

# **RODEO-HERCULES FIRE DISTRICT**



## **ADOPTED BUDGET FISCAL YEAR 2017-18**

**I. MISSION STATEMENT****Rodeo-Hercules Fire 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  
Team Work  
Safety, Health & Welfare of the Organization

**Board of Directors**

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

**Ernie Wheeler, Chair**  
**Andrew Gabriel, Secretary**  
**William Prather**  
**Raemona Williams**  
**Marc Thorpe**

**Interim Fire Chief**

Bryan Craig

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

**TABLE OF CONTENTS**

	<u>Page</u>
I. MISSION STATEMENT .....	i
II. EXECUTIVE SUMMARY .....	1
A. Transmittal Letter .....	1
B. Budget Overview and Summary .....	3
C. District Financial Position.....	4
D. District Financial Issues and Revenue Opportunities .....	4
E. District Budget Control Reporting and Reserve Policies.....	6
III. STATEMENT OF UNFUNDED LIABILITIES: CCCERA & OPEB UAALS.....	7
IV. BUDGET POLICIES.....	8
A. Definition of District Fund Balances & Goals for Fund Balance Maintenance .....	8
B. Critical Funding Areas .....	10
C. District Financial Reporting Practices .....	10
D. District Budget Activity Management, Monitoring and Review Program.....	10
V. DISTRICT REVENUES, EXPENDITURES & FUND BALANCES .....	13
A. District Revenues .....	13
B. District Expenditures.....	15
C. District Fund Balances.....	17
VI. GENERAL FUND EXPENDITURES.....	19
VII. ADMINISTRATION & PROFESSIONAL SERVICES .....	20
VIII. FIRE OPERATIONS .....	21
IX. VEHICLE REPLACEMENT RESERVE.....	23
X. FIVE YEAR REVENUE & EXPENDITURE PROJECTIONS .....	24
XI. RHFDF BUDGET APPENDICES.....	25
A. Employee Cost Calculation Model	
B. CCCERA Retirement Costs & UAAL	
C. OPEB Contribution Costs & UAAL	
D. Vehicle Replacement Schedules	
E. Five Year Revenue, Expenditures & Fund Balance Projections	
F. 2017-18 Budget Detail	
G. Fire District Call Data Report Detail	

## **II. Executive Summary**

### **A. Transmittal Letter**

July 5, 2017

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

Members of the Board:

The Approved Fiscal Year 2017-18 Budget for the Rodeo-Hercules Fire District is attached. This Budget is the result of input provided by the Board during the FY 2016-17 mid-year budget review and an inclusive staff review process. Additional input and review was also provided by the Board Budget Subcommittee and the Board which conducted a special budget review workshop on May 17<sup>th</sup>. This Proposed Budget was reviewed by the Board on June 14<sup>th</sup> and approved on June 21<sup>st</sup>.

With the formulation of this Budget the District adopted new accounting principles as mandated by the Board after the completion of FY 2016-17. This is the first year the District has utilized a full budget narrative with supporting documentation. Details regarding the Proposed Budget's projected revenues, expenditures and operations are all fully explained in this document.

During FY 2016-17 the Board of Directors engaged a consultant to assist the District in assessing its financial condition. The Financial Analysis and Stabilization Report, presented to the Board in August 2016 outlined the following issues faced by the District:

- The impacts of the pending termination of a Federal Emergency Management Agency (FEMA) Staffing for Adequate Fire & Emergency Response (SAFER) grant in May 2017.
- The effects of revenue losses resulting from the termination of the District's 2014 Benefit Assessment District; sequestered Redevelopment Agency pass-through funds and the growing liabilities represented by the unfunded portions of the District's retirement and "other post-employment benefit" ("OPEB") medical insurance coverage for retirees.
- Projected revenues and expenditures for the District which would ultimately cause the District to move to a one station configuration within a year, and the challenge to maintain even one station over the five-year projection period prepared by the consultant.

Following receipt of the consultants Financial Analysis and Stabilization Report, the Board moved quickly to implement a strategy designed to replace the lost revenues and allow the

District to continue to operate as a two-station organization. The Board took the following actions to help stabilize District revenues:

- The Board engaged assistance in assessing the Community's support for a replacement ballot measure designed to restore earlier levels of District funding;
- The Board developed a ballot measure for the November 2016 ballot designed to provide the Community with the opportunity to address the revenue shortfalls;
- The Board placed the measure on the ballot for the November 8<sup>th</sup> election. Measure O, a \$216 parcel tax levied on properties in the District, was approved by 78% of the voting community.
- Measure O is estimated to provide significant additional revenue to the District to help offset earlier revenue losses.

I am very pleased to report that, with all the above efforts and dedication of this Board, the Proposed Budget for FY 2017-18 is balanced and maintains the District's two Fire Station configuration with full staffing.

The Proposed Budget does not contain increases in expenditures for staff costs (other than mandated benefit cost increases), replacement vehicles or capital expenditures other than those required to maintain the facilities and necessary operational and support activities. We estimate that the General Fund will have an operating reserve of \$186,030 at the beginning of FY 2017-18. Revenues and Expenditures are projected to provide a modest June 30, 2018 year-end General Fund operating reserve of \$316,882. The General Fund operating reserve will be used to offset any unforeseen expenses during the fiscal year.

The Proposed Budget also establishes a new strategy for replacing the District's rolling stock by creating a Vehicle Replacement Reserve Fund, with an initial contribution of \$197,108 to that fund. This reserve, as it grows in the future, will provide the District a dedicated source of funds and flexibility in acquiring replacement vehicles and provide a resource in the event of a major unexpected financial issue.

It has been a pleasure to work with the District Board and the Community to move the District to a more secure financial condition and to provide a Proposed Budget with complete financial transparency. The addition of the Measure O funds will provide a revenue stream to replace the earlier revenue reductions. This revenue, combined with continued fiscal prudence, are the reason the District has a balanced budget and is able to maintain its full two station configuration for the community. We believe the Proposed Budget represents a significant step forward in the District's efforts to maintain a consistent and professional level of service to the Rodeo Hercules Community.

I would again like to thank this Board for their continued leadership and support of the District.

Bryan Craig  
Interim Fire Chief

## **B. Budget Overview and Summary**

### **Budget Goals for Fiscal Year 2017-18**

As the Board and Community are aware, the District has struggled to maintain a solid financial condition in light of major revenue losses over the past 5 years. The additional revenues from Measure O will significantly improve the District's finances for the foreseeable future, providing a financial resource for the District. In preparing the Proposed Budget, District staff has worked closely with Municipal Resource Group (MRG) to develop a Proposed Budget that recognizes the District's current obligations and provides accurate information on the fiscal realities faced by the District.

### **Fiscal Year 2017-18 Projected Revenues**

The FY 2017-18 Proposed Budget projects total revenue of \$7,344,511 which includes \$4,968,511 in General Fund revenues, \$2,346,000 Measure O revenue and \$30,000 Fire Impact Fee revenue.

Measure O collections begin in July 2017 and will be applied to all affected (non-exempt) properties for the full fiscal year. Measure O revenues will only be used for District operations and fully expended to provide emergency services during the Budget year. We anticipate some minor reductions in the potential total Measure O revenues due to the provision for exclusions for senior owned properties. The initial revenue projections indicated that approximately \$2.5 million could be generated in FY 2017-18; we have conservatively reduced that amount to \$2,346,000 to ensure the Budget does not expend more than is potentially available. The District Board will designate that any year-end available General Fund revenues be placed in a Board designated restricted operating reserve.

### **Fiscal Year 2017-18 Projected Expenditures**

The Proposed Budget expenditures include returning the District to full staffing for two stations, replacing the SAFER funded positions with District staff. During FY 2016-17, several SAFER employees transitioned to the District on a permanent basis and several vacant positions are being filled through recruitments and promotions. We anticipate a full staffing compliment for FY 2017-18 including:

- One Chief
- One Battalion Chief
- Six Captains
- Six Engineers
- Six Firefighters
- One Administrative Assistant

Achieving full staffing will reduce the District's overtime costs significantly, while providing permanent employees to staff the full two station configuration.

The Proposed Budget includes the following assumptions and significant items:

- No salary increase (See Appendix A-Employee Compensation Calculations for details).
- No new or modified benefits.
- Increases in retirement costs for normal contributions (\$81,359) and UAAL (unamortized) contributions (\$70,711).
- Increases in medical benefits costs (\$142,910).
- Budgeting current vehicle lease costs in the General Fund (\$80,401), which were previously paid out of the Capital Fund and were partially offset by Phillips 66 as part of an earlier service expansion agreement.
- The establishment of a Vehicle Replacement Reserve with an initial General Fund contribution of \$197,108 to that reserve.
- Decreases in Professional Services expenses due to elimination of one-time costs associated with the dissolved Benefit Assessment District incurred in FY 2016-17.

### **C. District Financial Position**

Historically the District has struggled to address the significant revenue reductions imposed by outside agencies, including State reductions in subventions; sequestration of property tax through the dissolution of redevelopment agencies and the recent loss of the 2014 Benefit Assessment District revenue. Fortunately, District voters approved a significant and stable revenue source through Measure O, which was approved in November 2016. This revenue source will continue to be a resource to the District for the foreseeable future.

During the 2012-2016 period, the District was forced to reduce its services significantly by closing one of its two stations for a period of time. Through funding available from a Federal SAFER Grant, the District was able to reopen Station 75 through FY2016-17. During this period, even with the SAFER grant and the 2014 Benefit Assessment District revenue, the District was forced to use virtually all of its established reserve funds. As of June 30, 2017, the District is projected to have a General Fund balance of approximately \$186,030.

As indicated elsewhere in this document, the Board has declared its intent to build cash reserves for the District whenever possible to assure stable service provision in the event of an unexpected circumstance, and for vehicle replacement. Although the Proposed Budget for FY 2017-18 is balanced based on current revenue and expenditure projections, it leaves little additional funding available to add to District reserves.

### **D. District Financial Issues and Revenue Opportunities**

The District's financial position has improved significantly with the additional revenue provided by Measure O. Full funding for two stations and uninterrupted service are major accomplishments for the District when one year ago the District was uncertain of its financial position and was facing major service reductions in the upcoming year. The Board engaged MRG to assist in development of an industry standard budgeting process and document and

implementation of a District based financial accounting system. Both tasks will be completed by July 2017.

### Financial Issues

The majority of the financial issues faced by the District originate externally and are difficult or impossible to control. A number of these involve actions by outside agencies or result from past decisions and economic conditions outside the scope of the Board.

These issues include the following:

- Continued loss of over \$1.1 million in property tax resulting from the freeze by the State of 'pass through funding' from the City of Hercules Redevelopment Successor Agency to the District.
- Continuing development of substantially sized vacant properties in the City of Hercules located in the prior Redevelopment project areas—precluding the District from receiving property tax 'pass through' funds.
- New development throughout the City of Hercules which increases service demands without commensurate revenue, degrading the District's ability to maintain its traditionally high level of service. In addition, multi-story buildings and dense residential and commercial development projects require additional equipment and resources to protect.
- Increases in the 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 \$2,192,928 which represents 36% of the projected FY 2017-18 personnel costs for the District's 30 employees.
- Although the District's represented personnel contribute 3.7% of their base salary toward the District's Other Pensionable Employee Benefits (OPEB), the ongoing and accruing unfunded liability for the District's retiree medical program has and will continue to rise as medical insurance costs increase over time. The District is currently not contributing to the Annual Required Contribution (ARC). If the 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 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 District currently operates and has in its inventory 5 specialty frontline vehicles and 3 older vehicles that serve as a reserve. The frontline vehicles have an estimated current replacement value of \$3,476,000. Replacement of this equipment when it becomes unserviceable represents a significant cost factor for the District



(see Section IX. Vehicle Replacement Reserve and Appendix D for depreciation schedules and a recommended approach for the replacement of frontline vehicles).

### Revenue Opportunities

- *Community Facilities District:* Property tax revenue normally due the District from the City of Hercules' development in the former redevelopment project areas will not be passed through to the District. The revenue will be retained by the Hercules Successor Agency and used to meet the debt and the other obligations of the former redevelopment agency. It is, however, possible for the City and District to work cooperatively with developers in the affected areas to create a Community Facilities District (CFD) or other funding source covering the developing property. Revenue generated from the CFD which is earmarked for the District would be remanded to the District by the County when collected with property taxes.
- The City, District staff and several developers are discussing the potential establishment of a CFD for all new developments in the City of Hercules.
- *Revision of the District's Developer Impact Fees:* The District is permitted to charge a Development Impact Fee to new development to offset the proportional costs the District will incur providing service to the development. These fees are to be used to offset the costs of facilities and equipment needed to provide the service to the new development. These fees are placed in a separate reserve fund and only used for designated purposes.
- *The Professional Services portion of the Proposed Budget contains \$37,000* to fund a consultant study updating the District's Development Impact Fees and designing a Community Facilities District for implementation in new development situations. The Development Impact Fee study will update the District's current fees and will only be used for capital improvements and equipment related to the provision of emergency services. The Community Facilities District fees will be eligible for use to support the District's ongoing operations (salaries, benefits, etc.).

These issues will be reviewed with the Board as it considers the Proposed Budget and works to develop strategies on how best to approach these challenges.

### E. District Budget Control Reporting and Reserve Policies

This Proposed Budget document contains a number of 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 District provides two benefit programs to employees which require ongoing contributions to be sustainable. These are (1) the pension benefits provided through contracts with the Contra Costa County Employees Retirement Association 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 District’s CCCERA contribution rates in FY 2017-18 for the normal costs will be 23.4% of payroll for “Legacy” employees and 17.1% for PEPRA employees (PEPRA employees are those who have been hired recently, who receive lower pension benefits than Legacy employees). The UAAL payment for FY 2017-18 is \$1,652,779. The District’s current overall unfunded liability for the CCCERA retirement system is \$14,361,583. Appendix B contains background information on the District’s CCCERA retirement program cost calculations for both the normal and the UAAL costs.

***The District’s Other Post Employment Benefit (OPEB) Program*** funds retiree medical insurance. The District currently pays the cost of qualifying retiree’s medical insurance based on an agreement with the employees. The District is currently paying the full cost of those coverages to retirees—the ‘normal’ costs of the OPEB program. For FY 2017-18 \$315,000 is budgeted for the program.

The District is not currently paying the UAAL portion of the OPEB program. The total liability of that unaddressed obligation as estimated in the District’s most recent actuarial study is \$10,669,000. The actuarial study estimated that the District will have set aside \$1,725,000 to fund the UAAL which leaves an unfunded portion of \$8,944,000. The study indicated as of the end of FY 2016-17, the District’s UAAL was funded at a 16.2% level.

The study further estimates that the District would be required to pay an additional \$506,000 per year if it were to address the full UAAL liability. (*See Appendix C for details.*)

#### IV. BUDGET POLICIES

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

###### Fund Balance and Reserve Policy

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

The Rodeo-Hercules 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 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 which can only be used for a specific purpose as determined by a formal action of the 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 District's financial stability and sustainability is of primary importance to the Board of Directors. The Board has established the following policies for the District to implement.

**General Fund Unassigned Fund Balance**—the purpose of this reserve is to provide the District with the needed flexibility to provide for unanticipated changes in revenues or expenditures and to assure the provision of stable services to the District's residents and businesses. Based on this standard and the FY 2017-18 Proposed Budget, the Unassigned Fund Balance goal would be approximately \$1.2 million.

*It is recommended that the Board establish the goal of having funds for two 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 District with the opportunity to address growing unfunded liabilities in employee retirement benefits. If funds are accumulated by the 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 District currently provides. Using funds to ‘prepay’ these obligations will provide significant cost savings for the 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 vehicles, equipment and buildings are examples.

Vehicles represent a substantial District funding obligation. These are high cost vehicles that typically have an extended life of 7 to 20 years. The District currently has no designated reserve funds for the purchase or lease of vehicles.

*It is recommended that the Board establish a Vehicle Replacement Reserve and commit to an annual contribution to the Vehicle Replacement Reserve, designating funding for vehicles, to assist the Board in ensuring there are adequate funds to maintain the District’s fleet. The Proposed Budget contains \$197,108 in funding to establish a Vehicle Replacement Fund.*

Capital Facilities (buildings and facilities) maintenance is a second major District obligation that includes higher cost periodic funding. These are expenditures that are less frequent and require planning to accomplish. The Proposed 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 District equipment is a third major District obligation. The 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 Proposed 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 District’s reserves—including the General Fund Unassigned Fund Balance, the General Fund Committed Fund Balance, the Assigned Fund Balances for Vehicles, Capital Equipment and UAAL for the District’s Retirement and OPEB obligations. The Board will designate funding levels for each as the Board determines its priorities for the 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 District’s Reserves.

**B. Critical Funding Areas Policy**

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

These areas include:

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

The District is currently addressing the Retiree UAAL obligations on an ongoing basis and has budgeted funds for its Vehicle Replacement Reserve Fund.

**C. District Financial Reporting Policy and Practices**

The District is currently developing an accounting software program which will permit detailed revenue and expenditure reporting on an ongoing basis. The system will be updated on a regular basis and reports will be generated and circulated to staff for review and budget management purposes. The Board will receive monthly copies of these materials for review, in addition to approval of warrant lists, at the regular Board meeting.

In addition to this level of reporting, District staff will develop and present 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 District's Chart of Accounts;
- Expenditures to date, budgeted amount, amount remaining and percentage used—by line item in conformance with the 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 District.

**D. 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 District expenditures. This Policy is designed to designate staff assignments for responsibly in managing the District's budget. This policy will assure expenditures and revenues are frequently monitored and managed by the District.

The 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 public will receive timely and accurate reporting on the District's financial position as described in the 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.

The 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 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 budgets significantly. Vehicle 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 normally 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, 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	
<b>ACTIVITY DESCRIPTIONS:</b>				
1.	<b>Actively Managed</b>	<i>Actively Managed Activity Accounts</i> are reviewed on a frequent basis by Chief administrative staff to insure accurate data input and thorough review of the activity		
2.	<b>Managed by Staff</b>	<i>Managed by Staff Activity Accounts</i> 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.	<b>Periodically Managed</b>	<i>Periodically Managed Activity Accounts</i> are reviewed by Administrative Staff on a regular basis and are normally infrequent and low cost items		
4.	<b>Monitored/not Managed</b>	<i>Monitored/Not Managed Activity Accounts</i> are reviewed by Administrative staff on a periodic basis these are infrequent, lower cost or normalized expenditures		

**V. DISTRICT REVENUES, EXPENDITURES & FUND BALANCES**

**A. District Revenues**

The District has historically received the majority of its revenue from property taxes generated within its service boundary. There are a number of components to the property tax income, but the largest source of that category has been the District’s share of the ad valorem 1% of assessed value) property tax collected by the County and distributed to qualifying agencies.

The District historically received a “pass-through” of some of the ad valorem property tax received by the County in the Rodeo redevelopment project area and in the City of Hercules redevelopment project areas. The recent demise of redevelopment has eliminated the pass-through from the City of Hercules redevelopment Successor Agency, because of the State’s requirement that property tax collected in the former Hercules redevelopment project areas cannot be distributed to qualified agency recipients until the Hercules Successor Agency has paid off other outstanding obligations.

Two other major revenues are generated through voter approved special taxes. One is a long-standing revenue (fire benefit assessment district) and the most recent was approved in 2016. The 2016 Measure O proposal was approved in November and becomes effective on July 1, 2017. This revenue source will supplant the historic loss of property taxes and the 2014 Benefit Assessment the District received in the past.

Property taxes, the District’s Benefit Assessment District and Measure O equal 93% percent of the revenues received annually, Miscellaneous/other revenues equal 7% of total revenue:

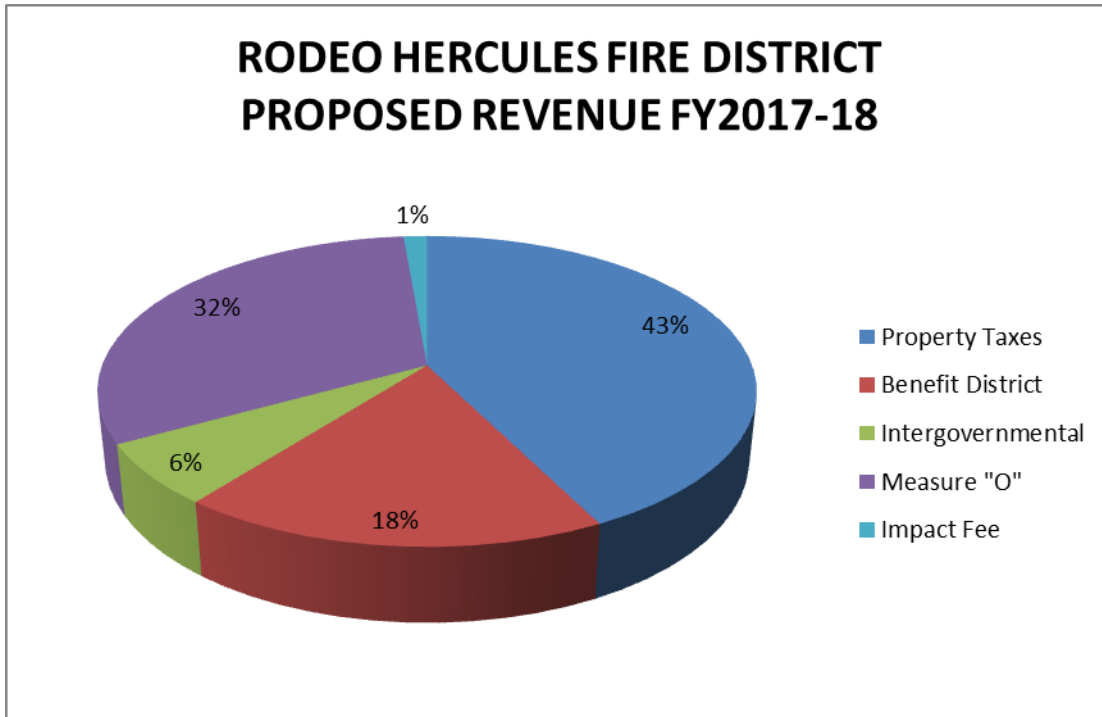
• Property taxes	\$3,154,122	43%
• Benefit Assessment District	\$1,339,548	18%
• Measure O	\$2,346,000	32%
• Miscellaneous other	\$ 574,841	<u>7%</u>
		100%

Property tax and Benefit Assessment District revenues have been in place since the 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 District. While the Benefit Assessment District and Measure O revenues are based on set annual amounts, the property tax is an 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 projected revenues for FY 2017-18 are \$7,414,551.



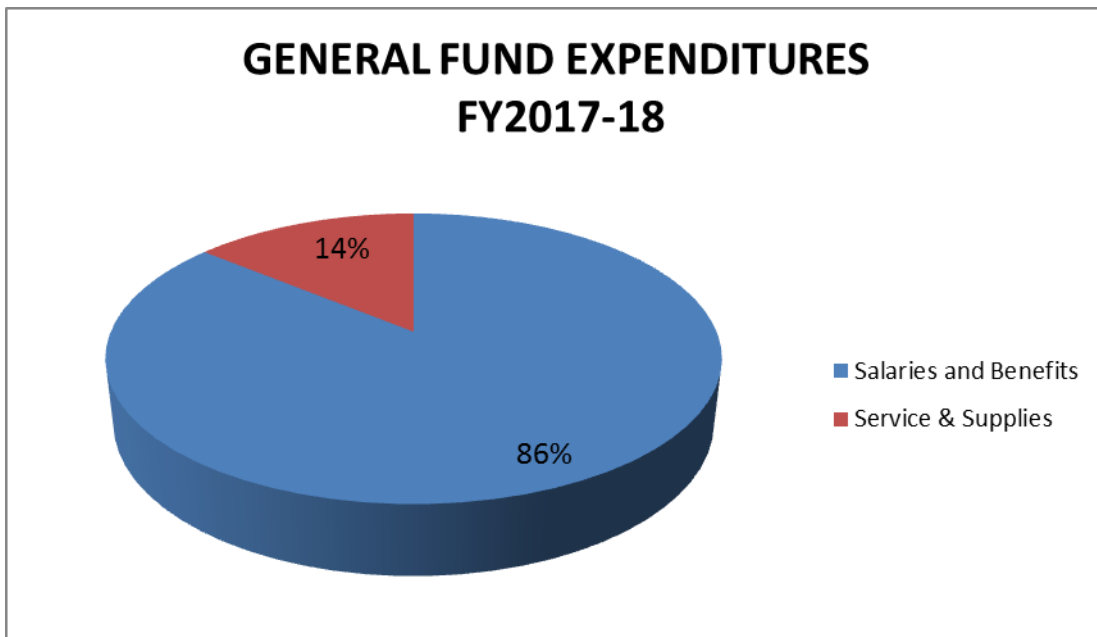
<b>RODEO HERCULES FIRE DISTRICT</b>				
<b>REVENUE</b>				
<b>FISCAL YEAR 2017/2018</b>				
<b>DESCRIPTION</b>	<b>GL CODE</b>	<b>ACTUALS FY15-16</b>	<b>PROJECTED ACTUALS FY 16-17</b>	<b>ADOPTED BUDGET FY 17-18</b>
Prop. Taxes-Current secured	9010	2,727,991	2,782,718	2,866,199
Prop. Tax-Supplemental	9011	92,675	111,474	114,818
Prop. Tax-Unitary	9013	69,317	71,565	73,711
Prop. Tax-Current Unsecured	9020	119,095	111,173	114,508
Prop Tax-Prior-Secured	9030	(12,087)	(9,158)	(9,158)
Prop Tax-Prior-Supplemental	9031	(5,027)	(5,789)	(5,789)
Prop Tax-Prior-Unsecured	9035	(4,417)	(167)	(167)
<b>TOTAL PROPERTY TAXES</b>		<b>2,987,547</b>	<b>3,061,816</b>	<b>3,154,122</b>
Benefit District	9066	1,338,993	1,339,548	1,339,548
<b>TOTAL BENEFIT DISTRICT</b>		<b>1,338,993</b>	<b>1,339,548</b>	<b>1,339,548</b>
H/O Prop Tax Relief	9385	31,032	30,044	30,945
RDA NonProp-Tax Pass Thru	9591	305,354	312,889	322,276
Misc. Government Revenue	9595	-	-	-
Fire Prevention Plan Review	9741	18,399	19,724	20,316
Misc. Current Services	9895	86,132	85,525	88,091
Other Revenue	9980	14,526	12,828	13,213
		-	-	-
<b>TOTAL INTERGOVERNMENTAL</b>		<b>455,443</b>	<b>461,010</b>	<b>474,841</b>
Measure "0"		-	-	2,346,000
Fire Assessment Fund		947,742	1,006,138	-
Capital Fund		-	65,000	-
Development Impact Fee		-	56,000	100,000
SAFER Grant		1,015,716	711,427	-
<b>TOTAL OTHER REVENUE</b>		<b>1,963,458</b>	<b>1,838,565</b>	<b>2,446,000</b>
<b>TOTAL PROJECTED FY2017-2018 REVENUE</b>		<b>6,745,441</b>	<b>6,700,939</b>	<b>7,414,511</b>
<small>GF Revenue Final 06 29 2012</small>				



**B. District Expenditures**

As discussed earlier the Proposed Budget for FY 2017-18 is based on maintaining the 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 2017-18 are \$7,078,551.

<b>GENERAL FUND EXPENDITURES/FISCAL YEAR 2017/2018</b>				
<b>DESCRIPTION</b>	<b>GL CODE</b>	<b>ADOPTED BUDGET FY16-17</b>	<b>ESTIMATED FY 16-17</b>	<b>ADOPTED FY 17-18</b>
Holiday Pay	1001	116,670	122,244	156,543
Permanent Salaries	1011	1,674,895	1,773,928	2,199,278
Drill/Temporary Salaries	1013	2,500	500	500
Overtime	1014		810,877	-
Backfill		221,802	-	376,200
SAFER Backfill		54,230	-	-
Post-SAFER Coverage		534,845	-	-
Deferred Compensation	1015	7,200	7,600	10,800
FLSA		40,505	41,135	50,877
FICA	1042	23,819	36,818	31,115
Retirement	1044	-	-	-
Retirement - Normal		430,329	458,790	540,149
Retirement - UAAL		1,358,110	1,358,110	1,652,779
Retiremnet - UAAL Prepayment		-	-	-
Group Insurance	1060	361,001	361,001	503,911
Group Insurance - Retiree	1061	294,000	315,000	315,000
Group Insurance-Retiree Medicare reimbur.	-	-	-	-
Group Insur. OPEB/UAAL Prepayment		-	-	-
Unemployment	1063	1,000	1,000	1,000
Workers Compensation Insurance	1070	175,864	240,000	245,868
<b>TOTAL SALARIES AND BENEFITS</b>		<b>5,296,770</b>	<b>5,527,003</b>	<b>6,084,020</b>
Office Expenses	2100	13,041	4,783	12,780
Books/Periodicals/Subscriptions	2102	1,872	1,872	2,485
Communications	2110	177,473	177,473	162,656
Utilities	2120	23,540	23,540	28,823
Small Tools & Equipment	2130	2,000	2,000	2,000
New Vehicle Equipment		-	-	30,000
Medical Supplies	2140	8,950	8,950	7,340
Food	2150	2,000	2,000	1,920
Clothing & Personal Supplies	2160	8,580	7,700	13,200
Household Expense	2170	13,275	7,718	13,275
Publications & Legal Notices	2190	1,100	1,100	1,180
Memberships	2200	4,204	4,204	4,204
Rents & Leases - Equipment	2250	10,050	8,500	8,640
Lease Payments-Vehicles	2250	-	-	80,401
Repairs & Service Equipment	2270	20,652	20,652	35,224
Central Garage Repairs	2271	69,903	69,903	71,620
Central Garage Gasoline/Oil	2272	13,065	5,137	8,620
Central Garage Tires	2273	9,981	9,981	10,531
Maintenance Radio - Electronic Equip	2276	20,910	17,280	20,780
Maintenance of Buildings	2281	6,557	6,557	42,064
Other Travel Expenses	2303	3,172	701	3,172
Professional/Specialized Services	2310	382,227	514,389	314,843
Data Processing Service	2315	2,210	2,210	192
Data Processing Supplies	2316	200	200	323
Information Security	2326	1,518	1,518	1,020
Insurance	2360	34,028	34,028	34,639
Fire Fighting Supplies	2474	6,680	6,680	48,498
Recreation/Physical Fitness Equipment	2476	1,000	1,000	6,200
Education Supplies & Courses	2477	20,115	20,115	17,457
Other Special Departmental Expenses	2479	11,500	11,500	3,444
Interest on Notes & Warrants	3520	2,000	2,000	2,000
Taxes & Assessments	3530	13,000	13,000	13,000
<b>TOTAL SERVICE &amp; SUPPLIES</b>		<b>884,803</b>	<b>986,691</b>	<b>1,002,531</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>6,181,573</b>	<b>6,513,694</b>	<b>7,086,551</b>

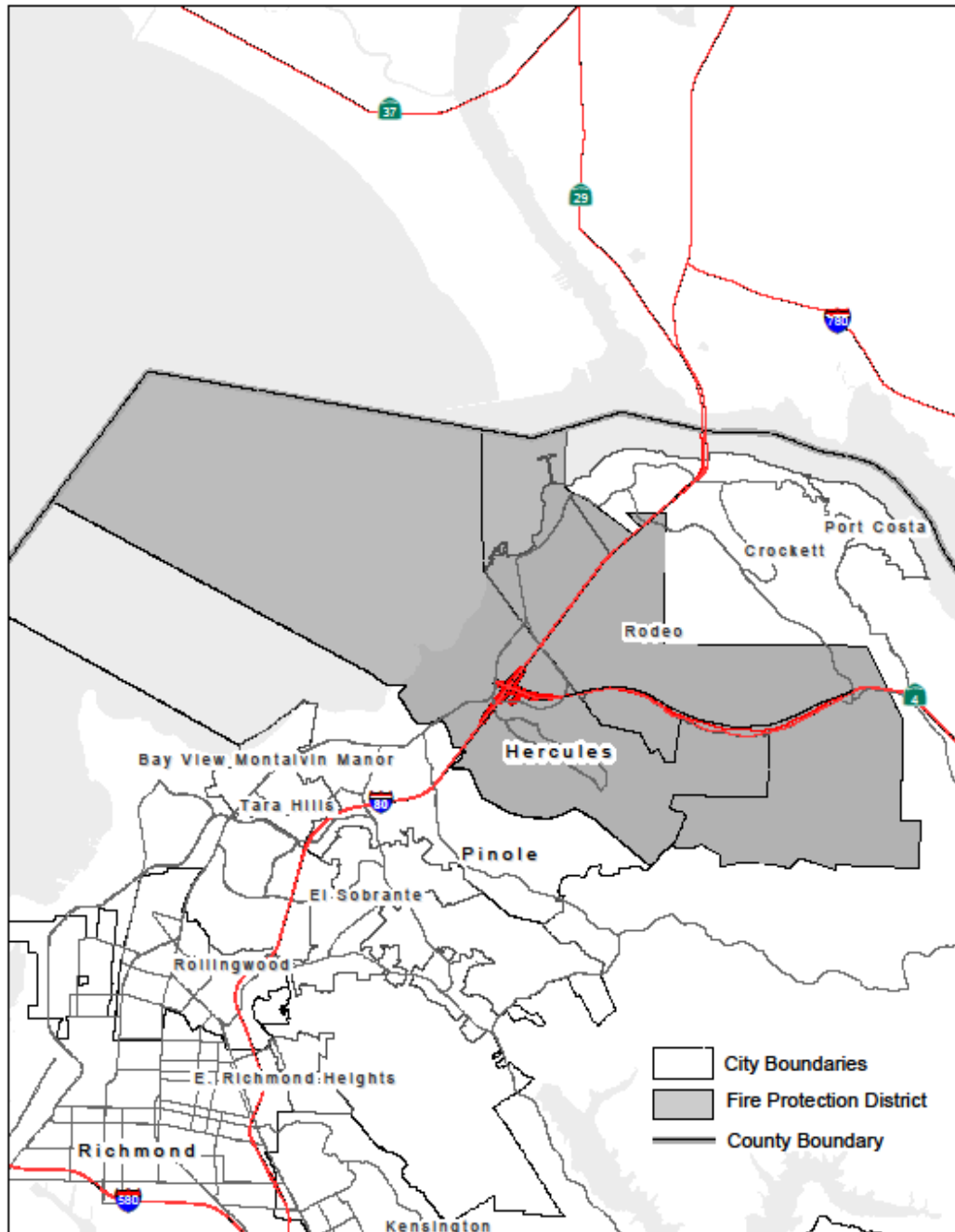


**C. District Fund Balances**

The FY 2017-18 Proposed Budget is balanced. After setting aside \$197,108 in the Vehicle Replacement Reserve, the District is projected to have a year-end \$316,882 General Fund balance. That amount is roughly 3.6% of the District’s total General Fund expenditures, far short of the \$1.2 million recommended uncommitted fund balance (equal to two months of operating expenses).

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

### Rodeo-Hercules Fire Protection District



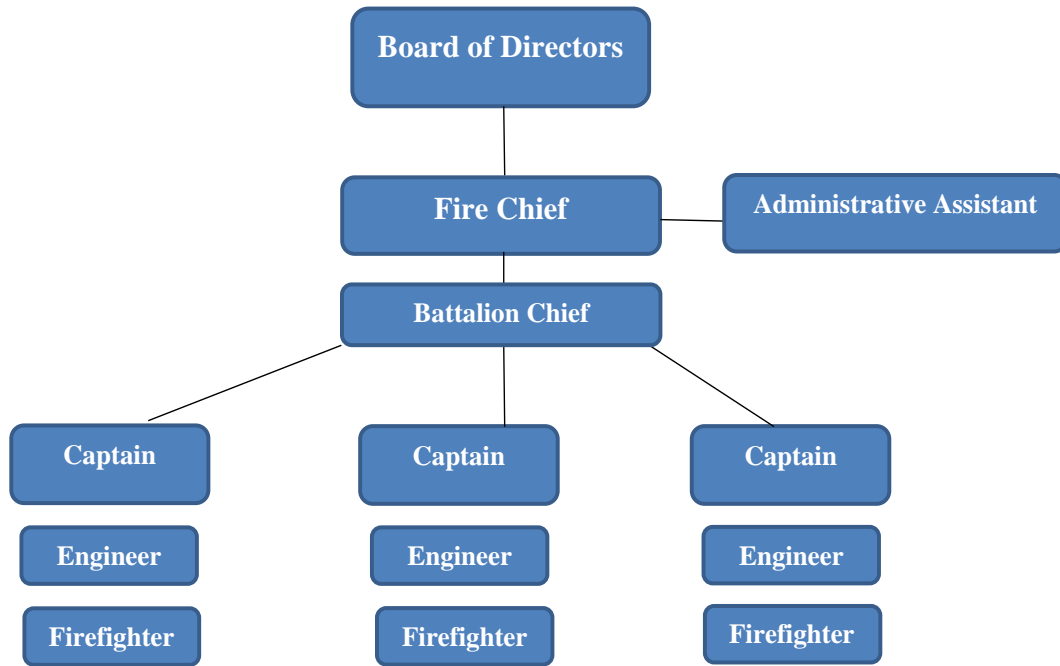
Map created 6/20/2016  
by Contra Costa County Community Development GIS Group  
401 Pine Street, 4th Floor North Wing, Martinez, CA 94553-0508  
925.884.4200 | 925.884.3849

This map was created by the Contra Costa County Community  
Development Department with data from the Contra Costa County GIS Program. Some  
data were provided by City Leaders, and not from the CA State Board of Equalization. Users  
are responsible for using this data for their own purposes and are responsible for its accuracy.  
This map contains copyrighted information and may not be reprinted. Users are responsible for  
the correct use of the information. Users of this map agree to read and accept the  
County of Contra Costa disclaimer of liability for geographic information.

0 0.5 1 2 Miles



**ORGANIZATIONAL CHART**  
**RODEO-HERCULES FIRE PROTECTION DISTRICT**



**VI. GENERAL FUND EXPENDITURES**

The Proposed Budget expenditures include returning the District to full staffing, replacing the SAFER funded positions with District funded staff. During FY 2016-17, several SAFER employees transitioned to the District on a permanent basis and several vacant positions are being filled through recruitments and promotions. We anticipate a full staffing compliment for FY 2017-18 fiscal year including:

- One Fire Chief
- One Battalion Chief
- Six Captains
- Six Engineers
- Six Firefighters
- One Administrative Assistant

Achieving full staffing will reduce the District’s overtime costs significantly, while providing permanent employees to staff the two-station configuration.

Some observations regarding the proposed expenditures”

- Approximately 86% of all expenditures are employee related (salaries, benefits, retirement, etc.);

- Of the employee related expenses, salaries and retirement costs are virtually equal, retirement payments equal one \$1.00 for each \$1.00 of salary;
- The CCCERA retirement Unamortized Actuarial Accrued Liability (UAAL) payment increased by \$70,711, or approximately 4%;

The Proposed Budget includes the following significant items:

- No salary increases (See Appendix A-Employee Compensation Calculations);
- No new or modified benefits;
- Increases in retirement contributions for normal (\$81,359) and retirement UAAL (unamortized) costs (\$70,711);
- Increases in medical benefits costs (\$142,910);
- Budgeting current vehicle lease costs in the General Fund (\$80,401), which were previously paid out of the Capital Fund and were partially offset by Phillips 66 as part of an earlier service expansion agreement;
- The establishment of a Vehicle Replacement Reserve and funding utilizing General Funds and making a contribution of \$197,108 to that reserve in FY 2017-18;
- Decreases in Professional Services expenses due to elimination of one-time costs associated with the dissolved Benefit Assessment District incurred in FY 2016-17.

**VII. ADMINISTRATION & PROFESSIONAL SERVICES**

The Administration portion of the budget is contained in the General Fund Expenditures and contains one Administrative position responsible for a variety of administrative activities. These include managing the District’s payroll and accounting activities, authorizing vendor payments, processing personnel, conducting human resources activities and serving as Secretary to the Board of Directors.

Also included in this activity are the expenditures for Professional Services which are shown in the following table

**PROFESSIONAL SERVICES BUDGET 2017-18**

County Auditor's Office Fees	\$20,000.00
IEDA, INC.—Negotiations Services	\$18,396.00
Audit	\$21,730.00
R.W. Scott Const. (Fire Trails)	\$12,000.00
OPEB Actuarial	\$ 3,800.00
Temporary Services/Data Entry	\$15,500.00

Fire Information Support—Department of Information Technology	\$ 3,000.00
On Duty Medical Exams	\$ 2,000.00
EMS Training Greg Kennedy	\$12,000.00
EMS Quarterly Training	\$ 2,667.00
Hidden Lakes Tech Support-IT Assistance	\$ 5,000.00
ATS Phone System Support	\$ 250.00
Fire Inspections Lellis	\$ 30,000.00
Fire Inspections Pedroia	\$ 10,000.00
Consulting Services: Community Facilities/Developer Impact Fees	\$ 37,000.00
Meyers Nave (Regular Legal Services)	\$ 40,000.00
Meyers Nave (Extra Legal Services)	\$ 40,000.00
Audit/Budgeting/Financial Assistance	\$ 40,000.00
QuickBooks Consulting/Software	\$ 1,500.00
<b>TOTAL</b>	<b>\$314,843.00</b>

The items in the Professional Services Budget 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:

- *Temporary Services Data Entry*: this line item provides for part-time assistance primarily to perform data entry for the District’s new accounting software. It is anticipated that activity will require 10+ hours per week.
- *Fire Inspection costs* are largely recovered through fees.
- *Consulting Services: Community Facilities & Development Impact Fees* is an allocation for creation of a Community Facilities District for developing areas in the City of Hercules which are currently within the former Redevelopment Agency project areas, which preclude the District from receiving the normal property tax share. Funds from the Community Facility District will provide revenue which can help offset the service costs incurred serving these newly developed areas. The Fire District’s Development Impact Fee is outdated and needs to be revised to reflect current costs for facilities, vehicles and equipment, allowing the District to recover the appropriate development impact fees for new development.
- *QuickBooks Consulting/Software* provides for fees for use of the new software system and modifications to the software if needed.

**VIII. FIRE OPERATIONS**

Rodeo-Hercules Fire 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 and 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 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 District also operates and participates in Battalion 7, a jointly operated Battalion with Pinole Fire Department and the Contra Costa County Fire Protection 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 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 District also responds 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 regionalized approach. These extended responses have included the Contra Costa County Fire Protection District, Crockett-Carquinez Fire Protection District, Pinole Fire Department, Richmond Fire Department, El Cerrito Fire Department, Moraga/Orinda Fire Protection District and Vallejo Fire Department.

### **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 District children through donations from the Rodeo Municipal Advisory Council;
- Providing smoke detectors and carbon dioxide (CO2) detectors to District residents through RMAC funding;
- 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, and
- Providing Fire Extinguisher Training for both the community and local businesses.

**Fire Prevention:**

Engine companies conducted fire and life safety inspections of all schools and Business within the Fire District. Engine companies also conduct inspection of public and private properties for unabated hazardous and/or combustible fuels Conduct Weed Abatement inspections and notifications.

The District employees two independent outside contractors for inspection of residential care facilities licensed daycare and adult care facilities, commercial tenant improvements, new construction and provided construction plan review of construction plans and specifications for compliance with local and state requirements, and regularly meet with developers and contractors.

**Apparatus:**

The District operates a variety of Fire Apparatus including:

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

Fire apparatus are placed into category types identified in the Incident Command System as a means of organizing multiagency resources through the National Interagency Fire Center. The 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.

**Fire Incident Calls—2016**

Incident Type	Number of Calls
Fire	129
EMS/Rescue	1,515
Hazardous Condition	54
Service Call	146
Good Intent	469
False Call	164
Other	1
Blank/Invalid*	635
<b>TOTAL</b>	<b>3,113</b>
<b>*See Appendix G for Details</b>	

**IX. VEHICLE REPLACEMENT RESERVE**

The Budget preparation process included an extensive review of the District’s vehicle fleet. The vehicles were categorized by age, use and role in emergency response, and a replacement

program was created. The District's recent vehicle replacements have been funded by securing a line of credit and paying off the debt on the line of credit over a 10-year period.

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

The cost models demonstrated that if the District leases its vehicles, the annual costs will be lower for the first 10 years than employing a reserve funding strategy. However, over a 20-year period, the leasing strategy results in the District paying substantial interest and having a total lease liability of \$1,020,470 at the end of the 20 years.

The District has a current line of credit obligation that requires lease payments through FY 2021-22. The District will need to replace Engine 754 (Type I Spartan) in FY 2018-19, and the cost modelling assumes that this vehicle will be funded by another 10-year lease (because funds have not been previously set aside for the acquisition of this replacement vehicle).

The proposed (Lease-set aside) approach calls for the District to continue existing leases and add one additional lease for the replacement of Engine 754 (in 2018-19), and beginning to set aside funds in a Vehicle Replacement Reserve. Using this approach the District will need to add funds to the reserve in addition to the lease costs, but in 10 years the District will then acquire all other vehicles with cash on a 'go forward' basis. Utilizing the Lease-set-aside approach, the District will accumulate \$860,383 in cash in the vehicle replacement reserve at the end of 20 years and incur no interest costs after year 10. (See *Appendix D—Vehicle Replacement Schedules*).

## **X. 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 E-Five Year Revenue, Expenditure and Fund Balances*).

In summary, if the projections are sustained, the 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 District's revenue (almost 50%) 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 District's OPEB medical insurance for retirees program is only partially funded. The District is not making payments into the UAAL portion of the program currently calculated as \$506,000 per year. If the 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/activities could create additional costs.

The Proposed Budget for Fiscal Year 2017-18 is balanced and maintains the District's two Fire Station configuration with full staffing. The Budget also provides the initial payment to a reserve for replacement of Fire vehicles to provide the District a long-term plan for acquiring essential fire equipment. The current Five Year Revenue and Expenditure projections also show that the District will remain in a balanced position during that period and retain a modest fund balance.

#### **XI. RHFD BUDGET APPENDICES**

- A. Employee Cost Calculation Model**
- B. CCCERA Retirement Costs & UAAL**
- C. OPEB Contribution Costs & UAAL**
- D. Vehicle Replacement Schedules**
- E. Five Year Revenue, Expenditures & Fund Balance Projections**
- F. Budget Detail**
- G. Incident Report Detail**