$0	\$82,665	(\$82,665)
Employer Contributions as Benefit Payments	\$0	\$312,076	(\$312,076)
Benefit Payments from Trust	\$0	\$0	\$0
Expected Benefit Payments from Employer	(\$312,076)	(\$312,076)	\$0
Expected Balance at June 30, 2019	\$5,720,582	\$2,069,326	\$3,651,256
Experience (Gains)/Losses	\$79,438	\$0	\$79,438
Changes in Assumptions	\$0	\$0	\$0
Changes in Benefit Terms	\$0	\$0	\$0
Investment Gains/(Losses)	\$0	(\$15,771)	\$15,771
Other	\$0	\$0	\$0
Net Change during 2018-19	\$256,622	\$199,173	\$57,449
Actual Balance at June 30, 2019*	\$5,800,020	\$2,053,555	\$3,746,465

* May include a slight rounding error.

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3. OPEB Expense

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for Rodeo-Hercules Fire Protection District is shown in Appendix F. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2020

	<i>Beginning Balance</i>	<i>Newly Created</i>	<i>Recognition</i>	<i>Ending Balance</i>
Experience (Gains)/Losses	\$0	\$79,438	(\$13,240)	\$66,198
Assumption Changes	\$0	\$0	\$0	\$0
Investment (Gains)/Losses	(\$13,929)	\$15,771	\$328	\$2,170
Deferred Balances	(\$13,929)	\$95,209	(\$12,912)	\$68,368

The following table shows the reconciliation between the change in the NOL and the OPEB expense.

Preliminary OPEB Expense Fiscal Year Ending June 30, 2020

	<i>Beginning Net Position</i>	<i>Ending Net Position</i>	<i>Change</i>
Net OPEB Liability (NOL)	\$3,689,016	\$3,746,465	\$57,449
Deferred Balances	(\$13,929)	\$68,368	\$82,297
Change in Net Position	\$3,702,945	\$3,678,097	(\$24,848)
Employer Contributions			\$394,741
Other			\$0
OPEB Expense			\$369,893

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, and change in TOL due to plan changes; all adjusted for deferred inflows and outflows.

OPEB Expense Fiscal Year Ending June 30, 2020

	<i>Total</i>
Service Cost	\$108,352
Interest on Total OPEB Liability (TOL)	\$380,908
Employee Contributions	\$0
Recognized Experience (Gains)/Losses	\$13,240
Recognized Assumption Changes	\$0
Expected Investment Income	(\$132,686)
Recognized Investment (Gains)/Losses	(\$328)
Contributions After Measurement Date (Prior Year)	\$0
Contributions After Measurement Date (Current Year)	\$0
Changes in Benefit Terms	\$0
Administrative Expense	\$407
OPEB Expense*	\$369,893

* May include a slight rounding error.

The above OPEB expense does not include an estimated \$394,741 in employer contributions.

4. Adjustments

We are unaware of any adjustments that need to be made.

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The above OPEB expense includes all deferred inflows and outflows except any contributions after the measurement date. Contributions from July 1, 2019 to June 30, 2020 minus prior contributions after the measurement date should also be reflected in OPEB expense. June 30, 2020 deferred outflows should include contributions from July 1, 2019 to June 30, 2020.

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PART IV: "PAY AS YOU GO" FUNDING OF RETIREE BENEFITS

We used the actuarial assumptions shown in Appendix C to project the District's ten year retiree benefit outlay. Because these cost estimates reflect average assumptions applied to a relatively small number of participants, estimates for individual years are **certtain** to be **in**accurate. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District's share of retiree health costs.

<i>Year Beginning</i>			
<i>July 1</i>	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
2019	\$328,327	\$309,889	\$18,438
2020	\$350,099	\$331,064	\$19,035
2021	\$357,463	\$337,815	\$19,648
2022	\$389,997	\$369,721	\$20,276
2023	\$405,653	\$397,503	\$8,150
2024	\$410,466	\$402,060	\$8,406
2025	\$402,658	\$393,994	\$8,664
2026	\$394,354	\$385,430	\$8,924
2027	\$401,597	\$392,413	\$9,184
2028	\$410,546	\$400,800	\$9,746

PART V: RECOMMENDATIONS FOR FUTURE VALUATIONS

To effectively manage benefit costs, an employer must periodically examine the existing liability for retiree benefits as well as future annual expected premium costs. GASB 74/75 require annual valuations. Every other year, the valuation requirement can be met by doing a “roll-forward” valuation. However, a full valuation may be required or preferred under certain circumstances.

Following are examples of actions that could trigger a new valuation.

- An employer should perform a valuation whenever the employer considers or puts in place an early retirement incentive program.
- An employer should perform a valuation whenever the employer adopts a retiree benefit plan for some or all employees.
- An employer should perform a valuation whenever the employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- An employer should perform a valuation whenever the employer introduces or changes retiree contributions.
- An employer should perform a valuation whenever the employer forms a qualifying trust or changes its investment policy.
- An employer should perform a valuation whenever the employer adds or terminates a group of participants that constitutes a significant part of the covered group.

We recommend Rodeo-Hercules Fire Protection District take the following actions to ease future valuations.

- We have used our training, experience and information available to us to establish the actuarial assumptions used in this valuation. We have no information to indicate that any of the assumptions do not reasonably reflect future plan experience. However, the District should review the actuarial assumptions in Appendix C carefully. If the District has any reason to believe that any of these assumptions do not reasonably represent the expected future experience of the retiree health plan, the District should engage in discussions or perform analyses to determine the best estimate of the assumption in question.

PART VI: APPENDICES

APPENDIX A: MATERIALS USED FOR THIS STUDY

We relied on the following materials to complete this study.

- We used paper reports and digital files containing participant demographic data from the District personnel records.
- We used relevant sections of collective bargaining agreements provided by the District.

APPENDIX B: EFFECT OF ASSUMPTIONS USED IN CALCULATIONS

While we believe the estimates in this study are reasonable overall, it was necessary for us to use assumptions which inevitably introduce errors. We believe that the errors caused by our assumptions will not materially affect study results. If the District wants more refined estimates for decision-making, we recommend additional investigation.

APPENDIX C: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for Rodeo-Hercules Fire Protection District to understand that the appropriateness of all selected actuarial assumptions and methods are Rodeo-Hercules Fire Protection District's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 74 and 75, applicable actuarial standards of practice, Rodeo-Hercules Fire Protection District's actual historical experience, and TCS's judgment based on experience and training.

ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: GASB 74 and 75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP and present value of future service costs are determined on a participant by participant basis and then aggregated.

To the extent that different benefit formulas apply to different employees of the same class, the service cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees). This greatly simplifies administration and accounting; as well as resulting in the correct service cost for new hires.

SUBSTANTIVE PLAN: As required under GASB 74 and 75, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Rodeo-Hercules Fire Protection District regarding practices with respect to employer and employee contributions and other relevant factors.

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ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 2.75% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 7% per year net of expenses. This is based on assumed long-term return on employer assets. We used the “Building Block Method”. (See Appendix E, Paragraph 53 for more information). Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

TREND: We assumed 4% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), using an aggregate payroll assumption for the purpose of calculating the service cost results in a negligible error.

FIDUCIARY NET POSITION (FNP): The following table shows the beginning and ending FNP numbers that were provided by Rodeo-Hercules Fire Protection District.

Fiduciary Net Position as of June 30, 2019

	<u>06/30/2018</u>	<u>06/30/2019</u>
Cash and Equivalents	\$0	\$0
Contributions Receivable	\$0	\$0
Total Investments	\$1,854,382	\$2,053,555
Capital Assets	\$0	\$0
Total Assets	<u>\$1,854,382</u>	<u>\$2,053,555</u>
Benefits Payable	<u>\$0</u>	<u>\$0</u>
Fiduciary Net Position	<u>\$1,854,382</u>	<u>\$2,053,555</u>

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NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35). See Appendix E, Paragraph 52 for more information.

MORTALITY

<i>Participant Type</i>	<i>Mortality Tables</i>
Firefighters	2014 CalPERS Mortality for Active Safety Employees
Miscellaneous	2014 CalPERS Active Mortality for Miscellaneous Employees

RETIREMENT RATES

<i>Employee Type</i>	<i>Retirement Rate Tables</i>
Fire Fighters	Hired before 1/1/13: 2009 CalPERS 2.0% @50 Rates for Firefighters Hired after 12/31/12: 2009 CalPERS 3.0% @55 Rates for Firefighters
Miscellaneous	2009 CalPERS 2.0% @60 Rates for Miscellaneous Employees

SERVICE REQUIREMENT

<i>Employee Type</i>	<i>Service Requirement Tables</i>
Firefighters	100% at 5 Years of Service
Miscellaneous	100% at 5 Years of Service

COSTS FOR RETIREE COVERAGE

Actuarial Standard of Practice 6 (ASOP 6) provides that, as a general rule, retiree costs should be based on actual claim costs or age-adjusted premiums. This is true even for many medical plans that are commonly considered to be “community-rated.” However, ASOP 6 contains a provision – specifically section 3.7.7(c) – that allows use of unadjusted premiums in certain circumstances.

It is my opinion that the section 3.7.7(c)(4) exception allows use of unadjusted premium for PEMHCA agencies if certain conditions are met. Following are the criteria we applied to Rodeo-Hercules Fire Protection District to determine that it is reasonable to assume that Rodeo-Hercules Fire Protection District’s future participation in PEMHCA is likely and that the CalPERS medical program as well as its premium structure are sustainable. (We also have an extensive white paper on this subject that provides a basis for our rationale entirely within the context of ASOP 6. We will make this white paper available upon request.)

- **Plan qualifies as a “pooled health plan.”** ASOP 6 defines a “pooled health plan” as one in which premiums are based at least in part on the claims experience of groups other than the one being valued.” Since CalPERS rates are the same for all employers in each region, rates are clearly based on the experience of many groups.
- **Rates not based to any extent on the agency’s claim experience.** As mentioned above, rates are the same for all participating employers regardless of claim experience or size.
- **Rates not based to any extent on the agency’s demographics.** As mentioned above, rates are the same for all participating employers regardless of demographics.
- **No refunds or charges based on the agency’s claim experience or demographics.** The terms of operation of the CalPERS program are set by statute and there is no provision for any refunds and charges that vary from employer to employer for any reason. The only charges are uniform administrative charges.
- **Plan in existence 20 or more years.** Enabling legislation to allow “contracting agencies” to participate in the CalPERS program was passed in 1967. The CalPERS medical plan has been successfully

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operating for almost 50 years. As far back as we can obtain records, the rating structure has been consistent, with the only difference having been a move to regional rating which is unrelated to age-adjusted rating.

- **No recent large increases or decreases in the number of participating plans or enrollment.** The CalPERS medical plan has shown remarkably stable enrollment. In the past 10 years, there has been small growth in the number of employers in most years – with the maximum being a little over 2% and a very small decrease in one year. Average year over year growth in the number of employers over the last 10 years has been about 0.75% per year. Groups have been consistently leaving the CalPERS medical plan while other groups have been joining with no disruption to its stability.
- **Agency is not expecting to leave plan in foreseeable future.** The District does not plan to leave CalPERS at present.
- **No indication the plan will be discontinued.** We are unaware of anything that would cause the CalPERS medical plan to cease or to significantly change its operation in a way that would affect this determination.
- **The agency does not represent a large part of the pool.** The District is in the CalPERS Bay Area region. Based on the information we have, the District constitutes no more than 0.04% of the Bay Area pool. In our opinion, this is not enough for the District to have a measurable effect on the rates or viability of the Bay Area pool.

Retiree liabilities are based on actual retiree costs. Liabilities for active participants are based on the first year costs shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any District contribution caps.

<i>Participant Type</i>	<i>Future Retirees Pre-65</i>	<i>Future Retirees Post-65</i>
Fire Fighters	\$19,784	\$7,183
		\$11,793
General Employees	\$18,438	\$7,183

PARTICIPATION RATES

<i>Employee Type</i>	<i><65 Non-Medicare Participation %</i>	<i>65+ Medicare Participation %</i>
Firefighters	100%	100%
Miscellaneous	100%	100%

TURNOVER

<i>Employee Type</i>	<i>Turnover Rate Tables</i>
Firefighters	2009 CalPERS Rates for Sworn Fire Employees
Miscellaneous	2009 CalPERS Turnover for Miscellaneous Employees

SPOUSE PREVALENCE

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

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APPENDIX D: DISTRIBUTION OF ELIGIBLE PARTICIPANTS BY AGE

ELIGIBLE ACTIVE EMPLOYEES

<i>Age</i>	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
Under 25	1	1	0
25-29	3	3	0
30-34	3	3	0
35-39	1	1	0
40-44	4	3	1
45-49	1	1	0
50-54	6	6	0
55-59	1	1	0
60-64	0	0	0
65 and older	0	0	0
Total	20	19	1

ELIGIBLE RETIREES

<i>Age</i>	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
Under 50	0	0	0
50-54	1	1	0
55-59	2	2	0
60-64	7	6	1
65-69	7	7	0
70-74	4	4	0
75-79	1	1	0
80-84	1	1	0
85-89	0	0	0
90 and older	0	0	0
Total	23	22	1

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APPENDIX E: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The District should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the District in complying with GASB 74/75 disclosure requirements:

Paragraph 50: **Information about the OPEB Plan**

Most of the information about the OPEB plan should be supplied by Rodeo-Hercules Fire Protection District. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	23
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	20
Total Number of participants	43

*We were not provided with information about any terminated, vested employees

Paragraph 51: **Significant Assumptions and Other Inputs**

Shown in Appendix C.

Paragraph 52: **Information Related to Assumptions and Other Inputs**

The following information is intended to assist Rodeo-Hercules Fire Protection District in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following are the tables the mortality assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Mortality Table Disclosure	2014 CalPERS Active Mortality for Miscellaneous Employees The mortality assumptions are based on the 2014 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.
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Mortality Table	2014 CalPERS Mortality for Retired safety Employees
Disclosure	The mortality assumptions are based on the 2014 CalPERS Mortality for Retired safety Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.
Mortality Table	2014 CalPERS Retiree Mortality for Miscellaneous Employees
Disclosure	The mortality assumptions are based on the 2014 CalPERS Retiree Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Retirement Tables

Retirement Table	2009 CalPERS 2.0% @60 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2009 CalPERS 2.0% @60 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.
Retirement Table	2009 PERS 3% @55 FIRE RX
Disclosure	The retirement assumptions are based on the 2009 PERS 3% @55 FIRE RX table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.
Retirement Table	2009 CalPERS 2% @50 Rates for Sworn Police
Disclosure	The retirement assumptions are based on the 2009 CalPERS 2% @50 Rates for Sworn Police table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

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Turnover Tables

Turnover Table	2009 CalPERS Rates for Sworn Fire Employees
Disclosure	The turnover assumptions are based on the 2009 CalPERS Rates for Sworn Fire Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover Table	2009 CalPERS Turnover for Miscellaneous Employees
Disclosure	The turnover assumptions are based on the 2009 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	\$3,159,984	\$3,746,465	\$4,438,855

Paragraph 53:

Discount Rate

The following information is intended to assist Rodeo-Hercules Fire Protection District to comply with Paragraph 53 requirements.

53.a: A discount rate of 7% was used in the valuation.

53.b: We assumed that all contributions are from the employer.

53.c: We used historic 24 year real rates of return for each asset class along with our assumed long-term inflation assumption to set the discount rate. We offset the expected investment return by investment expenses of 13 basis points.

53.d: The interest assumption does not reflect a municipal bond rate.

53.e: Not applicable.

53.f: Following is the assumed asset allocation and assumed rate of return for each.

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CERBT - Strategy 1

Asset Class	Percentage of Portfolio	Assumed Gross Return
US Large Cap	43.0000	7.6750
US Small Cap	23.0000	7.6750
Long-Term Corporate Bonds	12.0000	5.1750
Long-Term Government Bonds	6.0000	4.3800
Treasury Inflation Protected Securities (TIPS)	5.0000	7.6750
US Real Estate	8.0000	7.6750
All Commodities	3.0000	7.6750

We looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. We used geometric means.

53.g: The following table shows the Net OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation.

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB Liability	\$4,446,848	\$3,746,465	\$3,168,756

Paragraph 55: **Changes in the Net OPEB Liability**

Please see reconciliation on page 10.

Paragraph 56: **Additional Net OPEB Liability Information**

The following information is intended to assist Rodeo-Hercules Fire Protection District to comply with Paragraph 56 requirements.

56.a: The valuation date is June 30, 2019.

The measurement date is June 30, 2019.

56 b: We are not aware of a special funding arrangement.

56 c: There were no assumption changes since the prior measurement date.

56.d: There were no changes in benefit terms since the prior measurement date.

56.e: Not applicable

56.f: To be determined by the employer

56.g: To be determined by the employer

56.h: Other than contributions after the measurement, all deferred inflow and outflow balances are shown in Appendix F

56.i: Future recognition of deferred inflows and outflows is shown in Appendix F

Paragraph 57: **Required Supplementary Information**

57.a: Please see reconciliation on page 10. Please see the notes for Paragraph 244 below for more information.

57.b: These items are provided on page 10 for the current valuation, except for covered payroll, which should be determined based on appropriate methods.

57.c: We have not been asked to calculate an actuarially determined contribution amount.

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We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 24 years.

57.d: We are not aware that there are any statutorily or contractually established contribution requirements.

Paragraph 58: Actuarially Determined Contributions

We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 24 years.

Paragraph 244: Transition Option

Prior periods were not restated due to the fact that prior valuations were not rerun in accordance with GASB 75. It was determined that the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified.

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APPENDIX F: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

EXPERIENCE GAINS AND LOSSES

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of
Experience Gains and Losses
(Measurement Periods)**

Measurement Period	Experience (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2018	2019	Amounts to be Recognized in OPEB Expense after 2019	2020	2021	2022	2023	2024	Thereafter
2018-19	\$79,438	6	\$0	\$13,240	\$66,198	\$13,240	\$13,240	\$13,240	\$13,240	\$13,238	
Net Increase (Decrease) in OPEB Expense			\$0	\$13,240	\$66,198	\$13,240	\$13,240	\$13,240	\$13,240	\$13,238	\$0

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CHANGES OF ASSUMPTIONS

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Changes of Assumptions (Measurement Periods)

Measurement Period	Changes of Assumptions	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2018	2019	Amounts to be Recognized in OPEB Expense after 2019	2020	2021	2022	2023	2024	Thereafter
2018-19	\$0	0	\$0	\$0	\$0						
Net Increase (Decrease) in OPEB Expense			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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INVESTMENT GAINS AND LOSSES

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Investment Gains and Losses (Measurement Periods)

Measurement Period	Investment (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2018	2019	Amounts to be Recognized in OPEB Expense after 2019	2020	2021	2022	2023	2024	Thereafter
2017-18	(\$17,412)	5	(\$3,483)	(\$3,483)	(\$10,446)	(\$3,483)	(\$3,483)	(\$3,480)			
2018-19	\$15,771	5	\$0	\$3,155	\$12,616	\$3,155	\$3,155	\$3,155	\$3,151		
Net Increase (Decrease) in OPEB Expense			(\$3,483)	(\$328)	\$2,170	(\$328)	(\$328)	(\$325)	\$3,151	\$0	\$0

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APPENDIX G: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non*-actuary understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

<u>Actuarial Cost Method:</u>	A mathematical model for allocating OPEB costs by year of service. The only actuarial cost method allowed under GASB 74/75 is the entry age actuarial cost method.
<u>Actuarial Present Value of Projected Benefit Payments:</u>	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation or measurement date.
<u>Deferred Inflows/Outflows of Resources:</u>	A portion of certain items that can be deferred to future periods or that weren't reflected in the valuation. The former includes investment gains/losses, actuarial gains/losses, and gains/losses due to changes in actuarial assumptions or methods. The latter includes contributions made to a trust subsequent to the measurement date but before the statement date.
<u>Discount Rate:</u>	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.
<u>Fiduciary Net Position:</u>	Net assets (liability) of a qualifying OPEB "plan" (i.e. qualifying irrevocable trust or equivalent arrangement).
<u>Implicit Rate Subsidy:</u>	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees and the employer is expected, in the long run, to pay the underlying cost of retiree benefits.
<u>Measurement Date:</u>	The date at which assets and liabilities are determined in order to estimate TOL and NOL.
<u>Mortality Rate:</u>	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
<u>Net OPEB Liability (NOL):</u>	The Total OPEB Liability minus the Fiduciary Net Position.
<u>OPEB Benefits:</u>	Other Post Employment Benefits. Generally, medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>OPEB Expense:</u>	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Service Cost plus interest on the Total OPEB Liability (TOL) plus change in TOL due to plan changes minus projected investment income; all adjusted to reflect deferred inflows and outflows of resources.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower

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participation rate results in lower service cost and a TOL. The participation rate often is related to retiree contributions.

Retirement Rate:

The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with the service requirement to reflect both age and length of service). The more likely employees are to retire early, the higher service costs and actuarial accrued liability will be.

Service Cost:

The annual dollar value of the “earned” portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.

Service Requirement:

The proportion of retiree benefits payable under the OPEB plan, based on length of service and, sometimes, age. A shorter service requirement increases service costs and TOL.

Total OPEB Liability (TOL):

The amount of the actuarial present value of projected benefit payments attributable to participants’ past service based on the actuarial cost method used.

Trend Rate:

The rate at which the employer’s share of the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher service costs and TOL.

Turnover Rate:

The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce service costs and TOL.

Valuation Date:

The date as of which the OPEB obligation is determined by means of an actuarial valuation. Under GASB 74 and 75, the valuation date does not have to coincide with the statement date, but can’t be more than 30 months prior.

Current Year: 2020 Vehicle	Type	Model	Year Purchased	Useful Life (Average)	Replacement Year	Years to Replacement Year	Current Replacement Cost	Reserve per Year to Replacement Year	Reserve per Year After 1st Replacement Year	Reserve Requirement														
										2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2030			
										7500	SUV	Chevy Tahoe	2017	10	2027	7	\$65,000	\$9,286	\$6,500	\$9,286	\$9,286	\$9,286	\$9,286	\$9,286
7501	SUV	Chevy Tahoe	2017	10	2027	7	\$65,000	\$9,286	\$6,500	\$9,286	\$9,286	\$9,286	\$9,286	\$9,286	\$9,286	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	
E-75	Type I	Spartan	2014	15	2029	9	\$750,000	\$83,333	\$50,000	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$50,000	\$50,000	\$50,000	\$50,000	
E-76	Type I	Spartan	2000	15	2015	-5	\$750,000	-\$150,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Q-76	Quint	Smeal	2006	15	2021	1	\$1,500,000	\$1,500,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
376	Type III	International	2005	20	2025	5	\$400,000	\$80,000	\$20,000	\$80,000	\$80,000	\$80,000	\$80,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
375	Type III	International	2007	20	2027	7	\$400,000	\$57,143	\$20,000	\$57,143	\$57,143	\$57,143	\$57,143	\$57,143	\$57,143	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
PU 76	Pickup	Ford F350	2005	20	2025	5	\$90,000	\$4,500	\$4,500	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
S2	SUV	Ford Expedition	2005	10	2015	-5	\$65,000	-\$13,000	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	
S3	SUV	Ford Escape	2007	20	2027	7	\$40,000	\$5,714	\$2,000	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	
Total							\$4,020,000	\$1,607,048	\$257,500	\$407,048	\$407,048	\$407,048	\$407,048	\$407,048	\$407,048	\$333,548	\$333,548	\$290,833	\$290,833	\$257,500	\$257,500	\$257,500	\$257,500	

Existing Leases Vehicle	Type	Model	Year Leased	Purchase Price	Cash Amount	Lease Amount	Lease Term	Lease Interest Rate
7500	SUV	Chevy Tahoe	2017	\$65,000	\$21,523	\$43,477	10	3.10%
7501	SUV	Chevy Tahoe	2017	\$65,000	\$21,523	\$43,477	10	3.10%
E-75	Type I	Spartan	2014	\$613,046	\$0	\$613,046	10	3.10%
Total (3)				\$743,046	\$43,046	\$700,000		

Kansas City Bank Lease Payments									
2020	2021								
\$4,994	\$4,994								
\$4,994	\$4,994								
\$70,414	\$70,414								
\$80,401	\$80,401								

Future Leases Vehicle	Type	Model	Year Leased	Purchase Price	Cash Amount	Lease Amount	Lease Term	Lease Interest Rate
E-76 Replacement	Type I	Pierce	2021	\$800,000	\$0	\$800,000	15	3.25%
Q-76 Replacement	Truck	Smeal	2021	\$1,700,000	\$0	\$1,700,000	15	3.25%

Lease Payments											
2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2030
\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611
\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611	\$106,611

(1) Assumes vehicles lease purchased in 2017 with funds borrowed from Kansas State Bank of Manhattan in 2012
 (2) Assumes district enters into a lease purchase agreement to acquire a replacement for E-76 Type I vehicle in 2020, at 3.5% interest for a term of 15 years

RHFD BUDGET ATTACHMENT C

FIVE YEAR PROJECTIONS

	AdoptedBud FY2018-19	Actual YTD 2018- 2019	Adopted Bud FY2019-20	Estimated Rev. FY2019-2020	Projected Rev. FY2020-2021	Projected Rev. FY2021-2022	Projected Rev. FY2022-2023	Projected Rev. FY2023-2024	Projected Rev. FY2024-2025
Property taxes	3,154,122	4,188,534	3,907,430	4,377,612	4,156,304	4,156,304	4,156,304	4,156,304	4,156,304
Homeowners Tax Relief	31,873	29,956	30,555	30,148	29,956	29,956	29,956	29,956	29,956
Measure H EMS	87,565	85,593	85,593	85,593	85,593	85,593	85,593	85,593	85,593
Special Tax/Fire (Benefit Assessment)	1,354,034	1,352,535	1,352,535	1,347,041	1,347,040	1,352,535	1,352,535	1,352,535	1,352,535
Total General Fund Revenue	4,627,594	5,656,618	5,376,113	5,840,394	5,618,893	5,624,388	5,624,388	5,624,388	5,624,388
RDA Nonprop tax Pass Thru	331,944	466,141	475,463	525,570	375,000	375,000	375,000	386,250	397,838
Hercules Development Fees	103,000	203,061	106,000	106,852	100,000	100,000	100,000	100,000	100,000
Measure "O"	2,352,672	2,405,916	2,472,636	2,475,105	2,500,704	2,575,725	2,652,997	2,732,587	2,814,564
Earning on Investment				12,296	12,296	12,911	13,556	14,234	14,946
Misc. Government Revenue	-	143,486	-	-	-	-	-	-	-
Other District Revenue	27,113	43,109	-	23,109	23,109	23,109	23,109	23,109	23,109
Fire Prevention	43,066	98,826	100,802	72,448	55,000	55,000	55,000	55,000	55,000
TOTAL Other Revenue	2,857,795	3,360,539	3,154,901	3,215,380	3,066,109	3,141,745	3,219,662	3,311,180	3,405,457
TOTAL GRAND REVENUE	7,485,389	9,017,157	8,531,014	9,055,774	8,685,002	8,766,133	8,844,050	8,935,568	9,029,845
Expenditures	-	-	-	-	-	-	-	-	-
Salaries and Benefits	6,343,043	6,319,939	6,320,503	6,625,157	6,554,700	6,751,341	6,953,881	7,162,498	7,377,373
Services and Supplies Expenditures	943,903	913,276	1,054,613	817,771	1,390,250	1,431,958	1,474,916	1,519,164	1,564,739
TOTAL EXPENDITURES	7,286,946	7,233,215	7,375,116	7,442,928	7,944,950	8,183,299	8,428,797	8,681,661	8,942,111
Change in Revenue and Expenditures	198,443	1,783,942	1,155,898	1,612,846	740,052	582,834	415,253	253,907	87,734

RHFD BUDGET ATTACHMENT D

Incident Type Count Report

Date Range: From 1/1/2019 To 12/31/2019

Selected Station(s): All

<u>Incident</u>			
<u>Type</u>	<u>Description</u>	<u>Count</u>	
Station:			
Incident Type is blanks		690	20.97%
Total - incident type left blank		690	100.00%
Total for Station		690	20.97%
Station: 75			
100 - Fire, other		8	0.24%
111 - Building fire		8	0.24%
112 - Fires in structures other than in a building		1	0.03%
113 - Cooking fire, confined to container		5	0.15%
118 - Trash or rubbish fire, contained		2	0.06%
130 - Mobile property (vehicle) fire, other		1	0.03%
131 - Passenger vehicle fire		7	0.21%
142 - Brush, or brush and grass mixture fire		9	0.27%
143 - Grass fire		6	0.18%
150 - Outside rubbish fire, other		3	0.09%
151 - Outside rubbish, trash or waste fire		10	0.30%
160 - Special outside fire, other		3	0.09%
161 - Outside storage fire		1	0.03%
162 - Outside equipment fire		1	0.03%
Total - Fires		65	5.63%
311 - Medical assist, assist EMS crew		2	0.06%
321 - EMS call, excluding vehicle accident with injury		667	20.27%
322 - Vehicle accident with injuries		50	1.52%
323 - Motor vehicle/pedestrian accident (MV Ped)		1	0.03%
324 - Motor vehicle accident with no injuries		17	0.52%
370 - Electrical rescue, other		1	0.03%
Total - Rescue & Emergency Medical Service Incidents		738	63.90%
400 - Hazardous condition, other		6	0.18%
412 - Gas leak (natural gas or LPG)		2	0.06%
413 - Oil or other combustible liquid spill		1	0.03%
424 - Carbon monoxide incident		2	0.06%
440 - Electrical wiring/equipment problem, other		1	0.03%
442 - Overheated motor		1	0.03%
444 - Power line down		2	0.06%
445 - Arcing, shorted electrical equipment		1	0.03%
4630 - Vehicle accident, Non Injury		4	0.12%
4631 - Vehicle accident Cancelled en route		1	0.03%
Total - Hazardous Conditions (No fire)		21	1.82%
500 - Service Call, other		2	0.06%
510 - Person in distress, other		1	0.03%
511 - Lock-out		2	0.06%
520 - Water problem, other		2	0.06%
522 - Water or steam leak		2	0.06%

Incident

<u>Type</u>	<u>Description</u>	<u>Count</u>	
Station: 75 - (Continued)			
531	- Smoke or odor removal	4	0.12%
5410	- Snake problem	3	0.09%
542	- Animal rescue	1	0.03%
550	- Public service assistance, other	3	0.09%
551	- Assist police or other governmental agency	2	0.06%
552	- Police matter	1	0.03%
553	- Public service	8	0.24%
554	- Assist invalid	25	0.76%
561	- Unauthorized burning	1	0.03%
571	- Cover assignment, standby, moveup	3	0.09%
Total - Service Call		60	5.19%
611	- Dispatched & cancelled en route	148	4.50%
611E	- EMS: Dispatched & cancelled en route	3	0.09%
622	- No incident found on arrival at dispatch address	5	0.15%
651	- Smoke scare, odor of smoke	15	0.46%
6610	- EMS call cancelled	3	0.09%
671	- Hazmat release investigation w/ no hazmat	1	0.03%
Total - Good Intent Call		175	15.15%
700	- False alarm or false call, other	57	1.73%
710	- Malicious, mischievous false call, other	1	0.03%
733	- Smoke detector activation due to malfunction	5	0.15%
735	- Alarm system sounded due to malfunction	14	0.43%
736	- CO detector activation due to malfunction	1	0.03%
740	- Unintentional transmission of alarm, other	1	0.03%
743	- Smoke detector activation, no fire - unintentional	10	0.30%
745	- Alarm system sounded, no fire - unintentional	3	0.09%
746	- Carbon monoxide detector activation, no CO	1	0.03%
Total - Fals Alarm & False Call		93	8.05%
812	- Flood assessment	1	0.03%
Total - Severe Weather & Natural Disaster		1	0.09%
911	- Citizen complaint	2	0.06%
Total - Special Incident Type		2	0.17%
Total for Station		1,155	35.11%
Station: 76			
100	- Fire, other	3	0.09%
111	- Building fire	9	0.27%
113	- Cooking fire, confined to container	1	0.03%
118	- Trash or rubbish fire, contained	3	0.09%
130	- Mobile property (vehicle) fire, other	1	0.03%
131	- Passenger vehicle fire	6	0.18%
142	- Brush, or brush and grass mixture fire	6	0.18%
143	- Grass fire	6	0.18%
150	- Outside rubbish fire, other	1	0.03%
154	- Dumpster or other outside trash receptacle fire	2	0.06%
161	- Outside storage fire	1	0.03%
163	- Outside gas or vapor combustion explosion	1	0.03%
Total - Fires		40	2.80%
321	- EMS call, excluding vehicle accident with injury	678	20.61%

Incident

Type	Description	Count	
Station: 76 - (Continued)			
322	- Vehicle accident with injuries	60	1.82%
324	- Motor vehicle accident with no injuries	30	0.91%
352	- Extrication of victim(s) from vehicle	1	0.03%
353	- Removal of victim(s) from stalled elevator	1	0.03%
Total - Rescue & Emergency Medical Service Incidents		770	53.81%
400	- Hazardous condition, other	2	0.06%
411	- Gasoline or other flammable liquid spill	1	0.03%
412	- Gas leak (natural gas or LPG)	8	0.24%
421	- Chemical hazard (no spill or leak)	1	0.03%
423	- Refrigeration leak	1	0.03%
424	- Carbon monoxide incident	1	0.03%
440	- Electrical wiring/equipment problem, other	3	0.09%
442	- Overheated motor	1	0.03%
444	- Power line down	3	0.09%
445	- Arcing, shorted electrical equipment	1	0.03%
463	- Vehicle accident, general cleanup	1	0.03%
4630	- Vehicle accident, Non Injury	2	0.06%
Total - Hazardous Conditions (No fire)		25	1.75%
500	- Service Call, other	4	0.12%
510	- Person in distress, other	1	0.03%
511	- Lock-out	5	0.15%
512	- Ring or jewelry removal	1	0.03%
520	- Water problem, other	8	0.24%
522	- Water or steam leak	3	0.09%
531	- Smoke or odor removal	3	0.09%
540	- Animal problem, other	1	0.03%
541	- Animal problem	1	0.03%
5410	- Snake problem	14	0.43%
542	- Animal rescue	2	0.06%
550	- Public service assistance, other	4	0.12%
552	- Police matter	2	0.06%
553	- Public service	17	0.52%
554	- Assist invalid	33	1.00%
555	- Defective elevator, no occupants	1	0.03%
561	- Unauthorized burning	1	0.03%
571	- Cover assignment, standby, moveup	1	0.03%
Total - Service Call		102	7.13%
611	- Dispatched & cancelled en route	336	10.21%
611E	- EMS: Dispatched & cancelled en route	2	0.06%
621	- Wrong location	1	0.03%
622	- No incident found on arrival at dispatch address	2	0.06%
651	- Smoke scare, odor of smoke	20	0.61%
652	- Steam, vapor, fog or dust thought to be smoke	1	0.03%
6610	- EMS call cancelled	1	0.03%
Total - Good Intent Call		363	25.37%
700	- False alarm or false call, other	31	0.94%
710	- Malicious, mischievous false call, other	4	0.12%
715	- Local alarm system, malicious false alarm	1	0.03%
731	- Sprinkler activation due to malfunction	1	0.03%
733	- Smoke detector activation due to malfunction	5	0.15%

Incident

<u>Type</u>	<u>Description</u>	<u>Count</u>	
Station: 76 - (Continued)			
735	- Alarm system sounded due to malfunction	16	0.49%
736	- CO detector activation due to malfunction	11	0.33%
740	- Unintentional transmission of alarm, other	17	0.52%
743	- Smoke detector activation, no fire - unintentional	33	1.00%
744	- Detector activation, no fire - unintentional	2	0.06%
745	- Alarm system sounded, no fire - unintentional	3	0.09%
746	- Carbon monoxide detector activation, no CO	7	0.21%
Total - Fals Alarm & False Call		131	9.15%
Total for Station		1,431	43.50%
Station: MA			
100	- Fire, other	1	0.03%
111	- Building fire	3	0.09%
143	- Grass fire	1	0.03%
150	- Outside rubbish fire, other	1	0.03%
Total - Fires		6	42.86%
321	- EMS call, excluding vehicle accident with injury	4	0.12%
Total - Rescue & Emergency Medical Service Incidents		4	28.57%
611	- Dispatched & cancelled en route	1	0.03%
651	- Smoke scare, odor of smoke	1	0.03%
Total - Good Intent Call		2	14.29%
700	- False alarm or false call, other	1	0.03%
741	- Sprinkler activation, no fire - unintentional	1	0.03%
Total - Fals Alarm & False Call		2	14.29%
Total for Station		14	0.43%
		3,290	100.00%