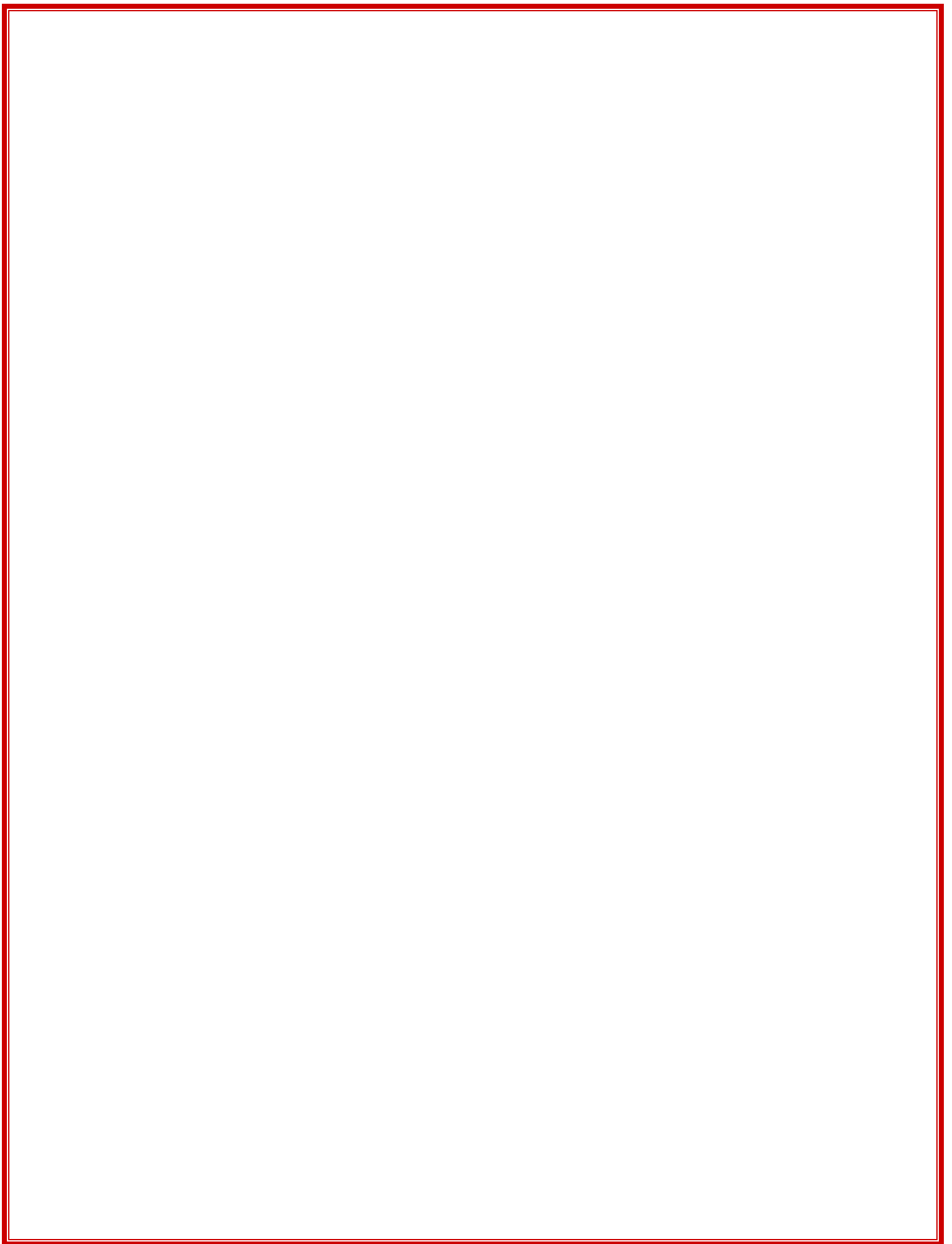


**RODEO – HERCULES FIRE PROTECTION
DISTRICT**

BUDGET 2019-2020



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
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 Protection District. The Directors provide financial oversight and strategic policy direction to maximize the public value of District services

Andrew Gabriel (Board Chair)

Steve Hill (Vice Chair)

William Prather

Marc Thorpe

Damon Covington

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.

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II. Executive Summary

A. Transmittal Letter

August 14, 2019

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

Members of the Board:

I would like to present to you the Fiscal Year 2019-20 Budget for the Rodeo-Hercules Fire Protection District. Formulation of this budget was completed with the concerted direction of the Fire District Board of Directors to move the Fire District to a more stable financial condition and to provide a Budget with complete financial transparency in mind. This Budget was created with input from Staff, the District's financial advisor, MRG, and the Board's Budget Ad-Hoc Subcommittee.

The District is currently in its third year of utilizing the budget processes it adopted—accounting principles that were outlined in the Fiscal Analysis and Stabilization Report conducted in 2016. Full budget narrative, with supporting documentation, projected revenues, expenditures and operations are all explained in this document. The 2016 Financial Analysis and Stabilization Report outlined issues faced by the District. Even though these particular issues were driving factors in the formulation of the 2017 through 2019 budgets, they still remain instrumental in the principles formulating the budget today.

Even though the District is on more stable footing than in prior years, it must continue to be diligent in its fiscal responsibilities. The District is continually looking for ways to streamline operations and reduce costs. Looking for other sources of revenue stream is extremely important to overcome the District's financial constraints. Exploratory revenue options are continually sought out in an effort to firm up the District's finances.

I am pleased to report that, with all the above efforts and dedication of this Board, the budget for FY 2019-20 is balanced. The District is currently maintaining both of its fire stations at full staffing.

The Budget does not contain increases in expenditures for personnel costs (other than mandated benefit cost increases¹), any capital expenditures other than those required to maintain the facilities and necessary operational and support activities. The budget does however reflect expenditure increases in a variety of categories primarily due to artificially low

¹ The current MOU between the District and represented employees expired on June 30, 2019

allocations due to deferred maintenance during the last three fiscal years in efforts to maintain solvency.

We estimate the ending fund balance for 2018-2019 for all funds will be \$1,711,526. at the end of fiscal year 2019-20, the District expects to end with a fund balance of \$1,229,586. The General Fund operating reserve will be used to offset any unforeseen expenses during the fiscal year. We expect the revenue and expenditures projections used are achievable and take into consideration a number of variables.

This budget will enable the 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 to maintain a consistent and professional level of service to everyone we serve.

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

In continued service,

Bryan Craig
Fire Chief

B. Budget Overview and Summary

Basis for Budgeting and Accounting

As a single purpose fire authority, the District maintains one governmental fund account: Within this single account are four separate funds. They are: General Fund, the Measure O Fund, the Capital Fund and the Fire Facilities Fees Fund. The District reports the majority of its financial activities within 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 budget 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 sufficient funds have been appropriated by the Board of Directors as set forth in this budget. The 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 budgets are approved after the holding of a public hearing and provide for the general operation of the District. These budgets include the proposed expenditures of the District and the means of financing them. The Board approves 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. Budgets are adopted on a basis consistent with Governmental Accounting Standards Board method (GASB).

Budget Goals for Fiscal Year 2019-20

As the Board and community are aware, the District has struggled to maintain solid financial footing. The much-needed replacement revenue from Measure O has improved the District's finances, adding stability to District finances. This stability will allow the District to make contributions to its Capital and Reserve funds. In preparing the Budget, District staff has developed a budget that recognizes the District's current obligations and provides accurate information on the fiscal realities faced by the District. The District will continue its efforts to secure additional revenue sources in an effort to stabilize its financial future.

Fiscal Year 2019-20 Projected Revenues

The FY 2019-20 budget projects total revenue of \$8,425,014; an increase of 13% from the prior year budget. This revenue projection is based on the following assumptions: \$3,907,430 in Property Tax revenues, \$2,472,636 Measure O revenue, 1,352,535 in Benefit Assessment, and \$692,413 in Intergovernmental Revenue.

Measure O collections began in FY17-18 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 reductions in the potential total Measure O revenues due to the provision for exclusions of senior owned properties. The initial revenue projections indicated that approximately \$2.5 million could be generated in FY 2019-20; after taking into account the senior exemptions, that amount is \$2,472,636 as projected.

Fiscal Year 2019-20 Projected Expenditures

The budget expenditures include full staffing for two stations. During FY 2018-19, several vacant positions were filled through recruitments and promotions. Full staffing compliment for FY 2019-20 includes:

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

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

The budget includes the following assumptions and significant items:

- Unknown contract costs; Represented personnel MOU expired June 30, 2019 (See Appendix A- Employee Compensation Calculations).
- Increases in medical benefits costs for current and retired employees. (\$85,397).
- Budgeting current vehicle lease costs in the General Fund (\$80,401).
- Deferral of computer purchase.
- Deferred maintenance of equipment and fixed assets.
- Increased maintenance costs due to the age of the fleet.

C. District Financial Position

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

During the 2012-2016 periods, the District was forced to reduce its services significantly and was forced to use virtually all of its established reserve funds. 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. The budget for FY 2019-20 is balanced based on

current revenue and expenditure projections; based on these assumptions a portion of the District's budget will be placed in a dedicated economic uncertainty and capital funds.

District Financial Issues and Revenue Opportunities

The District's financial position has improved with the additional revenue provided by Measure O. Full funding for two stations and uninterrupted service are major accomplishments for the District, when not too long ago, the District was uncertain of its financial position and was facing major service reductions. With the development, and implementation of an industry standard budgeting and accounting system, the District currently has the ability to track its finances and build a budget based on actual revenue and expenses.

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 economic conditions outside the scope of the Board.

These issues include the following:

- 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 that 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. Although the District was successful in increasing its Fire Facilities Impact Fee schedule, it was not to the full extent required to provide adequate funding to acquire all additional equipment needed by the District to provide fire protection.
- 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 \$2,218,255, which represents 35% of the projected FY 2019-20 personnel costs for the District's 23 employees.
- Although the District's represented personnel contribute 3.75% 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 four specialty frontline vehicles and two older vehicles that serve in reserve. The frontline vehicles have an estimated current replacement value of \$5,770,000. The District's aging inventory has had an additional impact on the FY 2018/19 budget, that has resulted in an increase in vehicle maintenance program allocation. Unfortunately, this increase will continue until the District is able to adhere to its vehicle replacement schedule. The District has implemented a new fleet surveying process to better understand its fleet replacement needs. Replacement of this equipment when it becomes unserviceable represents a significant cost factor for the District (see *Section IX. Vehicle Replacement Reserve and Appendix C* for depreciation schedules and a recommended approach for the replacement of frontline vehicles).

Recommendation

- Staff recommends to the Board of Directors to enter into a lease purchase agreement for the purchase of a Quint 100-foot ladder truck and a Type 1 Rescue Pumper. A portion of the funds for vehicle acquisition will be derived from developer impact fees.

Revenue Opportunities for Board Consideration

- **Business Inspection Program:** The District currently inspects all businesses, schools, churches and apartment buildings within the District. Traditionally, the District has not charged for this service unless a business caused a habitual problem. 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, it may no longer be fiscally prudent to bear these costs alone.
- **Cost Recovery for Emergency Medical First Responder Service:** The District's current Medical First Responder Fee is only applied to individuals living outside of the District. As other surrounding Districts are modifying this to include all individuals, this option should be considered by the Board.
- **Grants:** The District was successful in receiving several grants within the 2018/19 fiscal year totaling over \$164,484.00. The largest of these grants was awarded from the Assistance to Firefighter Grant program. The grant focused on reducing the harmful carcinogenic effect of diesel exhaust emissions. The District received a Grant from Pacific Gas and Electric Company to lessen the District's carbon footprint with the installation of LED lighting at both of its fire stations. The installation of LED lighting further enhances the District's efforts set forth with the installation of solar panels installed at both of its fire stations through a grant received from Bay Area Air Quality Control.

D. District Budget Control Reporting and Reserve Policies

This 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 (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 District's CCCERA contribution rates in FY 2019-20 for the normal costs will be 20.2% of payroll for "Legacy" employees and 16.98% 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 2019-20 is \$1,670,964. The District's current overall unfunded liability for the CCCERA retirement system is \$11,693,174. 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 2019-20 \$363,882, is budgeted for the program. This includes matching funds of 3.75% of permanent salaries of represented employees to go towards the CERBT Trust fund.

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 \$5,386,176. The actuarial study estimated that the 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 District's UAAL was funded at a 17.0% level.

The study further estimates that the District would be required to pay an additional \$5,386,176.00 per year if it were to address the full UAAL liability. (See Appendix B for details.)

IV. BUDGET POLICIES

The following budget polices 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 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 Protection 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 2019-20 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.

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 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 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 has an accounting software program which 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, 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 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
ACTIVITY DESCRIPTIONS:				
1.	Actively Managed	<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.	Managed by Staff	<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.	Periodically Managed	<i>Periodically Managed Activity Accounts</i> are reviewed by Administrative Staff on a regular basis and are normally infrequent and low cost items		
4.	Monitored/not Managed	<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 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 Recommended Obligation Payments have been made.

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 of that same year and became 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 91% percent of the revenues received annually, Miscellaneous/other revenues equal 9% of total revenue:

• Property taxes	\$3,907,430	46%
• Benefit Assessment District	\$1,352,535	16%
• Measure O	\$2,472,636	29%
• Miscellaneous other	\$ 692,413	<u>9%</u>
		100%

Property tax and Benefit Assessments 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 “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 2019-20 are \$8,425,014.

**RODEO HERCULES FIRE PROTECTION DISTRICT
FY2019-20 REVENUE BUDGET FOR ALL FUNDS**

DESCRIPTION	GL CODE	ADOPTED BUDGET FY2017-18	ACTUAL FY2017-18	ADOPTED BUDGET FY 2018-19	PROJECTED ACTUAL 6/30/2019	PROPOSED BUDGET FY2019-20
Prop. Taxes-Current secured	9010	2,866,199	3,293,477	2,866,199	3,525,051	3,595,552
RPTTF and RDA Pass-Thru **	9010	-	-	-	353,115	-
Prop. Tax-Supplemental	9011	114,818	97,597	114,818	113,695	115,969
Prop. Tax-Unitary	9013	73,711	74,884	73,711	76,268	77,794
Prop. Tax-Current Unsecured	9020	114,508	119,806	114,508	127,499	130,049
Prop Tax-Prior-Secured	9030	(9,158)	(8,569)	(9,158)	(5,850)	(9,341)
Prop Tax-Prior-Supplemental	9031	(5,789)	(4,981)	(5,789)	(4,492)	(5,905)
Prop Tax-Prior-Unsecured	9035	167	(219)	(167)	3,247	3,312
TOTAL PROPERTY TAXES		3,154,456	3,571,996	3,154,122	4,188,534	3,907,430
Benefit District	9066	1,339,548	-	1,354,034	1,352,535	1,352,535
TOTAL BENEFIT DISTRICT		1,339,548	-	1,354,034	1,352,535	1,352,535
H/O Prop Tax Relief	9385	30,945	30,500	31,873	29,956	30,555
District Misc. Revenue	9580	-	14,645	-	-	-
RDA NonProp-Tax Pass Thru	9591	322,276	311,664	331,944	466,141	475,463
AFG Grant Fund	9595	-	23,917	-	59,812	-
Fire Prevention Plan Review	9741	20,316	52,447	43,066	98,825	100,802
Measure H EMS	9895	88,091	87,565	87,565	85,593	85,593
Other Revenue	9980	13,213	-	27,113	43,109	-
TOTAL INTERGOVERNMENTAL		474,841	520,738	521,561	783,435	692,413
Measure O	9066	2,346,000	2,429,756	2,352,672	2,405,916	2,472,636
TOTAL OTHER REVENUE		2,346,000	2,429,756	2,352,672	2,405,916	2,472,636
TOTAL		7,314,845	6,522,490	7,382,389	8,730,420	8,425,014

Note: Property Tax assumed 2% increase

** RDA Redevelopment Property Tax Trust Fund Revenue (RPTTF)
received for the 1st time (RDA dissolved in February 2012)

RODEO HERCULES FIRE PROTECTION DISTRICT
FY2019-20 MEASURE "O" REVENUE BUDGET

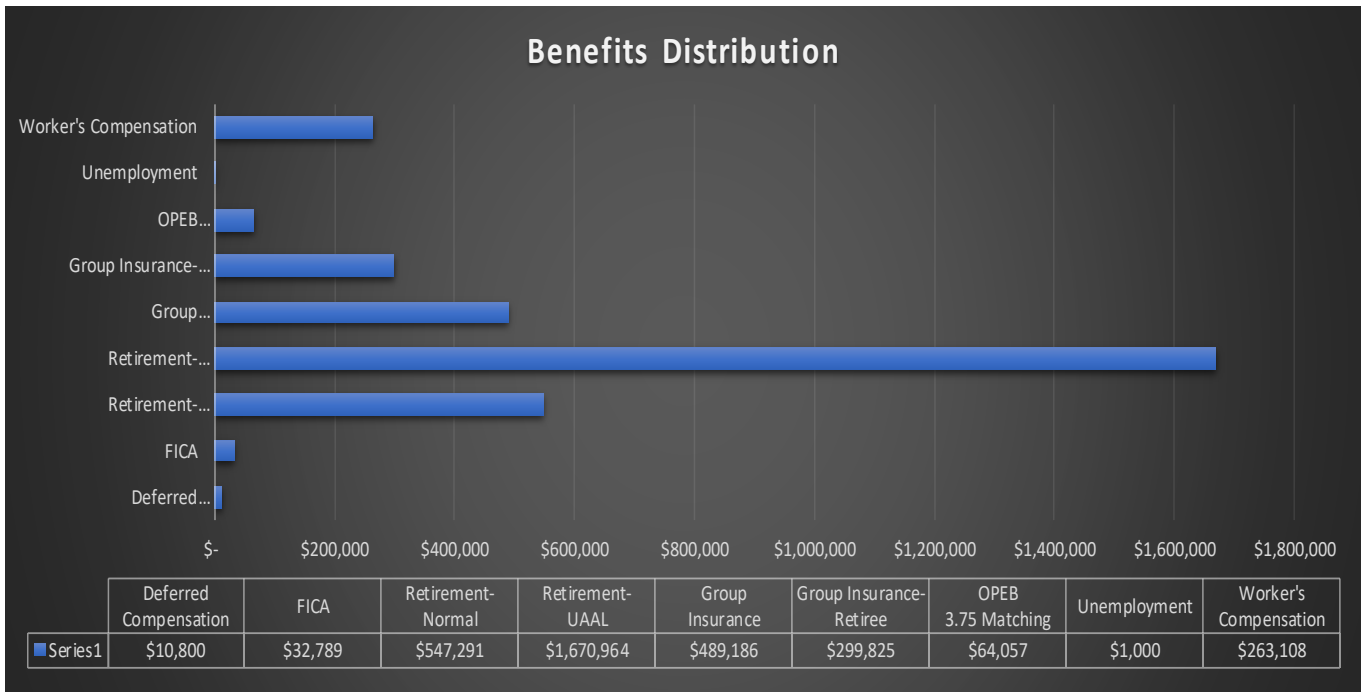
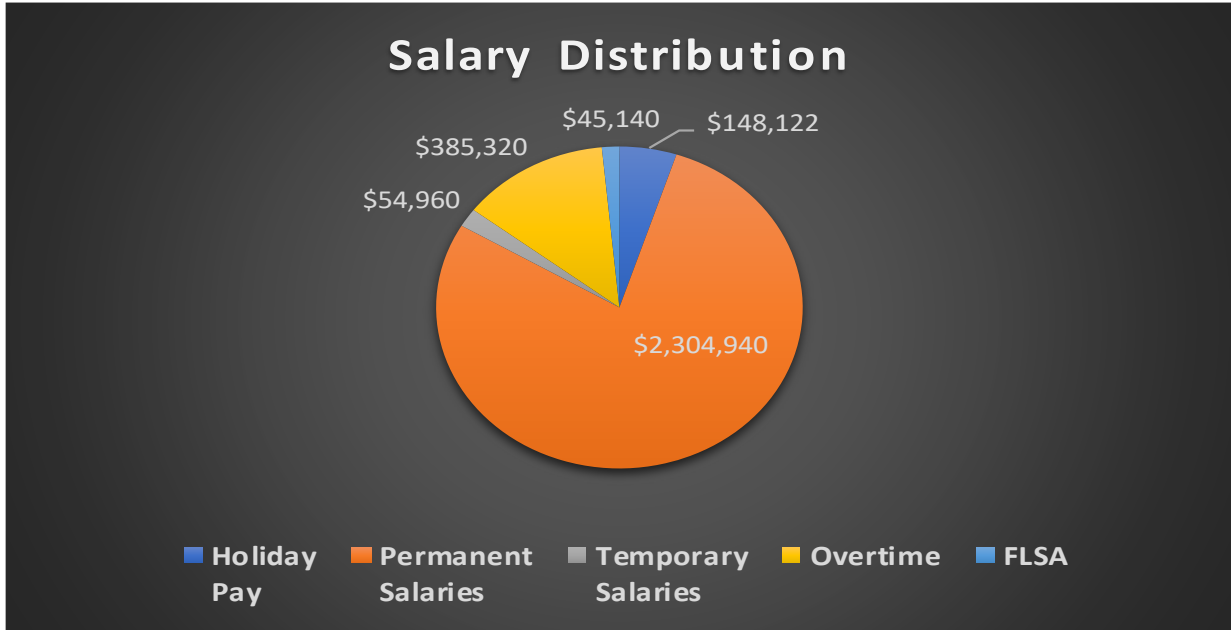
DESCRIPTION	ADOPTED BUDGET FY2017-18	ACTUAL FY2017-18	ADOPTED BUDGET FY 2018-19	ACTUAL 6/30/2019	PROPOSED BUDGET FY2019-20
OPENING FUND BALANCE				\$ 144,090.00	\$ 217,406.00
Measure O - Special Tax Revenue	2,346,000	2,429,756	2,352,672	2,405,916	2,472,636
TOTAL MEASURE O REVENUE	2,346,000	2,429,756	2,352,672	2,405,916	2,472,636
EXPENDITURES:					
Permanent Salaries	1,311,747	1,311,747	1,200,307	1,200,307	
Group Insurance Health Active Employees	-	-	-	-	433,027
Group Insurance - Retiree	-	-	-	-	299,825
Group Insurance-OPEB Matching Funds	-	-	-	-	64,057
CCCERA-UAAL Payment	964,124	964,124	1,122,560	1,122,560	1,113,976
County Collection Fee	9,795	9,795	-	9,733	9,733
TOTAL MEASURE "O" Expenditures	2,285,666	2,285,666	2,322,867	2,332,600	1,920,618
PROJECTED YEAR-END FUND BALANCE		\$ 144,090		\$ 217,406	\$ 769,424

2019-20 Estimated Revenue



B. District Expenditures

As discussed within this document the Proposed Budget for FY 2019-20 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 2019-20 are \$7,375,116.



RODEO HERCULES FIRE PROTECTION DISTRICT
FY2019-20 PROPOSED EXPENDITURES BUDGET FOR ALL FUNDS

DESCRIPTION		ADOPTED BUDGET FY2017-18	ACTUAL FY2017-18	ADOPTED BUDGET FY 2018-19	ESTIMATED ACTUAL 6/30/2019	PROPOSED BUDGET FY2019-20
Holiday Pay	1001	156,543		149,923	148,244	148,122
Permanent Salaries	1011	2,199,278	2,222,449	2,360,955	2,171,688	2,304,940
Drill/Temporary Salaries	1013	500	22	500	46,691	54,960
Overtime	1014	376,200	510,994	376,200	492,239	385,320
FLSA	1014	50,877	-	48,725	29,760	48,140
Deferred Compensation	1015	10,800	9,900	10,800	10,800	10,800
FICA	1042	31,115	46,126	32,103	47,997	32,789
Retirement -Normal	1044	540,149		561,262	431,005	547,291
Retirement - UAAL	1044	1,652,779	2,171,720	1,683,840	1,721,302	1,670,964
Group Insurance **	1060	503,911	468,372	517,577	482,450	489,187
Group Insurance - Employer 3.75% ***	1061					64,057
Group Insurance - Retiree	1061	315,000	291,707	337,050	284,454	299,825
Unemployment	1063	1,000		1,000	128	1,000
Workers Compensation Insurance	1070	245,868	246,606	263,108	266,074	263,108
TOTAL SALARIES AND BENEFITS		6,084,020	5,967,896	6,343,043	6,132,832	6,320,503
Office Expenses	2100	12,780	9,037	16,945	13,785	31,495
Books/Periodicals/Subscriptions	2102	2,485	2,690	2,485	2,329	2,485
Communications	2110	162,656	202,293	180,915	193,188	179,355
Utilities	2120	28,823	23,582	28,823	24,320	28,823
Small Tools & Instruments	2130	2,000	5,414	1,400	1,399	1,400
New Vehicle Equipment	2130	30,000	-	-	-	-
Medical Supplies	2140	7,340	5,232	7,340	4,161	8,820
Food	2150	1,920	2,322	2,420	825	2,420
Clothing & Personal Supplies	2160	13,200	12,650	13,200	13,540	13,260
Household Expense	2170	13,275	8,508	6,000	5,909	6,500
Publications & Legal Notices	2190	1,180	1,444	1,180	1,292	1,180
Memberships	2200	4,204	4,077	4,204	3,951	4,204
Rents and Leases - Equipment	2250	8,640	5,815	8,640	6,289	8,640
Lease Payments - Vehicles	2250	80,401	80,401	80,401	80,923	80,401
Repairs & Service Equipment	2270	35,224	10,206	17,740	20,793	41,720
Central Garage Repairs	2271	71,620	35,436	72,820	66,206	80,000
Central Garage Gasoline/Oil	2272	8,620	6,847	10,000	4,401	10,100
Central Garage Tires	2273	10,531	10,820	12,500	5,113	14,000
Maintenance Radio - Electronic Equip	2276	20,780	20,680	27,300	31,581	21,156
Maintenance of Buildings	2281	42,064	14,249	18,864	18,009	43,350
Other Travel Expenses	2303	3,172	911	4,360	1,951	4,560
Professional/Specialized Services	2310	314,843	303,460	346,368	294,509	323,041
Data Processing Service	2315	192	248	192	955	960
Data Processing Supplies	2316	323	-	323	-	323
Information Security	2326	1,020	1,032	1,020	1,646	2,194
Insurance	2360	34,639	41,539.00	40,423.00	36,423	40,423
Fire Fighting Supplies	2474	48,498	62,186	4,180	14,036	58,405
Recreation/Physical Fitness Equipment	2476	6,200	1,000	700	-	1,000
Education Supplies & Courses	2477	17,457	5,158	17,220	13,864	17,245
Other Special Departmental Expenses	2479	3,444	3268	1940	12,467	3,420
Interest on Notes & Warrants	3520	2,000	518	1000	1,000	1,000
Taxes & Assessments	3530	13,000	11,158.00	13000	11,198	22,733
Total Service & Supplies Expenditures		1,002,531	892,181	943,903	886,062	1,054,613
TOTAL OPERATIONAL EXPENDITURES		7,086,551	6,860,077	7,286,946	7,018,894	7,375,116

Note: ** To match employee contribution of OPEB 3.75%

RODEO HERCULES FIRE PROTECTION DISTRICT
FY2019-20 PROPOSED GENERAL FUND EXPENDITURES BUDGET

DESCRIPTION		ADOPTED BUDGET FY2017-18	ACTUAL FY2017-18	ADOPTED BUDGET FY 2018-19	ESTIMATED ACTUAL 6/30/2019	PROPOSED BUDGET FY2019-20
Holiday Pay	1001	156,543		149,923	148,244	148,122
Permanent Salaries	1011	2,199,278	2,222,449	2,360,955	2,171,688	2,304,940
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Overtime	1014	376,200	510,994	376,200	492,239	385,320
FLSA	1014	50,877	-	48,725	29,760	48,140
Deferred Compensation	1015	10,800	9,900	10,800	10,800	10,800
FICA	1042	31,115	46,126	32,103	47,997	32,789
Retirement -Normal	1044	540,149		561,262	431,005	547,291
Retirement - UAAL	1044	1,652,779	2,171,720	1,683,840	1,721,302	556,988
Group Insurance **	1060	503,911	468,372	517,577	482,450	56,159
Group Insurance - Retiree	1061	315,000	291,707	337,050	284,454	-
Unemployment	1063	1,000		1,000	128	1,000
Workers Compensation Insurance	1070	245,868	246,606	263,108	266,074	263,108
TOTAL SALARIES AND BENEFITS		6,084,020	5,967,896	6,343,043	6,132,832	4,409,617
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Communications	2110	162,656	202,293	180,915	193,188	179,355
Utilities	2120	28,823	23,582	28,823	24,320	28,823
Small Tools & Instruments	2130	2,000	5,414	1,400	1,399	1,400
New Vehicle Equipment	2130	30,000	-	-	-	-
Medical Supplies	2140	7,340	5,232	7,340	4,161	8,820
Food	2150	1,920	2,322	2,420	825	2,420
Clothing & Personal Supplies	2160	13,200	12,650	13,200	13,540	13,260
Household Expense	2170	13,275	8,508	6,000	5,909	6,500
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Maintenance Radio - Electronic Equip	2276	20,780	20,680	27,300	31,581	21,156
Maintenance of Buildings	2281	42,064	14,249	18,864	18,009	43,350
Other Travel Expenses	2303	3,172	911	4,360	1,951	4,560
Professional/Specialized Services	2310	314,843	303,460	346,368	297,080	323,041
Data Processing Service	2315	192	248	192	955	960
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Recreation/Physical Fitness Equipment	2476	6,200	1,000	700	-	1,000
Education Supplies & Courses	2477	17,457	5,158	17,220	13,864	17,245
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Interest on Notes & Warrants	3520	2,000	518	1000	1,000	1,000
Taxes & Assessments	3530	13,000	11,158.00	13000	11,198	13,000
Total Service & Supplies Expenditures		1,002,531	892,181	943,903	888,633	1,044,880
TOTAL OPERATIONAL EXPENDITURES		7,086,551	6,860,077	7,286,946	7,021,465	5,454,497

This schedule does not include "Measure"O" Expenditures

RODEO HERCULES FIRE PROTECTION DISTRICT
FY2019-20 MEASURE "O" REVENUE BUDGET

DESCRIPTION	ADOPTED BUDGET FY2017-18	ACTUAL FY2017-18	ADOPTED BUDGET FY 2018-19	ACTUAL 6/30/2019	PROPOSED BUDGET FY2019-20
OPENING FUND BALANCE				\$ 144,090.00	\$ 217,406.00
REVENUE:					
Measure O - Special Tax Revenue	2,346,000	2,429,756	2,352,672	2,405,916	2,472,636
TOTAL MEASURE O REVENUE	2,346,000	2,429,756	2,352,672	2,405,916	2,472,636
EXPENDITURES:					
Permanent Salaries	1,311,747	1,311,747	1,200,307	1,200,307	
Group Insurance Health Active Employees	-	-	-	-	433,027
Group Insurance - Retiree	-	-	-	-	299,825
Group Insurance-OPEB Matching Funds	-	-	-	-	64,057
CCCERA-UAAL Payment	964,124	964,124	1,122,560	1,122,560	1,113,976
County Collection Fee	9,795	9,795	-	9,733	9,733
TOTAL MEASURE "O" Expenditures	2,285,666	2,285,666	2,322,867	2,332,600	1,920,618
PROJECTED YEAR-END FUND BALANCE		\$ 144,090		\$ 217,406	\$ 769,424

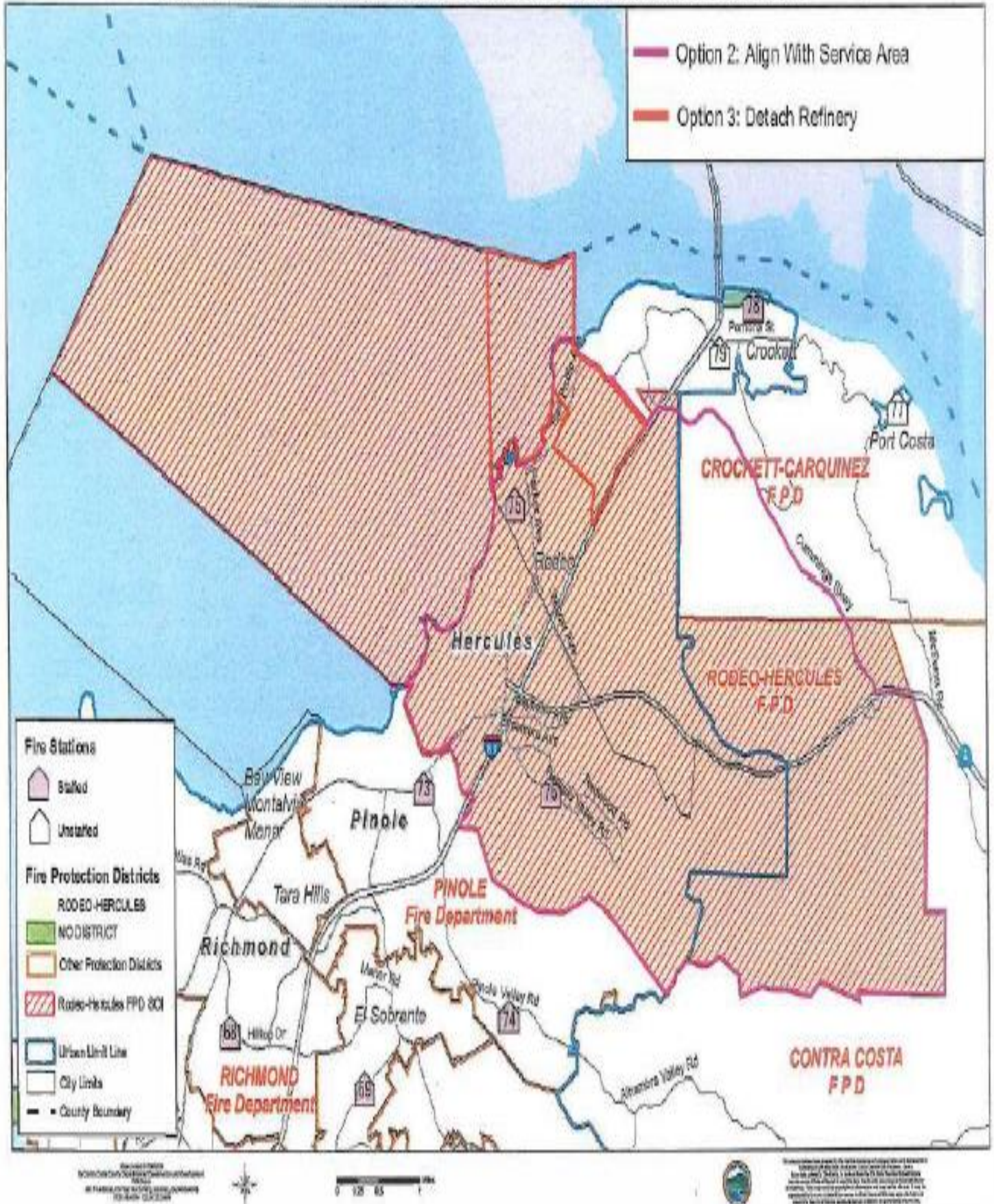
C. District Fund Balances

The FY 2019-20 Proposed Budget is balanced. The District is projected to have a year-end fund balance of \$1,229,586 as of June 30, 2020. Due to the overall District financial conservativeness policy, the District might meet the \$1.2 million goal that is recommended by other Agencies (equal to two months of operating expenses). Staff recommends transferring \$1,000,000.00 of these funds into the Local Agency Investment Fund account.

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

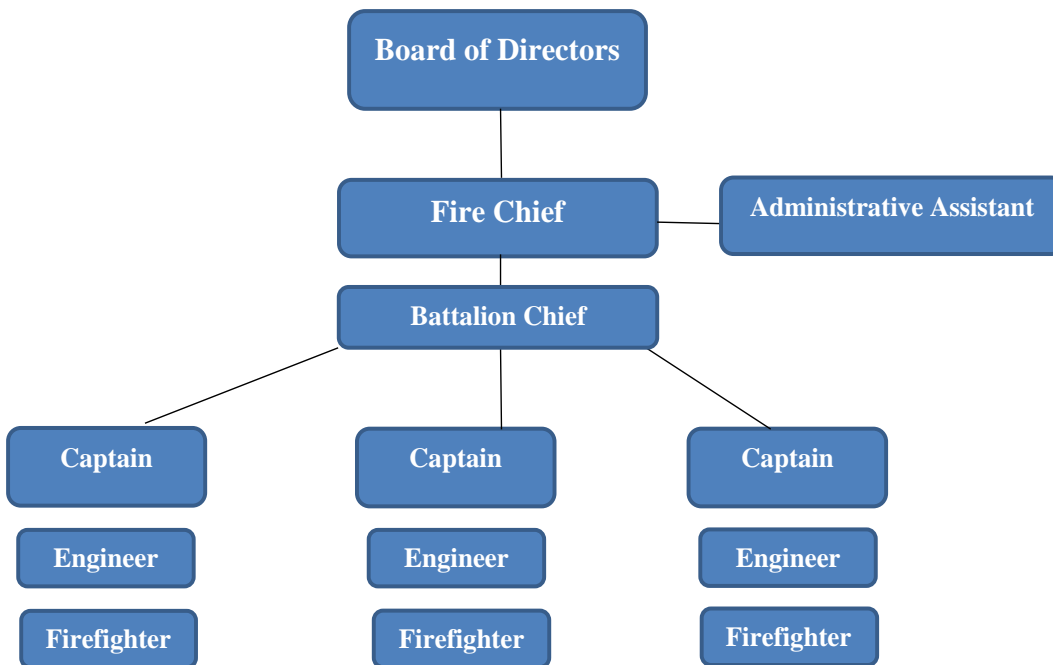
Map 13-3

Rodeo-Hercules Fire Protection District Boundary and Coterminous Sphere of Influence



ORGANIZATIONAL CHART

RODEO-HERCULES FIRE PROTECTION DISTRICT



VI. GENERAL FUND EXPENDITURES

The Proposed Budget expenditures include the District at full staffing. During FY 2016-17, three SAFER employees transitioned to the District on a permanent basis and three vacant positions were filled through recruitment. The District is currently at full staffing and anticipates a full staffing compliment for 2019-20 fiscal year that includes:

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

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

Some observations regarding the proposed expenditures”

- Approximately 85% 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 Proposed Budget includes the following significant items:

- No salary increases (See Appendix A-Employee Compensation Calculations);
- No new or modified benefits;
- Increases in medical benefits costs (\$118,152);
- Budgeting current vehicle lease costs in the General Fund (\$80,401);
- Decrease in professional services (\$29,501.).

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 District holds a staggered general election for Board Members that have reached the end of their term. There are no Board Elections scheduled for FY19/20 this line item is shown only as a place holder.
- *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 RHF D personnel will have the ability to properly track fleet assets maintenance and Department of Motor Vehicle 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 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 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 Protection 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.

The 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 R.H.F.P.D. 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 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 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 District.

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; hazardous and/or combustible fuels, unabated annual grasses, urban blight, and give notifications to abate said hazards.

The District employees two independent outside contractors that split their time in accordance with their expertise for inspection of residential care facilities, licensed daycare and adult care facilities, commercial tenant improvements; new construction and provide construction plan review of construction plans and specifications for compliance with local and state requirements, and regularly meet with developers and contractors.

Apparatus:

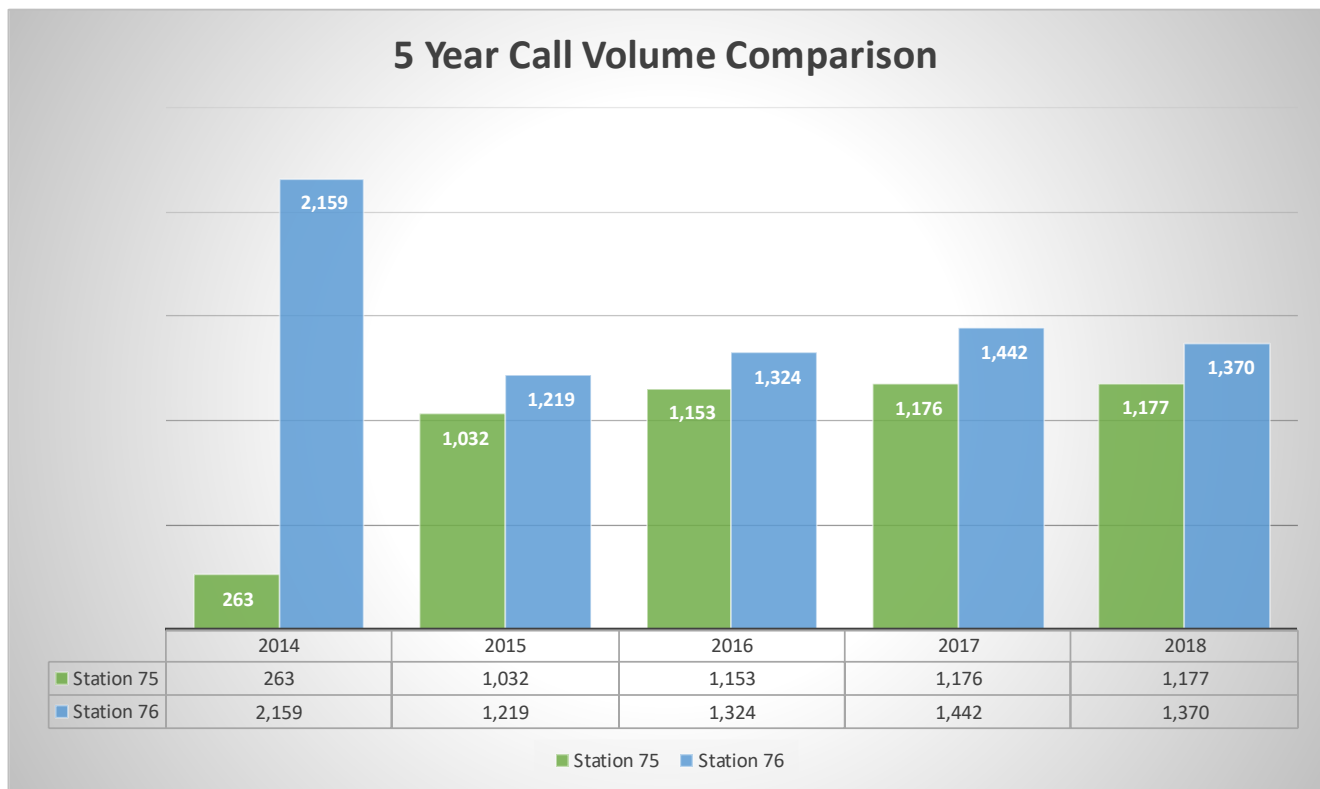
The District operates a variety of Fire Apparatus including:

- One 75-foot Quint Ladder 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.

Incident Calls—2018

Incident Type	Number of Calls		Total
	Station 75	Station 76	
Fire	83	44	127
EMS/Rescue	688	715	1403
Hazardous Condition	34	26	60
Service Call	67	113	180
Good Intent	216	351	567
False Call	88	117	205
Other	1	4	5
TOTALS	1,177	1,370	2,547
*See Appendix E for Details			



VII. 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 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) and Engine 768 (Quint 76) in FY 2019-20, and the cost modelling assumes that this vehicle will be funded by another 10-year lease.

The proposed (Lease-set aside) approach calls for the District to continue existing leases and add two additional leases for the replacement of Engine 754 and 768 (in 2019-20), 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 C—Vehicle 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 approval of a development project for the purpose of 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 Districts 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 separate revenue and expense balance sheet. Anticipated revenue and expenditures for FY 2019/20 are expressed in the following spreadsheet.

RODEO HERCULES FIRE PROTECTION DISTRICT
FY2019-20 FIRE FACILITIES FEE REVENUE AND EXPENDITURES

DESCRIPTION	ACTUAL FY2017-18	ADOPTED BUDGET FY 2018-19	PROJECTED ACTUAL 6/30/2019	PROPOSED BUDGET FY2019-20
OPENING FUND BALANCE- JULY 1, 2018 (AUDITED)			\$ 244,404	\$ 343,582
REVENUE:				
FIRE FACILITIES FEE REVENUE	-	103,000	203,061	106,000
TOTAL FIRE FACILITIES REVENUE	-	103,000	203,061	106,000
EXPENDITURES:				-
Apparatus Purchase and Outfitting				445,000
Structure/Wildland Fire PPE	-	30,000	52,182	
Communications Equipment			1,253	-
Exhaust System			9,187	-
SCBA Compressor		53,000	41,261	-
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		-
TOTAL FIRE FACILITIES FEES EXPENDITURES	-	99,048	103,883	445,000
PROJECTED YEAR-END FUND BALANCE - JUNE 30, 2020	\$ 244,404		\$ 343,582	\$ 4,582

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 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 42%) 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 \$561,262 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/long term disabilities could create additional costs.

The Budget for Fiscal Year 2019-20 is balanced and maintains the District's two Fire Station configuration with full staffing. 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.

X. RHFD BUDGET APPENDICES

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

ATTACHMENT A



**CONTRA COSTA COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**

**CONTRIBUTION RATE PACKET FOR
JULY 1, 2019 through JUNE 30, 2020**

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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MEMORANDUM

Date: September 13, 2018

To: Interested Parties and Participating Employers

From: Gail Strohl, Chief Executive Officer

Subject: Contribution Rates Effective July 1, 2019

At its August 22, 2018 meeting, the Retirement Board reviewed the actuary's valuation report for the year ending December 31, 2017. That report recommends employer and employee contribution rates, which will become effective on July 1, 2019. A copy of the December 31, 2017 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, 2019 through June 30, 2020.

Please note the following:

- ✓ **The rates are effective July 1, 2019 through June 30, 2020 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 PEPRAs 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.

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

Adopted this Order on _____, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

SUBJECT: Approving Contribution Rates to be charged Resolution No. _____
by the Contra Costa County
Employees’ Retirement Association.

Pursuant to Government Code Section 31454 and on recommendation of the Board of the Contra Costa County Employees’ Retirement Association, BE IT RESOLVED that the following contribution rates are approved to be effective for the period July 1, 2019 through June 30, 2020.

I. Employer Contribution Rates for Basic and Cost-of-Living Components and Non-refundability Discount Factors

- A. For General Members (Sec. 31676.11, Sec. 31676.16 and Sec. 7522.20(a))
See attached Exhibit A
- B. For Safety Members (Sec. 31664, Sec. 31664.1 and Sec. 7522.25(d))
See attached Exhibit B

II. Employee Contribution Rates for Basic and Cost-of-Living Components

See attached Exhibits C through O

The Pension Obligation Bonds (POB) issued by the County in March 1994 and April 2003, affected contribution rates for certain County employers. The following non-County employers who participate in the Retirement Association are referred to as “Districts”.

- | | |
|---|--|
| Bethel Island Municipal Improvement District | Contra Costa County Fire Protection District |
| Byron, Brentwood Knightsen Union Cemetery District | East Contra Costa Fire Protection District |
| Central Contra Costa Sanitary District | Moraga-Orinda Fire Protection District |
| Contra Costa County Employees’ Retirement Association | Rodeo-Hercules Fire Protection District |
| Contra Costa Housing Authority | San Ramon Valley Fire Protection District |
| Contra Costa Mosquito and Vector Control District | |
| Local Agency Formation Commission (LAFCO) | |
| Rodeo Sanitary District | |
| In-Home Supportive Services Authority | |
| First 5 - Children & Families Commission | |

All other departments/employers are referred to as “County” including the Superior Court of California, Contra Costa County.

Contra Costa County Fire Protection District and Moraga-Orinda Fire Protection District issued Pension Obligation Bonds in 2005 which affected contribution rates for these two employers. Subsequently, Contra Costa County Fire Protection District has made additional payments to CCCERA for its UAAL in 2006 and 2007.

First 5 - Children & Families Commission made a UAAL prepayment in 2013 which affected contribution rates for that employer.

Central Contra Costa Sanitary District made a UAAL prepayment in 2013, 2014 and 2015 which affected contribution rates for that employer.

Local Agency Formation Commission made a UAAL prepayment in 2017 which affected contribution rates for that employer.

San Ramon Valley Fire Protection District made a UAAL prepayment in 2017 which affected contribution rates for that employer.

Exhibit A - 1

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
EMPLOYER CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2019 THROUGH JUNE 30, 2020 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	15.57%	N/A	15.48%	18.48%	18.94%	N/A	20.14%	N/A
Excess of \$350 monthly & in Social Security	23.35%	N/A	23.21%	27.72%	28.40%	N/A	30.20%	N/A
All Eligible \$ if NOT in Social Security	23.35%	20.82%	N/A	N/A	28.40%	36.29%	N/A	22.39%
Tier 1 COL Enhanced								
First \$350 monthly	3.51%	N/A	3.59%	6.07%	6.24%	N/A	9.14%	N/A
Excess of \$350 monthly	5.27%	N/A	5.39%	9.10%	9.36%	N/A	13.72%	N/A
All Eligible \$ if NOT in Social Security	5.27%	5.03%	N/A	N/A	9.36%	14.31%	N/A	10.36%
Non-Refundability Factor	0.9602	0.9602	0.9602	0.9602	0.9602	0.9588	0.9571	0.9591

GENERAL TIER NON-ENHANCED	Cost Group #2		Cost Group	Employer Name	Tier
	County	Districts without POB			
Tier 3 BASIC Enhanced			Cost Group #1	County General	Tier 1 Enhanced (2% @ 55)
First \$350 monthly	15.59%	19.03%		LAFCO	
Excess of \$350 monthly	23.39%	28.55%		CC Mosquito & Vector Control District	
All Eligible \$ if NOT in Social Security	N/A	28.55%		Bethel Island Municipal Improvement District	
Tier 3 COL Enhanced				First 5 - Children and Families Commission	
First \$350 monthly	3.44%	6.20%		Contra Costa County Employees' Retirement Association	
Excess of \$350 monthly	5.16%	9.29%		Superior Court	
All Eligible \$ if NOT in Social Security	N/A	9.29%		East Contra Costa Fire Protection District	
Non-Refundability Factor	0.9576	0.9576	Cost Group #2	County General	Tier 3 Enhanced (2% @ 55)
				In-Home Supportive Services	
				CC Mosquito & Vector Control District	
				Superior Court	
Tier 1 BASIC NON-Enhanced			Cost Group #3	Central Contra Costa Sanitary District	Tier 1 Enhanced (2% @ 55)
First \$350 monthly	9.13%				
Excess of \$350 monthly	13.69%		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			Cost Group #6	Rodeo Sanitary District	Tier 1 Non-enhanced (1.67% @ 55)
First \$350 monthly	2.68%			Byron Brentwood Cemetery District	
Excess of \$350 monthly	4.02%				
All Eligible \$ if NOT in Social Security	N/A				
Non-Refundability Factor	0.9556				

Basic rates shown include an administrative expense load of 0.66% 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, 2019 THROUGH JUNE 30, 2020 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
All Eligible \$	19.51%	N/A	N/A	N/A	N/A	N/A	N/A	19.58%
All Eligible \$	3.67%	N/A	N/A	N/A	N/A	N/A	N/A	9.03%
Non-Refundability Factor	0.9605	N/A	N/A	N/A	N/A	N/A	N/A	0.9630

Tier 5 BASIC

All Eligible \$

Tier 5 COL

All Eligible \$

Non-Refundability Factor

	Cost Group #2	
	County	Districts without POB
All Eligible \$	18.91%	23.99%
All Eligible \$	3.52%	7.59%
Non-Refundability Factor	0.9611	0.9611

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 0.66% of payroll.

Exhibit A - 3

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

EMPLOYER CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2019 THROUGH JUNE 30, 2020 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
	Moraga-Orinda		First 5	LAFCO	Districts without POB	Central Contra Costa	Contra Costa	Contra Costa County	Districts
<u>Tier 4 BASIC</u> All Eligible \$	County	Fire District				Sanitary District	Housing Authority	Fire Protection District	without POB
	19.66%	17.42%	19.51%	23.99%	24.74%	31.02%	25.85%	21.56%	10.20%
<u>Tier 4 COL</u> All Eligible \$	4.66%	4.49%	4.77%	8.45%	8.73%	13.23%	12.95%	10.74%	3.47%
Non-Refundability Factor	0.9613	0.9613	0.9613	0.9613	0.9613	0.9670	0.9654	0.9606	0.9643

GENERAL PEPRA TIERS	Cost Group #2		Cost Group	Employer Name	Tier
	County	Districts without POB	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)
<u>Tier 5 BASIC</u> All Eligible \$	19.13%	24.21%	Cost Group #2	County General In-Home Supportive Services CC Mosquito & Vector Control District Superior Court	Tier 5 (2.5% @ 67)
<u>Tier 5 COL</u> All Eligible \$	4.44%	8.51%	Cost Group #3	Central Contra Costa Sanitary District	Tier 4 (2.5% @ 67)
Non-Refundability Factor	0.9631	0.9631	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 0.66% of payroll.

Exhibit B - 1

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 EMPLOYER CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2019 THROUGH JUNE 30, 2020 for Safety Tier A and C Legacy Members**

SAFETY TIERS ENHANCED

Safety A BASIC Enhanced

All eligible \$

Safety A COL Enhanced

All eligible \$

Non-Refundability Factor

Cost Group #7	Cost Group #8		Cost Group #10	Cost Group #11
	Contra Costa County Fire Protection District	East Contra Costa Fire Protection District	Moraga-Orinda Fire Protection District	San Ramon Valley Fire Protection District
45.59%	37.23%	65.44%	35.21%	51.05%
26.89%	35.66%	57.17%	35.73%	25.79%
0.9657	0.9666	0.9666	0.9688	0.9665

Safety C BASIC Enhanced

All eligible \$

Safety C COL Enhanced

All eligible \$

Non-Refundability Factor

Cost Group #9
County
43.65%
24.05%
0.9670

Cost Group	Employer Name	Tier
Cost Group # 7	County Safety	Tier A Enhanced (3% @ 50)
Cost Group # 8	Contra Costa County Fire Protection District East Contra Costa Fire Protection District	Tier A Enhanced (3% @ 50)
Cost Group # 9	County Safety	Tier C Enhanced (3% @ 50)
Cost Group # 10	Moraga-Orinda Fire Protection District	Tier A Enhanced (3% @ 50)
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)

Basic rates shown include an administrative expense load of 0.66% of payroll.

SAFETY TIER NON-ENHANCED

Safety A BASIC NON-Enhanced

All eligible \$

Monthly Contribution Towards UAAL

Safety A COL NON-Enhanced

All eligible \$

Monthly Contribution Towards UAAL

Non-Refundability Factor

Cost Group #12
Rodeo-Hercules Fire Protection District
14.89%
\$68,942
5.21%
\$48,581
0.9718

Exhibit B - 2

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

EMPLOYER CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2019 THROUGH JUNE 30, 2020 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
	County	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 \$	37.45%	28.91%	57.12%	27.16%	41.49%	11.92%
Monthly Contribution Towards UAAL	N/A	N/A	N/A	N/A	N/A	\$12,744
All eligible \$	25.67%	34.36%	55.87%	34.32%	24.11%	5.07%
Monthly Contribution Towards UAAL	N/A	N/A	N/A	N/A	N/A	\$8,980
<i>Non-Refundability Factor</i>	0.9758	0.9770	0.9770	0.9787	0.9794	0.9803

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
28.53%	36.09%
32.26%	23.30%
0.9748	0.9752

Cost Group	Employer Name	Tier
Cost Group # 7	County Safety	Tier D (2.7% @ 57)
Cost Group # 8	Contra Costa County Fire Protection District	Tier D (2.7% @ 57)
	East Contra Costa Fire Protection District Contra Costa County Fire Protection District	Tier E (2.7% @ 57)
Cost Group # 9	County Safety	Tier E (2.7% @ 57)
Cost Group # 10	Moraga-Orinda Fire Protection District	Tier D (2.7% @ 57)
Cost Group # 11	San Ramon Valley Fire Protection District	Tier D (2.7% @ 57)
Cost Group # 12	Rodeo Hercules Fire Protection District	Tier D (2.7% @ 57)

Basic rates shown include an administrative expense load of 0.66% of payroll.

Exhibit C

GENERAL Cost Group #1 Non-PEPRA Member Contribution Rates

Membership Date before January 1, 2013

Effective 7/1/19 - 6/30/20

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	5.41%	5.42%	2.69%	8.10%	8.11%
16	5.50%	5.51%	2.74%	8.24%	8.25%
17	5.59%	5.60%	2.79%	8.38%	8.39%
18	5.68%	5.69%	2.84%	8.52%	8.53%
19	5.77%	5.78%	2.89%	8.66%	8.67%
20	5.86%	5.87%	2.94%	8.80%	8.81%
21	5.96%	5.97%	2.99%	8.95%	8.96%
22	6.05%	6.06%	3.04%	9.09%	9.10%
23	6.15%	6.16%	3.10%	9.25%	9.26%
24	6.25%	6.26%	3.15%	9.40%	9.41%
25	6.35%	6.36%	3.21%	9.56%	9.57%
26	6.45%	6.46%	3.26%	9.71%	9.72%
27	6.56%	6.57%	3.32%	9.88%	9.89%
28	6.66%	6.67%	3.37%	10.03%	10.04%
29	6.77%	6.78%	3.43%	10.20%	10.21%
30	6.88%	6.89%	3.49%	10.37%	10.38%
31	6.99%	7.00%	3.55%	10.54%	10.55%
32	7.10%	7.11%	3.61%	10.71%	10.72%
33	7.21%	7.22%	3.67%	10.88%	10.89%
34	7.33%	7.34%	3.74%	11.07%	11.08%
35	7.45%	7.46%	3.80%	11.25%	11.26%
36	7.57%	7.58%	3.87%	11.44%	11.45%
37	7.69%	7.70%	3.94%	11.63%	11.64%
38	7.82%	7.83%	4.01%	11.83%	11.84%
39	7.95%	7.96%	4.08%	12.03%	12.04%
40	8.08%	8.09%	4.15%	12.23%	12.24%
41	8.22%	8.23%	4.22%	12.44%	12.45%
42	8.36%	8.37%	4.30%	12.66%	12.67%
43	8.50%	8.51%	4.38%	12.88%	12.89%
44	8.65%	8.66%	4.46%	13.11%	13.12%
45	8.81%	8.82%	4.55%	13.36%	13.37%
46	8.95%	8.96%	4.62%	13.57%	13.58%
47	9.10%	9.11%	4.70%	13.80%	13.81%
48	9.25%	9.26%	4.79%	14.04%	14.05%
49	9.41%	9.42%	4.87%	14.28%	14.29%
50	9.57%	9.58%	4.96%	14.53%	14.54%
51	9.73%	9.74%	5.05%	14.78%	14.79%
52	9.90%	9.91%	5.14%	15.04%	15.05%
53	10.06%	10.07%	5.23%	15.29%	15.30%
54	10.18%	10.19%	5.29%	15.47%	15.48%
55	10.32%	10.33%	5.37%	15.69%	15.70%
56	10.40%	10.41%	5.41%	15.81%	15.82%
57	10.39%	10.40%	5.41%	15.80%	15.81%
58	10.29%	10.30%	5.35%	15.64%	15.65%
59	10.02%	10.03%	5.21%	15.23%	15.24%
60 and over	10.02%	10.03%	5.21%	15.23%	15.24%

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

COLA Loading: 54.51% 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 7/1/19 - 6/30/20

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	5.40%	5.41%	2.47%	7.87%	7.88%
16	5.49%	5.50%	2.51%	8.00%	8.01%
17	5.58%	5.59%	2.56%	8.14%	8.15%
18	5.67%	5.68%	2.60%	8.27%	8.28%
19	5.76%	5.77%	2.65%	8.41%	8.42%
20	5.85%	5.86%	2.69%	8.54%	8.55%
21	5.94%	5.95%	2.74%	8.68%	8.69%
22	6.04%	6.05%	2.79%	8.83%	8.84%
23	6.14%	6.15%	2.84%	8.98%	8.99%
24	6.24%	6.25%	2.89%	9.13%	9.14%
25	6.34%	6.35%	2.94%	9.28%	9.29%
26	6.44%	6.45%	2.99%	9.43%	9.44%
27	6.54%	6.55%	3.04%	9.58%	9.59%
28	6.64%	6.65%	3.09%	9.73%	9.74%
29	6.75%	6.76%	3.14%	9.89%	9.90%
30	6.86%	6.87%	3.20%	10.06%	10.07%
31	6.97%	6.98%	3.25%	10.22%	10.23%
32	7.08%	7.09%	3.31%	10.39%	10.40%
33	7.20%	7.21%	3.37%	10.57%	10.58%
34	7.31%	7.32%	3.42%	10.73%	10.74%
35	7.43%	7.44%	3.48%	10.91%	10.92%
36	7.55%	7.56%	3.54%	11.09%	11.10%
37	7.68%	7.69%	3.61%	11.29%	11.30%
38	7.80%	7.81%	3.67%	11.47%	11.48%
39	7.93%	7.94%	3.73%	11.66%	11.67%
40	8.07%	8.08%	3.80%	11.87%	11.88%
41	8.20%	8.21%	3.87%	12.07%	12.08%
42	8.34%	8.35%	3.94%	12.28%	12.29%
43	8.49%	8.50%	4.01%	12.50%	12.51%
44	8.63%	8.64%	4.08%	12.71%	12.72%
45	8.78%	8.79%	4.16%	12.94%	12.95%
46	8.94%	8.95%	4.24%	13.18%	13.19%
47	9.09%	9.10%	4.31%	13.40%	13.41%
48	9.23%	9.24%	4.38%	13.61%	13.62%
49	9.38%	9.39%	4.46%	13.84%	13.85%
50	9.54%	9.55%	4.54%	14.08%	14.09%
51	9.72%	9.73%	4.63%	14.35%	14.36%
52	9.88%	9.89%	4.71%	14.59%	14.60%
53	10.03%	10.04%	4.78%	14.81%	14.82%
54	10.18%	10.19%	4.86%	15.04%	15.05%
55	10.28%	10.29%	4.91%	15.19%	15.20%
56	10.35%	10.36%	4.94%	15.29%	15.30%
57	10.32%	10.33%	4.93%	15.25%	15.26%
58	10.16%	10.17%	4.85%	15.01%	15.02%
59	10.04%	10.05%	4.79%	14.83%	14.84%
60 and over	10.04%	10.05%	4.79%	14.83%	14.84%

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

COLA Loading: 50.01% 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 7/1/19 - 6/30/20
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	5.62%	2.85%	8.47%
16	5.71%	2.90%	8.61%
17	5.80%	2.95%	8.75%
18	5.90%	3.00%	8.90%
19	5.99%	3.05%	9.04%
20	6.09%	3.11%	9.20%
21	6.18%	3.16%	9.34%
22	6.28%	3.21%	9.49%
23	6.39%	3.27%	9.66%
24	6.49%	3.33%	9.82%
25	6.59%	3.39%	9.98%
26	6.70%	3.45%	10.15%
27	6.81%	3.51%	10.32%
28	6.91%	3.56%	10.47%
29	7.03%	3.63%	10.66%
30	7.14%	3.69%	10.83%
31	7.25%	3.75%	11.00%
32	7.37%	3.82%	11.19%
33	7.49%	3.88%	11.37%
34	7.61%	3.95%	11.56%
35	7.73%	4.02%	11.75%
36	7.86%	4.09%	11.95%
37	7.99%	4.16%	12.15%
38	8.12%	4.23%	12.35%
39	8.25%	4.30%	12.55%
40	8.39%	4.38%	12.77%
41	8.53%	4.46%	12.99%
42	8.68%	4.54%	13.22%
43	8.82%	4.62%	13.44%
44	8.98%	4.71%	13.69%
45	9.13%	4.79%	13.92%
46	9.28%	4.87%	14.15%
47	9.44%	4.96%	14.40%
48	9.60%	5.05%	14.65%
49	9.74%	5.13%	14.87%
50	9.91%	5.22%	15.13%
51	10.07%	5.31%	15.38%
52	10.24%	5.40%	15.64%
53	10.40%	5.49%	15.89%
54	10.54%	5.57%	16.11%
55	10.62%	5.61%	16.23%
56	10.69%	5.65%	16.34%
57	10.66%	5.64%	16.30%
58	10.48%	5.54%	16.02%
59	9.92%	5.23%	15.15%
60 and over	9.92%	5.23%	15.15%

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

COLA Loading: 55.32% 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 7/1/19 - 6/30/20

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	5.38%	5.39%	2.67%	8.05%	8.06%
16	5.46%	5.47%	2.71%	8.17%	8.18%
17	5.55%	5.56%	2.76%	8.31%	8.32%
18	5.64%	5.65%	2.81%	8.45%	8.46%
19	5.73%	5.74%	2.86%	8.59%	8.60%
20	5.82%	5.83%	2.91%	8.73%	8.74%
21	5.92%	5.93%	2.96%	8.88%	8.89%
22	6.01%	6.02%	3.01%	9.02%	9.03%
23	6.11%	6.12%	3.06%	9.17%	9.18%
24	6.21%	6.22%	3.12%	9.33%	9.34%
25	6.31%	6.32%	3.17%	9.48%	9.49%
26	6.41%	6.42%	3.23%	9.64%	9.65%
27	6.51%	6.52%	3.28%	9.79%	9.80%
28	6.62%	6.63%	3.34%	9.96%	9.97%
29	6.72%	6.73%	3.40%	10.12%	10.13%
30	6.83%	6.84%	3.46%	10.29%	10.30%
31	6.94%	6.95%	3.52%	10.46%	10.47%
32	7.05%	7.06%	3.58%	10.63%	10.64%
33	7.17%	7.18%	3.64%	10.81%	10.82%
34	7.28%	7.29%	3.70%	10.98%	10.99%
35	7.40%	7.41%	3.77%	11.17%	11.18%
36	7.52%	7.53%	3.83%	11.35%	11.36%
37	7.64%	7.65%	3.90%	11.54%	11.55%
38	7.77%	7.78%	3.97%	11.74%	11.75%
39	7.90%	7.91%	4.04%	11.94%	11.95%
40	8.03%	8.04%	4.11%	12.14%	12.15%
41	8.16%	8.17%	4.18%	12.34%	12.35%
42	8.30%	8.31%	4.25%	12.55%	12.56%
43	8.45%	8.46%	4.34%	12.79%	12.80%
44	8.59%	8.60%	4.41%	13.00%	13.01%
45	8.75%	8.76%	4.50%	13.25%	13.26%
46	8.90%	8.91%	4.58%	13.48%	13.49%
47	9.05%	9.06%	4.66%	13.71%	13.72%
48	9.19%	9.20%	4.74%	13.93%	13.94%
49	9.35%	9.36%	4.83%	14.18%	14.19%
50	9.50%	9.51%	4.91%	14.41%	14.42%
51	9.67%	9.68%	5.00%	14.67%	14.68%
52	9.84%	9.85%	5.09%	14.93%	14.94%
53	9.99%	10.00%	5.17%	15.16%	15.17%
54	10.13%	10.14%	5.25%	15.38%	15.39%
55	10.25%	10.26%	5.31%	15.56%	15.57%
56	10.36%	10.37%	5.37%	15.73%	15.74%
57	10.34%	10.35%	5.36%	15.70%	15.71%
58	10.19%	10.20%	5.28%	15.47%	15.48%
59	9.79%	9.80%	5.06%	14.85%	14.86%
60 and over	9.79%	9.80%	5.06%	14.85%	14.86%

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

COLA Loading: 54.34% 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 7/1/19 - 6/30/20

Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	5.40%	2.66%	8.06%
16	5.49%	2.70%	8.19%
17	5.58%	2.75%	8.33%
18	5.67%	2.80%	8.47%
19	5.76%	2.85%	8.61%
20	5.85%	2.90%	8.75%
21	5.94%	2.95%	8.89%
22	6.04%	3.00%	9.04%
23	6.14%	3.05%	9.19%
24	6.24%	3.11%	9.35%
25	6.34%	3.16%	9.50%
26	6.44%	3.22%	9.66%
27	6.54%	3.27%	9.81%
28	6.64%	3.32%	9.96%
29	6.75%	3.38%	10.13%
30	6.86%	3.44%	10.30%
31	6.97%	3.50%	10.47%
32	7.08%	3.56%	10.64%
33	7.20%	3.63%	10.83%
34	7.31%	3.69%	11.00%
35	7.43%	3.75%	11.18%
36	7.55%	3.81%	11.36%
37	7.68%	3.88%	11.56%
38	7.80%	3.95%	11.75%
39	7.93%	4.02%	11.95%
40	8.07%	4.09%	12.16%
41	8.20%	4.16%	12.36%
42	8.34%	4.24%	12.58%
43	8.49%	4.32%	12.81%
44	8.63%	4.40%	13.03%
45	8.78%	4.48%	13.26%
46	8.94%	4.56%	13.50%
47	9.09%	4.64%	13.73%
48	9.23%	4.72%	13.95%
49	9.38%	4.80%	14.18%
50	9.54%	4.89%	14.43%
51	9.72%	4.98%	14.70%
52	9.88%	5.07%	14.95%
53	10.03%	5.15%	15.18%
54	10.18%	5.23%	15.41%
55	10.28%	5.29%	15.57%
56	10.35%	5.32%	15.67%
57	10.32%	5.31%	15.63%
58	10.16%	5.22%	15.38%
59	10.04%	5.16%	15.20%
60 and over	10.04%	5.16%	15.20%

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

COLA Loading: 53.88% 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 7/1/19 - 6/30/20

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	6.13%	6.14%	2.61%	8.74%	8.75%
16	6.23%	6.24%	2.66%	8.89%	8.90%
17	6.33%	6.34%	2.71%	9.04%	9.05%
18	6.43%	6.44%	2.75%	9.18%	9.19%
19	6.54%	6.55%	2.80%	9.34%	9.35%
20	6.64%	6.65%	2.85%	9.49%	9.50%
21	6.75%	6.76%	2.90%	9.65%	9.66%
22	6.86%	6.87%	2.95%	9.81%	9.82%
23	6.97%	6.98%	3.00%	9.97%	9.98%
24	7.08%	7.09%	3.05%	10.13%	10.14%
25	7.20%	7.21%	3.11%	10.31%	10.32%
26	7.31%	7.32%	3.16%	10.47%	10.48%
27	7.43%	7.44%	3.21%	10.64%	10.65%
28	7.55%	7.56%	3.27%	10.82%	10.83%
29	7.67%	7.68%	3.33%	11.00%	11.01%
30	7.80%	7.81%	3.39%	11.19%	11.20%
31	7.93%	7.94%	3.45%	11.38%	11.39%
32	8.06%	8.07%	3.51%	11.57%	11.58%
33	8.19%	8.20%	3.57%	11.76%	11.77%
34	8.32%	8.33%	3.63%	11.95%	11.96%
35	8.46%	8.47%	3.69%	12.15%	12.16%
36	8.61%	8.62%	3.76%	12.37%	12.38%
37	8.75%	8.76%	3.82%	12.57%	12.58%
38	8.90%	8.91%	3.89%	12.79%	12.80%
39	9.06%	9.07%	3.97%	13.03%	13.04%
40	9.23%	9.24%	4.05%	13.28%	13.29%
41	9.38%	9.39%	4.12%	13.50%	13.51%
42	9.54%	9.55%	4.19%	13.73%	13.74%
43	9.69%	9.70%	4.26%	13.95%	13.96%
44	9.86%	9.87%	4.34%	14.20%	14.21%
45	10.02%	10.03%	4.41%	14.43%	14.44%
46	10.19%	10.20%	4.49%	14.68%	14.69%
47	10.38%	10.39%	4.58%	14.96%	14.97%
48	10.53%	10.54%	4.65%	15.18%	15.19%
49	10.69%	10.70%	4.72%	15.41%	15.42%
50	10.83%	10.84%	4.79%	15.62%	15.63%
51	10.90%	10.91%	4.82%	15.72%	15.73%
52	10.87%	10.88%	4.80%	15.67%	15.68%
53	10.71%	10.72%	4.73%	15.44%	15.45%
54	10.28%	10.29%	4.53%	14.81%	14.82%
55	10.28%	10.29%	4.53%	14.81%	14.82%
56	10.28%	10.29%	4.53%	14.81%	14.82%
57	10.28%	10.29%	4.53%	14.81%	14.82%
58	10.28%	10.29%	4.53%	14.81%	14.82%
59	10.28%	10.29%	4.53%	14.81%	14.82%
60 and over	10.28%	10.29%	4.53%	14.81%	14.82%

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

COLA Loading: 46.19% 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 7/1/19 - 6/30/20
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	9.05%	6.42%	15.47%
16	9.05%	6.42%	15.47%
17	9.05%	6.42%	15.47%
18	9.05%	6.42%	15.47%
19	9.05%	6.42%	15.47%
20	9.05%	6.42%	15.47%
21	9.05%	6.42%	15.47%
22	9.19%	6.52%	15.71%
23	9.34%	6.63%	15.97%
24	9.50%	6.75%	16.25%
25	9.65%	6.87%	16.52%
26	9.81%	6.99%	16.80%
27	9.97%	7.11%	17.08%
28	10.14%	7.23%	17.37%
29	10.31%	7.36%	17.67%
30	10.48%	7.49%	17.97%
31	10.65%	7.61%	18.26%
32	10.84%	7.76%	18.60%
33	11.03%	7.90%	18.93%
34	11.22%	8.04%	19.26%
35	11.42%	8.19%	19.61%
36	11.62%	8.34%	19.96%
37	11.81%	8.48%	20.29%
38	12.01%	8.63%	20.64%
39	12.22%	8.79%	21.01%
40	12.44%	8.95%	21.39%
41	12.67%	9.13%	21.80%
42	12.90%	9.30%	22.20%
43	13.19%	9.51%	22.70%
44	13.42%	9.69%	23.11%
45	13.62%	9.84%	23.46%
46	13.66%	9.87%	23.53%
47	13.60%	9.82%	23.42%
48	13.39%	9.66%	23.05%
49	13.01%	9.38%	22.39%
50	13.01%	9.38%	22.39%
51	13.01%	9.38%	22.39%
52	13.01%	9.38%	22.39%
53	13.01%	9.38%	22.39%
54	13.01%	9.38%	22.39%
55	13.01%	9.38%	22.39%
56	13.01%	9.38%	22.39%
57	13.01%	9.38%	22.39%
58	13.01%	9.38%	22.39%
59	13.01%	9.38%	22.39%
60 and over	13.01%	9.38%	22.39%

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

COLA Loading: 74.80% 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 7/1/19 - 6/30/20
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	9.03%	6.56%	15.59%
16	9.03%	6.56%	15.59%
17	9.03%	6.56%	15.59%
18	9.03%	6.56%	15.59%
19	9.03%	6.56%	15.59%
20	9.03%	6.56%	15.59%
21	9.03%	6.56%	15.59%
22	9.17%	6.66%	15.83%
23	9.32%	6.78%	16.10%
24	9.48%	6.90%	16.38%
25	9.63%	7.01%	16.64%
26	9.79%	7.14%	16.93%
27	9.95%	7.26%	17.21%
28	10.12%	7.39%	17.51%
29	10.28%	7.51%	17.79%
30	10.46%	7.65%	18.11%
31	10.64%	7.79%	18.43%
32	10.82%	7.93%	18.75%
33	11.00%	8.06%	19.06%
34	11.20%	8.22%	19.42%
35	11.39%	8.36%	19.75%
36	11.59%	8.52%	20.11%
37	11.79%	8.67%	20.46%
38	11.99%	8.82%	20.81%
39	12.20%	8.98%	21.18%
40	12.41%	9.14%	21.55%
41	12.63%	9.31%	21.94%
42	12.88%	9.50%	22.38%
43	13.16%	9.72%	22.88%
44	13.42%	9.92%	23.34%
45	13.58%	10.04%	23.62%
46	13.61%	10.06%	23.67%
47	13.52%	9.99%	23.51%
48	13.41%	9.91%	23.32%
49	13.04%	9.63%	22.67%
50	13.04%	9.63%	22.67%
51	13.04%	9.63%	22.67%
52	13.04%	9.63%	22.67%
53	13.04%	9.63%	22.67%
54	13.04%	9.63%	22.67%
55	13.04%	9.63%	22.67%
56	13.04%	9.63%	22.67%
57	13.04%	9.63%	22.67%
58	13.04%	9.63%	22.67%
59	13.04%	9.63%	22.67%
60 and over	13.04%	9.63%	22.67%

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

COLA Loading: 76.58% 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 7/1/19 - 6/30/20
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	8.64%	3.90%	12.54%
16	8.64%	3.90%	12.54%
17	8.64%	3.90%	12.54%
18	8.64%	3.90%	12.54%
19	8.64%	3.90%	12.54%
20	8.64%	3.90%	12.54%
21	8.64%	3.90%	12.54%
22	8.78%	3.97%	12.75%
23	8.92%	4.04%	12.96%
24	9.07%	4.11%	13.18%
25	9.22%	4.18%	13.40%
26	9.37%	4.25%	13.62%
27	9.52%	4.32%	13.84%
28	9.68%	4.40%	14.08%
29	9.84%	4.48%	14.32%
30	10.01%	4.56%	14.57%
31	10.18%	4.64%	14.82%
32	10.35%	4.72%	15.07%
33	10.53%	4.81%	15.34%
34	10.71%	4.89%	15.60%
35	10.89%	4.98%	15.87%
36	11.07%	5.06%	16.13%
37	11.25%	5.15%	16.40%
38	11.45%	5.25%	16.70%
39	11.64%	5.34%	16.98%
40	11.83%	5.43%	17.26%
41	12.05%	5.53%	17.58%
42	12.27%	5.64%	17.91%
43	12.45%	5.72%	18.17%
44	12.53%	5.76%	18.29%
45	12.51%	5.75%	18.26%
46	12.43%	5.71%	18.14%
47	12.17%	5.59%	17.76%
48	12.55%	5.77%	18.32%
49	13.14%	6.05%	19.19%
50	13.14%	6.05%	19.19%
51	13.14%	6.05%	19.19%
52	13.14%	6.05%	19.19%
53	13.14%	6.05%	19.19%
54	13.14%	6.05%	19.19%
55	13.14%	6.05%	19.19%
56	13.14%	6.05%	19.19%
57	13.14%	6.05%	19.19%
58	13.14%	6.05%	19.19%
59	13.14%	6.05%	19.19%
60 and over	13.14%	6.05%	19.19%

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

COLA Loading: 47.78% 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 7/1/19 - 6/30/20
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	9.05%	6.39%	15.44%
16	9.05%	6.39%	15.44%
17	9.05%	6.39%	15.44%
18	9.05%	6.39%	15.44%
19	9.05%	6.39%	15.44%
20	9.05%	6.39%	15.44%
21	9.05%	6.39%	15.44%
22	9.19%	6.50%	15.69%
23	9.34%	6.61%	15.95%
24	9.50%	6.73%	16.23%
25	9.65%	6.84%	16.49%
26	9.81%	6.96%	16.77%
27	9.97%	7.08%	17.05%
28	10.14%	7.20%	17.34%
29	10.31%	7.33%	17.64%
30	10.48%	7.46%	17.94%
31	10.65%	7.58%	18.23%
32	10.84%	7.73%	18.57%
33	11.03%	7.87%	18.90%
34	11.22%	8.01%	19.23%
35	11.42%	8.16%	19.58%
36	11.62%	8.31%	19.93%
37	11.81%	8.45%	20.26%
38	12.01%	8.60%	20.61%
39	12.22%	8.75%	20.97%
40	12.44%	8.92%	21.36%
41	12.67%	9.09%	21.76%
42	12.90%	9.26%	22.16%
43	13.19%	9.48%	22.67%
44	13.42%	9.65%	23.07%
45	13.62%	9.80%	23.42%
46	13.66%	9.83%	23.49%
47	13.60%	9.78%	23.38%
48	13.39%	9.63%	23.02%
49	13.01%	9.34%	22.35%
50	13.01%	9.34%	22.35%
51	13.01%	9.34%	22.35%
52	13.01%	9.34%	22.35%
53	13.01%	9.34%	22.35%
54	13.01%	9.34%	22.35%
55	13.01%	9.34%	22.35%
56	13.01%	9.34%	22.35%
57	13.01%	9.34%	22.35%
58	13.01%	9.34%	22.35%
59	13.01%	9.34%	22.35%
60 and over	13.01%	9.34%	22.35%

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

COLA Loading: 74.50% 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 7/1/19 - 6/30/20
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	9.17%	6.88%	16.05%
16	9.17%	6.88%	16.05%
17	9.17%	6.88%	16.05%
18	9.17%	6.88%	16.05%
19	9.17%	6.88%	16.05%
20	9.17%	6.88%	16.05%
21	9.17%	6.88%	16.05%
22	9.32%	7.00%	16.32%
23	9.47%	7.12%	16.59%
24	9.63%	7.25%	16.88%
25	9.78%	7.37%	17.15%
26	9.94%	7.49%	17.43%
27	10.11%	7.63%	17.74%
28	10.28%	7.76%	18.04%
29	10.45%	7.90%	18.35%
30	10.62%	8.03%	18.65%
31	10.80%	8.17%	18.97%
32	10.99%	8.32%	19.31%
33	11.17%	8.47%	19.64%
34	11.37%	8.62%	19.99%
35	11.57%	8.78%	20.35%
36	11.77%	8.94%	20.71%
37	11.97%	9.10%	21.07%
38	12.17%	9.26%	21.43%
39	12.38%	9.42%	21.80%
40	12.59%	9.59%	22.18%
41	12.83%	9.78%	22.61%
42	13.07%	9.97%	23.04%
43	13.34%	10.18%	23.52%
44	13.60%	10.39%	23.99%
45	13.76%	10.52%	24.28%
46	13.80%	10.55%	24.35%
47	13.71%	10.48%	24.19%
48	13.44%	10.26%	23.70%
49	12.83%	9.78%	22.61%
50	12.83%	9.78%	22.61%
51	12.83%	9.78%	22.61%
52	12.83%	9.78%	22.61%
53	12.83%	9.78%	22.61%
54	12.83%	9.78%	22.61%
55	12.83%	9.78%	22.61%
56	12.83%	9.78%	22.61%
57	12.83%	9.78%	22.61%
58	12.83%	9.78%	22.61%
59	12.83%	9.78%	22.61%
60 and over	12.83%	9.78%	22.61%

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

COLA Loading: 79.12% 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 Rates
Membership Date before January 1, 2013
Effective 7/1/19 - 6/30/20
Expressed as a Percentage of Monthly Payroll*

<u>Entry Age</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
15	9.17%	4.75%	13.92%
16	9.17%	4.75%	13.92%
17	9.17%	4.75%	13.92%
18	9.17%	4.75%	13.92%
19	9.17%	4.75%	13.92%
20	9.17%	4.75%	13.92%
21	9.17%	4.75%	13.92%
22	9.32%	4.83%	14.15%
23	9.47%	4.91%	14.38%
24	9.63%	5.00%	14.63%
25	9.78%	5.08%	14.86%
26	9.94%	5.17%	15.11%
27	10.11%	5.26%	15.37%
28	10.28%	5.35%	15.63%
29	10.45%	5.44%	15.89%
30	10.62%	5.54%	16.16%
31	10.80%	5.64%	16.44%
32	10.99%	5.74%	16.73%
33	11.17%	5.84%	17.01%
34	11.37%	5.95%	17.32%
35	11.57%	6.06%	17.63%
36	11.77%	6.16%	17.93%
37	11.97%	6.27%	18.24%
38	12.17%	6.38%	18.55%
39	12.38%	6.50%	18.88%
40	12.59%	6.61%	19.20%
41	12.83%	6.74%	19.57%
42	13.07%	6.87%	19.94%
43	13.34%	7.02%	20.36%
44	13.60%	7.16%	20.76%
45	13.76%	7.25%	21.01%
46	13.80%	7.27%	21.07%
47	13.71%	7.22%	20.93%
48	13.44%	7.08%	20.52%
49	12.83%	6.74%	19.57%
50	12.83%	6.74%	19.57%
51	12.83%	6.74%	19.57%
52	12.83%	6.74%	19.57%
53	12.83%	6.74%	19.57%
54	12.83%	6.74%	19.57%
55	12.83%	6.74%	19.57%
56	12.83%	6.74%	19.57%
57	12.83%	6.74%	19.57%
58	12.83%	6.74%	19.57%
59	12.83%	6.74%	19.57%
60 and over	12.83%	6.74%	19.57%

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

COLA Loading: 54.55% 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 O
PEPRA Tiers Member Contribution Rates
Membership Date on or after January 1, 2013
Effective 7/1/19 - 6/30/20
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)	8.80%	2.02%	10.82%
Cost Group #1 – PEPRA Tier 4 (3% COLA)	8.95%	3.01%	11.96%
Cost Group #2 - PEPRA Tier 5 (2% COLA)	8.20%	1.87%	10.07%
Cost Group #2 - PEPRA Tier 5 (3%/4% COLA)	8.42%	2.79%	11.21%
Cost Group #3 - PEPRA Tier 4 (3% COLA)	8.03%	2.80%	10.83%
Cost Group #4 - PEPRA Tier 4 (3% COLA)	9.49%	3.24%	12.73%
Cost Group #5 - PEPRA Tier 4 (2% COLA)	9.46%	2.19%	11.65%
Cost Group #5 - PEPRA Tier 4 (3% COLA)	11.44%	3.90%	15.34%
Cost Group #6 - PEPRA Tier 4 (3% COLA)	10.01%	3.47%	13.48%

<u>Safety Tiers</u>	<u>Basic</u>	<u>COLA</u>	<u>Total</u>
Cost Group #7 - PEPRA Tier D	14.86%	6.13%	20.99%
Cost Group #8 - PEPRA Tier D	14.28%	6.00%	20.28%
Cost Group #8 - PEPRA Tier E	13.90%	3.90%	17.80%
Cost Group #9 - PEPRA Tier E	13.50%	3.76%	17.26%
Cost Group #10 - PEPRA Tier D	13.33%	5.65%	18.98%
Cost Group #11 - PEPRA Tier D	12.66%	5.40%	18.06%
Cost Group #12 - PEPRA Tier D	11.92%	5.07%	16.99%

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

***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.

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 1.4382% ($1.50\% \times 0.9588$)

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 7.732% ($8.0\% \times 0.9665$)

PREPAYMENT DISCOUNT FACTOR FOR 2019-20

Employer Contribution Prepayment Program & Discount Factor for 2019-20 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, 2019 through June 30, 2020 contributions on or before July 31, 2019. If you wish to start participating, please contact the Accounting Department at CCCERA by March 31, 2019.

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, 2019 through June 30, 2020 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

ATTACHMENT B

Rodeo-Hercules Fire District
Actuarial Study of
Retiree Health Liabilities Under GASB 74/75
Valuation Date: June 30, 2017
Measurement Date: June 30, 2017

Prepared by:
Total Compensation Systems, Inc.

Date: March 19, 2018

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

PART I: EXECUTIVE SUMMARY

A. Introduction

Rodeo-Hercules Fire District engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program as of June 30, 2017 (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, 2017. 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 District to manage the costs and liabilities associated with its retiree health benefits.
- To provide information to enable Rodeo-Hercules Fire 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 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 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 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 Safety and General Employees. We estimated the following:

- the total liability created. (The actuarial present value of projected benefits 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. The OPEB expense includes service cost, interest and certain changes in the OPEB liability, adjusted to reflect deferred inflows and outflows. This amount may need to be adjusted to reflect any contributions received after the Measurement Date.
- 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, 2017 to be \$317,829 (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, 2017 (the service cost) is \$105,452. This service cost would increase each year based on covered payroll. Had Rodeo-Hercules Fire District begun accruing retiree health benefits when each current employee and retiree was hired, a substantial liability would have accumulated. We estimate the amount that would have accumulated to be \$5,386,176. This amount is called the "Total OPEB Liability" (TOL). Rodeo-Hercules Fire 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, 2017 was \$1,688,993. This leaves a Net OPEB Liability (NOL) Of \$3,697,183.

Based on the information we were provided, the OPEB Expense for the fiscal year ending June 30, 2017 is \$262,385. As noted in this report adjustments may be needed – particularly if the reporting date is not the same as the measurement date.

We based all of the above estimates on employees as of June, 2017. Over time, liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

Total Compensation Systems, Inc.

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 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 District's practices, it is possible that Rodeo-Hercules Fire District is already complying with some or all of our recommendations.

- We recommend that Rodeo-Hercules Fire District maintain an inventory all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Rodeo-Hercules Fire District should determine whether the benefit is material and subject to GASB 74 and/or 75.
- We recommend that Rodeo-Hercules Fire District conduct a study whenever events or contemplated actions significantly affect present or future liabilities, but no less frequently than every two years, as required under GASB 74/75.
- Under GASB 75, it is important to isolate the cost of retiree health benefits. Rodeo-Hercules Fire 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 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 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.

Total Compensation Systems, Inc.

- Several assumptions were made in estimating costs and liabilities under Rodeo-Hercules Fire District's retiree health program. Further studies may be desired to validate 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 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 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.

Respectfully submitted,



Geoffrey L. Kischuk, FSA, MAAA, FCA
Consultant
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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 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 average working lifetime
- 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 employee. We determined eligibility for retiree benefits based on information supplied by Rodeo-Hercules Fire 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 employee, we applied the appropriate factors based on the employee'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 employee, 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 employee is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the employee is not eligible. The employee 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, 2017 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 APVPBP for all employees to get the actuarial present value of total projected benefits (APVPBP). The APVPBP is the estimated present value of all future retiree health benefits for all **current** employees and retirees. The APVPBP is the amount on June 30, 2017 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last current employee or retiree dies or reaches the maximum eligibility age.

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Actuarial Present Value of Projected Benefit Payments at June 30, 2017

	<i>Total</i>	<i>Fire Safety</i>	<i>General Employees</i>
Active: Pre-65	\$1,564,092	\$1,543,157	\$20,935
Post-65	\$1,096,391	\$1,069,022	\$27,369
Subtotal	\$2,660,483	\$2,612,179	\$48,304
Retiree: Pre-65	\$1,124,587	\$1,027,158	\$97,429
Post-65	\$2,464,996	\$2,362,267	\$102,729
Subtotal	\$3,589,583	\$3,389,425	\$200,158
Grand Total	\$6,250,066	\$6,001,604	\$248,462
Subtotal Pre-65	\$2,688,679	\$2,570,315	\$118,364
Subtotal Post-65	\$3,561,387	\$3,431,289	\$130,098

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 June 30, 2017

	<i>Total</i>	<i>Fire Safety</i>	<i>General Employees</i>
# of Employees	19	18	1
Per Capita Service Cost			
Pre-65 Benefit	N/A	\$3,512	\$1,736
Post-65 Benefit	N/A	\$2,124	\$2,268
First Year Service Cost			
Pre-65 Benefit	\$64,952	\$63,216	\$1,736
Post-65 Benefit	\$40,500	\$38,232	\$2,268
Total	\$105,452	\$101,448	\$4,004

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 (TOL). We calculated the 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, 2017

	<i>Total</i>	<i>Fire Safety</i>	<i>General Employees</i>
Active: Pre-65	\$1,033,060	\$1,028,798	\$4,262
Active: Post-65	\$763,533	\$757,946	\$5,587
Subtotal	\$1,796,593	\$1,786,744	\$9,849
Retiree: Pre-65	\$1,124,587	\$1,027,158	\$97,429
Retiree: Post-65	\$2,464,996	\$2,362,267	\$102,729
Subtotal	\$3,589,583	\$3,389,425	\$200,158
Subtotal: Pre-65	\$2,157,647	\$2,055,956	\$101,691
Subtotal: Post-65	\$3,228,529	\$3,120,213	\$108,316
Total OPEB Liability (TOL)	\$5,386,176	\$5,176,169	\$210,007
Fiduciary Net Position as of June 30, 2017	\$1,688,993		
Net OPEB Liability (NOL)	\$3,697,183		

Because Rodeo-Hercules Fire District concluded that it would be too expensive and time-consuming to rerun prior valuations under GASB 75, we invoked Paragraph 244 of GASB 75 for the transition. Consequently, in order to determine the beginning NOL, we used a "roll-back" technique. The following table shows the results of the roll-back. Rodeo-Hercules Fire District should restate its June 30, 2016 NOL accordingly.

Changes in Net OPEB Liability as of June 30, 2017

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Roll back balance at June 30, 2016	\$4,951,369	\$1,516,571	\$3,434,798
Service Cost	\$102,630	\$0	\$102,630
Interest on TOL	\$349,483	\$0	\$349,483
Employer Contributions	\$0	\$29,082	(\$29,082)
Employee Contributions	\$0	\$0	\$0
Actual Investment Income	\$0	\$162,001	(\$162,001)
Administrative Expense	\$0	(\$1,355)	\$1,355
Benefit Payments	(\$17,306)	(\$17,306)	\$0
Other	\$0	\$0	\$0
Net Change during 2016-17	\$434,807	\$172,422	\$262,385
<u>Balance at June 30, 2017 *</u>	\$5,386,176	\$1,688,993	\$3,697,183

* May include a slight rounding error.

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3. Preliminary OPEB Expense

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, change in TOL due to plan changes; all adjusted for deferred inflows and outflows. Rodeo-Hercules Fire District determined that it was not reasonable to rerun prior valuations under GASB 75. Therefore, we used the transition approach provided in GASB 75, Paragraph 244. That means that there are no deferred inflows/outflows in the first year (with the possible exception of contributions after the measurement date). The OPEB expense shown below is considered to be preliminary because there can be employer specific deferred items (e.g., contributions made after the measurement date, and active employee contributions toward the OPEB plan).

Preliminary OPEB Expense Fiscal Year Ending June 30, 2017

	<i>Total</i>
Service Cost	\$102,630
Interest on Total OPEB Liability (TOL)	\$349,483
Employer Contributions	(\$29,082)
Employee Contributions	\$0
Recognized Actuarial Gains/Losses	\$0
Recognized Assumption Changes	\$0
Actual Investment Income	(\$162,001)
Recognized Investment Gains/Losses	\$0
Contributions After Measurement Date*	\$0
Liability Change Due to Benefit Changes	\$0
Administrative Expense	\$1,355
<u>Preliminary OPEB Expense**</u>	<u>\$262,385</u>

* Should be added by Rodeo-Hercules Fire District if reporting date is after the measurement date.

** May include a slight rounding error.

4. Deferred Inflows and Outflows

Certain types of TOL changes are subject to deferral, as are investment gains/losses. To qualify for deferral, gains and losses must be based on GASB 74/75 compliant valuations. Since the District's prior valuation was performed in accordance with GASB 43/45, it is not possible to calculate compliant gains and losses. (Please see Appendix E, Paragraph 244 for more information.) Therefore, valuation-based deferred items will not begin until the next valuation. However, there could be employer-specific deferred items that need to be reflected, as mentioned earlier.

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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, including any implicit rate subsidy. Because these cost estimates reflect average assumptions applied to a relatively small number of employees, estimates for individual years are **certain** 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, including any implicit rate subsidy.

<i>Year Beginning</i>			
<i>July 1</i>	<i>Total</i>	<i>Fire Safety</i>	<i>General Employees</i>
2017	\$317,829	\$300,228	\$17,601
2018	\$312,076	\$293,848	\$18,228
2019	\$342,087	\$323,213	\$18,874
2020	\$375,691	\$356,150	\$19,541
2021	\$396,728	\$376,500	\$20,228
2022	\$400,255	\$379,323	\$20,932
2023	\$385,438	\$376,293	\$9,145
2024	\$379,819	\$370,364	\$9,455
2025	\$386,183	\$376,413	\$9,770
2026	\$392,159	\$382,072	\$10,087

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 biennial valuations. In addition, a valuation should be conducted whenever plan changes, changes in actuarial assumptions or other employer actions are likely to cause a material change in accrual costs and/or liabilities.

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 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 employee 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 District to understand that the appropriateness of all selected actuarial assumptions and methods are Rodeo-Hercules Fire 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 District's actual historical experience, and TCS's judgment based on experience and training.

ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: GASB 74/75 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 an employee by employee 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 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. This is based on assumed long-term return on plan assets assuming 100% funding through CERBT. We used the "Building Block Method". (See Appendix E, Paragraph 53 for more information).

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 District.

Fiduciary Net Position as of June 30, 2017

	<u>06/30/2016</u>	<u>06/30/2017</u>
Cash and Equivalents	\$0	\$0
Contributions Receivable	\$0	\$0
Total Investments	\$1,516,570	\$1,688,993
Capital Assets	\$0	\$0
Total Assets	\$1,516,570	\$1,688,993
Benefits Payable	\$0	\$0
Fiduciary Net Position	\$1,516,570	\$1,688,993

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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>Employee Type</i>	<i>Mortality Tables</i>
Fire Safety	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 Safety	2009 CalPERS 2.0% @60 Rates for Miscellaneous Employees
Miscellaneous	2009 CalPERS 2.0% @60 Rates for Miscellaneous Employees

SERVICE REQUIREMENT

<i>Employee Type</i>	<i>Service Requirement Tables</i>
Fire Safety	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.

Because the section 3.7.7(c) exception is new, there is not a consensus among practicing actuaries regarding the specific circumstances under which a section 3.7.7(c) exception may be invoked. 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. Other actuaries have taken the position that ASOP 6 does not explicitly allow use of unadjusted premium for any agencies participating in the CalPERS medical plan.

Prior to the most recent ASOP 6 revision, there was general agreement that ASOP 6 allowed use of unadjusted premium as a retiree cost basis for PEMHCA agencies (under section 3.4.5 of the prior version of ASOP 6). Since there have been no changes to the CalPERS medical plan, use of unadjusted premium must still be viewed as appropriate actuarial practice to the extent that it was under the prior version of ASOP 6. That means that if the current ASOP 6 section 3.7.7(c)(4) exception is not deemed to ***explicitly*** allow use of unadjusted premium as a retiree cost basis for Rodeo-Hercules Fire District, then it would be allowable as a “deviation.”

While I am confident that ASOP 6 section 3.7.7(c)(4) will ultimately be found to explicitly allow use of unadjusted premium as a retiree cost basis for most PEMHCA agencies, I cannot be certain that this will be the case if and when this issue is fully reviewed. Therefore, I am including disclosure information required for a “deviation” so that the valuation will not need to be revised in the event section 3.7.7(c)(4) should be found not to explicitly allow use of unadjusted premium. Following is the disclosure information that is required should a deviation be necessary.

Use of ***age-adjusted*** premium for the CalPERS medical plan results in an overstatement of Rodeo-Hercules Fire District’s OPEB Expense and Total OPEB Liability (TOL) to the extent that Rodeo-Hercules Fire District continues to participate in the CalPERS medical plan AND that the rate structure of the CalPERS medical plan continues in its current form (i.e. with no rate distinction between active employees and retirees). In addition to the overstatement of OPEB costs and liabilities, Rodeo-Hercules Fire District’s policy of funding OPEB obligations could lead to an

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inability of Rodeo-Hercules Fire District to recover overfunded assets. It is important to note that, should Rodeo-Hercules Fire District leave the CalPERS medical plan, the subsequent plan may not qualify to use unadjusted premium rates. In this event, leaving the CalPERS medical plan would be comparable to a significant change in plan terms and would likely require a new valuation.

Following are the criteria we applied to Rodeo-Hercules Fire District to determine that it is reasonable to assume that Rodeo-Hercules Fire 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.)

The District participates in the CalPERS medical program. We have performed the required evaluation of the CalPERS medical program and we have determined that there is sufficient evidence to apply the 3.7.7(c)(4) exception. Following are details regarding the evaluation based on the criteria we have set:

- **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 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.

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- **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.

<i>Employee Type</i>	<i>Future Retirees Pre-65</i>	<i>Future Retirees Post-65</i>
Fire Safety	\$19,913	\$8,410
General Employees	\$17,601	\$7,434

PARTICIPATION RATES

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

TURNOVER

<i>Employee Type</i>	<i>Turnover Rate Tables</i>
Fire Safety	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 Safety</i>	<i>General Employees</i>
Under 25	0	0	0
25-29	3	3	0
30-34	2	2	0
35-39	3	2	1
40-44	3	3	0
45-49	3	3	0
50-54	3	3	0
55-59	2	2	0
60-64	0	0	0
65 and older	0	0	0
Total	19	18	1

ELIGIBLE RETIREES

<i>Age</i>	<i>Total</i>	<i>Fire Safety</i>	<i>General Employees</i>
Under 50	0	0	0
50-54	1	1	0
55-59	6	5	1
60-64	4	4	0
65-69	7	7	0
70-74	3	3	0
75-79	0	0	0
80-84	1	1	0
85-89	0	0	0
90 and older	0	0	0
Total	22	21	1

Total Compensation Systems, Inc.

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 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 Receiving Benefits	22
Inactive Employees Entitled to But Not Receiving Benefits*	0
Participating Active Employees	19
Total Number of participants	41

*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 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 Mortality for Active Safety Employees
Disclosure	The mortality assumptions are based on the 2014 CalPERS Mortality for Active 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 for firefighters
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.

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	2009 CalPERS 2% @50 Rates for Firefighters
Disclosure	The retirement assumptions are based on the 2009 CalPERS 2% @50 Rates for Sworn Firefighters created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

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	\$3,186,898	\$3,697,183	\$4,283,259

Paragraph 53:

Discount Rate

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

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

53.b: We assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years.

53.c: We used historic 30 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 25 basis points.

53.d and 53.e.: Not applicable.

Total Compensation Systems, Inc.

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

CERBT - Strategy 1

Asset Class	Percentage of Portfolio	Assumed Gross Return
US Large Cap	43.0000	7.7950
US Small Cap	23.0000	7.7950
Long-Term Corporate Bonds	12.0000	5.2950
Long-Term Government Bonds	6.0000	4.5000
Treasury Inflation Protected Securities (TIPS)	5.0000	7.7950
US Real Estate	8.0000	7.7950
All Commodities	3.0000	7.7950

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.

Total Compensation Systems, Inc.

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	\$4,302,760	\$3,697,183	\$3,189,575

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

Please see reconciliation on page 11. Please see the notes for Paragraph 244 below for more information.

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

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

- 56.a: The valuation date is June 30, 2017.
The measurement date is June 30, 2017.
- 56.b; 56.c; 56.d; 56.e; 56.f: Not applicable
- 56.g: To be determined by the employer
- 56.h.(1) through (4): Not applicable
- 56.h.(5): To be determined by the employer
- 56.i: Not applicable

Paragraph 57: **Required Supplementary Information**

- 57.a: Please see reconciliation on page 11. Please see the notes for Paragraph 244 below for more information.
- 57.b: These items are provided on page 11 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.
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 30 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 30 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.

Total Compensation Systems, Inc.

APPENDIX F: 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.

Total Compensation Systems, Inc.

<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower service cost and a TOL. The participation rate often is related to retiree contributions.
<u>Retirement Rate:</u>	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.
<u>Service Cost:</u>	The annual dollar value of the “earned” portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.
<u>Service Requirement:</u>	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.
<u>Total OPEB Liability (TOL):</u>	The amount of the actuarial present value of projected benefit payments attributable to employees’ past service based on the actuarial cost method used.
<u>Trend Rate:</u>	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.
<u>Turnover Rate:</u>	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.
<u>Valuation Date:</u>	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.

ATTACHMENT C

Vehicle	Type	Model	Year Purchased	Useful Life	Replacement Year	Years to Replacement Year	Current Replacement Cost	Reserve per Year to Replacement Year	Reserve per Year After 1st Replacement Year	Reserve Requirement											
										2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Fire Chief Vehicle (1)	Staff	Ford Expedition	2017	10	2027	8	\$65,000	\$8,125	\$6,500	\$8,125	\$8,125	\$8,125	\$8,125	\$8,125	\$8,125	\$8,125	\$8,125	\$8,125	\$6,500	\$6,500	\$6,500
Battalion Chief Vehicle (1)	Staff	Ford Expedition	2017	10	2027	8	\$65,000	\$8,125	\$6,500	\$8,125	\$8,125	\$8,125	\$8,125	\$8,125	\$8,125	\$8,125	\$8,125	\$8,125	\$6,500	\$6,500	\$6,500
E-75	Type I	Spartan	2014	10	2024	5	\$750,000	\$150,000	\$75,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Q-76	Quint	Smeal	2006	18	2024	5	\$1,000,000	\$200,000	\$55,556	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$55,556	\$55,556	\$55,556	\$55,556	\$55,556	\$55,556	
E-76 (2)	Type I	Spartan	2018	10	2028	9	\$750,000	\$83,333	\$75,000	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$75,000	\$75,000
376	Type III	International	2005	20	2025	6	\$400,000	\$66,667	\$20,000	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
375	Type III	International	2007	20	2027	8	\$400,000	\$50,000	\$20,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$20,000	\$20,000	
Utility Pick-up	Staff	Ford F-350	2005	20	2025	6	\$90,000	\$15,000	\$4,500	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	
Total							\$3,520,000	\$581,250	\$263,056	\$581,250	\$581,250	\$581,250	\$581,250	\$581,250	\$581,250	\$361,806	\$304,639	\$304,639	\$271,389	\$263,056	\$263,056

Existing Leases								
Vehicle	Type	Model	Year Leased	Purchase Price	Cash Amount	Lease Amount	Lease Term	Lease Interest Rate
Fire Chief Vehicle (1)	Staff	Ford Expedition	2017	\$65,000	\$21,523	\$43,477	10	3.10%
Battalion Chief Vehicle (1)	Staff	Ford Expedition	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		

Lease Payments											
2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
\$4,994	\$4,994	\$4,994	\$4,994	\$4,994	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$4,994	\$4,994	\$4,994	\$4,994	\$4,994	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$70,414	\$70,414	\$70,414	\$70,414	\$70,414	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$80,401	\$80,401	\$80,401	\$80,401	\$80,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Future Leases								
Vehicle	Type	Model	Year Leased	Purchase Price	Cash Amount	Lease Amount	Lease Term	Lease Interest Rate
E-76 Replacement (2)	Type I	N/A	2018	\$750,000	\$0	\$750,000	10	4.00%

Lease Payments											
2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
\$0	\$0	\$91,121	\$91,121	\$91,121	\$91,121	\$91,121	\$91,121	\$91,121	\$91,121	\$91,121	\$91,121

- (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 2018, at 4% interest for a term of ten years
- (3) Does not include escrow fees of \$3,500

ATTACHMENT D

Expenditure Category (1)	Adopted Budget FY 2016-17	Actual FY 2016-17	AdoptedBud FY2017-18	Actual FY 2017-18	Adopted FY2018-19	ESTIMATE FY 06/30/2019	Proposed FY2019-2020	Projected FY2020-21	Projected FY2021-22	Projected FY2022-23	Projected FY2023-24	Projected FY2024-25
								3%	2.50%	2.50%	2.5	2.5
1001 Holiday Pay	116,670	116,670.06	156,543	156,543	149,923	148,244	148,122					
1011 Permanent Salaries	1,674,895	1,674,895.02	2,199,278	2,065,906	2,360,955	2,171,688	2,304,940	2,374,088	2,433,440	2,555,112	2,618,990	2,684,465
1013 Drill/Temporary Salaries	2,500	2,500.00	500	22	500	46,691	54,960	56,609	58,024	60,925	62,448	64,010
1014 Overtime		851,382.00	-	-	-	-	-	-	-	-	-	-
1014 Backfill (Overtime)	221,802		376,200	510,994	376,200	492,239	385,320	396,880	406,802	427,142	437,820	448,766
1014 FLSA	54,230		50,877		48,725	29,760	48,140	49,584	50,824	53,365	54,699	56,067
	534,845		-	-	-	-	-	-	-	-	-	-
1015 Deferred Compensation		7,200.00	10,800	9,900	10,800	10,800	10,800	11,124	11,402	11,972	12,272	12,578
1042 FICA	23,819	23,819.00	31,115	46,126	32,103	47,997	32,789	33,773	34,617	36,348	37,257	38,188
1044 Retirement		1,788,439.00	-	-	-	-	-	-	-	-	-	-
1044 Retirement - Normal	430,329		540,149		561,262	431,005	547,291	563,710	577,802	606,693	621,860	637,406
1044 Retirement - UAAL	1,358,110		1,652,779	2,171,720	1,683,840	1,721,302	1,670,964	1,721,093	1,764,120	1,852,326	1,898,634	1,946,100
1060 Group Insurance	361,001	361,000.92	503,911	468,372	517,577	482,450	489,187	503,863	516,459	542,282	555,839	569,735
1061 Group Insurance - Retiree	294,000	294,000.00	315,000	291,707	337,050	284,454	299,825	308,820	316,540	332,367	340,676	349,193
Group Insurance - OPEB Employer 3.75%								64,057	67,628	71,010	72,785	74,604
1063 Unemployment	1,000	1,000.00	1,000		1,000	128	1,000	1,030	1,056	1,109	1,136	1,165
1070 Workers Compensation Insurance	175,864	240,000.00	245,868	246,606	263,108	266,074	263,108	271,001	277,776	291,665	298,957	306,431
Total - Personnel	5,249,065	5,360,905.99	6,084,020	5,967,895	6,343,043	6,132,832	6,320,503	6,357,552	6,516,491	6,842,316	7,013,374	7,188,708
2100 Office Expenses	9,100	13,041.00	12,780	9,037	16,945	13,785	31,495	32,440	33,251	34,913	35,786	36,681
2102 Books/Periodicals/Subscriptions	1,300	1,872.00	2,485	2,690	2,485	2,329	2,485	2,560	2,624	2,755	2,824	2,894
2110 Communications	165,500	177,473.00	162,656	202,293	180,915	193,188	179,355	184,736	189,354	198,822	203,792	208,887
2120 Utilities	23,540	23,540.00	28,823	23,582	28,823	24,320	28,823	29,688	30,430	31,951	32,750	33,569
2130 Small Tools & Instruments	100	2,000.00	2,000	5,414	1,400	1,399	1,400	1,442	1,478	1,552	1,591	1,631
2130 New Vehicle Equipment			30,000									
2140 Medical Supplies	7,600	8,950.00	7,340	5,232	7,340	4,161	8,820	9,085	9,312	9,777	10,022	10,272
2150 Food	1,100	2,000.00	1,920	2,322	2,420	825	2,420	2,493	2,555	2,683	2,750	2,818
2160 Clothing & Personal Supplies	8,580	8,580.00	13,200	12,650	13,200	13,540	13,260	13,658	13,999	14,699	15,067	15,443
2170 Household Expense	6,300	13,275.00	13,275	8,508	6,000	5,909	6,500	6,695	6,862	7,205	7,386	7,570
2190 Publications & Legal Notices	1,100	1,100.00	1,180	1,444	1,180	1,292	1,180	1,215	1,246	1,308	1,341	1,374
2200 Memberships	3,800	4,204.00	4,204	4,077	4,204	3,951	4,204	4,330	4,438	4,660	4,777	4,896
2250 Rents & Leases - Equipment	8,400	10,050.00	8,640	5,815	8,640	8,289	8,640	8,899	9,122	9,578	9,817	10,063
2250 Lease Payments-Vehicles			80,401	80,401	80,401	80,923	80,401	80,401	80,401	80,401	80,401	80,401
2270 Repairs & Service Equipment	9,000	20,652.00	35,224	10,206	17,740	20,793	41,720	42,972	44,046	46,248	47,404	48,589
2271 Central Garage Repairs	37,000	69,903.00	71,620	35,436	72,820	66,206	80,000	60,000	61,500	64,575	66,189	67,844
2272 Central Garage Gasoline/Oil	4,600	13,065.00	8,620	6,847	10,000	4,401	10,100	10,403	10,663	11,196	11,476	11,763
2273 Central Garage Tires	7,600	9,981.00	10,531	10,820	12,500	5,113	14,000	14,420	14,781	15,520	15,908	16,305
2276 Maintenance Radio - Electronic Equip	20,910	20,910.00	20,780	20,680	27,300	31,581	21,156	21,791	22,335	23,452	24,039	24,639
2281 Maintenance of Buildings	3,600	6,557.00	42,064	14,249	18,864	18,009	43,350	44,651	45,767	48,055	49,256	50,488
2303 Other Travel Expenses	3,000	3,172.00	3,172	911	4,360	1,951	4,560	4,697	4,814	5,055	5,181	5,311
2310 Professional/Specialized Services	469,755	474,227.00	314,843	303,460	346,368	294,509	323,041	332,732	326,373	326,373	326,373	326,373
2315 Data Processing Service	300	2,210.00	192	248	192	955	960	989	1,014	1,064	1,091	1,118
2316 Data Processing Supplies		200.00	323	-	323	-	323	333	341	358	367	376
2326 Information Security	900	1,518.00	1,020	1,032	1,020	1,646	2,194	2,260	2,316	2,432	2,493	2,555
2360 Insurance	37,554	34,028.00	34,639	41,539	40,423	36,423	40,423	41,636	42,677	44,810	45,931	47,079
2474 Fire Fighting Supplies	5,700	6,680.00	48,498	62,186	4,180	14,036	58,405	60,157	61,661	64,744	66,363	68,022
2476 Recreation/Physical Fitness Equipment		1,000.00	6,200	1,000	700	-	1,000	1,030	1,056	1,109	1,136	1,165
2477 Education Supplies & Courses	14,700	20,115.00	17,457	5,158	17,220	13,864	17,245	17,762	18,206	19,117	19,595	20,085
2479 Other Special Departmental Expenses	13,200	11,500.00	3,444	3,268	1,940	12,467	3,420	3,523	3,611	3,791	3,886	3,983
3520 Interest on Notes & Warrants	900	2,000.00	2,000	518	1,000	1,000	1,000	1,030	1,056	1,109	1,136	1,165
3530 Taxes & Assessments	11,000	13,000.00	13,000	11,158	13,000	11,198	22,733	23,415	24,000	25,200	25,830	26,476
Total Service & Supplies	876,139	976,803.00	1,002,531	892,178	943,903	886,063	1,054,613	1,061,439	1,071,288	1,104,513	1,121,957	1,139,837
Total	\$6,125,204	6,337,708.99	7,086,551	6,860,073	7,286,946	7,018,895	7,375,116	7,418,992	7,587,779	7,946,829	8,135,331	8,328,545

ATTACHMENT E

Incident Type Count Report

Date Range: From 1/1/2018 To 12/31/2018

Selected Station(s): All

Incident

<u>Type</u>	<u>Description</u>	<u>Count</u>	
Station:			
Incident Type is blanks		659	20.43%
Total - incident type left blank		659	100.00%
Total for Station		659	20.43%
Station: 75			
100 - Fire, other		5	0.16%
111 - Building fire		8	0.25%
113 - Cooking fire, confined to container		2	0.06%
118 - Trash or rubbish fire, contained		14	0.43%
130 - Mobile property (vehicle) fire, other		1	0.03%
131 - Passenger vehicle fire		12	0.37%
132 - Road freight or transport vehicle fire		3	0.09%
138 - Off-road vehicle or heavy equipment fire		1	0.03%
140 - Natural vegetation fire, other		1	0.03%
141 - Forest, woods or wildland fire		3	0.09%
142 - Brush, or brush and grass mixture fire		5	0.16%
143 - Grass fire		6	0.19%
150 - Outside rubbish fire, other		8	0.25%
151 - Outside rubbish, trash or waste fire		8	0.25%
154 - Dumpster or other outside trash receptacle fire		1	0.03%
160 - Special outside fire, other		1	0.03%
161 - Outside storage fire		3	0.09%
163 - Outside gas or vapor combustion explosion		1	0.03%
Total - Fires		83	7.05%
311 - Medical assist, assist EMS crew		1	0.03%
321 - EMS call, excluding vehicle accident with injury		625	19.38%
322 - Vehicle accident with injuries		40	1.24%
323 - Motor vehicle/pedestrian accident (MV Ped)		2	0.06%
324 - Motor vehicle accident with no injuries		19	0.59%
350 - Extrication, rescue, other		1	0.03%
Total - Rescue & Emergency Medical Service Incidents		688	58.45%
400 - Hazardous condition, other		4	0.12%
410 - Flammable gas or liquid condition, other		3	0.09%
412 - Gas leak (natural gas or LPG)		8	0.25%
424 - Carbon monoxide incident		2	0.06%
440 - Electrical wiring/equipment problem, other		2	0.06%
444 - Power line down		7	0.22%
445 - Arcing, shorted electrical equipment		2	0.06%
4630 - Vehicle accident, Non Injury		5	0.16%
4631 - Vehicle accident Cancelled en route		1	0.03%
Total - Hazardous Conditions (No fire)		34	2.89%
500 - Service Call, other		3	0.09%
510 - Person in distress, other		5	0.16%

Incident

Type	Description	Count	
Station: 75 - (Continued)			
511	Lock-out	3	0.09%
520	Water problem, other	3	0.09%
522	Water or steam leak	3	0.09%
531	Smoke or odor removal	5	0.16%
541	Animal problem	1	0.03%
5410	Snake problem	4	0.12%
542	Animal rescue	1	0.03%
550	Public service assistance, other	1	0.03%
552	Police matter	3	0.09%
553	Public service	16	0.50%
554	Assist invalid	16	0.50%
561	Unauthorized burning	3	0.09%
Total - Service Call		67	5.69%
600	Good intent call, other	1	0.03%
611	Dispatched & cancelled en route	191	5.92%
611E	EMS: Dispatched & cancelled en route	3	0.09%
622	No incident found on arrival at dispatch address	2	0.06%
650	Steam, other gas mistaken for smoke, other	1	0.03%
651	Smoke scare, odor of smoke	9	0.28%
653	Barbecue, tar kettle	2	0.06%
661	EMS call, party transported by non-fire agency	1	0.03%
6610	EMS call cancelled	4	0.12%
671	Hazmat release investigation w/ no hazmat	2	0.06%
Total - Good Intent Call		216	18.35%
700	False alarm or false call, other	53	1.64%
710	Malicious, mischievous false call, other	1	0.03%
730	System malfunction, other	1	0.03%
733	Smoke detector activation due to malfunction	3	0.09%
735	Alarm system sounded due to malfunction	7	0.22%
736	CO detector activation due to malfunction	5	0.16%
740	Unintentional transmission of alarm, other	8	0.25%
743	Smoke detector activation, no fire - unintentional	8	0.25%
744	Detector activation, no fire - unintentional	2	0.06%
Total - Fals Alarm & False Call		88	7.48%
9001	Special type of incident, other mutual aid	1	0.03%
Total - Special Incident Type		1	0.08%
Total for Station		1,177	36.50%
Station: 76			
100	Fire, other	4	0.12%
111	Building fire	3	0.09%
113	Cooking fire, confined to container	6	0.19%
117	Commercial Compactor fire, confined to rubbish	1	0.03%
118	Trash or rubbish fire, contained	5	0.16%
130	Mobile property (vehicle) fire, other	1	0.03%
131	Passenger vehicle fire	12	0.37%
141	Forest, woods or wildland fire	1	0.03%
142	Brush, or brush and grass mixture fire	3	0.09%
143	Grass fire	3	0.09%
150	Outside rubbish fire, other	2	0.06%

Incident

<u>Type</u>	<u>Description</u>	<u>Count</u>	
Station: 76 - (Continued)			
154	- Dumpster or other outside trash receptacle fire	2	0.06%
160	- Special outside fire, other	1	0.03%
Total - Fires		44	3.21%
311	- Medical assist, assist EMS crew	1	0.03%
320	- Emergency medical service, other	1	0.03%
321	- EMS call, excluding vehicle accident with injury	633	19.63%
322	- Vehicle accident with injuries	51	1.58%
323	- Motor vehicle/pedestrian accident (MV Ped)	1	0.03%
324	- Motor vehicle accident with no injuries	26	0.81%
331	- Lock-in (if lock out , use 511)	1	0.03%
342	- Search for person in water	1	0.03%
Total - Rescue & Emergency Medical Service Incidents		715	52.19%
400	- Hazardous condition, other	5	0.16%
410	- Flammable gas or liquid condition, other	2	0.06%
411	- Gasoline or other flammable liquid spill	1	0.03%
412	- Gas leak (natural gas or LPG)	5	0.16%
424	- Carbon monoxide incident	1	0.03%
440	- Electrical wiring/equipment problem, other	2	0.06%
441	- Heat from short circuit (wiring), defective/worn	1	0.03%
445	- Arcing, shorted electrical equipment	1	0.03%
460	- Accident, potential accident, other	1	0.03%
4630	- Vehicle accident, Non Injury	7	0.22%
Total - Hazardous Conditions (No fire)		26	1.90%
500	- Service Call, other	2	0.06%
510	- Person in distress, other	2	0.06%
511	- Lock-out	8	0.25%
512	- Ring or jewelry removal	1	0.03%
520	- Water problem, other	5	0.16%
522	- Water or steam leak	6	0.19%
531	- Smoke or odor removal	3	0.09%
541	- Animal problem	1	0.03%
5410	- Snake problem	25	0.78%
550	- Public service assistance, other	10	0.31%
552	- Police matter	1	0.03%
553	- Public service	11	0.34%
554	- Assist invalid	38	1.18%
Total - Service Call		113	8.25%
600	- Good intent call, other	2	0.06%
611	- Dispatched & cancelled en route	307	9.52%
622	- No incident found on arrival at dispatch address	7	0.22%
651	- Smoke scare, odor of smoke	22	0.68%
6610	- EMS call cancelled	13	0.40%
Total - Good Intent Call		351	25.62%
700	- False alarm or false call, other	40	1.24%
710	- Malicious, mischievous false call, other	1	0.03%
730	- System malfunction, other	3	0.09%
731	- Sprinkler activation due to malfunction	1	0.03%
733	- Smoke detector activation due to malfunction	12	0.37%
735	- Alarm system sounded due to malfunction	14	0.43%

Incident

<u>Type</u>	<u>Description</u>	<u>Count</u>	
Station: 76 - (Continued)			
736	- CO detector activation due to malfunction	15	0.47%
740	- Unintentional transmission of alarm, other	9	0.28%
743	- Smoke detector activation, no fire - unintentional	17	0.53%
744	- Detector activation, no fire - unintentional	4	0.12%
746	- Carbon monoxide detector activation, no CO	1	0.03%
Total - Fals Alarm & False Call		117	8.54%
900	- Special type of incident, other	1	0.03%
9001	- Special type of incident, other mutual aid	1	0.03%
911	- Citizen complaint	2	0.06%
Total - Special Incident Type		4	0.29%
Total for Station		1,370	42.48%
Station: MA			
111	- Building fire	1	0.03%
142	- Brush, or brush and grass mixture fire	2	0.06%
143	- Grass fire	1	0.03%
162	- Outside equipment fire	1	0.03%
Total - Fires		5	26.32%
311	- Medical assist, assist EMS crew	1	0.03%
321	- EMS call, excluding vehicle accident with injury	7	0.22%
Total - Rescue & Emergency Medical Service Incidents		8	42.11%
611	- Dispatched & cancelled en route	5	0.16%
Total - Good Intent Call		5	26.32%
743	- Smoke detector activation, no fire - unintentional	1	0.03%
Total - Fals Alarm & False Call		1	5.26%
Total for Station		19	0.59%
		3,225	100.00%