



RODEO-HERCULES FIRE PROTECTION DISTRICT

1680 REFUGIO VALLEY ROAD, HERCULES, CALIFORNIA 94547

(510) 799-4561 FAX: (510) 799-0395

REGULAR BOARD MEETING MINUTES

February 9, 2022

1. CALL TO ORDER/ROLL CALL

Directors Present: Covington, Hill, Davidson, Bowman

Directors Absent: None

Meeting called to order at 7:01 p.m.

2. PLEDGE OF ALLEGIANCE (00:02:23)

3. ACTION ITEM: RECEIVE STAFF REPORT AND REVIEW AND ACT UPON RESOLUTION 2022-01 TO AUTHORIZE THE BOARD AN ITS APPOINTED BODIES TO CONTINUE TO HOLD TELECONFERENCE MEETINGS IN ACCORDANCE WITH AB 361 (00:03:36)

Motion by Director Bowman and seconded by Director Hill to adopt Resolution 2022-01 to continue to hold teleconference meetings in accordance with AB 361

Roll Call Vote:

Hill: Yes

Davidson: Yes

Bowman: Yes

Covington: Yes

Motion passed 4-0.

4. ANNOUNCEMENTS (00:07:00)

Director Bowman thanked the firefighters with respect to the upcoming staffing challenges, and acknowledged members of the public.

5. CONFIRMATION OF AGENDA (00:07:38)

Director Bowman made a motion to confirm the agenda; seconded by Director Davidson.

Roll Call Vote:

Hill: Yes

Davidson: Yes

Bowman: Yes

Covington: Yes

Motion passed 4-0.

6. BOARD CORRESPONDENCE (00:08:57)

One received from Tanya Little, attached to these minutes.

7. PUBLIC COMMENT (00:10:42)

Tanya Little
William Henderson

8. CONSENT CALENDAR

Director Bowman requested corrections-Item 8 corrected to reflect Director Couzens left the meeting; Director Davidson requested correction-Item 2-commented after Pledge of Allegiance regarding order of Agenda.

Motion by Director Bowman to approve meetings minutes of January 12, 2022 regular meeting, with corrections. Seconded by Director Davidson.

Roll Call Vote:

Hill: Yes
Davidson: Yes
Bowman: Yes
Covington: Yes

Motion passed 4-0.

9. BOARD VACANCY (00:18:26)

Board discussion regarding options to fill vacancy.

Applications will be due March 4th, and applicants interviewed at the March 9th board meeting.

Motion by Director Bowman to fill vacancy by appointment; seconded by Vice Chair Hill.

Public Comment

Tanya Little

Roll Call Vote:

Hill: Yes
Davidson: Yes
Bowman: Yes
Covington: Yes

Motion passed 4-0.

10. STRATEGIC PLAN (00:37:11)

Counsel gave a brief overview of staff report. Consultant for Fitch and Associates answered questions.

Public Comment

Tanya Little
William Henderson

Motion by Director Bowman to approve Resolution 2022-02 authorizing the Fire Chief to execute a consulting services agreement with Fitch and Associates to provide strategic planning services to the District for an amount not to exceed \$44,500; seconded by Vice Chair Hill.

Roll Call Vote:

Hill: Yes
Davidson: Yes
Bowman: Yes
Covington: Yes

11. RECRUITMENT AND RETENTION UPDATE (00:47:42)

Interim Chief Johnson gave update on staffing issues. Requested an allocation of \$12,000 for a Captain's Exam to fill upcoming vacancies.

Motion by Director Bowman, seconded by Vice Chair Hill

Public Comment

William Henderson
Tanya Little
Vince Wells

Roll Call Vote:

Hill: Yes
Davidson: Yes
Bowman: Yes
Covington: Yes

Motion passed 4-0.

12. RECEIVE FY2021-22 MID YEAR BUDGET REPORT (01:25:13)

Interim Chief Johnson gave brief overview of staff report.

Public Comment

William Henderson
Getachew Demeku-Ousman
Selina Williams

13. BUDGET AD HOC COMMITTEE (01:31:34)

Directors Davidson and Vice Chair Hill volunteered for the budget ad hoc committee.

Motion by Director Bowman to appoint Director Davidson and Vice Chair Hill to the Budget ad hoc committee for the 2022-23 budget; seconded by Director Covington.

Roll Call Vote:

Hill: Yes
Davidson: Yes
Bowman: Yes
Covington: Yes

Motion passed 4-0.

14. FIRE CHIEF’S REPORT (01:34:53)

Interim Chief reported out on the month’s activities.

Vice Chair Hill commented regarding community risk reduction.

15. STAFF REPORTS (01:37:37)

None.

16. BOARD MEMBER REPORTS (01:37:54)

A. LAFCO-nothing pertaining to RHFD.

Vice Chair Hill added that LAFCO took up the matter of expanding the sphere of influence of Con Fire to include East Contra Costa Fire.

17. AD HOC BOARD COMMITTEE REPORTS (01:39:29)

- a. Strategic Plan RFP-will report and post what’s going on as process moves forward
- b. Interim Fire Chief –Fire chief search will be back on the Agenda in March
Interim Fire Chief ad hoc committee is dissolved; Permanent Fire Chief ad hoc committee will be discussed in March.

Public Comment

William Henderson
Tanya Little

18. MEASURE O (01:54:42)

A. Oversight Committee

Annie Ziff-still looking for committee members. A special meeting was called for February 7th, but a quorum was not achieved.

Staff to add a question on Board Vacancy application if they would be willing to serve on oversight committee if they are not selected to serve on the board.

19. LOCAL 1230 CORRESPONDENCE (02:01:32)

Vince Wells: Looking forward to the Strategic Plan; attended funeral of Stockton firefighter Max Fortuna; commented on staffing issues; Vice President Short leaving the Department for another agency

Jerry Short: separated from Department; commented on departure

Public Comment

Derek Cochnauer

20. REQUESTS FOR FUTURE AGENDA ITEMS

Vice Chair Hill-update on staffing

Director Bowman-website review; Revenue enhancements

21. ADJOURNMENT

Prior to adjournment, Chair Covington requested a moment of silence for Stockton Fire Captain Max Fortuna.

Meeting adjourned at 9:22 p.m.

Audio from this board meeting can be heard at www.rhfd.org
Number in parenthesis is time stamp where agenda item begins.

Board Vice Chair

From: [Tanya Little](#)
To: [Kimberly Corcoran](#)
Subject: PUBLIC COMMENT for Feb 9, 2022: Fire District Board Meeting
Date: Wednesday, February 9, 2022 2:53:25 PM

Public comments:

I look forward to this board finding consensus and moving forward to meet the needs of this fire district, community, and its constituents, under the leadership of Chair Covington.

Secondly, I encourage the Board Chair and staff to ensure the agenda is accurate. It appears that there may be a few errors on the agenda. Agenda Item 10 belongs to Agenda Item 17a. Also, Agenda Item 17b was addressed with the appointment of Chief Johnson. My best guess is that Agenda Item 17b should state Fire Chief Search instead of Interim Fire Chief Search.

Strategic Plan Consulting Services Agreement:

I commend General Counsel Pio Roda for his impeccable contract language. I especially like to call attention to a few areas that protect the district and ensure timely payment to the contractor:

- Page 2, item 2.1 Invoice details; Page 3, Item 2.3. Final Payment: These are areas that some accounts payable staff place as less important in their daily deliverables. It is important that staff pay contractors timely and to identify the 10 percent withhold until the Board has deemed the strategic plan responsive to the scope of work. After receipt of the final product, the Board has 59 days to evaluate the plan to determine it has met the Scope of Services. Upon the board's acceptance of the report, staff must release the final payment on the 60th day after the project deliverable was received.
- Page 7, Item 4.4.6. Subcontractors: It is important that all subcontractors be identified and approved by the Board.
- Page 8, Section Six, clearly stated the consultant is not an employee and cannot act as an agent on behalf of the District.
- Page 12, Section 10.7 should ensure that the Board or district staff and contractor act ethically in delivering this product.
- My only concern is Exhibits A & B were omitted. Exhibit A, Scope of Services leave the public in the dark as to what deliverables the Board expects. Without the Scope of Services, the contractor has not received the Boards expectations. The contractor cannot be held accountable and there is no basis for the board to deem the contractor unresponsive and responsible to expectations. Also Exhibit B, Compensation Schedule, addresses my point regarding invoice details and final payment.
- The contractor is to be commended. Their proposal states they will provide a Strategic Plan template for the district to replicate future plans. The only question I have is which clients in the contractor's portfolio are similar to this district size related to service needs?

Incident Type Fire Report:

I recommend the Fire District investigate the appropriate terms to use in its reports. For example, "Incident Type 554: states "Assist Invalid." This is an inappropriate term to reference people with disabilities. I recommend the reference be revised to "Assist Physically Challenged" or "Assist Disabled Person."

Respectfully,

Tanya Little
Hercules Resident - 30 years

7800| General Fund Rodeo Hercules Fire District Transmittal Report

February 2022

| Date | Num | Name | Memo | Account | Amount |
|------------|----------------|--|---|--|------------|
| 02/01/2022 | 4LT38 | Bay Area Air Quality Management District | Permit to Operate | 2477 · Educational Supplies & Courses | -380.00 |
| 02/01/2022 | T135363 | Bay Area Air Quality Management District | Annual Renewal 04/01-04/01/2023 | 2477 · Educational Supplies & Courses | -416.00 |
| 02/01/2022 | W4102379WB | American Messaging | February 2022 | 2110 · Communications | -36.20 |
| 02/01/2022 | March 2022 | American River Benefit Administrators | March 2022 | 1060 · Group Insurance | -738.99 |
| 02/01/2022 | FEB0453DC2CA | Health Care Dental | February 2022 | 1060 · Group Insurance | -2,590.51 |
| 02/01/2022 | 12173 | Precision IT Consulting | March 2022 | 2310 · Professional/Specialized Servic | -2,265.45 |
| 02/02/2022 | 287291133577X | First Net | 01/03-02/02 | 2110 · Communications | -190.56 |
| 02/04/2022 | 76-528495JAN | EBMUD | 76-11/30/21-01/31/22 | 2120 · Utilities | -678.33 |
| 02/04/2022 | 76-528407-JAN | EBMUD | 76-11/30/21-01/31/22 | 2120 · Utilities | -324.99 |
| 02/09/2022 | 4017223667-FEB | P.G.&E. | 76-01/07-02/07/22 | 2120 · Utilities | -769.38 |
| 02/10/2022 | 0163923-IN | Entenmann-Rovin Co. | Badges | 2479 · Other Special Dept Expenses | -1,063.95 |
| 02/10/2022 | 238430 | JW Enterprises | February 2022 | 2281 · Maintenance of Buildings | -359.00 |
| 02/10/2022 | 5183799518-FEB | P.G.&E. | 75-01/10/22-08/08/22 | 2120 · Utilities | -291.80 |
| 02/10/2022 | 9899320113 | Verizon Wireless | 01/11-02/10 | 2110 · Communications | -19.06 |
| 02/11/2022 | 170 | | DATA January 2022 | 2326 · Information Security | -157.06 |
| 02/11/2022 | INV568440 | LN Curtis & Sons | Sand/Slate Rescue Swivel (6) | 2474 · Firefighting Supplies | -544.40 |
| 02/14/2022 | 225287041 | Orkin | Station 76 | 2281 · Maintenance of Buildings | -128.00 |
| 02/14/2022 | 3671559 | Stryker | Maintenance Agreement 12/9/21-12/8/22 | 2140 · Medical Supplies | -4,860.00 |
| 02/15/2022 | 84405801 | Bound Tree | Medical Supplies | 2140 · Medical Supplies | -109.69 |
| 02/15/2022 | 01-22-22 | Municipal Resource Group | October-December 2021 | 2310 · Professional/Specialized Servic | -10,800.00 |
| 02/15/2022 | 204232 | Office Machine Specialist | Maintenance Agreement 02/15/22-02/14/23 | 2250 · Rents & Leases | -1,718.33 |
| 02/16/2022 | 1888920692-FEB | P.G.&E. | 75-01/11-02/09/22 | 2120 · Utilities | -26.10 |
| 02/18/2022 | 188926 | Meyers Nave | January 2022 | 2310 · Professional/Specialized Servic | -3,890.16 |



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

DIRECTOR APPLICATION

To be eligible for appointment to the Board of Directors, you must be a resident of the Rodeo Hercules Fire Protection District and a registered voter of the district (Cal. Health & Safety Code section 13841). Please fill out and return by 9:00 a.m., Friday, March 4, 2022 to Kimberly Corcoran (corcoran@rhfd.org). Attach additional sheets if necessary.

DATE: 3/3/2022

Robyn Mikel

NAME

[REDACTED]

HOME ADDRESS

[REDACTED]

PHONE NO.

Hercules

CITY

[REDACTED]

E-MAIL

First H.E.L.P. - Program Assistant

OCCUPATION AND EMPLOYER

1

No. of years residing in District

EDUCATION: California State University, Hayward; BA - Mass Communication/Broadcasting

PUBLIC/COMMUNITY SERVICE:

Volunteer for Red H.E.L.P. - Non-Profit focusing on firefighter mental wellness advocacy and suicide data collection.

REASON FOR APPLYING: (Please use a separate sheet of necessary)

It would be an honor to serve my community in this capacity.

3/3/2022

DATE



SIGNATURE

Please answer all questions legibly. Use a separate sheet of paper if necessary)

1. **Do you have prior experience serving on the board of a legislative body, whether as an elected or appointed member, or another governing board, specifically a fire district board? Please list such prior experience.**

Current member of the board for First H.E.L.P. a non-profit who's mission statement is: Reducing mental health stigma through education, advocating for benefits for those suffering from post-traumatic stress, acknowledging the service and sacrifice of first responders we lost to suicide, support families after a suicide and bringing awareness to suicide and mental health issues.

Elected into position 09/2021.

2. **Have you worked on any city, county, citizen advisory or District committees or participated in any fire district related activities recently? Please list them.**

NA

3. **Describe any other community or business activities in which you have participated. Describe your role, and whether your work was volunteer or employment related.**

While I work part-time for First H.E.L.P. I am a full time volunteer for Red H.E.L.P., their firefighter focused program. In this volunteer role as Assistant Program Director, I am responsible for community/family outreach, firefighter suicide data reporting, social media/marketing, and fundraising.

4. **Why do you want to be a fire district board member?**

As the widow of a fallen firefighter who served with the Alameda County Fire Department for 14 years I have a high-level understanding of the day-to-day operations of a fire department while still being in-tuned to their served-community's expectations and needs. After losing my husband and father to our now teenaged son I am passionate about advocating for our firefighters health and wellness as a way to not only benefit them but also the public that demand and deserve high-performing first responders.

5. **What do you see as the basic purpose of the fire district?**

Exactly as the mission statement reads; 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; and to educate the public and maintain a constant state of readiness. In addition, being able to achieve these goals within an established budget.

6. What is the role of the governing board in the fulfillment of that purpose?

Working as a liason between the Fire Chief and community members, the governing board must effectively be the voice of the public while assisting the Chief in management of the department and providing fiscal oversight.

7. Briefly describe your commitment to the Rodeo-Hercules community and our local fire District.

I'm a newer resident to the Rodeo-Hercules community, however I've lived in the surrounding area my entire life. Born in Napa and raised in Vallejo, I've only ventured as far as Hayward over the years. I have finally found a home and a community I've grown to love in Hercules. As stated above, it is my mission to give back to our firefighters and where better to do this than in my own community.

8. What do you see as the strengths of the fire district?

As one of the few areas in the east bay that can still call itself a true 'bedroom community' we have an opportunity which is unique in the Bay Area...room for growth. Because of this, we can look to some older, more mature fire districts for guidance on strategy and avoidance of any pitfalls.

9. What do you see as the area(s) most needing improvement in the fire district?

With the continued new builds in Rodeo-Hercules area I see it necessary to make sure our fire department expands in-line with the subsequent population growth.

10. If you are not selected as a member of the Board of Directors, would you be willing to serve as a member of the Measure O Oversight Committee?

Yes

No



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March 3, 2022

DATE: _____

Annie Ziff



| | |
|-------------------|---|
| NAME | HOME ADDRESS |
| [REDACTED] | Rodeo 94572 |
| PHONE NO. | CITY |
| [REDACTED] | Retired. Previously 38 yrs Social Security Administration |
| E-MAIL | OCCUPATION AND EMPLOYER |
| currently 16 yrs. | |

No. of years residing in District

EDUCATION: HS graduate.
2 yrs College

PUBLIC/COMMUNITY SERVICE:
Olympian Hills HOA, HOA president 1985/86
President Measure O Committee

REASON FOR APPLYING: (Please use a separate sheet of necessary)

I am a 3rd generation Rodeo Resident and want to give back to my community.

March 3, 2022

Annie Ziff

DATE

SIGNATURE

Please answer all questions legibly. Use a separate sheet of paper if necessary)

1. **Do you have prior experience serving on the board of a legislative body, whether as an elected or appointed member, or another governing board, specifically a fire district board? Please list such prior experience.**

No prior experience until recently, current Chair Measure O committee. Member 3 years.
Board member Rodeo Citizen Association (RCA) & Build Rodeo Aquatic Center (BRAC)

2. **Have you worked on any city, county, citizen advisory or District committees or participated in any fire district related activities recently? Please list them.**

Measure O committee
Board member RCA & BRAC

3. **Describe any other community or business activities in which you have participated. Describe your role, and whether your work was volunteer or employment related.**

None other than described above.

4. **Why do you want to be a fire district board member?**

I have been critical of the past direction of the Fire District. I can bring fresh ideas, a new prospective & a renewed enthusiasm in servicing the community through the fire district. I want to work alongside the Chief and firefighters to address the needs of the community and firefighters to better the district for now and the future.

5. **What do you see as the basic purpose of the fire district?**

The board should work with the Chief to review and oversee all aspects of the fire & medical protection for our community. The board should never lose sight that they serve the citizens and should always be aware of the budget & public concerns. The board should provide a conduit between the community & 1st responders. The board should ensure the community's taxes and special assessments stay within Rodeo & Hercules and are used to provide the best services possible.

6. What is the role of the governing board in the fulfillment of that purpose?

The board, generally elected by the communities, watch over all aspects of fire and medical services. The board is the 1st line monitors in assuring the citizens receive the best protection possible.

7. Briefly describe your commitment to the Rodeo-Hercules community and our local fire District.

I am proudly a 3rd generation resident of Rodeo. My parents and grandparents lived in Rodeo and worked for Union Oil. I also lived in Hercules of about 10 years in mid 1980s/1990s. I want to preserve the small town atmosphere of Rodeo & Hercules by utilizing all current modern conveniences & technology.

8. What do you see as the strengths of the fire district?

We are independent and do not answer to any other group or agency that are not intimately familiar with the needs of our citizens. We are part of the community, not a distant contact.

9. What do you see as the area(s) most needing improvement in the fire district?

The board needs to reconnect with the community and have an open dialog with the citizens, Hercules City Council, government agencies, surrounding communities of Pinole & Crockett, and our employees, the firefighters.

10. If you are not selected as a member of the Board of Directors, would you be willing to serve as a member of the Measure O Oversight Committee?

Yes

No

RODEO-HERCULES FIRE PROTECTION DISTRICT

MEMORANDUM

TO: BOARD of DIRECTORS

FROM: Darren Johnson, Interim Fire Chief

DATE: March 9, 2022

RE: Annual Audit

BACKGROUND:

Following general accounting principles, the Fire District contracts with an independent contractor to conduct a financial audit of the District finances. For the fourth consecutive year, the District engaged the assistance of Harshwal & Company LLP to provide the following services to the Fire District as required:

Basic Financial Statements
Preparation of Annual Report of Financial Transactions for the District (SCO Report)
Financial Report for (Measure “O”)

Representatives from Harshwal & Company are here to present their findings.

RECOMMENDATION:

That the Board of Directors receive and accept the Basic Financial Statements, and Required Communications for the Year Ending June 30, 2020, and the Measure “O” Financial Report For The Year Ending June 30, 2020/2021 as prepared by Harshwal & Company LLP.
This is an action item.

ATTACHMENTS:

Basic Audited Financial Statements for the Year Ending June 30, 2021
Financial Report for Measure “O”

RODEO - HERCULES FIRE PROTECTION DISTRICT

HERCULES, CALIFORNIA

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2021



RODEO - HERCULES FIRE PROTECTION DISTRICT
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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Rodeo - Hercules Fire Protection District, (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of the Rodeo - Hercules Fire Protection District as of June 30, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, required supplementary information related to Pension and OPEB and Budget for general fund and capital project fund as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 01, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harskmal & Company LLP

Oakland, California
December 01, 2021

**RODEO - HERCULES FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Our discussion and analysis of the Rodeo - Hercules Fire Protection District (the "District") provides the reader with an overview of the District's financial position and performance for the period ending June 30, 2021. The Management's Discussion & Analysis (MD&A) describes the significant changes that occurred in general operations and discusses the activities during the year for capital assets and long-term debt. The discussion concludes with a description of currently known facts, decisions and conditions that are expected to impact the financial position of the District's operations. We encourage the reader to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

- The District ended its fiscal year with negative net position of \$6,059,609.
- The total Program Expenses were \$5,722,931.
- The total Program Revenues were \$584,704.
- The total General Revenues were \$8,066,413.
- The change in Net Position represents an increase of \$2,928,186.

Fund Financial Statements

- The General Fund operating revenues exceeded its expenses leaving a fund balance of \$4,779,785.
- The Hercules Fire Impact Fund operating expenses exceeded its revenues leaving a fund balance of \$237,748.
- The Rodeo Fire Impact Fund operating expenses exceeded its revenues leaving a fund balance of \$1,446.
- The Capital Projects #1 Fund operating revenues exceeded expenses leaving a fund balance of \$115,077.
- Measure O Parcel Tax Fund operating revenue exceeded expenses leaving a fund balance of \$834,147.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,779,785. Restricted fund balance of the Hercules Fire Impact Fee Special Revenue Fund was \$237,748; and the Rodeo Fire Impact Fee Special Revenue Fund was \$1,446. Assigned fund balance of the Capital Projects # 1 was \$115,077; and the Measure O Parcel Tax Special Revenue Fund was \$834,147. In addition, the District has a line of credit funding source with the Kansas State Bank with a debt service fund balance of \$88,173.

**RODEO - HERCULES FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

ANNUAL REPORT OVERVIEW

This annual report consists of a series of financial statements. The District's Basic Financial Statements are comprised of two components: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* provide the reader with a longer-term view of the District's activities as a whole and comprise the Statement of Net Position and Statement of Activities. The manner of presentation is similar to a private-sector business.

The *Statement of Net Position* presents information about the financial position of the District as a whole, including all its capital assets and long-term liabilities on the full accrual basis of accounting. Over time, increases or decreases in Net Position is one indicator in monitoring the financial health of the District.

The *Statement of Activities* provides information about all the District's revenues and expenditures on the full accrual basis of accounting, with the emphasis on measuring net revenues or expenditures of each specific program. This statement explains in detail the change in Net Position for the year.

All of the District's activities in the Government-Wide Financial Statements are principally supported by taxes, intergovernmental revenues, fire impact fees and inspection fees. The governmental activities of the District include fire protection and interest on long-term debt.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A *fund* is a fiscal and accounting entity with a self-balancing set of accounts that the District uses to keep track of specific resources of funding and spending for a particular purpose.

All of the District's basic services are considered to be governmental activities. The District's services are supported by general District revenues such as taxes, intergovernmental revenue, developer impact fees and inspection fees. In the District's case, the six funds (General Fund, Capital Projects Fund, Debt Service Fund, Measure O Parcel tax and two Developer Impact Fees) are presented individually.

The *Governmental Funds* focus on how money flows into and out of the fund and the balance left at year-end available for spending. These funds are reported using an accounting method called the *modified accrual* basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

**RODEO - HERCULES FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FINANCIAL ACTIVITIES OF THE DISTRICT AS A WHOLE

This analysis focuses on the Net Position and changes in Net Position of the District's Governmental Activities, as presented in the Government-Wide Statement of Net Position and Statement of Activities as follows:

**Table 1
Net Position
Governmental Activities**

| | <u>2020-2021</u> | <u>2019-2020</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|---------------------------------------|-----------------------|-----------------------|--------------------------|---------------------------|
| Assets | | | | |
| Current assets | \$ 6,354,727 | \$ 5,581,325 | \$ 773,402 | 13.9% |
| Noncurrent Assets | 88,173 | 88,173 | - | -% |
| Capital assets | <u>3,798,822</u> | <u>1,717,677</u> | <u>2,081,145</u> | <u>121.2%</u> |
| Total assets | <u>10,241,722</u> | <u>7,387,175</u> | <u>2,854,547</u> | <u>38.6%</u> |
| Deferred Outflows of Resources | | | | |
| Related to pension | 4,775,966 | 3,593,115 | 1,182,851 | 32.9% |
| Related to OPEB | <u>120,340</u> | <u>68,368</u> | <u>51,972</u> | <u>76.0%</u> |
| Total deferred outflows of resources | <u>4,896,306</u> | <u>3,661,483</u> | <u>1,234,823</u> | <u>33.7%</u> |
| Liabilities | | | | |
| Current liabilities | 689,015 | 554,636 | 134,379 | 24.2% |
| Noncurrent liabilities | <u>12,741,633</u> | <u>13,058,029</u> | <u>(316,396)</u> | <u>(2.4)%</u> |
| Total liabilities | <u>13,430,648</u> | <u>13,612,665</u> | <u>(182,017)</u> | <u>(1.3)%</u> |
| Deferred Inflows of Resources | | | | |
| Related to pension | 7,760,026 | 6,423,788 | 1,336,238 | 20.8% |
| Related to OPEB | <u>6,963</u> | <u>-</u> | <u>6,963</u> | <u>100.0%</u> |
| Total deferred inflows of resources | <u>7,766,989</u> | <u>6,423,788</u> | <u>1,343,201</u> | <u>20.9%</u> |
| Net Position | | | | |
| Net investment in capital assets | 3,721,868 | 1,565,054 | 2,156,814 | 137.8% |
| Restricted for: | | | | |
| Special projects and programs | 239,194 | 429,819 | (190,625) | (44.4)% |
| Debt Service | 88,173 | 88,173 | - | -% |
| Unrestricted | <u>(10,108,844)</u> | <u>(11,070,841)</u> | <u>961,997</u> | <u>8.7%</u> |
| Total Net Position | <u>\$ (6,059,609)</u> | <u>\$ (8,987,795)</u> | <u>\$ 2,928,186</u> | <u>32.6%</u> |

**RODEO - HERCULES FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FINANCIAL ACTIVITIES OF THE DISTRICT AS A WHOLE - CONT'D

**Table 2
Statement of Activities
Governmental Activities**

| | <u>2020-2021</u> | <u>2019-2020</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|---|-----------------------------|-----------------------|--------------------------|---------------------------|
| Expenses | | | | |
| Public safety - Fire protection | \$ 5,722,931 | \$ 8,775,273 | \$ (3,052,342) | (34.8)% |
| Total Program Expenses | <u>5,722,931</u> | <u>8,775,273</u> | <u>(3,052,342)</u> | <u>(34.8)%</u> |
| Revenues | | | | |
| Program revenues: | | | | |
| Operating grants and contributions | 469,725 | 427,275 | 42,450 | 9.9% |
| Charges for services | 114,979 | 232,819 | (117,840) | (50.6)% |
| General revenues: | | | | |
| Property taxes | 4,187,715 | 4,419,569 | (231,854) | (5.2)% |
| Special Tax/Fire (Benefit Assessment) | 3,863,443 | 3,822,145 | 41,298 | 1.1% |
| Hercules development fees | - | 106,853 | (106,853) | (100.0)% |
| Investment earnings | 10,864 | 18,735 | (7,871) | (42.0)% |
| Miscellaneous | <u>4,391</u> | <u>3,353</u> | <u>1,038</u> | <u>31.0%</u> |
| Total Revenues | <u>8,651,117</u> | <u>9,030,749</u> | <u>(379,632)</u> | <u>(4.2)%</u> |
| Changes in net position | <u>2,928,186</u> | <u>255,476</u> | <u>2,672,710</u> | <u>1,046.2%</u> |
| Net position, beginning of year | (8,987,795) | (9,243,401) | 255,606 | 2.8% |
| Prior Period Adjustments | <u> </u> | <u>130</u> | <u>(130)</u> | <u>(100.0)%</u> |
| Net position, beginning of year, restated | <u>(8,987,795)</u> | <u>(9,243,271)</u> | <u>255,476</u> | <u>2.8%</u> |
| Net position, end of year | <u>\$ (6,059,609)</u> | <u>\$ (8,987,795)</u> | <u>\$ 2,928,186</u> | <u>32.6%</u> |

Expenses

The Public Safety - Fire Protection expenses totaled to \$5,722,931 for fiscal year ending 2021.

Program Revenues

During the fiscal year ended June 30, 2021, the District also received funding through the District's Measure "O" in amount of \$2,502,195. The proceeds of the special tax funding replacement measure imposed by this ordinance could be used solely for any lawful purpose permissible to Fire District's pursuant to California Health and Safety Code section 13800 et seq.

**RODEO - HERCULES FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FINANCIAL ACTIVITIES OF THE DISTRICT AS A WHOLE - CONT'D

The program revenues that fall under the category of "Charges for Service" include revenues for inspection fees, weed abatement charges, and reports/photocopies.

General Revenues

The primary source of revenue for the operation of the Rodeo - Hercules Fire Protection District is generated through the collection of secured, unsecured, and supplemental property and parcel taxes. During the last fiscal year, the overall assessed valuation decreased by 0.1%. This decrease reflects the decrease in assessed valuations in the City of Hercules and Town of Rodeo. A considerable portion of the District's potential revenues falls within the City of Hercules Redevelopment Area of which the District is entitled to receive a portion of the pass-through property tax revenues. However, due to the City of Hercules' financial crisis, the District did not receive its pass-through monies in fiscal years 2010-11 through 2020-21, as stated above.

Fund Financial Statements

Governmental Funds

At June 30, 2021, the District's governmental funds reported combined fund balances of \$6,056,376, which is an increase of \$773,831 compared with the prior year.

Major Analyses of Governmental Funds

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources. The major revenue sources are property taxes and benefit assessments.

Overall, the General Fund expenditures decreased by 3.56% from last year.

**RODEO - HERCULES FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

CAPITAL ASSETS

At the end of fiscal year 2021, the District had \$3,798,822 in net capital assets. The following table identifies the specific governmental activity:

**Table 3
Capital Assets at Year-End
Governmental Activities**

| | <u>2020-2021</u> | <u>2019-2020</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|-------------------------------|---------------------|---------------------|--------------------------|---------------------------|
| Capital Assets | | | | |
| Land | \$ 7,437 | \$ 7,437 | \$ - | - % |
| Buildings and improvements | 1,096,448 | 1,096,448 | - | - |
| Equipment | 7,938,765 | 5,592,724 | 2,346,041 | 41.9 % |
| Less accumulated depreciation | <u>(5,243,828)</u> | <u>(4,978,932)</u> | <u>(264,896)</u> | <u>(5.3)%</u> |
| Capital Assets | <u>\$ 3,798,822</u> | <u>\$ 1,717,677</u> | <u>\$ 2,081,145</u> | <u>121.2 %</u> |

All the capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. All capital assets are depreciated over their estimated useful lives, using the straight line method. See Note 1 in the basic financial statement for more detailed analyses.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

In past years, the District's assessed values have increased but the District expects this trend to level out in future years without any significant increase or decrease in assessed values. Financial planning is based on specific assumptions from recent trends in real property values, new commercial and residential development, State of California economic forecasts and historical growth patterns in the various tax rate areas in the Rodeo - Hercules Fire Protection District.

The economic condition of the Rodeo - Hercules Fire Protection District as it appears on the balance sheet reflects financial stability for future years as the District has made significant reductions in expenditures and has made efforts to increase its revenues. Measure O parcel tax allowed the District to keep both stations open upon the expiration of the FEMA Safer Grant and the 2014 benefit assessment.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

These Basic Financial Statements are intended to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances. Questions about this report should be directed to the Administrative Offices of the Rodeo - Hercules Fire Protection District, 1680 Refugio Valley Road, Hercules, CA 94547 (510) 799-4561.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RODEO - HERCULES FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Current Assets: | |
| Cash and investments (Note 2) | \$ 6,314,757 |
| Accounts receivable | <u>39,970</u> |
| Total Current Assets | <u>6,354,727</u> |
| Noncurrent Assets: | |
| Other assets: | |
| Restricted cash (Note 2) | <u>88,173</u> |
| Total Other Assets | <u>88,173</u> |
| Capital assets (Note 3): | |
| Non-depreciable | 7,437 |
| Depreciable capital assets, net | <u>3,791,385</u> |
| Total capital assets, net of accumulated depreciation | <u>3,798,822</u> |
| Total Noncurrent Assets | <u>3,886,995</u> |
| Total Assets | <u>10,241,722</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Related to pension (Note 6) | 4,775,966 |
| Related to other post employment benefit plan (Note 7) | <u>120,340</u> |
| Total Deferred Outflows of Resources | <u>4,896,306</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 15,138,028</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts payable | \$ 386,524 |
| Compensated absences, due within one year (Note 1 G) | 98,044 |
| Lines of credit, due within one year (Note 4) | 76,954 |
| Long-term debt, due within one year (Note 10) | <u>127,493</u> |
| Total Current Liabilities | <u>689,015</u> |
| Noncurrent Liabilities: | |
| Compensated absences, due in more than one year (Note 1 G) | 228,770 |
| Long-term debt, due in more than one year (Note 10) | 2,218,548 |
| Net OPEB liability (Note 7 B) | 3,698,812 |
| Net pension liability (Note 6) | <u>6,595,503</u> |
| Total Noncurrent Liabilities | <u>12,741,633</u> |
| Total Liabilities | <u>\$ 13,430,648</u> |

The accompanying notes are an integral part of these financial statements.

RODEO - HERCULES FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| DEFERRED INFLOWS OF RESOURCES | |
| Related to pension (Note 6) | \$ 7,760,026 |
| Related to OPEB (Note 7 B) | <u>6,963</u> |
| Total Deferred Inflows of Resources | <u>7,766,989</u> |
| NET POSITION (DEFICIT) (Note 5) | |
| Net investment in capital assets | 3,721,868 |
| Restricted for: | |
| Special projects and programs | 239,194 |
| Debt Service | 88,173 |
| Unrestricted | <u>(10,108,844)</u> |
| Total Net Position (Deficit) | <u>(6,059,609)</u> |
| Total Liabilities, Deferred inflows of resources, and Net Position | <u>\$ 15,138,028</u> |

The accompanying notes are an integral part of these financial statements.

RODEO - HERCULES FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

| Functions/Programs | Expenses | Program Revenues | | Net (Expenses) Revenues and Changes in Net Position |
|---|---------------------|----------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental Activities: | | | | |
| Public safety - Fire protection | \$ 5,722,931 | \$ 114,979 | \$ 469,725 | \$ (5,138,227) |
| Total Governmental Activities | <u>\$ 5,722,931</u> | <u>\$ 114,979</u> | <u>\$ 469,725</u> | <u>(5,138,227)</u> |
| General Revenues: | | | | |
| Property tax | | | | 4,159,060 |
| Special Tax/Fire (Benefit Assessment) | | | | 3,863,443 |
| Home owner property tax relief | | | | 28,655 |
| Investment earnings | | | | 10,864 |
| Miscellaneous | | | | <u>4,391</u> |
| Total General Revenues | | | | <u>8,066,413</u> |
| Changes in Net Position | | | | 2,928,186 |
| Net Position (Deficit), beginning of year | | | | <u>(8,987,795)</u> |
| Net Position (Deficit), end of year | | | | <u>\$ (6,059,609)</u> |

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

RODEO - HERCULES FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

| | <u>General</u> | <u>Hercules Fire Impact Fee Special Revenue</u> | <u>Rodeo Fire Impact Fee Special Revenue</u> | <u>Measure O Parcel Tax Special Revenue</u> |
|-------------------------------------|---------------------|---|--|---|
| ASSETS | | | | |
| Cash and investments (Note 2) | \$ 5,111,768 | \$ 253,070 | \$ 1,446 | \$ 833,396 |
| Restricted cash (Note 2) | - | - | - | - |
| Accounts receivable | <u>39,219</u> | <u>-</u> | <u>-</u> | <u>751</u> |
| Total Assets | <u>5,150,987</u> | <u>253,070</u> | <u>1,446</u> | <u>834,147</u> |
| LIABILITIES | | | | |
| Accounts payable | <u>371,202</u> | <u>15,322</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>371,202</u> | <u>15,322</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | |
| Restricted | - | 237,748 | 1,446 | - |
| Assigned | - | - | - | 834,147 |
| Unassigned | <u>4,779,785</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Fund Balances | <u>4,779,785</u> | <u>237,748</u> | <u>1,446</u> | <u>834,147</u> |
| Total Liabilities and Fund Balances | <u>\$ 5,150,987</u> | <u>\$ 253,070</u> | <u>\$ 1,446</u> | <u>\$ 834,147</u> |

The accompanying notes are an integral part of these financial statements.

**RODEO - HERCULES FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

| | <u>Capital Projects #1</u> | <u>Debt Service</u> | <u>Total Governmental Funds</u> |
|-------------------------------------|--------------------------------|-------------------------|---|
| ASSETS | | | |
| Cash and investments (Note 2) | \$ 115,077 | \$ - | \$ 6,314,757 |
| Restricted cash (Note 2) | - | 88,173 | 88,173 |
| Accounts receivable | <u>-</u> | <u>-</u> | <u>39,970</u> |
| Total Assets | <u>115,077</u> | <u>88,173</u> | <u>6,442,900</u> |
| LIABILITIES | | | |
| Accounts payable | <u>-</u> | <u>-</u> | <u>386,524</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>386,524</u> |
| FUND BALANCES | | | |
| Restricted | - | 88,173 | 327,367 |
| Assigned | 115,077 | - | 949,224 |
| Unassigned | <u>-</u> | <u>-</u> | <u>4,779,785</u> |
| Total Fund Balances | <u>115,077</u> | <u>88,173</u> | <u>6,056,376</u> |
| Total Liabilities and Fund Balances | <u>\$ 115,077</u> | <u>\$ 88,173</u> | <u>\$ 6,442,900</u> |

The accompanying notes are an integral part of these financial statements.

**RODEO - HERCULES FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Amounts reported for governmental activities in the Statement of Net Position are different because:

| | |
|---|-----------------------|
| Fund balances - Total governmental funds | \$ 6,056,376 |
| Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the Governmental Funds. | 3,798,822 |
| Liabilities are not due and payable with current financial resources and therefore are not reported in the Governmental Funds. | |
| Compensated absences payable | (326,814) |
| Net OPEB liability and deferred inflows and outflows of resources | (3,585,435) |
| Net pension liability and deferred inflows and outflows of resources | (9,579,563) |
| Lines of credit | (76,954) |
| Long-term debt | <u>(2,346,041)</u> |
| Net position (deficit) - Governmental activities | <u>\$ (6,059,609)</u> |

The accompanying notes are an integral part of these financial statements.

RODEO - HERCULES FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | General | Hercules Fire Impact Fee Special Revenue | Rodeo Fire Impact Fee Special Revenue | Measure O Parcel Tax Special Revenue |
|--|--------------|---|--|---|
| REVENUES: | | | | |
| Property taxes | \$ 4,159,060 | \$ - | \$ - | \$ - |
| Home owner property tax relief | 28,655 | - | - | - |
| Intergovernmental revenue | 469,725 | - | - | - |
| Charges for services | 114,979 | - | - | - |
| Special Tax/Fire (Benefit Assessment) | 1,361,248 | - | - | 2,502,195 |
| Use of money and property | 10,007 | - | - | - |
| Miscellaneous | 417 | - | 3,974 | - |
| Total Revenues | 6,144,091 | - | 3,974 | 2,502,195 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety - Fire protection | 5,132,080 | 167,972 | 26,627 | 2,470,203 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Expenditures | 5,132,080 | 167,972 | 26,627 | 2,470,203 |
| <i>Excess (deficiency) of revenues over expenditures</i> | 1,012,011 | (167,972) | (22,653) | 31,992 |
| OTHER FINANCING SOURCES/ USES: | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (80,400) | - | - | - |
| Total Other Financing Sources/ Uses | (80,400) | - | - | - |
| Net change in fund balances | 931,611 | (167,972) | (22,653) | 31,992 |
| Fund balances, beginning of year | 3,848,174 | 405,720 | 24,099 | 802,155 |
| Fund balances, end of year | \$ 4,779,785 | \$ 237,748 | \$ 1,446 | \$ 834,147 |

The accompanying notes are an integral part of these financial statements.

RODEO - HERCULES FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | Capital Projects #1 | Debt Service | Total Governmental Funds |
|--|--------------------------|-------------------------|--------------------------------|
| REVENUES: | | | |
| Property taxes | \$ - | \$ - | \$ 4,159,060 |
| Home owner property tax relief | - | - | 28,655 |
| Intergovernmental revenue | - | - | 469,725 |
| Charges for services | - | - | 114,979 |
| Special Tax/Fire (Benefit Assessment) | - | - | 3,863,443 |
| Use of money and property | 857 | - | 10,864 |
| Miscellaneous | - | - | 4,391 |
| | <u>857</u> | <u>-</u> | <u>8,651,117</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Public safety - Fire protection | 4 | - | 7,796,886 |
| Debt service: | | | |
| Principal | - | 75,669 | 75,669 |
| Interest | - | 4,731 | 4,731 |
| | <u>4</u> | <u>80,400</u> | <u>7,877,286</u> |
| <i>Excess (deficiency) of revenues over expenditures</i> | <u>853</u> | <u>(80,400)</u> | <u>773,831</u> |
| OTHER FINANCING SOURCES/ USES: | | | |
| Transfers in | - | 80,400 | 80,400 |
| Transfers out | - | - | (80,400) |
| | <u>-</u> | <u>80,400</u> | <u>-</u> |
| Total Other Financing Sources/ Uses | - | 80,400 | - |
| Net change in fund balances | 853 | - | 773,831 |
| Fund balances, beginning of year | <u>114,224</u> | <u>88,173</u> | <u>5,282,545</u> |
| Fund balances, end of year | <u><u>\$ 115,077</u></u> | <u><u>\$ 88,173</u></u> | <u><u>\$ 6,056,376</u></u> |

The accompanying notes are an integral part of these financial statements.

RODEO - HERCULES FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activities in the Statement of Activities are different because:

| | |
|---|---------------------|
| Net changes in fund balances - total governmental funds | \$ 773,831 |
| <p>Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives:</p> | |
| Depreciation expense | (264,896) |
| <p>The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):</p> | |
| Compensated absences | (24,385) |
| OPEB income | 92,662 |
| Pension income | 2,275,305 |
| Repayment of principal | <u>75,669</u> |
| Change in net position in governmental activities | <u>\$ 2,928,186</u> |

The accompanying notes are an integral part of these financial statements.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The District is an autonomous district governed by a five (5) member Board of Directors elected at large by the voters of the District. The District covers an area of approximately 25 square miles and includes the unincorporated Town of Rodeo and City of Hercules.

The financial statements of the District consist only of the funds of the District. The District has no oversight responsibility for any other government entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of the respective governing board. The governing board has decision making authority, the power to designate management, and the ability to significantly influence operations and primary accountability for fiscal matters.

The District maintains its headquarters at 1680 Refugio Valley Road, Hercules, California 94547.

B. Basis of Presentation

The District's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Statements require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the District). These statements include the financial activities of the overall District government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. District expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) capital grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

The District has elected to report all of its funds as major governmental funds in the accompanying financial statements:

General Fund - is the general operating fund of the Rodeo-Hercules Fire Protection District. It is used to account for all financial resources. The major revenue sources for this Fund are property taxes, ambulance service revenues and interest income. Expenditures are made for public safety and other operating expenditures.

Hercules Fire Impact Fee Special Revenue Fund - is used to receive fees collected from the City of Hercules.

Rodeo Fire Impact Fee Special Revenue Fund - is used to receive fees collected from the Town of Rodeo.

Measure O Parcel Tax Revenue Fund - is used to receive and to account for the proceeds of Measure "O" special tax funding.

Capital Projects #1 Fund - is used to account for the District's Rodeo-Hercules Fire Protection District capital budget.

Debt Service Fund - is used to account for the proceeds from a line of credit and payments made to vendors related to authorized capital projects.

D. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the full *accrual* basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. The District may fund programs with a combination of cost-reimbursement grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

E. Budgets and Budgetary Accounting

The Board of Directors follow the following procedures establishing the budgetary data reflected on the financial statement:

- (1) Proposed budget is received by Chief of the District and Board Members.
- (2) Public hearings are conducted to obtain taxpayer comment.
- (3) Formal budgetary integration is employed as a management control device during the year for the General Fund.
- (4) There is no formal budget of revenue as the revenue amount to be received is the previous year's fund balance, plus property tax revenues to be received, less the expense budget.
- (5) The budgets for the General Fund and the Capital Projects #1 Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (6) The Board of Directors requires the adoption of a summary budget for the General Fund.
- (7) Appropriations lapse at the end of each fiscal year.

F. Property Taxes and Special Assessment Revenue

Revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Contra Costa levies, bills and collects property taxes and special assessment for the District; the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the personal property being taxed.

Property tax revenue is recognized in the fiscal year for which the tax is levied. The County distributes property tax (termed "settlements") under the Teeter Plan, which allows the District to receive all property taxes in the year in which they are levied. The County retains any collections of interest, penalties and delinquencies under this plan. A settlement apportionment for 95% of unsecured property taxes is received in October, with the remainder distributed in June. Secured property taxes are received in three settlements and apportioned as follows: 55% in December, 40% in April and 5% in June.

G. Compensated Absences

Compensated absences comprise unpaid vacation leave and compensated time off. The District's liability for compensated absences is recorded in the Statement of Net Position. The liability for compensated absences is determined annually and is primarily liquidated in the General Fund. District employees may accrue up to 72 hours of unpaid overtime and may sell up to 24 hours of unpaid overtime and up to 48 hours of vacation time to the District.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

H. Capital Assets and Depreciation

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets with a minimum value of \$5,000 or a useful life of at least one year can be recorded as capital assets.

Capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

| <u>Description</u> | <u>Years</u> | <u>Description</u> | <u>Years</u> |
|-------------------------|--------------|-------------------------|--------------|
| Grounds Improvement | 20 | Communication Equipment | 10 |
| Buildings | 50 | Computer Hardware | 5 |
| Machinery & Tools | 15 | Audio Visual Equipment | 10 |
| Custodial Equipment | 15 | Athletic Equipment | 10 |
| Furniture & Accessories | 20 | Fire Trucks | 15 |
| Business Machines | 10 | Vehicles | 15 |
| Copiers | 5 | | |

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheets reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows of resources of \$4,775,966 related to Pension and \$120,340 related to OPEB.

In addition to liabilities, the statement of net position and balance sheets reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents-an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as inflow of resources (revenue) until that time. The District has deferred inflows of resources of \$7,760,026 related to Pension and \$6,963 related to OPEB.

J. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

K. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs - other than quoted prices included within level 1 - that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

NOTE 2 - CASH AND INVESTMENTS

A. Policies

California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the District's cash on deposit as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the District's name and places the District ahead of general creditors of the institution. The District has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

B. Classification

The District's investments are carried at fair value as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value monthly, and it includes the effects of these adjustments in income for that fiscal year.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - CASH AND INVESTMENTS - CONT'D

Cash and investments were as follows at June 30, 2021:

Unrestricted cash and investments:

| | |
|---|------------------|
| Cash deposits with the County | \$ 4,152,087 |
| Petty cash | 400 |
| Cash in transit | 26,274 |
| LAIF | <u>2,135,995</u> |
| Total unrestricted cash and investments | <u>6,314,756</u> |

Restricted cash and investments:

| | |
|---|---------------|
| Cash in bank - held by Kansas State Bank of Manhattan | <u>88,173</u> |
| Total restricted cash and investments | <u>88,173</u> |

| | |
|----------------------------|----------------------------|
| Total cash and investments | <u><u>\$ 6,402,929</u></u> |
|----------------------------|----------------------------|

C. Investment in County Treasury

The District is considered to be a voluntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements in cash and cash equivalents at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

D. Local Agency Investment Fund (LAIF)

At June 30, 2021, the District had \$2,135,995 invested in LAIF. The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The District's investments with LAIF at June 30, 2021, include a portion of the pool funds invested in structured notes and asset-backed securities. These investments matured in an average of 193 days.

E. Fair Value Hierarchy

GASB Statement No. 72, fair Value Measurement and Application, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). However, the investments in an external investment pool are not subject to reporting within the level hierarchy.

The California Local Agency Investment Fund is valued using the fair value factor provided by the Treasurer of the State of California, which is calculated as the fair value divided by the amortized cost of the investment pool. Fair value is defined as the quoted market value on the last trading day of the period. As of June 30, 2021, the aforementioned fair value factor was 0.99813.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - CAPITAL ASSETS

| | <u>Balance</u> <u>June 30, 2020</u> | <u>Additions</u> | <u>Balance</u> <u>June 30, 2021</u> |
|---|--|---------------------|--|
| Governmental Activities: | | | |
| Capital assets not being depreciated: | | | |
| Land | \$ 7,437 | \$ - | \$ 7,437 |
| Total capital assets not being depreciated | <u>7,437</u> | <u>-</u> | <u>7,437</u> |
| Capital assets being depreciated: | | | |
| Structures and improvements | 1,096,448 | - | 1,096,448 |
| Equipment and vehicles | <u>5,592,724</u> | <u>2,346,041</u> | <u>7,938,765</u> |
| Total capital assets being depreciated | <u>6,689,172</u> | <u>2,346,041</u> | <u>9,035,213</u> |
| Less accumulated depreciation: | | | |
| Structures and improvements | (499,618) | (21,929) | (521,547) |
| Equipment and vehicles | <u>(4,479,314)</u> | <u>(242,967)</u> | <u>(4,722,281)</u> |
| Total accumulated depreciation | <u>(4,978,932)</u> | <u>(264,896)</u> | <u>(5,243,828)</u> |
| Total capital assets being depreciated, net | <u>1,710,240</u> | <u>2,081,145</u> | <u>3,791,385</u> |
| Total capital assets, net | <u>\$ 1,717,677</u> | <u>\$ 2,081,145</u> | <u>\$ 3,798,822</u> |

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - LINE OF CREDIT

On October 9, 2012, the District entered into a Government Obligation Contract (line of credit) with Kansas State Bank of Manhattan (Bank) to borrow \$703,500 for the purchase of one rescue pumper and three command vehicles. The remaining principal and interest (3.1% per year) is payable annually over the next ten years, maturing on October 15, 2021, and are payable from general District revenues.

During fiscal year 2021, the District paid \$75,669 in principal payments. As of June 30, 2021, the District maintained funds held in an escrow account held by the Bank, shown on the Statement of Net Position and Balance Sheet as "restricted cash" in the amount of \$88,173.

The lines of credit mature as follows:

| <u>Year ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|------------------|-----------------|------------------|
| 2022 | \$ 76,954 | \$ 2,386 | \$ 79,340 |
| | <u>\$ 76,954</u> | <u>\$ 2,386</u> | <u>\$ 79,340</u> |

NOTE 5 - NET POSITION AND FUND BALANCES

Net Position is on the full accrual basis while Fund Balances are measured on the modified accrual basis.

A. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - NET POSITION AND FUND BALANCES - CONT'D

B. Fund Balance

The District's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the District to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the District prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the Board of Directors which may be altered only by formal action of the Board of Directors. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Board of Directors or its designee and may be changed at the discretion of the Board of Directors or its designee. This category includes encumbrances; Nonspendables, when it is the District's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

NOTE 6 - PENSION PLAN

Plan Descriptions - The District participates in the Contra Costa County Employees' Retirement Association (CCCERA), a cost-sharing multiple employer defined benefit pension plan. CCCERA is governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et seq.), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures, and policies adopted by CCCERA's Board of Retirement. CCCERA is a cost-sharing multiple employer public employee retirement association whose main function is to provide service retirement, disability, death and survivor benefits to the General and Safety members employed by the County of Contra Costa. CCCERA also provides retirement benefits to the employee members for 16 other participating agencies which are members of CCCERA.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

The management of CCCERA is vested with the CCCERA Board of Retirement. The Board consists of twelve trustees. Of the twelve members, three are alternates. Four trustees are appointed by the County Board of Supervisors; four trustees (including the Safety alternate) are elected by CCCERA's active members; two trustees (including one alternate) are elected by the retired membership. Board members serve three-year terms, with the exception of the County Treasurer who is elected by the general public and serves during his tenure in office.

Benefits Provided - Benefits are based on years of credited service, equal to one year of full time employment. Members may elect service retirement at age of 50 with 10 years of service credit, age 70 regardless of service, or with thirty years of service, regardless of age.

Benefits are administered by the Board under the provision of the 1937 Act. Annual cost-of living adjustments (COLA) to retirement benefits may be granted by the Board as provided by State statutes. Services retirements are based on age, length of service and final average salary. Employees may withdraw contributions, plus interest credited, or leave them on deposit for a deferred retirement when they terminate or transfer to a reciprocal retirement system.

The plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

| | Miscellaneous | |
|--|-------------------------------------|--|
| | <u>Prior to January 1, 2013</u> | <u>On or after January 1, 2013</u> |
| Hire Date | | |
| Benefit formula | 2% @ 55 | 2.5% @ 67 |
| Benefit vesting schedule | 10 year's service | 5 year's service |
| Benefit payments | Monthly for life | Monthly for life |
| Retirement age | 50 | 52 |
| Monthly benefits, as a% of eligible compensation | 0% to 100% | 0% to 100% |
| Required employee contribution rates | 14.39% | 10.86% |
| Required employer contribution rates | 29.79% | 26.50% |

| | Safety | |
|--|-------------------------------------|--|
| | <u>Prior to January 1, 2013</u> | <u>On or after January 1, 2013</u> |
| Hire Date | | |
| Benefit formula | 2% @ 50 | 2.7% @ 57 |
| Benefit vesting schedule | 5 year's service | 5 year's service |
| Benefit payments | Monthly for life | Monthly for life |
| Retirement age | 50 | 50 |
| Monthly benefits, as a% of eligible compensation | 0% to 100% | 0% to 100% |
| Required employee contribution rates | 21.50% | 17.06% |
| Required employer contribution rates | 17.68% | 11.96% |

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the contributions recognized as part of pension expense for miscellaneous and safety plan were as follows:

| | <u>Amount</u> |
|--------------------------|---------------|
| Contributions - employer | \$ 2,168,347 |

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

| | <u>Proportionate Share of Net Pension Liability</u> |
|-----------------------------|---|
| Miscellaneous | \$ 33,779 |
| Safety | 6,561,724 |
| Total Net Pension Liability | \$ 6,595,503 |

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the plans is measured as of December 31, 2020, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

The District's proportionate share of the net pension liability for each plan as of December 31, 2014 through 2021 was as follows:

| Reporting Date for Employer under GASB 68 as of June 30 | Proportion of the Net Pension Liability | Proportionate share of Net Pension Liability | Covered- employee payroll | Proportionate share of the Net Pension Liability as a percentage of covered- employee payroll | Plan Fiduciary Net Pension as a percentage of the Total Pension Liability |
|--|--|--|---------------------------------|---|---|
| 2014 | 1.129% | \$ 16,612,346 | \$ 1,766,704 | 940.30% | 59.86% |
| 2015 | 1.129% | 13,499,212 | 2,069,510 | 652.29% | 65.89% |
| 2016 | 1.012% | 15,252,152 | 2,342,844 | 651.01% | 63.59% |
| 2017 | 1.049% | 14,693,106 | 2,241,786 | 655.42% | 66.55% |
| 2018 | 1.441% | 11,693,174 | 2,194,605 | 532.81% | 74.20% |
| 2019 | 0.820% | 11,716,980 | 2,346,256 | 499.39% | 74.46% |
| 2020 | 1.044% | 9,024,195 | 2,358,500 | 382.62% | 81.03% |
| 2021 | 1.429% | 6,595,503 | 2,499,171 | 263.91% | 86.60% |

For the year ended June 30, 2021, the District recognized a pension expense/ (income) of \$(2,275,305). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$ 2,168,347 | \$ - |
| Differences between actual and expected experience in the Total Pension Liability | 1,220,912 | (167,320) |
| Changes of assumptions or other inputs | - | (656,980) |
| Change in proportion and differences between the employer's contributions and proportionate share of contributions | 1,386,707 | (2,180,763) |
| Net differences between actual and projected earnings on pension plan investments | - | (4,754,963) |
| Total | <u>\$ 4,775,966</u> | <u>\$ (7,760,026)</u> |

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

The \$2,168,347 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30 | Annual Amortization |
|--------------------|---------------------|
| 2022 | \$ (2,154,229) |
| 2023 | (406,102) |
| 2024 | (1,998,112) |
| 2025 | (593,964) |
| Total | \$ (5,152,407) |

Actuarial Assumptions - The total pension liabilities as of December 31, 2020 that were measured by actuarial valuations as of December 31, 2019, used the following actuarial assumptions, which were based on the results of an experience study for the period from January 1, 2015 through December 31, 2017, applied to all periods included in the measurement. They are the same actuarial assumptions as those used for the December 31, 2020 funding actuarial valuation. The total pension liability determined as of December 31, 2020 also included a refinement to the Entry Age actuarial cost method calculation for active reciprocal members and was based on a recommendation made in the December 31, 2018 actuarial audit.

| | Miscellaneous | Safety |
|---------------------------------------|--|----------------------|
| Valuation Date | December 31, 2019 | December 31, 2019 |
| Measurement Date | December 31, 2020 | December 31, 2020 |
| Actuarial Cost Method | Entry-Age Normal Cost Method | |
| Actuarial Assumptions: | | |
| Discount Rate | 7.00% | 7.00% |
| Inflation Rate | 2.75% | 2.75% |
| Administrative Expenses | 1.14% of payroll (1) | 1.14% of payroll (1) |
| Real Across the Board Salary Increase | 0.50% | 0.50% |
| Projected Salary Increase | 3.75% - 15.25% (2) | 4.25% - 16.25% (2) |
| Investment Rate of Return | 7.0% (3) | 7.25% (3) |
| Mortality | RP-2014 Combined Healthy Mortality Table | |

- 1) Payroll allocated to both the employer and member based on the components of the Normal Cost rates for the employer and member.
- 2) It includes inflation at 2.75% plus real across-the-board salary increases of 0.50% plus merit and promotion increases that vary by service.
- 3) Net of pension plan investment expenses, including inflation.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of December 31, 2020. The projection of cash flows used to determine the discount rate assumed employer and employee contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer and employee contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of both December 31, 2020.

Long-Term Expected rate of Return by Asset Class - The long-term expected rate of return on pension plan investments was determined in 2019 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2020 actuarial valuations. This information will be subject to change every three years based on the results of an actuarial experience study.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------------|--------------------------|---|
| Large Cap U.S. Equity | 5 % | 5.44 % |
| Developed International Equity | 13 % | 6.54 % |
| Emerging Markets Equity | 11 % | 8.73 % |
| Short-Term Govt/Credit | 23 % | 0.84 % |
| U.S. Treasury | 3 % | 1.05 % |
| Private Equity | 8 % | 9.27 % |
| Risk Diversifying Strategies | 7 % | 3.53 % |
| Global Infrastructure | 3 % | 7.90 % |
| Private Credit | 12 % | 5.80 % |
| REIT | 1 % | 6.80 % |
| Value Add Real Estate | 5 % | 8.80 % |
| Opportunity Real Estate | 4 % | 12.00 % |
| Risk Parity | 5 % | 5.80 % |
| Total | <u>100 %</u> | |

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for each Plan, as of December 31, 2020, calculated using the discount rate of 7.00% for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

| | <u>Miscellaneous</u> | <u>Safety</u> | |
|-----------------------|----------------------|---------------|--|
| 1% Decrease | 6.00 % | 6.00 % | |
| Net Pension Liability | \$ 63,338 | \$ 13,080,632 | |
| | | | |
| Current Discount Rate | 7.00 % | 7.00 % | |
| Net Pension Liability | \$ 33,779 | \$ 6,561,724 | |
| | | | |
| 1% Increase | 8.00 % | 8.00 % | |
| Net Pension Liability | \$ 6,288 | \$ 1,221,482 | |

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CCCERA financial reports.

NOTE 7 - EMPLOYEE BENEFIT PLANS

A. Deferred Compensation Plan

District employees may defer a portion of their compensation under a District sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plans.

The laws governing deferred compensation plan assets require plan assets to be held in a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the District's property, are not managed by the District and are not subject to claims by general creditors of the District, they have been excluded from these financial statements.

B. Other Post-Employment benefits (OPEB)

At June 30, 2021, net OPEB liability and related deferred outflows/inflows of resources are as follows:

| | |
|--------------------------------|----------------|
| Deferred outflows of resources | \$ 120,340 |
| Net OPEB Liability | \$ (3,698,812) |
| Deferred inflows of resources | \$ (6,963) |

Plan Description

The District provides 50% of postretirement health care benefits to full time employees who retire directly from the District after attaining the age of 50 with 10 years of service, with an increase of 5% for every year of service exceeding 10 years of service. After 20 years of service the District provides 100% of postretirement health care benefits.

**RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 - EMPLOYEE BENEFIT PLANS - CONT'D

The District is a participant of the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single employer plans. This trust is not considered a component unit of the District and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Eligibility

In order to qualify for postemployment medical benefits, an employee must retire from the District and maintain enrollment in one of District's eligible health plans. The District pays 100% of the medical premium for the retiree, spouse and dependents. At age 65, the District pays the Senior Advantage (Medicare eligible) or Medicare (Non-Medicare eligible) costs, and for those retirees out of the Kaiser area, the District pays up to what it would have paid capped at the actual premium.

Description of Retiree Benefits

| | Safety | Miscellaneous |
|------------------------|----------------------------|----------------------------|
| 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 |

As of June 30, 2021, membership of the District as of the valuation date consisted of the following:

| | |
|---|------------------|
| Inactive Employees Receiving Benefit Payments | 23 |
| Participating Active Employees | <u>20</u> |
| Total Number of Participants | <u><u>43</u></u> |

Funding Policy and Actuarial Assumptions

The District's policy, according to Ordinance No. 2-08, is to fund the Annual Required Contribution (ARC) of these benefits by accumulating assets with CERBT discussed above pursuant to the District's annual budget approved by Board. Effective October 1, 2011, represented employees were to make non-refundable contributions to CERBT equivalent to 3.75% of the base salary. The annual required contribution (ARC) was determined as part of a June 30, 2017 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued.

Additional Information

The District's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - EMPLOYEE BENEFIT PLANS - CONT'D

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|----------------------------|---|
| Actuarial method | Entry age actuarial cost method |
| Discount rate | 7.00% |
| Inflation | 2.63% per year used for pension purposes. |
| Payroll increase | 2.75% per year. |
| Investment rate of return | 7.00% per year, net of expenses. |
| Mortality rates | 2014 CalPERS Mortality for Miscellaneous Employees, Retired Safety Employees, Active Safety Employees |
| Healthcare cost trend rate | 4.00% per year for medical benefits |

Discount Rate

The discount rate used to measure the total OPEB Liability was 7.00%. Based on historic 24 year real rates of return for each asset class along with assumed long-term inflation assumption was used to set the discount rate. The expected investment return was offset by investment expenses of 13 basis points.

The assumed asset allocation and assumed rate of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Percentage of Portfolio</u> | <u>Assumed Gross Return</u> |
|---|--------------------------------|-----------------------------|
| All Equities | 59 % | 7.675 % |
| All Fixed Income | 25 % | 4.380 % |
| Real Estate Investment Trusts | 8 % | 7.380 % |
| All Commodities | 3 % | 7.675 % |
| Treasury Inflation Protected Securities | 5 % | 3.130 % |

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - EMPLOYEE BENEFIT PLANS - CONT'D

Change in the Net OPEB Liability

| | Increase (Decrease) | | |
|---|--------------------------------|---------------------------------------|--|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (c) = (a) - (b) |
| Balance at June 30, 2019 Measurement Date | \$ 5,800,020 | \$ 2,053,555 | \$ 3,746,465 |
| Changes Recognized for year: | | | |
| Service Cost | 80,902 | - | 80,902 |
| Interest on Total OPEB Liability/ Return on FNP | 397,342 | 75,615 | 321,727 |
| Employer Contributions | - | 451,306 | (451,306) |
| Employee Contributions to Trust | - | - | - |
| Assumption Changes | - | - | - |
| Expected Investment Income | - | - | - |
| Investment Gains/ Losses | - | - | - |
| Administrative Expense | - | (1,024) | 1,024 |
| Benefit Payments | (328,327) | (328,327) | - |
| Experience (Gains)/Losses | - | - | - |
| Other | - | - | - |
| Net changes | <u>149,917</u> | <u>197,570</u> | <u>(47,653)</u> |
| Balance at June 30, 2020 Measurement Date | <u>\$ 5,949,937</u> | <u>\$ 2,251,125</u> | <u>\$ 3,698,812</u> |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher are as follows:

| Plan's Net OPEB Liability | | |
|---------------------------|-----------------------|-------------------|
| Discount Rate - 1% | Current Discount Rate | Discount Rate +1% |
| \$ 4,404,613 | \$ 3,698,812 | \$ 3,115,113 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates are as follows:

| Plan's Net OPEB Liability | | |
|---------------------------|--------------------|----------------|
| Trend Rate - 1% | Current Trend Rate | Trend Rate +1% |
| \$ 3,048,364 | \$ 3,698,812 | \$ 4,471,011 |

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - EMPLOYEE BENEFIT PLANS - CONT'D

OPEB Income/ Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the District recognized OPEB income of \$92,662. At June 30, 2021, the District reported deferred inflows of resources of \$6,963 and deferred outflows of resources of \$120,340 from the following sources.

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Difference between expected and actual experience | \$ 52,958 | \$ - |
| Difference between projected and actual return on assets | <u>67,382</u> | <u>(6,963)</u> |
| Total | <u>\$ 120,340</u> | <u>\$ (6,963)</u> |

The balances as of June 30, 2021 of the deferred outflows/ (inflows) of resources will be recognized in OPEB expense for the year ending June 30, as follows:

| <u>Year Ended June 30,</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|----------------------------|---|--|
| 2022 | \$ 30,876 | \$ (3,483) |
| 2023 | 30,876 | (3,480) |
| 2024 | 30,872 | - |
| 2025 | 27,716 | - |
| 2026 | - | - |
| Thereafter | - | - |
| | <u>\$ 120,340</u> | <u>\$ (6,963)</u> |

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 - RISK MANAGEMENT

The Contra Costa County Fire District Insurance Pool arranges for and provides public liability, property damage and self-insurance between the county, its special districts and independent county fire protection districts. A summary of the District's insurance is as follows:

| <u>Coverage</u> | <u>Insurance Company/ Risk Pool</u> | <u>Limit of Liability</u> | <u>Deductible/ SIR</u> |
|--------------------------------|---|---|---|
| Workers' Compensation | FASIS | \$5,000,000 | \$ 0 |
| Excess Worker Compensation | FASIS | 5,000,000 | 500,000 |
| All Risk Property | CSAC | 550,000,000 (flood) 600,000,000 (property) | 100,000 (flood) 500 disappearing (aop) |
| Earthquake | CSAC | 715,000,000 | 2% per "unit" \$100,000 minimum |
| Boiler & Machinery | CSAC | 100,000,000 | 5,000 |
| Sabotage & Terrorism | CSAC | 200,000,000 | 500,000 |
| General & Automobile Liability | CSAC | 50,000,000 | None |
| Pollution Liability | CSAC | 10,000,000 | 500,000 |
| Crime - Forgery or Alteration | Fidelity | 250,000 | 2,500 |
| Crime - all other | Fidelity | 5,000,000 | 2,500 |

CSAC is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of CSAC, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. The Fire Agencies Self Insurance System (FASIS) arranges for and provides worker's compensation insurance for independent fire protection districts.

The District did not have any claim settlements that exceed the insurance coverage in the last three years.

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The District is named as a real party in interest in the Contra Costa County Deputy Sheriffs Association v. Contra Costa County Employees' Retirement Association, et al., Contra Costa County Superior Court, Case No. N12-1870. As one of several employers of employees who are members of the Contra Costa County Employees' Retirement Association (CCCERA), the District's interests are aligned with the other public entity defendants who have employee members in the case, such that the District is waiting for a decision as to how, when and where to pay (or not) retiree benefits. The California Attorney General on behalf of the State has intervened in the case and is defending the constitutionality of the Public Employee Pension Reform Act (PEPRA), which amongst other legislation curtailed the ability of employees to spike their pensions through accumulation of sick and leave time, which the District must by law pay anyway. Because of the State's intervention, the District is not taking an active role in the defense of the case because the issues hinge primarily on the constitutionality of the Act, preferring instead to monitor the litigation as the constitutionality of the Act comes into issue before determining what effects, if any, a decision or order will have on its affected CCCERA member employees. The case is currently up on an appeal brought by the petitioners. The District is not joining in, nor will it file its own response to the appeal. The District continues to take a wait and see approach to see how the case is decided at the appellate level, especially since, as a real party in interest, it will be bound similarly to most of the other real parties in interest who have employees that are members of CCCERA. At this point, the likelihood of an unfavorable outcome is uncertain, and the amount that is at risk of loss is uncertain.

NOTE 10 - LONG-TERM DEBT

On July 6, 2020, the District entered into an installment sale agreement with West America Bank as assignee of Municipal Finance Corporation. On September 3, 2020, West America Bank provided financing in the initial amount of \$2,220,588 to pay for the cost of the Fire Truck. On July 15, 2021, West America Bank provided supplemental financing of \$125,454. The annual payments (principal and interest) are \$199,087 with interest accruing at 3.20%. The repayment begins on September 3, 2021 and matures on September 3, 2035.

The debt service payments are as follows:

| <u>Year ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|-------------------|---------------------|
| 2022 | \$ 127,493 | \$ 71,594 | \$ 199,087 |
| 2023 | 128,093 | 70,994 | 199,087 |
| 2024 | 132,193 | 66,894 | 199,087 |
| 2025 | 136,423 | 62,664 | 199,087 |
| 2026 | 140,788 | 58,299 | 199,087 |
| 2027-2031 | 774,473 | 220,962 | 995,435 |
| 2032-2036 | <u>906,578</u> | <u>88,858</u> | <u>995,436</u> |
| | <u>\$ 2,346,041</u> | <u>\$ 640,265</u> | <u>\$ 2,986,306</u> |

RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - SUBSEQUENT EVENTS

The management of District reviewed the results of operations for the period of time from its year end June 30, 2021 through December 01, 2021, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred other than already mentioned, the nature of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

RODEO - HERCULES FIRE PROTECTION DISTRICT
COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT RETIREMENT PLAN
AS OF FISCAL YEAR ENDING JUNE 30, 2021
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|-------------------|---------------------|---------------------|---------------------|--------------------|
| Service Cost | \$ 3,450,254 | \$ 2,439,330 | \$ 1,894,884 | \$ 3,083,283 | \$ 2,141,354 |
| Interest on the Total Pension Liability | 10,169,614 | 7,099,900 | 5,321,373 | 8,888,146 | 6,253,767 |
| Expensed portion of current-period changes in proportion and difference between employer's contributions and proportionate share of contributions | 275,751 | 50,959 | (1,389,022) | 520,596 | (138,010) |
| Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability | (32,486) | 278,874 | 94,824 | (94,543) | (46,136) |
| Expensed portion of current-period changes of assumptions or other inputs | (57,067) | - | (167,185) | - | - |
| Member contributions | (1,641,387) | (1,143,288) | (856,396) | (1,401,275) | (937,982) |
| Projected earnings on plan investments | (9,282,342) | (5,952,454) | (4,812,359) | (7,491,678) | (5,147,268) |
| Expensed portion of current-period differences between actual and projected earnings on plan investments | (681,478) | (1,256,254) | 1,282,993 | (1,349,724) | (14,034) |
| Administrative expense | 155,464 | 107,497 | 77,227 | 132,858 | 89,654 |
| Other Expenses | 16,421 | 11,696 | 30,038 | 17,675 | (94,310) |
| Recognition of beginning of year deferred outflows of resources as pension expense | 2,791,886 | 2,742,951 | 838,375 | 1,472,409 | (595,247) |
| Recognition of beginning of year deferred inflows of resources as pension expense | (3,509,465) | (1,396,140) | - | - | - |
| Net amortization of deferred amounts from Changes in proportion and differences between employer's contribution and proportionate share of contribution | <u>(896,132)</u> | <u>(1,313,432)</u> | <u>(514,333)</u> | <u>(1,239,294)</u> | <u>(1,101,284)</u> |
| Net change in total pension liability | <u>\$ 759,033</u> | <u>\$ 1,669,639</u> | <u>\$ 1,800,419</u> | <u>\$ 2,538,453</u> | <u>\$ 410,504</u> |

RODEO - HERCULES FIRE PROTECTION DISTRICT
COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT RETIREMENT PLAN
AS OF FISCAL YEAR ENDING JUNE 30, 2021
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

| | <u>2016</u> | <u>2015</u> |
|---|---------------------|---------------------|
| Service Cost | \$ 1,952,386 | \$ 2,170,536 |
| Interest on the Total Pension Liability | 5,893,314 | 6,336,010 |
| Expensed portion of current-period changes in proportion and difference between employer's contributions and proportionate share of contributions | (590,374) | (510,910) |
| Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability | (139,078) | (450,621) |
| Expensed portion of current-period changes of assumptions or other inputs | 161,621 | (186) |
| Member contributions | (863,851) | (883,512) |
| Projected earnings on plan investments | (5,065,803) | (5,273,953) |
| Expensed portion of current-period differences between actual and projected earnings on plan investments | 864,172 | (30,163) |
| Administrative expense | 82,128 | 78,803 |
| Other Expenses | 6,764 | - |
| Recognition of beginning of year deferred outflows of resources as pension expense | (431,135) | - |
| Recognition of beginning of year deferred inflows of resources as pension expense | - | - |
| Net amortization of deferred amounts from Changes in proportion and differences between employer's contribution and proportionate share of contribution | <u>(510,910)</u> | <u>-</u> |
| Net change in total pension liability | <u>\$ 1,359,234</u> | <u>\$ 1,436,004</u> |

RODEO - HERCULES FIRE PROTECTION DISTRICT
COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT RETIREMENT PLAN
AS OF FISCAL YEAR ENDING JUNE 30, 2021
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Reconciliation of Net Pension Liability | | | | | |
| Beginning Net Pension Liability | \$ 9,024,195 | \$11,716,980 | \$11,693,174 | \$14,693,106 | \$15,252,152 |
| Pension expense | 759,033 | 1,669,639 | 597,033 | 1,637,240 | 1,481,331 |
| Employer contributions | (2,168,347) | (1,302,356) | (3,010,225) | (2,111,707) | (2,058,096) |
| Net deferred inflows/outflows | (3,036,659) | (4,046,167) | 4,873,645 | (5,737,357) | (220,843) |
| Net deferred outflows due to change in proportion | <u>2,017,281</u> | <u>986,099</u> | <u>(2,436,647)</u> | <u>3,211,892</u> | <u>238,562</u> |
| Net pension liability - ending | <u>\$ 6,595,503</u> | <u>\$ 9,024,195</u> | <u>\$11,716,980</u> | <u>\$11,693,174</u> | <u>\$14,693,106</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 81.06 % | 81.06 % | 74.20 % | 74.20 % | 66.55 % |
| Covered - employee payroll | \$ 2,499,171 | \$ 2,358,500 | \$ 2,346,256 | \$ 2,194,605 | \$ 2,241,786 |
| Net pension liability as percentage of covered employee payroll | 263.91 % | 382.62 % | 499.39 % | 532.81 % | 655.42 % |

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

RODEO - HERCULES FIRE PROTECTION DISTRICT
COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT RETIREMENT PLAN
AS OF FISCAL YEAR ENDING JUNE 30, 2021
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

| | <u>2016</u> | <u>2015</u> |
|--|----------------------------|----------------------------|
| Reconciliation of Net Pension Liability | | |
| Beginning Net Pension Liability | \$13,499,212 | \$16,612,346 |
| Pension expense | 1,359,234 | 1,436,004 |
| Employer contributions | (2,186,912) | (966,307) |
| Net deferred inflows/outflows | 3,536,036 | (1,743,556) |
| Net deferred outflows due to change in proportion | <u>(955,418)</u> | <u>(1,839,275)</u> |
| Net pension liability - ending | <u><u>\$15,252,152</u></u> | <u><u>\$13,499,212</u></u> |
| Plan fiduciary net position as a percentage of the total pension liability | 63.59 % | 65.89 % |
| Covered - employee payroll | \$ 2,342,844 | \$ 2,069,510 |
| Net pension liability as percentage of covered employee payroll | 651.01 % | 652.29 % |

RODEO - HERCULES FIRE PROTECTION DISTRICT
COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT RETIREMENT PLAN
AS OF FISCAL YEAR ENDING JUNE 30, 2021
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 2,168,347 | \$ 1,302,356 | \$ 2,152,307 | \$ 2,058,096 | \$ 2,058,096 |
| Contributions in relation to the actuarially determined contributions | <u>2,168,347</u> | <u>1,302,356</u> | <u>2,152,307</u> | <u>2,058,096</u> | <u>2,058,096</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 2,499,171 | \$ 2,358,500 | \$ 2,346,256 | \$ 2,194,605 | \$ 2,241,786 |
| Contributions as a percentage of covered employee payroll | 86.76 % | 55.22 % | 91.73 % | 93.78 % | 91.81 % |

Notes to Schedule

Measurement date: 12/31/2020 12/31/2019 12/31/2018 12/31/2017 12/31/2016

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry age |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 8 years |
| Asset valuation method | 5-year semi-annually |
| Inflation | 2.75% |
| Salary increases | 4.00% - 13.75% |
| Investment rate of return | 7.00%, net of pension plan investment expense, including inflation |
| Retirement age | 50 years Classic, 52 years PEPRA |
| Mortality | RP-2014 Combined Healthy Mortality Table with setbacks and forwards |

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

RODEO - HERCULES FIRE PROTECTION DISTRICT
COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT RETIREMENT PLAN
AS OF FISCAL YEAR ENDING JUNE 30, 2021
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

| | <u>2016</u> | <u>2015</u> |
|--|------------------|----------------|
| Actuarially determined contribution | \$ 2,186,912 | \$ 966,307 |
| Contributions in relation to the actuarially determined contributions | <u>2,186,912</u> | <u>966,307</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 2,342,844 | \$ 2,069,510 |
| Contributions as a percentage of covered employee payroll | 93.34 % | 46.69 % |
| Notes to Schedule | | |
| Measurement date: | 12/31/2015 | 12/31/2014 |

RODEO - HERCULES FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

| | | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| Valuation Date | June 30, 2019 | June 30, 2019 | June 30, 2017 | June 30, 2017 |
| Measurement Date | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |
| Fiscal Year End Date | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 |
| Net OPEB Liability, beginning balance | \$ 3,746,465 | \$ 3,689,016 | \$ 3,697,183 | \$ 3,434,798 |
| Changes Recognized for year: | | | | |
| Service Cost | 80,902 | 108,352 | 105,452 | 102,630 |
| Interest on Total OPEB Liability | 321,727 | 380,908 | 369,599 | 349,483 |
| Employer Contributions as Benefit Payments | (451,306) | (312,076) | (348,218) | (29,082) |
| Employee Contributions to Trust | - | (82,665) | - | - |
| Assumption Changes | - | - | - | - |
| Expected Investment Income | - | (132,686) | (119,183) | (162,001) |
| Investment Gains/ Losses | - | 15,771 | (17,412) | - |
| Administrative Expense | 1,024 | 407 | 3,152 | 1,355 |
| Expected Benefit Payments from Employers | - | - | - | - |
| Experience (Gains)/ Losses | - | 79,438 | - | - |
| Other | - | - | (1,557) | - |
| Net changes during the period | <u>(47,653)</u> | <u>57,449</u> | <u>(8,167)</u> | <u>262,385</u> |
| Net OPEB liability, ending balance | <u>\$ 3,698,812</u> | <u>\$ 3,746,465</u> | <u>\$ 3,689,016</u> | <u>\$ 3,697,183</u> |

* GASB 75 requires presentation of the 10 year history of changes in the Net OPEB Liability. Fiscal year 2018 was the 1st year of implementation, therefore only four years are shown.

**RODEO - HERCULES FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN**

Actuarial Assumptions

The net OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|----------------------------|---|
| Valuation date | June 30, 2019 |
| Measurement date | June 30, 2020 |
| Actuarial method | Entry age actuarial cost method |
| Discount rate | 7.00% |
| Inflation | 2.63% per year used for pension purposes. |
| Payroll increase | 2.75% per year. |
| Investment rate of return | 7.00% per year, net of expenses. |
| Mortality rates | 2014 CalPERS Mortality for Miscellaneous Employees, Retired Safety Employees, Active Safety Employees |
| Healthcare cost trend rate | 4.00% per year for medical benefits |

RODEO - HERCULES FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|--------------|--------------|-------------------------------|
| | Original | Final | Amounts | Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 4,156,304 | \$ 4,156,304 | \$ 4,159,060 | \$ 2,756 |
| Home owner property tax relief | 29,956 | 29,956 | 28,655 | (1,301) |
| Intergovernmental revenue | 375,000 | 375,000 | 469,725 | 94,725 |
| Charges for services | 140,592 | 140,592 | 114,979 | (25,613) |
| Special Tax/Fire (Benefit Assessment) | 1,347,040 | 1,347,040 | 1,361,248 | 14,208 |
| Use of money and property | 12,296 | 12,296 | 10,007 | (2,289) |
| Miscellaneous | 23,109 | 23,109 | 417 | (22,692) |
| Total Revenues | 6,084,297 | 6,084,297 | 6,144,091 | 59,794 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety-fire protection | 5,417,572 | 5,417,572 | 5,132,080 | 285,492 |
| Total Expenditures | 5,417,572 | 5,417,572 | 5,132,080 | 285,492 |
| <i>Excess (deficiency) of revenues over expenditures</i> | 666,725 | 666,725 | 1,012,011 | 345,286 |
| OTHER FINANCING SOURCES/USES: | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (80,400) | (80,400) |
| Total Other Financing Sources/Uses | - | - | (80,400) | (80,400) |
| Net change in fund balances | \$ 666,725 | \$ 666,725 | 931,611 | \$ 264,886 |
| Fund balances, beginning of year | | | 3,848,174 | |
| Fund balances, end of year | | | \$ 4,779,785 | |

RODEO - HERCULES FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS #1 FUND
FOR THE YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 857 | \$ 857 |
| Total Revenues | - | - | 857 | 857 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety-fire protection | - | - | 4 | (4) |
| Total Expenditures | - | - | 4 | (4) |
| <i>Excess (deficiency) of revenues over expenditures</i> | - | - | 853 | 853 |
| Net change in fund balances | \$ - | \$ - | 853 | \$ 853 |
| Fund balances, beginning of year | | | 114,224 | |
| Fund balances, end of year | | | \$ 115,077 | |

RODEO - HERCULES FIRE PROTECTION DISTRICT

HERCULES, CALIFORNIA

MEASURE O REPORT

JUNE 30, 2021



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

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

Report on Financial Statements

We have performed the procedures enumerated below, which were agreed to by the Rodeo - Hercules Fire Protection District's management, on the Rodeo - Hercules Fire Protection District's (the "District") Measure O - Special Tax revenues received and expenditures made by the District for the fiscal year ended June 30, 2021. The District's management is responsible for the receipt of Measure O - Special Tax revenues and deposit of such proceeds into the District's Measure O - Special Tax Revenue Fund and use it solely for any lawful purpose permissible to the District as instructed in Ordinance 2016-1. The sufficiency of these procedures is solely the responsibility of the District's management. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

PROCEDURES:

The procedures performed and findings are listed below:

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

| | |
|---|--------------------------|
| Revenues: | |
| Measure O - Special Tax Revenue | \$ 2,502,195 |
| Expenditures: | |
| Group Insurance Health Active Employees | 517,433 |
| Group Insurance - Retiree | 303,323 |
| Unfunded Actuarial Accrued Liability Payments | 1,639,704 |
| County Collection Fee | <u>9,743</u> |
| Total Expenditures | <u>2,470,203</u> |
| Net Change in Measure O Funds | 31,992 |
| Available Measure O Funds, Beginning | <u>802,155</u> |
| Available Measure O Funds, Ending | <u><u>\$ 834,147</u></u> |

The District received the Measure O Parcel tax funds mostly in October 2020. During fiscal year 2020-21, funds were used as follows:

Group Insurance Active Employees - The District transferred a total of \$517,433 from the Measure O Fund to the General Fund through a County Interfund transfer to cover Group Insurance of active employees through June 30, 2021. Detail of insurance paid through Measure O Fund resources were as follows:

Group Insurance Active Employees Paid through General Fund:

| | | |
|----------------|----|----------------|
| July 2020 | \$ | 35,359 |
| August 2020 | | 33,608 |
| September 2020 | | 34,578 |
| October 2020 | | 32,672 |
| November 2020 | | 35,348 |
| December 2020 | | 37,762 |
| January 2021 | | 43,231 |
| February 2021 | | 40,916 |
| March 2021 | | 39,328 |
| April 2021 | | 40,260 |
| May 2021 | | 39,953 |
| June 2021 | | 104,418 |
| | | <u>104,418</u> |
| | \$ | <u>517,433</u> |

Group Insurance - Retiree - The District transferred a total of \$303,323 from the Measure O Fund to the General Fund through a County Interfund transfer to cover Group Insurance Retiree through June 30, 2021. Detail of insurance paid through Measure O Fund resources were as follows:

Group Insurance - Retiree Paid through General Fund:

| | | |
|----------------|----|----------------|
| July 2020 | \$ | 25,405 |
| August 2020 | | 24,888 |
| September 2020 | | 25,398 |
| October 2020 | | 25,174 |
| November 2020 | | 24,936 |
| December 2020 | | 24,171 |
| January 2021 | | 25,321 |
| February 2021 | | 25,860 |
| March 2021 | | 25,543 |
| April 2021 | | 25,860 |
| May 2021 | | 25,225 |
| June 2021 | | 25,542 |
| | | <u>25,542</u> |
| | \$ | <u>303,323</u> |

Unfunded Actuarial Accrued Liability Payments - The District transferred a total of \$1,639,704 from the Measure O Fund to the General Fund through a County Interfund transfer to cover the District's Unfunded Actuarial Accrued Liability to Contra Costa County Employee's Retirement Association in November 2020.

County Collection Fees - Contra Costa County assesses fees to levy assessments and taxes. Charges for the Measure O Levy totaled \$9,743, which was paid using Measure O Fund resources.

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

FINDINGS:

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

This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's Measure O - Special Tax revenues received and expenditures made by the District for the fiscal year ended June 30, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Harshmal & Company LLP

Oakland, California
January 11, 2022

RODEO-HERCULES FIRE PROTECTION FIRE DISTRICT

MEMORANDUM

TO: Board of Directors, RODEO HERCULES FIRE PROTECTION FIRE DISTRICT

FROM: Darren Johnson, ACTING FIRE CHIEF

DATE: March 9, 2022

RE: Recruitment and Retention Budget Allocation Request

BACKGROUND:

The Board previously received an update regarding the District's recruitment and retention efforts and challenges. Since then, the District posted a recruitment flyer for entry level firefighters and firefighter/paramedics, conducted oral boards and reviewed the results.

Since the February board meeting, the District has received three resignation notices, effective mid-late March. These resignations, in addition to one service retirement will create two vacancies in our Paramedic ranks. In anticipation of two service retirements in March, and five anticipated separations around the same time, the District offered conditional employment letters to five potential recruits; four of those potential recruits began their employment with the District on March 1st. During our hiring process we were unable to hire paramedics due to the lack of paramedic applicants. We are in the process of interviewing for paramedics, and anticipate a start date of May 1, 2022.

At the February board meeting, the Board approved a budget allocation for a Captain's Promotional exam. Prior to the exam, candidates will be invited to participate in a training program to prepare for the exam. Staff is requesting approval to participate in this program.

FISCAL IMPACT:

The District anticipates a cost of \$6,500 for this program.

RECOMMENDATION:

It is recommended that the Board approve a budget allocation in the 2021-22 budget of \$6,500 for the program

**Rodeo Hercules Fire
Protection District
MEMORANDUM**

To: BOARD of DIRECTORS, Rodeo Hercules Fire District
From: Darren Johnson, Acting Fire Chief *DJ*
Subject: FIRE CHIEF'S REPORT
Date: March 9, 2022

CCCERA: Contra Costa County Employees Retirement Association- Additional information regarding *Alameda County Deputy Sheriff's Assoc. et al., v. Alameda County Employees' Retirement Assn., et al.*, and referred to as the *Alameda* decision was on the agenda for discussion at the September 8 CCCERA Board meeting. The determinations made during that meeting are as follows: The Board of Retirement considered the issues of member contributions and retirement benefit adjustments in connection with elements of pay no longer pensionable under AB 197 and the *Alameda* decision. The Board adopted Resolution 2021-5 that authorizes the following actions in compliance with the *Alameda* decision and applicable state and federal law:

- 1) Determine all member contributions attributable to excluded Terminal Pay Items and On-Call Pay Items made on and after July 12, 2014, and credit or refund all such contributions, with appropriate interest, to the affected members, in a manner that complies with applicable federal tax rules and California law.
- 2) Determine all overpayments of benefits made to retired members due to excluded Estoppel Benefits and On-Call Pay Items since July 12, 2014, and recover those overpayments from the affected members, with appropriate interest, net of any contributions made on and after July 12, 2014, attributable to such excluded items, in a manner that complies with applicable federal tax rules and California law.
- 3) Determine appropriate adjustments to the future retirement benefits paid to affected members in Item 2 above and implement those adjustments at the earliest practicable time.

The above actions will commence upon the final resolution of the three AB 197 lawsuits involving CCCERA. **NO Updates.** **Reporting:** Acting Chief Johnson

Labor Relations – Personnel – Current MOU expires June 30th. Contract negotiations will begin in mid-March.

No personnel off for covid 19 currently

Reporting: Acting Chief Johnson

Fire Stations/Training Facility

Multi-company training has been resumed with all Battalion 7 Units

Probationary employees are continuing their training and Task Book signoffs.

Reporting: Acting Chief Johnson

Facilities- Kitchen remodeling contractor employed by the Fire District has decided not to move forward with the kitchen remodels. We have a few names for new contractors and will be reaching out. The remodeling project will improve the environment of the interior of the fire stations with a focus on ease of decontamination. These projects are reflected in the 2021/22 budget.

Reporting: Acting Chief Johnson

Grants/Reimbursements – The Fire District and other agencies have received reimbursements for personnel costs associated with the vaccination clinic hosted by the district.

Reporting: Acting Chief Johnson

Incident Activity- The crews along with Battalion 7 units responded for a structure fire in the city of Hercules. The vacant Mcleod Ranch was involved. No injuries were reported. The cause was undetermined.

Reporting: Acting Chief Johnson

Community Risk Reduction – Company conducted business inspections are currently on hold, with a plan to resume engine company business inspection in June. The district’s website is continually updated with relevant community information as well as information about the Fire District. The Fire District encourages community members to visit rhfd.org for updates.

Reporting: Acting Chief Johnson

Community /Wildfire Prevention – New guidance for wildfire prevention as well as weed abatement reminders will be distributed to homeowners in April of 2022.

Reporting: Acting Chief Johnson

Fleet Management –One apparatus is in the shop for annual service and repairs.

Reporting: Acting Chief Johnson

Fiscal Stabilization – Staff continues to monitor the current Fiscal Year budget.

Reporting: Acting Chief Johnson

Community Activities –**Attended** Phillips 66 Community Advisory Panel, Rodeo Municipal Advisory Panel, Hercules Rotary, and Hercules Planning commission meeting.

Reporting: Acting Chief Johnson

Commendations/Awards/Notables – As covid restrictions are being lifted, staff will look at schedule badge pinning and service awards.

Reporting: Acting Chief Johnson

New Development – Fire District staff continue to meet and provide guidance to developers on various projects throughout the Fire District. Written conditions of approval for upcoming projects were issued to; Phillips 66 Solar Project, Sycamore Crossing, and Franklin Canyon RV Park. The Fire District provided comment to the EIR for Phillip 66 Renewable Energy Project. Additional businesses coming are, an additional senior housing complex on Willow Ave next to the current complex in Hercules, multi-family housing live-work in Rodeo at 4th and Parker, 3 additional homes will be built on Parker Ave next to the post office in Rodeo. The storage facility on Willow Ave will be opening by April.

Reporting: Acting Chief Johnson

Incident Type Count Report

Date Range: From 2/1/2022 To 2/28/2022

Selected Station(s): All

Incident

| <u>Type</u> | <u>Description</u> | <u>Count</u> | |
|---|--------------------|--------------|----------------|
| Station: | | | |
| Incident Type is blanks | | 49 | 18.70% |
| Total - incident type left blank | | 49 | 100.00% |
| Total for Station | | 49 | 18.70% |
| Station: 75 | | | |
| 150 - Outside rubbish fire, other | | 3 | 1.15% |
| 151 - Outside rubbish, trash or waste fire | | 1 | 0.38% |
| Total - Fires | | 4 | 3.85% |
| 321 - EMS call, excluding vehicle accident with injury | | 62 | 23.66% |
| 322 - Vehicle accident with injuries | | 3 | 1.15% |
| Total - Rescue & Emergency Medical Service Incidents | | 65 | 62.50% |
| 424 - Carbon monoxide incident | | 1 | 0.38% |
| 441 - Heat from short circuit (wiring), defective/worn | | 1 | 0.38% |
| Total - Hazardous Conditions (No fire) | | 2 | 1.92% |
| 511 - Lock-out | | 1 | 0.38% |
| 522 - Water or steam leak | | 2 | 0.76% |
| 531 - Smoke or odor removal | | 2 | 0.76% |
| 553 - Public service | | 1 | 0.38% |
| 554 - Assist invalid | | 6 | 2.29% |
| Total - Service Call | | 12 | 11.54% |
| 611 - Dispatched & cancelled en route | | 15 | 5.73% |
| 622 - No incident found on arrival at dispatch address | | 1 | 0.38% |
| 6610 - EMS call cancelled | | 2 | 0.76% |
| Total - Good Intent Call | | 18 | 17.31% |
| 735 - Alarm system sounded due to malfunction | | 1 | 0.38% |
| 743 - Smoke detector activation, no fire - unintentional | | 2 | 0.76% |
| Total - Fals Alarm & False Call | | 3 | 2.88% |
| Total for Station | | 104 | 39.69% |
| Station: 76 | | | |
| 100 - Fire, other | | 1 | 0.38% |
| 111 - Building fire | | 1 | 0.38% |
| 131 - Passenger vehicle fire | | 1 | 0.38% |
| 142 - Brush, or brush and grass mixture fire | | 1 | 0.38% |
| Total - Fires | | 4 | 3.67% |
| 321 - EMS call, excluding vehicle accident with injury | | 55 | 20.99% |
| 322 - Vehicle accident with injuries | | 3 | 1.15% |
| 324 - Motor vehicle accident with no injuries | | 2 | 0.76% |
| Total - Rescue & Emergency Medical Service Incidents | | 60 | 55.05% |
| 400 - Hazardous condition, other | | 1 | 0.38% |
| 411 - Gasoline or other flammable liquid spill | | 1 | 0.38% |

Incident

| <u>Type</u> | <u>Description</u> | <u>Count</u> | |
|--|---------------------------|---------------------|----------------|
| Station: 76 - (Continued) | | | |
| Total - Hazardous Conditions (No fire) | | 2 | 1.83% |
| 500 - Service Call, other | | 1 | 0.38% |
| 511 - Lock-out | | 1 | 0.38% |
| 522 - Water or steam leak | | 1 | 0.38% |
| 531 - Smoke or odor removal | | 1 | 0.38% |
| 550 - Public service assistance, other | | 2 | 0.76% |
| 553 - Public service | | 2 | 0.76% |
| 554 - Assist invalid | | 2 | 0.76% |
| Total - Service Call | | 10 | 9.17% |
| 611 - Dispatched & cancelled en route | | 18 | 6.87% |
| 611E - EMS: Dispatched & cancelled en route | | 4 | 1.53% |
| 622 - No incident found on arrival at dispatch address | | 1 | 0.38% |
| 651 - Smoke scare, odor of smoke | | 1 | 0.38% |
| Total - Good Intent Call | | 24 | 22.02% |
| 700 - False alarm or false call, other | | 3 | 1.15% |
| 730 - System malfunction, other | | 1 | 0.38% |
| 735 - Alarm system sounded due to malfunction | | 1 | 0.38% |
| 736 - CO detector activation due to malfunction | | 1 | 0.38% |
| 740 - Unintentional transmission of alarm, other | | 1 | 0.38% |
| 743 - Smoke detector activation, no fire - unintentional | | 1 | 0.38% |
| 745 - Alarm system sounded, no fire - unintentional | | 1 | 0.38% |
| Total - Fals Alarm & False Call | | 9 | 8.26% |
| Total for Station | | 109 | 41.60% |
| | | 262 | 100.00% |