



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

**BOARD MEETING MINUTES**

September 12, 2018

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**1. CALL TO ORDER/ROLL CALL**

Directors Present: Prather, Wheeler, Gabriel, Williams, Thorpe

Directors Absent: None.

**2. PLEDGE OF ALLEGIANCE**

**3. ANNOUNCEMENTS**

**4. ADJOURN TO CLOSED SESSION**

**5. CLOSED SESSION**

**6. RECONVENE IN OPEN SESSION/CLOSED SESSION REPORT OUT**

Action Taken: No reportable action.

**7. CONFIRMATION OF AGENDA (00:27)**

Action Taken: Director Prather made a motion to remove Item 12 from Agenda; seconded by Director Thorpe.

Roll Call Vote:	Aye:	Prather, Wheeler, Williams, Thorpe
	Nay:	Gabriel
	Abstain:	None

Item 21: added e. Proposition 172 ad hoc committee (Gabriel)

Director Gabriel made a motion to confirm Agenda with changes as discussed; seconded by Director Prather.

Motion passed 5-0.

**8. BOARD CORRESPONDENCE (06:31)**

None.

## **9. PUBLIC COMMUNICATIONS (06:39)**

None.

## **10. CONSENT CALENDAR (07:09)**

Action Taken: Director Prather made a motion to move approval of Minutes to October meeting; seconded by Director Gabriel.

Motion passed 5-0.

Public Comment:

1. Patty O'Day

## **11. PUBLIC HEARING (28:38)**

Action Taken: Director Gabriel made a motion to pass Resolution 2018-1A; seconded by Director Williams.

Roll Call Vote:	Aye:	Wheeler, Williams, Thorpe, Gabriel
	Nay:	None
	Abstain:	Prather

Public Comment:

1. Paul Freese

## **12. DISCUSSION AND POSSIBLE ACTION ITEM: BOARD OF DIRECTORS CODE OF ETHICS AND CONDUCT FOR ELECTED AND APPOINTED OFFICIALS**

Item tabled..

## **13. APPROPRIATIONS LIMIT (56:50)**

Action Taken: Director Prather made a motion to approve the Appropriations Limit for 2018-19; seconded by Director Gabriel.

Roll Call Vote:	Aye:	Prather, Wheeler, Williams, Thorpe, Gabriel
	Nay:	None
	Abstain:	None

## **14. DISCUSSION ITEM: FORMATION OF MEASURE O OVERSIGHT COMMITTEE (1:00:11)**

Public Comment:

1. Paul Freese

Action Taken: Consensus regarding applicant interviews.

**15. DISCUSSION ITEM: STRIKE TEAM ACCOUNTING (1:07:08)**

No Public Comment.

Action Taken: Consensus regarding reporting of Strike Team funds.

**16. DISCUSSION ITEM: SAFER GRANT ACCOUNTING (1:36:00)**

No Public Comment

Action Taken: None.

**17. DISCUSSION ITEM: REPORTING OF DISTRICT EMPLOYEE SALARIES TO  
TRANSPARENT CALIFORNIA (1:41:53)**

No Public Comment.

Action Taken: None.

**18. FIRE CHIEF REPORT (1:45:29)**

No Public Comment.

Action Taken: None.

**19. STAFF REPORTS (1:55:38)**

No Public Comment.

Action Taken: None.

**20. BOARD MEMBER REPORTS (1:57:18)**

No Public Comment.

Action Taken: None.

**21. AD HOC BOARD COMMITTEE REPORTS (2:00:00)**

Public Comment:

1. Jerry Short.

Action Taken: Direction given to staff regarding Fire Chief Interviews.

**22. LOCAL 1230 CORRESPONDENCE (38:45)**

Jerry Short addressed the Board

### **23. REQUESTS FOR FUTURE AGENDA ITEMS (2:14:00)**

1. Live Broadcast
2. Code of Ethics

### **24. ADJOURNMENT (2:15:08)**

Audio from this board meeting can be heard at <http://rhfd.org/board-meetings/>

\*Number in parenthesis is time stamp on audio where agenda item begins.

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Raemona Williams, Board Secretary



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BOARD MEETING MINUTES

October 2, 2018  
SPECIAL MEETING

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**1. CALL TO ORDER/ROLL CALL (00:08)**

Directors Present: Prather, Wheeler, Gabriel, Williams, Thorpe

Directors Absent: None.

**2. PLEDGE OF ALLEGIANCE (00:26)**

**3. PUBLIC COMMUNICATIONS (00:58)**

Public Comment:

1. Jerry Short

**4. ADJOURN TO CLOSED SESSION (04:36)**

**5. CLOSED SESSION**

**6. RECONVENE IN OPEN SESSION/CLOSED SESSION REPORT OUT**

Action Taken: No reportable action. Board to conduct interviews over two days.

**7. ADJOURNMENT (01:35)**

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Raemona Williams, Board Secretary



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**BOARD MEETING MINUTES**

October 17, 2018  
SPECIAL MEETING

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**1. CALL TO ORDER/ROLL CALL (00:00)**

Directors Present: Prather, Wheeler, Gabriel, Williams, Thorpe

Directors Absent: None.

**2. PLEDGE OF ALLEGIANCE (00:16)**

**3. PUBLIC COMMUNICATIONS (00:49)**

Public Comment:

1. Jerry Short

**4. ADJOURN TO CLOSED SESSION (04:16)**

**5. CLOSED SESSION**

**6. RECONVENE IN OPEN SESSION/CLOSED SESSION REPORT OUT**

Action Taken: No reportable action.

**7. ADJOURNMENT (01:0)**

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Raemona Williams, Board Secretary



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**BOARD MEETING MINUTES**

October 18, 2018  
SPECIAL MEETING

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**1. CALL TO ORDER/ROLL CALL (00:21)**

Directors Present: Prather, Wheeler, Gabriel, Williams, Thorpe

Directors Absent: None.

**2. PLEDGE OF ALLEGIANCE (00:39)**

**3. PUBLIC COMMUNICATIONS (01:09)**

Public Comment: None.

**4. ADJOURN TO CLOSED SESSION (01:40)**

**5. CLOSED SESSION**

**6. RECONVENE IN OPEN SESSION/CLOSED SESSION REPORT OUT**

Action Taken: No reportable action. Direction given to staff.

**7. ADJOURNMENT (00:13)**

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Raemona Williams, Board Secretary



**RODEO-HERCULES FIRE PROTECTION DISTRICT**  
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**BOARD MEETING MINUTES**

October 24, 2018

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**1. CALL TO ORDER/ROLL CALL (00:14)**

Directors Present: Gabriel, Wheeler, Thorpe

Directors Absent: Prather, Williams.

**2. PLEDGE OF ALLEGIANCE (00:20)**

**3. PUBLIC COMMUNICATIONS (00:43)**

Public Comment: None.

**4. ADJOURN TO CLOSED SESSION (01:12)**

Action Taken: Item 4B removed.

**5. RECONVENE IN OPEN SESSION/CLOSED SESSION REPORT OUT (00:07)**

Public Comment:

1. Chris Tallerico

Action Taken: No reportable action. Direction given to staff.

**7. CONFIRMATION OF THE AGENDA (01:57)**

Action Taken: Item 13 tabled to November.

**8. BOARD CORRESPONDENCE (04:56)**

None.

**9. CONSENT CALENDAR (05:24)**



Action Taken: Director Gabriel made motion to approve minutes from June 13 regular and special meetings, and minutes from July 11, 2018 regular meeting; seconded by Director Wheeler.

Motion passed 3-0.

#### **10. PUBLIC HEARING (09:57)**

Action Taken: Director Gabriel made motion to adopt reconfirmation of levying and collection of Fire District Benefit Assessments; seconded by Director Thorpe.

Motion passed 3-0.

#### **11. DISCUSSION AND POSSIBLE ACTION: BOARD OF DIRECTORS CODE OF ETHICS AND CONDUCT FOR ELECTED AND APPOINTED OFFICIALS**

Public Comment:

1. Chris Tallerico

Action Taken: Continued to future meeting.

#### **12. DISCUSSION AND DIRECTION TO STAFF REGARDING BUDGET AND ADMINISTRATIVE ANALYST POSITION (03:21)**

Action Taken: Consensus for direction to staff.

#### **13. DISCUSSION AND POSSIBLE ACTION: LIVE BROADCAST OF BOARD MEETINGS (27:57)**

Item tabled.

#### **14. FIRE CHIEF REPORT (27:59)**

Public Comment: None.

Action Taken: None.

#### **15. STAFF REPORTS (32:39)**

Public Comment: None.

Action Taken: Consensus to extend Measure O Oversight Committee application deadline to December 31, 2018.

#### **16. BOARD MEMBER REPORTS (38:04)**

Public Comment: None.

Action Taken: None

**17. AD HOC BOARD COMMITTEE REPORTS (39:46)**

Public Comment: None.

Action Taken: None

**18. LOCAL 1230 CORRESPONDENCE (53:40)**

Vince Wells, President of Local 1230, addressed the Board.

**19. REQUESTS FOR FUTURE AGENDA ITEMS (56:38)**

None.

**20. ADJOURNMENT (57:35)**

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Raemona Williams, Board Secretary

***RODEO-HERCULES FIRE PROTECTION DISTRICT***

**MEMORANDUM**

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

**FROM:** Bryan Craig, FIRE CHIEF

**DATE:** November 14, 2018

**RE:** First Quarter Budget Report for Fiscal Year 2018/19

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**BACKGROUND:**

On a quarterly basis, the Fire Chief prepares a financial report based on information obtained from the District independent financial advisor and the County ledger, to provide to the District Board of Directors the status of revenues and expenditures of the District. The attached financial statement shows a chart of accounts for revenue and expenditures, performing at their projected levels for the first quarter period ending September 30, 2018.

**GRANTS:**

The District has been awarded the following Grants as of September 30, 2018. The District continues to seek grant funding throughout the year.

Awarded From:	Purpose of Grant	Amount of Funding	
Assistance to Firefighters	Diesel Exhaust Removal	\$	90,000.00
Cal Fire	Wildland Personal Protective Gear	\$	15,025.01
California Fire Foundation	Defensible Space	\$	15,000.00
<b>TOTAL</b>		<b>\$</b>	<b>120,025.01</b>

**OVERTIME:**

During the months of July, August, and September, personnel were deployed to the following Strike Teams: County, Carr, Klamathon, Mendocino, Delta. The California State Office of Emergency Services has not provided the District with reimbursement forms for several of these events. Traditionally receipt of reimbursement forms can take up to ninety days to receive. Once Staff receives the forms and reviews them for accuracy they are returned for processing. Funds are deposited from the State directly into the District account. Once these funds are received, they will be credited against strike team back fill, and coverage expenses.

During the months of July and August, one District member was out on sick leave due to an off-duty injury.

During the month of September, one member of personnel was out on worker's compensation leave due to an on-duty injury.

## Spreadsheet showing Overtime for July, August and September 2018:

### JULY 2018 OVERTIME COSTS

#### OVERTIME COVERAGE FOR:

COMP TIME: \$	870.39
CALL \$	53.30
DISTRICT BUSINESS: \$	4,469.97
STRIKE TEAM: \$	42,912.93
STRIKE TEAM COVER: \$	14,245.13
VACATION: \$	24,317.47
SICK: \$	18,836.98
OTHER: \$	-
VACANCY: \$	-
OTACT \$	11,070.30
OT DIFFERENTIAL \$	515.36
WORKER'S COMP \$	1,119.25
FLSA for 56hr week \$	4,270.21
<b>TOTAL: \$</b>	<b>122,681.28</b>
<b>CTO CASH OUT \$</b>	<b>-</b>
<b>TOTAL: \$</b>	<b>122,681.28</b>

### AUGUST 2018 OVERTIME COSTS

#### OVERTIME COVERAGE FOR:

COMP TIME: \$	2,942.80
CALL \$	929.45
DISTRICT BUSINESS:* \$	418.47
STRIKE TEAM: \$	100,631.42
STRIKE TEAM COVER: \$	45,760.01
VACATION: \$	8,361.35
SICK: \$	21,057.89
OTHER:* \$	-
VACANCY: \$	-
OT DIFFERENTIAL \$	127.80
OT SCHOOL \$	-
JURY DUTY \$	-
WORKER'S COMP \$	4,918.49
FLSA for 56hr week \$	4,270.21
<b>TOTAL: \$</b>	<b>189,417.89</b>
<b>CTO CASH OUT \$</b>	<b>-</b>
<b>TOTAL: \$</b>	<b>189,417.89</b>

### SEPTEMBER 2018 OVERTIME COSTS

#### OVERTIME COVERAGE FOR:

COMP TIME: \$	-
CALL: \$	-
DISTRICT BUSINESS:* \$	723.18
STRIKE TEAM: \$	15,367.04
STRIKE TEAM COVER: \$	6,769.81
VACATION: \$	10,049.42
SICK: \$	23,741.68
OTHER:* \$	-
VACANCY: \$	-
OT DIFFERENTIAL \$	127.68
WORKER'S COMP \$	8,656.12
OT SCHOOL \$	-
FLSA for 56hr week \$	4,270.21
<b>TOTAL: \$</b>	<b>69,705.14</b>
<b>CTO CASH OUT</b>	
<b>TOTAL: \$</b>	<b>69,705.14</b>

**RODEO – HERCULES FIRE PROTECTION DISTRICT REVENUE**  
**For period ending September 30, 2018**

DESCRIPTION	GL CODE	ADOPTED BUDGET FY2018-19	1ST-QTR ACTUAL FY 2017-18	1ST-QTR ACTUAL FY 2018-19	%
Prop. Taxes-Current secured	9010	2,866,199	2,866,199	2,908,089	101%
Prop. Tax-Supplemental	9011	114,818	24,904	24,472	21%
Prop. Tax-Unitary	9013	73,711	-	49	0%
Prop. Tax-Current Unsecured	9020	114,508	112,167	-	0%
Prop Tax-Prior-Secured	9030	(9,158)	-	-	0%
Prop Tax-Prior-Supplemental	9031	(5,789)	-	-	0%
Prop Tax-Prior-Unsecured	9035	(167)	1,136	-	0%
<b>TOTAL PROPERTY TAXES</b>		<b>3,154,122</b>	<b>3,004,407</b>	<b>2,932,610</b>	93%
Benefit District	9066	1,354,034	1,354,144.50	1,355,199	100%
<b>TOTAL BENEFIT DISTRICT</b>		<b>1,354,034</b>	<b>1,354,145</b>	<b>1,355,199</b>	100%
H/O Prop Tax Relief	9385	31,873	-	-	0%
Other In Lieu Taxes	9580	-	-	-	0%
RDA NonProp-Tax Pass Thru	9591	331,944	-	-	0%
AFG Grant Fund	9595	-	-	-	0%
Misc. Government Revenue	9595	-	-	-	0%
Fire Prevention Plan Review	9741	43,066	24,225	13,811	32%
Misc. Current Services	9895	87,565	348	348	0%
Other Revenue/Measure "H"	9980	27,113	3,275	19,508	72%
<b>TOTAL INTERGOVERNMENTAL</b>		<b>521,561</b>	<b>27,848</b>	<b>33,667</b>	6%
Measure "0"	9066	2,352,672	2,430,432.00	2,407,320	102%
Capital Fund	9980	-	-	-	0%
Development Impact Fee	9980	-	12,155.00	18,522	0%
<b>TOTAL OTHER REVENUE</b>		<b>2,352,672</b>	<b>2,442,587</b>	<b>2,425,842</b>	103%
<b>TOTAL PROJECTED FY18-19 REVENUE</b>		<b>7,382,389</b>	<b>6,828,986</b>	<b>6,747,318</b>	91%

# **RODEO – HERCULES FIRE PROTECTION DISTRICT EXPENDITURES**

**For period ending September 30, 2018**

DESCRIPTION	GL CODE	ADOPTED BUDGET FY 2018-19	1ST QTR FY2017-18	1ST QTR FY 2018-19	BALANCE REMAIN FY 2018-19
Holiday Pay	1001	149,923	38,525	37,289	112,634
Permanent Salaries	1011	2,360,955	535,341	549,403	1,811,552
Drill/Temporary Salaries	1013	500	22	2,010	(1,510)
Overtime	1014	-	-	-	-
<b>OVERTIME - Before Reimbursed Expenses</b>	1014	376,200	339,812	331,747	
<b>OVERTIME - Recoverable - CalOES</b>	1014			(275,743)	
<b>FLSA</b>	1014	48,725	-	12,812	35,913
<b>Overtime-After Reimbursed Expenses</b>	1014	376,200		68,815	307,385
Deferred Compensation	1015	10,800		-	10,800
FICA	1042	32,103	12,513	13,238	18,865
Retirement - Normal	1044	561,262	129,486	117,760	443,502
Retirement - UAAL	1044	1,683,840	413,298	561,280	1,122,560
Group Insurance	1060	517,577	104,502	158,205	359,372
Group Insurance - Retiree	1061	337,050	74,288	94,978	242,072
Unemployment	1063	1,000	607	132	868
Workers Compensation Insurance	1070	263,108	64,844	62,929	200,179
<b>TOTAL SALARIES AND BENEFITS</b>		<b>6,343,043</b>	<b>1,713,238</b>	<b>1,734,856</b>	<b>4,664,190</b>
Office Expenses	2100	16,945	2,115	2,092	14,853
Books/Periodicals/Subscriptions	2102	2,485	(75)	803	1,682
Communications	2110	180,915	8,034	8,314	172,601
Utilities	2120	28,823	8,615	7,617	21,206
Small Tools & Equipment	2130	1,400	-	1,528	(128)
Medical Supplies	2140	7,340	828	-	7,340
Food	2150	2,420	287	74	2,346
Clothing & Personal Supplies	2160	13,200	3,245	3,300	9,900
Household Expense	2170	6,000	3,241	770	5,230
Publications & Legal Notices	2190	1,180	112	263	917
Memberships	2200	4,204	1,150	540	3,664
Rents & Leases - Equipment	2250	8,640	1,410	188	8,452
Lease Payments-Vehicles	2250	80,401	80,401	80,401	0
Repairs & Service Equipment	2270	17,740	216	1,342	16,398
Central Garage Repairs	2271	72,820	22,015	26,936	45,884
Central Garage Gasoline/Oil	2272	10,000	-	42	9,958
Central Garage Tires	2273	12,500	6,333	-	12,500
Maintenance Radio - Electronic Equip	2276	27,300	-	-	27,300
Maintenance of Buildings	2281	18,864	3,081	2,114	16,750
Other Travel Expenses	2303	4,360	226	80	4,280
Professional/Specialized Services	2310	346,368	52,591	62,938	283,430
Data Processing Service	2315	192	79	159	33
Data Processing Supplies	2316	323	-	-	323
Information Security	2326	1,020	129	549	471
Insurance	2360	40,423	41,539	32,965	7,458
Fire Fighting Supplies	2474	4,180	-	3,694	486
Recreation/Physical Fitness Equipment	2476	700	-	-	700
Education Supplies & Courses	2477	17,200	782	325	16,875
Other Special Departmental Expenses	2479	1,940	640	-	1,940
Interest on Notes & Warrants	3520	1,000	-	-	1,000
Taxes & Assessments	3530	13,000	-	-	13,000
<b>TOTAL SERVICE &amp; SUPPLIES</b>		<b>943,883</b>	<b>236,994</b>	<b>237,032</b>	<b>706,851</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>7,286,926</b>	<b>1,950,232</b>	<b>1,971,889</b>	<b>5,315,037</b>

### **PUBLIC OUT REACH ACTIVITIES**

During the First Quarter, crews visited various schools for public safety visits, and welcomed elementary school students to the stations for public safety visits and education. Crews also conducted Senior Blood Pressure Screening at Rodeo and Hercules Senior Centers. Crews participated in the New Horizons Block Party held in Rodeo where they educated children and adults on Fire Safety, and emergency equipment demonstrations.

### **CALLS FOR SERVICE** **July-September Both Stations**

<b><u>2017</u></b>		<b><u>2018</u></b>	
<b>Type</b>	<b>Number of Calls</b>	<b>Type</b>	<b>Number of Calls</b>
Fire	56	Fire	44
EMS/Rescue	341	EMS/Rescue	357
Hazardous Condition	4	Hazardous Condition	14
Service Call	37	Service Call	48
Good Intent	128	Good Intent	148
False Call	57	False Call	41
Other	3	Other	1
<b>TOTAL:</b>	<b>626</b>	<b>TOTAL:</b>	<b>653</b>

### **CONCLUSION:**

Overall, revenue and expenditures are as planned and budgeted. In addition, the District is continuously looking to secure other financial resource and continues to remain financially prudent and good stewards of public funding.

# Rodeo Hercules Fire Protection District

## MEMORANDUM

**Date:** November 14, 2018

**To:** BOARD of DIRECTORS, Rodeo Hercules Fire District

**From:** Bryan Craig, Fire Chief *BC*

**Subject:** FIRE CHIEF'S REPORT

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**Contra Costa County Employees Retirement Association** – CCCERA has completed the Employer Audit for the Fire District. This report summarizes observations, and gives recommendations to help both the District and CCCERA improve operations between the organizations. Staff is also working with CCCERA in determining the feasibility for the District to return to making its full UAAL payment thereby reducing the Districts unfunded liability. Please see Final Audit Report (*see attached*) from CCCERA along with district responses.

**Reporting:** Chief Craig

**Risk Management** – The District has one employee on Worker's Compensation leave due to an injury sustained on a call for service.

**Reporting:** Chief Craig

**Labor Relations** – No report.

**Reporting:** Chief Craig

**Fire Stations/Training Facility**– Crews have been conducting regularly assigned company standards training. New recruits are continuing their probationary training and Task Book signoffs. Crews continue to conduct Blood Pressure screening at the Rodeo and Hercules senior centers.

**Reporting:** Chief Craig

**Facilities** – Due to deferred maintenance at both District Fire Stations, a site survey is being conducted by the Facilities manager to create a schedule of repairs.

**Grants** – Staff continues to manage all grants currently awarded to the District.

**Reporting:** Chief Craig

**Incident Activity** – Please see attached.

**Reporting:** Chief Craig

**Fire Prevention** – Crews continue to conduct annual company inspections for all businesses and schools located in the Fire District. Crews are continuing to deliver Fire Prevention presentations to all 3<sup>rd</sup> grade classes within the District.

**Reporting:** Chief Craig

**Apparatus** – All equipment is currently in service.

**Reporting:** Chief Craig

**Fiscal Stabilization** – The FY2018/19 budget is in place and staff continues to track revenues and expenditures. The revised Engineers report from Willdan Engineering has been completed. Staff has met with the Hercules



City Council members and is scheduling a workshop to develop an agreed upon nexus report.

**Reporting:** Chief Craig

**Community Activities** – Attended: Rodeo Municipal Advisory Committee, Phillips 66 Community Advisory Panel, City of Hercules City Council, Planning Commissioner Meeting and Contra Costa Tax Payers Association meetings.

**Reporting:** Chief Craig

**Commendations/Awards/Notables** – An employee appreciation dinner is being planned for the first quarter of 2019 in conjunction with Pinole Fire Department.

**Reporting:** Chief Craig

**New Development** – Staff continues to meet with developers, and Hercules City Staff, on conditions of approval for new developments within the City of Hercules.

**Reporting:** Chief Craig

## **Incident Type Count Report**

Date Range: From 10/1/2018 To 10/31/2018

Selected Station(s): All

### **Incident**

Type	Description	Count	
Station:			
Incident Type is blanks		50	18.80%
Total - incident type left blank		50	100.00%
Total for Station		50	18.80%
Station: 75			
100 - Fire, other		1	0.38%
111 - Building fire		1	0.38%
118 - Trash or rubbish fire, contained		1	0.38%
132 - Road freight or transport vehicle fire		1	0.38%
150 - Outside rubbish fire, other		1	0.38%
151 - Outside rubbish, trash or waste fire		2	0.75%
Total - Fires		7	6.25%
311 - Medical assist, assist EMS crew		1	0.38%
321 - EMS call, excluding vehicle accident with injury		59	22.18%
322 - Vehicle accident with injuries		5	1.88%
324 - Motor vehicle accident with no injuries		1	0.38%
Total - Rescue & Emergency Medical Service Incidents		66	58.93%
410 - Flammable gas or liquid condition, other		2	0.75%
412 - Gas leak (natural gas or LPG)		1	0.38%
444 - Power line down		1	0.38%
Total - Hazardous Conditions (No fire)		4	3.57%
511 - Lock-out		1	0.38%
531 - Smoke or odor removal		1	0.38%
550 - Public service assistance, other		1	0.38%
561 - Unauthorized burning		1	0.38%
Total - Service Call		4	3.57%
600 - Good intent call, other		1	0.38%
611 - Dispatched & cancelled en route		16	6.02%
651 - Smoke scare, odor of smoke		2	0.75%
671 - Hazmat release investigation w/ no hazmat		2	0.75%
Total - Good Intent Call		21	18.75%
700 - False alarm or false call, other		7	2.63%
733 - Smoke detector activation due to malfunction		1	0.38%
743 - Smoke detector activation, no fire - unintentional		1	0.38%
744 - Detector activation, no fire - unintentional		1	0.38%
Total - Fals Alarm & False Call		10	8.93%
Total for Station		112	42.11%
Station: 76			
142 - Brush, or brush and grass mixture fire		1	0.38%
143 - Grass fire		1	0.38%
160 - Special outside fire, other		1	0.38%

**Incident**

<u>Type</u>	<u>Description</u>	<u>Count</u>	
<u>Station: 76 - (Continued)</u>			
Total - Fires		3	2.88%
321 - EMS call, excluding vehicle accident with injury		44	16.54%
322 - Vehicle accident with injuries		5	1.88%
324 - Motor vehicle accident with no injuries		3	1.13%
Total - Rescue & Emergency Medical Service Incidents		52	50.00%
411 - Gasoline or other flammable liquid spill		1	0.38%
412 - Gas leak (natural gas or LPG)		1	0.38%
424 - Carbon monoxide incident		1	0.38%
460 - Accident, potential accident, other		1	0.38%
4630 - Vehicle accident, Non Injury		1	0.38%
Total - Hazardous Conditions (No fire)		5	4.81%
522 - Water or steam leak		1	0.38%
5410 - Snake problem		2	0.75%
550 - Public service assistance, other		1	0.38%
553 - Public service		1	0.38%
Total - Service Call		5	4.81%
611 - Dispatched & cancelled en route		29	10.90%
651 - Smoke scare, odor of smoke		2	0.75%
Total - Good Intent Call		31	29.81%
700 - False alarm or false call, other		5	1.88%
735 - Alarm system sounded due to malfunction		1	0.38%
736 - CO detector activation due to malfunction		2	0.75%
Total - Fals Alarm & False Call		8	7.69%
Total for Station		104	39.10%
		266	100.00%

# Employer Audit: Rodeo-Hercules Fire Protection District

*Final Audit Report  
dated 10/3/2018  
prepared by:*



# Rodeo-Hercules Fire Protection District

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# Rodeo-Hercules Fire Protection District

## Final Audit Transmittal Letter



October 3, 2018

Bryan Craig  
Acting Fire Chief  
Rodeo-Hercules Fire  
Protection District  
1680 Refugio Valley Road  
Hercules, CA 94547

Re: Final Report – Rodeo-Hercules Fire Protection District (RHFPD) Pensionable Compensation, Contribution and Reporting Audit

Dear Chief Craig,

Enclosed you will find our final employer audit report for the Rodeo-Hercules Fire Protection District. The District's written response to the Preliminary Audit Report dated September 28, 2018 has been appended to this final audit report.

With respect to the follow up action items that were noted in the preliminary audit report and the responses provided by the District to each of them, we would concur with each of the District's responses. The District is to complete its follow up action items within 120 days from the date of the final audit report.



2018 Employer Audit

# Rodeo-Hercules Fire Protection District

Follow up action items:

## 1. Pensionable Compensation and Contribution Reporting:

### Employer Response:

*The District will comply with this request by reviewing the Employer Handbook and meeting with the Member Services Department, as well as County Payroll.*

*The District will contact CCCERA[sic] to determine how to do a correction adjustment for the incorrectly reported adjustments.*

CCCERA Compliance has referred this item to the CCCERA Member Services Department to engage with the District on the proper procedure for performing pensionable payroll adjustments.

## 2. Publicly Available Pay Schedules: The audit revealed that the district has not maintained publicly available pay schedules per the standard outlined in CCCERA's policy. CCCERA asks that RHFPD pay schedules are maintained to show current pay for all district classifications to meet the standard outlined in CCCERA's policy.

### Employer Response:

*The District will be working on updating its schedules to reflect the requirements set forth by CCCERA.*

The CCCERA Member Services Department will follow up and confirm that the District has updated its Publicly Available Pay Schedules.

## 3. Enrollment: CCCERA requests the submission of the missing enrollment packet.

### Employer Response:

*The District will submit the enrollment packet to CCCERA.*

The CCCERA Member Services Department will follow up and confirm that the District has submitted the enrollment packet to CCCERA.

## Rodeo-Hercules Fire Protection District

This letter, along with the final audit report will be placed on the Board of Retirement's meeting agenda for presentation to the Board on its Wednesday October 10, 2018 meeting.

I want to thank you and all the of the district staff for their time and cooperation during this audit.

Best regards,



Wrally Dutkiewicz  
Compliance Officer

Cc: Kimberly Corcoran, Administrative Assistant



# Rodeo-Hercules Fire Protection District

## Preliminary Audit Transmittal Letter



August 31, 2018

Bryan Craig  
Acting Fire Chief  
1680 Refugio Valley Road  
Hercules, CA 94547

Re: Preliminary Report – Rodeo-Hercules Fire Protection District (RHFPD) Pensionable Compensation, Contribution and Reporting Audit

Dear Chief Craig,

Enclosed is the preliminary audit report of the Rodeo-Hercules Fire Protection District (RHFPD) pensionable compensation, contribution and reporting audit, conducted pursuant to Government Code Section 31543. I want to thank you and all RHFPD staff for their assistance in gathering all the records and documents and making them readily available during this audit. This cooperation was greatly appreciated and allowed for the audit to be completed in an efficient manner.

The *Preliminary Audit Report* is enclosed for your review. I would direct your attention to the “*Observations*” and “*Follow-Up Items*” sections of the report. A written response from RHFPD pertaining to the “*Follow-Up Items*” indicated in the report should be sent to CCCERA within four weeks of the date noted on the report. This response will be included in the “*Final Report*” which will be submitted to CCCERA’s Board of Retirement.



## Rodeo-Hercules Fire Protection District

In addition, I would like to extend my gratitude to RHFPD's payroll and human resources staff and the courtesy that they extended to CCCERA compliance staff during the review. Should you wish to discuss or have any questions regarding the items reviewed and the observations contained within this report, please contact me at 925-521-3960.

Best regards,



Wally Dutkiewicz  
Compliance Officer

Cc: Kimberly Corcoran, Administrative Assistant

# Rodeo-Hercules Fire Protection District

## Background

The Contra Costa County Employees' Retirement Association (CCCERA) is a public employee retirement system that was established by Contra Costa County on July 1, 1945, and is administered by the Board of Retirement (Board) to provide service retirement, disability, death, and survivor benefits for Contra Costa County (County) employees and 16 other participating agencies under the California State Government Code, Section 31450, et. seq. (County Employees Retirement Law of 1937 or CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA).

CCCERA administers the retirement benefits for the employees of Contra Costa County and participating District employers. Participating employers within the CCCERA retirement system transmit payroll information and contributions to fund the benefits for their employees. CCCERA sets up retirees' accounts, processes applications, calculates retirement allowances, prepares monthly retirement benefit payment rolls, and makes adjustments to retirement benefits when needed.

Retirement allowances are computed in accordance with statute using three factors: years of service, age at retirement, and final compensation. For Legacy (pre-PEPRA) members, final compensation is defined as the highest average annual compensation earnable (as defined in G.C. Section 31461) by a member during the last one or three consecutive years of employment depending on the member's Tier, unless the member elects a different period with a higher average. For PEPRA members, final compensation is defined as the highest average annual pensionable compensation (as defined in G.C. Section 7522.34) earned by the member during a period of 36 consecutive months.

The employer's knowledge of the rules relating to membership and payroll reporting facilitates the employer in providing CCCERA with appropriate employee information. Correct enrollment of eligible employees and correct reporting of payroll information are necessary for the accurate computation of a member's retirement allowance.

The Rodeo-Hercules Fire Protection District (RHFPD) currently operates two fire stations, station #75 in Rodeo and station #76 in Hercules. The District employs approximately twenty-one (21) full-time employees including one (1) Fire Chief, one Battalion Chief, six (6) Shift Captains, six (6) Engineers, six (6) Firefighters, and one (1) Administrative Assistant. In addition, the District also employs at least one (1) Fire Marshal part-time.

The District has experienced revenue reductions due to State and other agency actions. Because of this the District has sought out additional revenue sources through new tax measures and grants.<sup>1</sup>

## Rodeo-Hercules Fire Protection District

Between July and October 2015, RHFPD suspended a portion of its mandatory employer pension contribution payments to CCCERA. The situation has since been addressed and the District is paying a flat actuarially determined payment each month versus a percentage of pensionable payroll.

For fiscal year 2016-2017 RHFPD had budgeted expenditures for retirement in the amount of \$962,000 and paid approximately \$1,555,000<sup>2</sup>. For fiscal year 2017-2018 it budgeted \$2,200,000 for normal and Unfunded Actuarial Accrued Liability (UAAL) contributions<sup>3</sup>. Per CCCERA records, RHFPD had between eighteen (18) and twenty (20) employees in fiscal year 2016-2017 with active memberships in CCCERA and submitted approximately \$313,300 in employee pension contributions and \$465,600 in employer pension contributions. In addition RHFPD submitted UAAL contributions in the amount of \$1,582,000 in fiscal year 2016-2017. As of December 31, 2017, CCCERA had twenty-six (26) retirees and beneficiaries on record for RHFPD with a total paid benefit amount of approximately \$1,912,200 in 2017.

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<sup>1</sup> <http://www.rhfd.org/wp-content/uploads/2018/07/17-18-budget.pdf>

<sup>2</sup> <http://www.rhfd.org/wp-content/uploads/2018/07/1617BUDGET.pdf>

<sup>3</sup> <http://www.rhfd.org/wp-content/uploads/2018/07/17-18-budget.pdf>

# Rodeo-Hercules Fire Protection District

## Scope

The 2013 Pension Reform legislation granted CCCERA the authority under Government Code Section 31543 to conduct audits of employers to ensure that employee and payroll information used in the calculation of retiree pension benefits is correct and verifiable. The scope of these on-site reviews includes:

- Correctness of retirement benefits;
- Reportable compensation;
- Enrollment in, and reinstatement to the system (GC 31554);
- Pensionable compensation (GC 31461 and 7522.34);
- Determine if employees convicted of certain felonies have forfeited benefits earned or accrued from the commission of the felony (GC 7522.72 and GC 7522.74);
- Review MOUs with respect to compensation and salary regulations (i.e. Vacation Sales, etc.);
- Determine if compensation is paid to enhance a member's retirement benefit (GC 31461(b)(1) and 7522.34(c)(1));
- Evaluate employer's compliance with restrictions on retirees returning to work (GC 7522.56, I.R.S. bona fide separation and normal retirement age rules).

The on-site review of the District was conducted on June 26, 2018. The review period encompassed active employee records from 2015 through 2017 and retired employee records from 2016 through 2018.

## Rodeo-Hercules Fire Protection District

The following activities were performed:

- Reviewed the following documents:
  - RHFPD Personnel Bulletin issued September 1, 1998
  - Memoranda of Understanding (MOU):
    1. MOU between RHFPD and the International Association of Firefighters (IAFF Local 1230) – October 1, 2013 – September, 2016
    2. MOU between RHFPD and IAFF Local 1230 – October 1, 2016 – June 30, 2018
  - Minute Order:
    1. Minute Order regarding compensation for Acting Fire Chief Craig – January 11, 2018
- Interviewed key RHFPD staff members to obtain an understanding of the District's personnel and payroll procedures;
- Reviewed the payroll transactions and compared RHFPD's payroll register with the data reported to CCCERA to determine whether the district correctly reported employees' compensation;
- Reviewed whether appropriate compensation limits established by the Internal Revenue Code (IRC) were applied to RHFPD compensation reported to CCCERA;
- Reviewed RHFPD's payroll information reported to CCCERA for all employees to determine whether pay-rates were reported pursuant to public salary information;
- Reviewed RHFPD's process for reporting payroll to CCCERA to determine whether the payroll reporting elements were reported correctly;
- Reviewed RHFPD's employer and employee retirement contribution calculations for accuracy;
- Reviewed RHFPD's employee enrollments to determine whether all enrollment packages were received in a timely manner by CCCERA and executed correctly;
- Reviewed receivables from RHFPD paid to CCCERA on a monthly basis for timeliness and accuracy;
- Reviewed whether all compensation elements that were reported to CCCERA by RHFPD are pensionable;

## Rodeo-Hercules Fire Protection District

- At the time of audit, no pension benefit calculations were completed for retirement dates within the audit period;
- Reviewed whether applicable limits established by IRC Section 415 were applied to retiree pension benefits.

# Rodeo-Hercules Fire Protection District

## Findings & Observations

### Accuracy of Payroll Information provided to CCCERA

The accuracy, timeliness and completeness of the pensionable payroll and employee and employer contributions reported to CCCERA by RHFPD is to be tested to ensure that member benefits can be accurately calculated and that the retirement system is receiving accurate information to manage and report out from its pension administration system.

#### Test Standards

Pursuant to Board of Retirement Regulations Section IV: Employer pensionable payroll and corresponding pension contributions are to be reported to the retirement system timely and accurately. (*Contributions And Reporting, 2. Due Dates, 4. Employer Certification*).

##### Due Dates

*Each employer shall report to the Association in a manner and frequency as determined by the Board sufficient for the Board to credit contributions and service to each member's record.*

*Unless otherwise specified, reports shall be due no later than the tenth of each month for the previous month's payroll and shall be accompanied by member and employer contributions. If the tenth of the month falls on a weekend or holiday, the due date shall be the last working day before the tenth. Reports, which are unreadable or incorrect, shall not be accepted and shall be returned to the employer. (Emphasis added.)*

*Reports and contributions received after the due date shall be considered late and subject to a late reporting penalty equal to: the prime rate in effect on the due date computed on a daily, non-compounding basis and applied to the contributions due.*

#### Enrollment of All Eligible Employees

##### County Employees Retirement Law of 1937 –Government Code 31552

Membership in the retirement system begins on the first day of the month following your employment in an eligible position. Retirement benefit contributions begin with the first paycheck after membership. All active, eligible employees contribute to the retirement system. Membership is mandatory for most employees in permanent positions, working half-time or



## **Rodeo-Hercules Fire Protection District**

more; the exceptions are elected officials, who may choose membership by declaration, and employees who begin working after the age of 60 who may waive membership in the system.

### **CCCERA Board Regulations III. Membership, 3. Certifications:**

Every employee of the County or district within the county whose employees are members of the Association shall, upon entry into the Association, complete a sworn statement as provided for in Gov. Code Section 31526(b). A certified copy of the member's birth certificate or other evidence of birth may be required by the Board.

It shall be the employer's responsibility to assure compliance with this section. The Board shall assess the employer five hundred (\$500) dollars per employee for every month or fraction thereof that the required certification is not submitted. The Board shall notify the employer in writing of the imposition of assessment at least thirty days before the assessment.

### **Compensation Limits:**

Federal and state laws place annual limits on the compensation that can be used to determine contributions and benefits for CCCERA plan members.

### **Legacy Members:**

- The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans which are adjusted annually for cost-of-living increases.
- Members who commenced participation in CCCERA on or after January 1, 1996 are subject to the annual federal Internal Revenue Code Section 401(a)(17) compensation limit.
- For CERL benefit formulas (General Tiers 1, 3, Safety Tiers A, & C), the 2017 calendar year compensation limit was increased by the I.R.S. to \$270,000 from \$265,000 for calendar year 2016;
- Members who commenced participation in CCCERA prior to January 1, 1996 are not subject to the Internal Revenue Code annual compensation limit.

### **PEPRA Members:**

- For new employees who commenced membership in CCCERA on or after January 1, 2013 under PEPRA benefit formulas (General Tiers 4,5, Safety Tiers D & E), the compensation which exceeds that annual pensionable compensation limit under

## Rodeo-Hercules Fire Protection District

California Government Code Section 7522.10(c) and (d) is not included in determining benefits or contributions.

- The 2017 calendar year PEPRA compensation limits are as follows:
  - For employees enrolled in Social Security – increased to \$118,775;
  - For employees not enrolled in Social Security – increased to \$142,530.
- The 2016 calendar year PEPRA compensation limits are as follows:
  - For employees enrolled in Social Security – increased to \$117,020;
  - For employees not enrolled in Social Security – increased to \$140,424.

### Compensation Earnable Applicable Law for Legacy Members

"Compensation earnable" does not include, in any case, the following:

"Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise." (G.C. § 31461(b)(3).)

Pursuant to CCCERA's "Compensation Earnable Policy"<sup>4</sup>, Section III.D. "Compensation Earnable" excludes payments for additional services rendered outside of normal working hours:

Pay received for "overtime" is not included in "compensation earnable." To be included, the time for which compensation is received:

- (1) must be the normal working hours set forth in the applicable employment agreement;
- (2) must be required by the employer to be worked by the employee (as distinguished from voluntarily worked); and
- (3) must be ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period.

Pay that will be reviewed under these conditions is often described as "standby" and "on-call." Employers must report to CCCERA as pensionable only that pay for work that is required of and ordinarily served by everyone in the same grade or classification, at the same rate of pay.

### Pensionable Compensation Applicable Law for PEPRA members

PEPRA defines "pensionable compensation" as follows:

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<sup>4</sup> <https://www.cccera.org/governance-and-policies>

## Rodeo-Hercules Fire Protection District

"Pensionable compensation" of a new member of any public retirement system means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.

Compensation that has been deferred shall be deemed pensionable compensation when earned rather than when paid. (Gov. Code Section 7522.34(a) and (b).)

PEPRA excludes from "pensionable compensation" the following:

- (1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.
- (2) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.
- (3) Any one-time or ad hoc payments made to a member.
- (4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.
- (5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
- (6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
- (7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.
- (8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code [FLSA].
- (9) Employer contributions to deferred compensation or defined contribution plans.
- (10) Any bonus paid in addition to the compensation described in subdivision (a) [of G.C. § 7522.34].
- (11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a) [of G.C. § 7522.34].
- (12) Any other form of compensation a public retirement board determines should not be pensionable compensation. (Gov. Code Section 7522.34(a) and (b).)

Pursuant to CCCERA's "Pensionable Compensation Policy"<sup>5</sup>, Section III:

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<sup>5</sup> <https://www.cccera.org/governance-and-policies>

## Rodeo-Hercules Fire Protection District

The CCCERA Board has determined that "Pensionable Compensation" includes "base pay." Pensionable compensation does not include any pay other than base pay, in accordance with Govt. Code Sections 7522.34(c)(11) and (12).

Pensionable compensation (GC 31461 and 7522.34) is to be reported to the retirement system and the corresponding contributions are to be reported to the retirement system.

### Publicly Available Pay Schedule

Pursuant to CCCERA's Policy On Determining "Pensionable Compensation"<sup>6</sup> Under PEPRA For Purposes Of Calculating Retirement Benefits, a "publicly available pay schedule" must meet all of the following requirements:

1. *Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;*
2. *Identifies the position title for every employee position;*
3. *Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;*
4. *Indicates the time base, including, but not limited to, whether the time base is hourly daily, bi-weekly, monthly, bi-monthly, or annually;*
5. *Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;*
6. *Indicates an effective date and date of any revisions;*
7. *Is retained by the employer and available for public inspection for not less than five years; and*
8. *Does not reference another document in lieu of disclosing the pay rate.*

### Pension Benefit Review

- a. Compensation Policies
  - i. *Policy On Determining "Compensation Earnable Under Assembly Bill 197 For Purposes Of Calculating Retirement Benefits For "Legacy" (Pre-PEPRA) Members – Adopted: 9/10/2014; GC 31461;*
  - ii. *Policy On Determining "Pensionable Compensation" Under PEPRA For Purposes Of Calculating Retirement Benefits - Adopted: 9/10/2014; GC 7522.34;*

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<sup>6</sup> <https://www.cccera.org/governance-and-policies>

## Rodeo-Hercules Fire Protection District

- iii. *Policy Regarding Assessment and Determination Of Compensation Enhancements* – Adopted 11/1/2012, Amended: 3/8/2017; GC 31461(b)(1) and 7522.34(c)(1)
- b. Retiree Return to Work Monitoring
  - i. GC 7522.56 Retired Persons; Service and Employment Restrictions
- c. Felony Forfeiture Monitoring and Notification – GC 7522.72(f) and GC 7522.74(f).

### Policy on Internal Revenue Code Section 415 Compliance

As adopted on December 8, 2010 and amended on January 9, 2013 and July 11, 2018.

### Tests Performed

In order to test the timeliness, reasonableness and accuracy of the pensionable compensation and contributions that have been reported to the retirement system, the test plan incorporated the following elements:

#### Accuracy of Payroll Information provided to CCCERA

- Calculated sample size of active RHFPD members during the test used for pensionable payroll and contribution audit testing. The sample included sixteen (16) members, of which eleven (11) members were Legacy and five (5) members were PEPPRA with hire dates after January 1, 2013. Selected four (4) of the sample members for reconciling timesheets to payroll system information.
- Timeframe and scope selected for the audit: January 2015 through December 2017. Using the random sample of active members during the period, RHFPD payroll records and contributions (both employee and employer paid) were tested in the audit using the following target payroll periods – November 2015, April 2016, November 2016, and April 2017.
- RHFPD's payroll preparation and contribution calculation and submission workflow were reviewed. CCCERA staff interviewed RHFPD staff regarding their timekeeping practices, payroll preparation and contribution calculation and submission processes which were captured in a workflow document.
- The input files for CCCERA's pension administration system (CPAS) submitted by the County of behalf of RHFPD were reviewed for timeliness, accuracy and completeness.

## **Rodeo-Hercules Fire Protection District**

- Contribution amounts were recalculated based on reported salaries for employee sample and compared to contribution amounts recorded in CPAS.
- Compensation items flowing into reported salaries were reviewed for pensionability.
- Reported pensionable compensation was compared to IRC compensation limits.
- Compared and reconciled salary and contribution data submitted to CCCERA to payroll records and receivables as posted by CCCERA's Accounting department.

### **Publicly Available Pay Schedule**

- It was reviewed whether RHFPD could provide a publicly available pay schedule as defined per CCCERA's Pensionable Compensation Policy.

### **Salaries in Accordance With Publicly Available Pay Schedules**

- Salaries for RHFPD sample employees were reviewed against RHFPD's Employee Handbook, applicable memoranda of understanding, letters of understanding, employment agreements, and other applicable salary and pay documentation.

### **Enrollment of All Eligible Employees**

- New member enrollment was reviewed for 2016 and 2017.

### **Pension Benefit Review**

- At the time of the audit, no pension benefit calculations were completed for retirement dates in the audit period.

### **Internal Revenue Code Section 415 Limits**

- The 2017 IRC Section 415 limits calculated by CCCERA for RHFPD retirees were reviewed and compared to pension benefit payments made.

### **Retiree Return to Work Monitoring**

- RHFPD's retirees that returned to work for fiscal years 2015-2016 and 2016-2017 were reviewed for compliance with the 960 hour fiscal year limit.

# Rodeo-Hercules Fire Protection District

## Forfeiture of Benefits Earned or Accrued from the Commission of a Felony

- It was reviewed whether CCCERA received a notification from RHFPD regarding a potential felony forfeiture and whether this notification was processed appropriately if applicable.

## RHFPD Payroll and Reporting Process

- CCCERA staff interviewed RHFPD staff regarding their timekeeping practices, payroll preparation and contribution calculation and submission processes which were captured in a workflow document.
- The district uses the County's Kronos as its timekeeping system and processes time and attendance for the district's employees within the Fire RMS system. Each station maintains daily activity logs that are entered into the Fire RMS system by the on-duty Captain each day. Using roster reports generated from the Fire RMS system the district administrative assistant prepares the monthly payroll by reviewing and then keying in each employee's hours worked and accrual use in the County's Kronos payroll reporting system. Due to the manual nature of this process as well as the hand-off from district to County staff, a comparison of Fire RMS to payroll system information was performed for a sample group.

## Input File Review

As RHFPD reports its compensation and contributions through the County, the District has limited control over the timeliness and accuracy of its input files. As it controls the timekeeping process up to entering the timekeeping data into Kronos, this audit focused review on the timekeeping portion of the payroll process.

## Contributions Review

- CCCERA staff recalculated the pension contributions remitted to CCCERA and compared the result to actual contribution data. The pensionable compensation components were identified along with the corresponding employer and employee contributions. This data was then reconciled to the pensionable compensation and

## Rodeo-Hercules Fire Protection District

contribution reports uploaded into CPAS. Variances were identified between each source to system of record reconciliation.

Data categories reviewed are:

- Total Employee Contribution Amount
  - Basic Employee Contributions
  - Basic Employee Contribution Rate
  - Employee COLA
  - Employee COLA Rate
  - Total Employer Contributions
  - Basic Employer Contributions
  - Basic Employer Contribution Rate
  - Employer COLA
  - Employer COLA Rate
- 
- No variances were observed between recalculated contribution amounts and PeopleSoft contribution amounts.
  - Sample Employee #6 does not have employee contribution information in all four target payroll periods. A review showed that this employee is a safety member with over thirty (30) years of service. Therefore the absence of employee contributions is correct.
  - In November 2016, Sample Employee #16 was not employed with RHFPD.
  - No variances were observed when comparing RHFPD data from PeopleSoft to CPAS data.

### Timekeeping Sample Review

The review of the payroll preparation workflow showed a manual data entry process to transfer data from the timekeeping system Fire RMS to the County's timekeeping system Kronos. To review whether the manual keying of data resulted in errors, an end-to-end review for the above sample has been performed.

### Observations and Follow-Up:

- PeopleSoft and Fire RMS totals for regular hours worked do not match. RHFPD has explained that Fire RMS shows regular time based on what shift an employee is assigned to. Regular hours are not inputted in Kronos for payroll. Only exceptions, such as vacation, sick time, overtime, etc. are entered. RHFPD stated that they believe the



## Rodeo-Hercules Fire Protection District

County's payroll department has a copy of the Shift Calendar and which shifts are regular that are inputted on their end.

- For Sample Employee #7 a difference of 96.6 regular hours was observed between Fire RMS and PeopleSoft for November 2016. The District has indicated that this employee was on modified duty at the time.
- For Sample Employee #7 a difference of sixteen (16) overtime hours was observed between Fire RMS and PeopleSoft for April 2017. The District has stated that most likely, the employee was owed sixteen (16) hours of overtime for a previous pay period. As the overtime was not reported to CCCERA as pensionable compensation, this item fell outside the audit scope but the District was made aware of the observation.

### Payroll Reporting – Pensionable Compensation and Contribution Review

#### Pay Codes:

- RHFPD has historically reported compensation under twenty-three (23) pay codes. In 2017, twelve (12) pay codes were used in all submitted I30 input files and in 2016 ten (10) pay codes were used in the submitted input files.
- Only one historical pay code, F19- *Fire Call Back Pay* included the words call back or on-call. No compensation was reported under this code reported after 2005.
- For 2017 vacation sales were observed which were reported under V01 – *Vacation Sale*, in May 2017 (paid in June) for fire suppression shift employees (Firefighters, Engineers and Fire Captains), in August of 2017 (paid in September) as part of a retroactive base pay increase for safety management personnel and November 2017 (paid in December) for both fire suppression shift employees and safety management personnel.
- For 2016, vacation sales were observed in May, November and December for both fire suppression shift employees and safety management personnel.
- Per the MOU excerpts below, Firefighters, Engineers and Fire Captains may sell 2 shifts per calendar year. One shift is twenty-four (24) hours, therefore the total possible vacation sale is forty-eight (48) hours per year.

#### MOU between RHFPD and IAFF Local 1230 effective October 1, 2016 to June 30, 2018

##### 8.3 Vacation Buy Back.

During June and December of each year, an employee, at his/her option, may sell one shift of his/her accrued vacation to the District at the employee's current rate of pay.

# Rodeo-Hercules Fire Protection District

## 5.1 Overtime

The workday of the Firefighter, Engineer and Fire Captain shall consist of a twenty-four (24) hour duty shift commencing and ending at 8:00 A.M.

Effective February 2010, the District will implement the work schedule commonly known as the 48/96 work schedule.

The work schedule shall consist of two (2) twenty-four (24) hour on-duty shifts within six (6) day cycle to be worked in accordance with the following chart:

X = 24 hour on-duty period

O = 24 hour off-duty period

XXOOOOXXOOOOXXOOOOXXOOOO

The Fair Labor Standards Act (FLSA) cycle shall be a twenty-four (24) day cycle.

- No vacation sale in excess of forty-eight (48) hours were observed for fire suppression shift employees.
- No vacation sale was observed for the Administrative Assistant in 2016 or 2017.
- One large vacation sale per year was observed for the Battalion Chief in 2016 and 2017. The 2017 vacation sale in the amount of \$6,496.44 was analyzed as a sample:

### **RHFPD's Personnel Bulletin, issued 9/1/1998, 5 (C) 12.e**

- e. Chief/Administrator and Battalion Chief may choose reimbursement for up to one-third (1/3) of their annual vacation accrual, subject to the following conditions: (1) the choice can be made only once in each calendar year; (2) payments shall be based on an hourly rate determined by dividing the employee's salary by 173.33 and (3) the maximum number of hours that may be reimbursed in any year is one-third (1/3) of the annual accrual.

## Rodeo-Hercules Fire Protection District

### RHFPD's Personnel Bulletin, issued 9/1/1998, 6 (A) 2.a

Shift Employees	Monthly Accrual	Max. Accrual
1 - 3 years	12 hours	288 hours
4 thru 9 years	16 hours	384 hours
10 thru 19 years	21 hours	504 hours
20 thru 24 years	25 hours	600 hours
25 thru 29 years	30 hours	720 hours
30 years and above	35 hours	840 hours

- The Battalion Chief was in the “25 thru 29 years” of service category. In addition, the Battalion Chief was a shift employee until January 1, 2018.

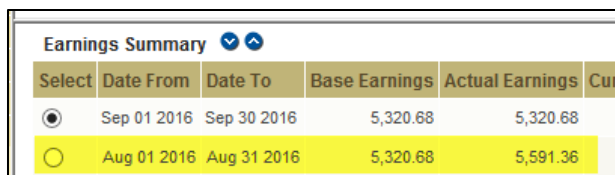
Vacation sale amount in November 2017	\$6,496.44
Hourly rate: Base Pay 11260.49/173.33 hours	64.9656147
Hours sold	100.00
Annual eligible vacation sale amount (30x12)/3	120.00

- Vacation sale of 100 hours in November of 2017 is in line with Personnel Bulletin.

### Further Observations and Explanation:

- RHFPD used the ADJ - *Earnings Adjustment*, D01 – *Differential Adjustment* and VAD – *Adjustment Sale of Vacation* codes to report what appears to be adjustments in April, May, August, and November of 2017.
- A review showed that no adjustment files were submitted by RHFPD in 2017 and only two (2) adjustment files were submitted in 2016, in January and December.
- Pay code ADJ was also used in April and August of 2016 to report compensation.
- A difference of \$270.68 was observed between base and actual earnings in August 2016 for four (4) PEPPRA members including Sample Employees #3 and #7. The difference is caused by an amount of \$270.68 that was reported under pay code ADJ – Earnings Adjustment for all four (4) PEPPRA members.

Picture 1: Partial screenshot of affected PEPPRA member record



Earnings Summary					
Select	Date From	Date To	Base Earnings	Actual Earnings	Cur
<input checked="" type="radio"/>	Sep 01 2016	Sep 30 2016	5,320.68	5,320.68	
<input type="radio"/>	Aug 01 2016	Aug 31 2016	5,320.68	5,591.36	

## Rodeo-Hercules Fire Protection District

- A difference of \$1,175.92 was observed between base and actual earnings in August of 2017 for Sample Employee #9 who is also a PEPRA member. The difference was also reported under pay code ADJ – Earnings Adjustment.

Picture 2: Partial screenshot of affected PEPRA member record

Earning Details: RODEO-HERCULES FIRE PROTECTION DISTRICT						
Select	Date From	Date To	Base Earnings	Actual Earnings	Current Service	Ad
<input type="radio"/>	May 01 2018	May 31 2018	6,005.46	6,005.46	0.0834	N
<input type="radio"/>	Apr 01 2018	Apr 30 2018	6,005.46	6,005.46	0.0833	N
<input type="radio"/>	Mar 01 2018	Mar 31 2018	6,005.46	6,005.46	0.0833	N
<input type="radio"/>	Feb 01 2018	Feb 28 2018	6,005.46	6,005.46	0.0834	N
<input type="radio"/>	Jan 01 2018	Jan 31 2018	6,005.46	6,005.46	0.0833	N
<input type="radio"/>	Dec 01 2017	Dec 31 2017	6,005.46	6,005.46	0.0833	N
<input type="radio"/>	Nov 01 2017	Nov 30 2017	6,005.46	6,005.46	0.0834	N
<input type="radio"/>	Oct 01 2017	Oct 31 2017	6,005.46	6,005.46	0.0833	N
<input type="radio"/>	Sep 01 2017	Sep 30 2017	6,005.46	6,005.46	0.0833	N
<input checked="" type="radio"/>	Aug 01 2017	Aug 31 2017	6,005.46	7,181.38	0.0834	N

- These differences are the result of adjustments that were reported in the monthly I30 file where they are added to the base earnings rather than modifying the base earnings as would happen if the adjustments were reported in the I30 adjustment file. Therefore it appears as if additional pensionable compensation in excess of base pay is reported for PEPRA members even if that is not necessarily the case.
- Further, it was observed that the additional earnings screen, where the ADJ was expected to show up as explanation for the difference, is blank.

## Rodeo-Hercules Fire Protection District

Picture 3: Partial screenshot of affected PEPRA member record

Earning Details: RODEO-HERCULES FIRE PROTECTION DISTRICT					
Select	Date From	Date To	Base Earnings	Actual Earnings	Curr
<input type="radio"/>	Sep 01 2016	Sep 30 2016	5,320.68	5,320.68	
<input checked="" type="radio"/>	Aug 01 2016	Aug 31 2016	5,320.68	5,591.36	
<input type="radio"/>	Jul 01 2016	Jul 31 2016	5,050.00	5,050.00	
<input type="radio"/>	Jun 01 2016	Jun 30 2016	5,050.00	5,050.00	
<input type="radio"/>	May 01 2016	May 31 2016	5,050.00	5,050.00	
<input type="radio"/>	Apr 01 2016	Apr 30 2016	5,050.00	5,050.00	
<input type="radio"/>	Mar 01 2016	Mar 31 2016	5,050.00	5,050.00	
<input type="radio"/>	Feb 01 2016	Feb 29 2016	5,050.00	5,050.00	
<input type="radio"/>	Jan 01 2016	Jan 31 2016	5,050.00	5,050.00	
<input type="radio"/>	Dec 01 2015	Dec 31 2015	4,545.00	4,545.00	

Additional Earnings	
Select	Description

- The screenshot below shows how the ADJ code was used to report earnings for a legacy employee:

Picture 4: Partial screenshot of affected Legacy member record

Additional Earnings		
Select	Description	Amount
<input checked="" type="radio"/>	Longevity Pay @ 5% (L06)	563.02
<input type="radio"/>	Holiday Pay Adjustment (HOA)	1,101.97
<input type="radio"/>	Fire Acting Pay - Rodeo (F47)	601.00
<input type="radio"/>	Fire Sched FLSA - Additional (F21)	294.07
<input type="radio"/>	Differential Adjustment (D01)	369.25
<input checked="" type="radio"/>	Earnings Adjustment (ADJ)	2,452.78
<input type="radio"/>	Uniform Allowance \$40 (A76)	55.00
<input type="radio"/>	Adjustment Sale of Vacation (VAD)	55.13

- Based on a statement from RHFPD, an MOU extension dated November 6, 2013 contained a 1% salary increase effective October 1, 2015 for all classifications which was retroactively implemented as lump-sum payments in August 2017 for the Administrative Assistant and Battalion Chief classifications. Adjustments as described above were processed for this purpose.
- The format of the processed adjustments means that in CPAS the base salary is not adjusted, rather an unspecified additional compensation item was reported. This could be

## Rodeo-Hercules Fire Protection District

problematic for Legacy and PEPRA members as it could impact the selection of the FAS period and the pension benefit calculation.

- An expanded review showed a total of sixteen (16) instances of ADJ compensation reported to CCCERA between January 2013 and February 2018 for nine (9) separate PEPRA employees.
- This review also revealed that one month's compensation for seven (7) PEPRA members hired in July and October of 2014 was reported as if they were legacy members. Reported compensation is higher than base pay as it includes multiple differentials. However, the month in question was the month before CCCERA membership started and will not have an effect on pension benefit calculations.

### Compensation Limits

Table 1: IRC Compensation Limits for 2016 and 2017

	2016	2017
PEPRA in Social Security	117,020	118,775
PEPRA not in Social Security	140,424	142,530
Legacy	265,000	270,000

RHFPD employees did not participate in Social Security in 2016 or 2017.

### Observations:

- No legacy or PEPRA employee exceeded the compensation limits as shown above in total compensation in 2016 or 2017.

### Receivables Review

The pension contribution monies are submitted via County journal voucher. Payments are prepared by RHFPD staff and sent to the County's Auditor-Controller for processing/posting to the Auditor's general ledger (GL). CCCERA's Accounting department performs a monthly sweep to transfer funds on deposit on the GL to the CCCERA account at CCCERA's custodial bank. The received amounts were compared to the pension contribution amounts expected based on the reported pensionable salary.

# Rodeo-Hercules Fire Protection District

## Timeliness

- RHFPD submits employee and employer contributions on a monthly basis.
- In 2016 and 2017 RHFPD submitted all contribution payments to CCCERA in a timely manner.
- RHFPD pays the UAAL payment separate from the monthly contributions.
- For UAAL payments, only 2017 was reviewed for timeliness as there was a known issue in 2016 which has already been resolved.
- The UAAL payments are due by the month's deadline for which there is no delay due to payroll processing.
- In 2017, the UAAL payments for April, June and July were late between one (1) and four (4) days. All other payments were timely.

## Employee and Employer Contributions

### 2017

Table 2: Contribution Timeliness Review for January through December 2017

<b>RHFPD</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>
Due Date	2/10/2017	3/10/2017	4/10/2017	5/10/2017
Date Payment Received	2/8/2017	3/8/2017	4/6/2017	5/8/2017
Variance in Days	-2	-2	-4	-2

<b>RHFPD</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>
Due Date	6/9/2017	7/10/2017	8/10/2017	9/8/2017
Date Payment Received	6/7/2017	7/6/2017	8/8/2017	9/6/2017
Variance in Days	-2	-4	-2	-2

<b>RHFPD</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
Due Date	10/10/2017	11/10/2017	12/8/2017	1/10/2018
Date Payment Received	10/6/2017	11/7/2017	12/6/2017	1/8/2018
Variance in Days	-4	-3	-2	-2

## Rodeo-Hercules Fire Protection District

Table 3: Monthly Contributions Towards UAAL for January through December 2017

<b>RHFPD</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>
Due Date	1/9/2017	2/10/2017	3/10/2017	4/10/2017
Date UAAL Payment Received	1/6/2017	2/8/2017	3/6/2017	4/11/2017
Variance in Days	-3	-2	-4	1

<b>RHFPD</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>
Due Date	5/9/2017	6/9/2017	7/10/2017	8/10/2017
Date UAAL Payment Received	5/8/2017	6/12/2017	7/14/2017	7/31/2017
Variance in Days	-1	3	4	-10

<b>RHFPD</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
Due Date	9/8/2017	10/10/2017	11/10/2017	12/8/2017
Date UAAL Payment Received	9/8/2017	10/10/2017	11/7/2017	12/8/2017
Variance in Days	0	0	-3	0

### 2016

Table 4: Contribution Timeliness Review for January through December 2017

<b>RHFPD</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>
Due Date	2/10/2016	3/10/2016	4/8/2016	5/10/2016
Date Payment Received	2/8/2016	3/8/2016	4/6/2016	5/6/2016
Variance in Days	-2	-2	-2	-4

<b>RHFPD</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>
Due Date	6/10/2016	7/8/2016	8/10/2016	9/9/2016
Date Payment Received	6/8/2016	7/6/2016	8/6/2016	9/7/2016
Variance in Days	-2	-2	-4	-2

<b>RHFPD</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
Due Date	10/10/2016	11/10/2016	12/9/2016	1/10/2017
Date Payment Received	10/6/2016	11/8/2016	12/7/2016	1/6/2017
Variance in Days	-4	-2	-2	-4



## Rodeo-Hercules Fire Protection District

### Accuracy

- All 2016 and 2017 employee and employer contribution payments were accurate.
- In 2017, a variance of  $\pm \$1$  was observed for the monthly contribution towards UAAL for July, August, October, November and December.
- In 2016 all monthly contributions towards UAAL were accurate.

Table 5: Monthly Contributions Towards UAAL Amounts per published contribution rate packets

Expected Amounts	FY 2015-2016	FY 2016-2017	FY 2017-2018
Monthly Contr. Towards UAAL - Basic	\$75,799	\$79,828	\$84,397
Monthly Contr. Towards UAAL - COLA	\$48,987	\$52,011	\$53,334
Total Monthly Contr. Towards UAAL	\$124,786	\$131,839	\$137,731

Note that Legacy and Safety amounts are combined.

### 2017

Table 6: Accuracy Review January through December 2017

RHFPD	Jan	Feb	Mar	Apr
Payment Amount	\$64,148.07	\$65,944.38	\$65,900.04	\$66,587.15
Amount Expected	\$64,148.07	\$65,944.38	\$65,900.04	\$66,587.15
Monthly Contr. - UAAL	\$131,839.00	\$131,839.00	\$131,839.00	\$131,839.00
UAAL Variance in \$	\$0.00	\$0.00	\$0.00	\$0.00
Contribution Variance in \$	\$0.00	\$0.00	\$0.00	\$0.00

RHFPD	May	Jun	Jul	Aug
Payment Amount	\$66,853.05	\$66,421.33	\$71,798.80	\$73,349.77
Amount Expected	\$66,853.05	\$66,421.33	\$71,798.80	\$73,349.77
Monthly Contr. - UAAL	\$131,839.00	\$131,839.00	\$137,730.00	\$137,730.00
UAAL Variance in \$	\$0.00	\$0.00	-\$1.00	-\$1.00
Contribution Variance in \$	-\$0.01	\$0.00	\$0.00	\$0.00

## Rodeo-Hercules Fire Protection District

<b>RHFPD</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
Payment Amount	\$69,668.45	\$67,841.90	\$71,560.79	\$68,469.78
Amount Expected	\$69,668.45	\$67,841.90	\$71,560.79	\$68,469.78
Monthly Contr. - UAAL	\$137,731.00	\$137,732.00	\$137,732.00	\$137,732.00
UAAL Variance in \$	\$0.00	\$1.00	\$1.00	\$1.00
Contribution Variance in \$	\$0.00	\$0.00	\$0.00	\$0.00

### 2016

Table 7: Accuracy Review January through December 2016

<b>RHFPD</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>
Payment Amount	\$78,286.25	\$76,144.20	\$76,173.72	\$79,429.80
Amount Expected	\$78,286.25	\$76,144.20	\$76,173.72	\$79,429.80
Monthly Contr. - UAAL	\$124,786.00	\$124,786.00	\$124,786.00	\$124,786.00
UAAL Variance in \$	\$0.00	\$0.00	\$0.00	\$0.00
Contribution Variance in \$	\$0.00	\$0.00	\$0.00	\$0.00

<b>RHFPD</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>
Payment Amount	\$71,723.49	\$68,626.36	\$66,834.99	\$65,956.65
Amount Expected	\$71,723.49	\$68,626.36	\$66,834.99	\$65,956.65
Monthly Contr. - UAAL	\$124,786.00	\$124,786.00	\$131,839.00	\$131,839.00
UAAL Variance in \$	\$0.00	\$0.00	\$0.00	\$0.00
Contribution Variance in \$	\$0.00	\$0.00	\$0.00	\$0.00

<b>RHFPD</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
Payment Amount	\$65,653.95	\$63,950.20	\$65,148.98	\$65,436.89
Amount Expected	\$65,653.95	\$63,950.20	\$65,148.98	\$65,436.89
Monthly Contr. - UAAL	\$131,839.00	\$131,839.00	\$131,839.00	\$131,839.00
UAAL Variance in \$	\$0.00	\$0.00	\$0.00	\$0.00
Contribution Variance in \$	\$0.00	\$0.00	\$0.00	\$0.00

## Rodeo-Hercules Fire Protection District

### Publicly Available Pay Schedule Review

The employer was able to produce the pay schedules applicable to the audit period upon request by CCCERA. However, these pay schedules do not match actual salaries paid for the Administrative Assistant and Battalion Chief classifications. This is due to a salary increase which was implemented late for these positions. It appears that no pay schedules were created for the interim period.

The provided schedules do not fulfill the requirements listed in the test standard as they do not indicate whether the time base is hourly daily, bi-weekly, monthly, bi-monthly, or annually and the provided pay schedules do not reflect actual salaries paid for all applicable classifications.

### Salaries in Accordance With Publicly Available Pay Schedules

- A comparison of the calculated pay scale to actual pay resulted in the following variances in monthly compensation:

Sample EE	15-Nov	16-Apr	16-Nov	17-Apr
Sample EE #9	-\$0.23	-\$0.46	-\$0.20	-\$0.20
Sample EE #10	-\$1.60	-\$1.60	-\$1.60	-\$1.60
Sample EE #14	\$0.00	\$0.00	\$0.00	-\$1.24

- No variances were observed for the Firefighter, Engineer and Fire Captain classifications.
- As the 1% salary increase effective October 1, 2015 was implemented in August 2017 for the Administrative Assistant and Battalion Chief classifications, paid salaries for these positions did not match the publicly available pay schedule provided by RHFPD for all four (4) sample months. In addition, the previous pay schedule effective October 1, 2013 did not include salary information for the Assistant and Battalion Chief classifications.
- RHFPD advised that the prior pay scale was 1% less for each rank and step.
- Based on that information, CCCERA staff calculated the following applicable monthly pay scale for the Administrative Assistant and Battalion Chief positions:

Rank	Start	Step 1	Step 2	Step 3	Step 4
Admin Assistant	5,391.54	5,662.80	5,944.95	6,241.95	6,555.78
Battalion Chief	9,171.36	9,629.73	10,111.86	10,616.76	11,147.40

This pay scale was used as base line to which actual paid salaries were compared.

# Rodeo-Hercules Fire Protection District

## Enrollment of all Eligible Employees

### Observations:

#### 2016

- No enrollment entries were observed in RHFPD's I29 2016 input files or CCCERA's log.

#### 2017

- RHFPD's 2017 I29s show two (2) new enrollments while CCCERA's log shows three (3) enrollments/re-enrollments.
- The re-enrollment entry for one member is not included in the June or October 2017 I29 file. The file should have included an entry with a membership date effective February 2017 for this member.
- Further research has shown CCCERA does not have an enrollment packet on record for this employee, neither for the first enrollment nor the second enrollment.
- In cases where the I29 files are missing entries for new members the incomplete I29 files are revised manually by CCCERA staff which is done as an accommodation to the employer. However it is the employer's obligation to report its compensation and contributions in substance and form as required by CCCERA board regulations and the employer guide.

## Pension Benefit Review

As no members retired from RHFPD after December 2014, no pension benefit calculation was within audit scope and none were reviewed for this audit.

## Retiree Return to Work Monitoring

GC 7522.56, I.R.S. bona fide separation and normal retirement age rules

There are two ways retirees may return to work for a CCCERA participating employer: on an approved limited basis while receiving their pension, or by suspending their retirement to return to full time employment. The PEPRA 2013 "return to work" rules create a framework under which a retiree's eligibility will be determined to be re-employed without having to be

## Rodeo-Hercules Fire Protection District

reinstated from retirement. The “return to work” rules affect new, deferred, and current employees.

The Board of Retirement Regulations Section VII Normal Retirement Age and Bone Fide Separations states the following:

### Bona Fide Separation from Service

*A) In order to comply with tax law restrictions on in-service distributions, a member who retires at an age younger than Normal Retirement Age, as defined herein, may not enter into an agreement, either oral or written, prior to the date the member's retirement commences, to be reemployed while retired by the same CCCERA employer, regardless of the length of the member's break in service after retirement. The member must acknowledge in writing to CCCERA at the time of retirement that the member has been informed of these requirements and limitations on post-retirement employment and that no prearrangement to be reemployed while retired exists.*

*B) A member who retires at an age younger than Normal Retirement Age, as defined herein, must have at least a continuous 90-day break in service from the date of the member's last day of employment prior to being reemployed while retired by the member's prior CCCERA employer.*

*C) If a member is reemployed without compliance with subsections (A) and (B) above, the retired member's retirement benefits from CCCERA must cease as soon as practicable upon discovery by CCCERA and will not resume until the member has a bona fide separation from service or reaches Normal Retirement Age, whichever occurs first.*

Employer Certification and Determination – Submission of CCCERA Form 213 Certification for Post-Retirement Employment.

- No pre-arrangement for post-retirement re-hire;
- Reinstatement from retirement requirement if rehired by an employer in the same public retirement system from which the retiree receives the benefit;
- Waiting period between retirement date and rehire of a retiree (with some exceptions for Safety Members and special circumstance General Members);
- Fiscal Year Limitations – 960 Hours;
- Limited duration of the return to work (7522.56(c).);
- Compensation Limits;
- Employer certification and approval by the Board of Supervisors (7522.56(f)(1).);

## Rodeo-Hercules Fire Protection District

- Retiree certification of non-receipt of unemployment insurance compensation (7522.56(e)).

### Observations:

RHFPD confirmed that no retirees returned to work for the district.

## Forfeiture of Benefits Earned or Accrued from the Commission of a Felony

### Test Standard

Reporting Requirements For Public Employers Under PEPRA require the public agency that employs or employed a public employee who was convicted of a job related felony must notify CCCERA of the conviction within 90 days of the conviction. (Govt. Code §§ 7522.72(f) and 7522.74(f)).

### Observations:

The review indicated that CCCERA had not received any notice from the employer regarding any employee of RHFPD that would have been subject to the felony conviction and benefit forfeiture provisions under government statute. RHFPD confirmed that they knew of no such employee.

# Rodeo-Hercules Fire Protection District

## Follow-Up Items

The following items were noted during the course of the review and require follow-up by the District and CCCERA:

1. **Pensionable Compensation and Contribution Reporting:** CCCERA recommends setting up a meeting between CCCERA's Member Services Department, RHFPD's administrative staff and/or County payroll staff to discuss the correct reporting of earnings adjustment for RHFPD. Note that CCCERA's Participating Employer Handbook is available on CCCERA's website<sup>7</sup> and covers these items and in particular the format of the I30 adjustment file.

In addition, CCCERA requests a correction for the incorrectly reported adjustments to the base salary for the nine (9) identified PEPRA employees. It is further recommended to collaborate with CCCERA's Member Services department regarding the implementation of these corrections.

2. **Publicly Available Pay Schedules:** The audit revealed that the district has not maintained publicly available salary schedules per the standard outlined in CCCERA's policy. CCCERA asks that RHFPD pay schedules are maintained to show current pay for all district classifications to meet the standard outlined in CCCERA's policy.
3. **Enrollment:** CCCERA requests the submission of the missing enrollment packet.

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<sup>7</sup> <https://www.cccera.org/employers>

# Rodeo-Hercules Fire Protection District

## District Response



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

September 28, 2018

Wrally Dutkiewicz, Compliance Officer  
Contra Costa County  
Employees' Retirement Association  
1355 Willow Way, Suite 221  
Concord, CA 94520

**Re: Response to Employer Audit**

Mr. Dutkiewicz:

The Rodeo - Hercules Fire Protection District has received the preliminary audit report from CCCERA. I would like to acknowledge the professionalism shown during the audit process by all CCCERA staff communicating with the District during the audit process. Your explanation of the processes and assurance of continued support created a stress-free atmosphere that allowed the Fire District to compile the requested documents needed by CCCERA to complete a very thorough report. The CCCERA Board of Directors should rest assured their assigned compliance officers are representing the Board and CCCERA organization in the highest regard. Again, it was a pleasure working with you and your staff.

Please see the attached responses to the findings and observations found within the Preliminary Audit Report.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan Craig".

Bryan Craig  
Interim Fire Chief

/encl.



## Rodeo-Hercules Fire Protection District

District staff has read the findings and observations found, within the preliminary audit report and have prepared the following responses.

Page No.	Finding	Response
19	RHFPD used the ADJ - <i>Earnings Adjustment</i> , D01 - <i>Differential Adjustment</i> and VAD - <i>Adjustment Sale of Vacation</i> codes to report what appears to be adjustments in April, May, August, and November of 2017.	When payroll adjustments are necessary, a spreadsheet with the affected pay categories with old rate, new rate, and amounts owed are submitted to the County Payroll Department. The County Payroll Department is using the ADJ, D01 and VAD codes to report adjustments. RHFD can work with County Payroll to determine how to more accurately report adjustments as they happen in the future.
20	<p>These differences are the result of adjustments that were reported in the monthly I30 file where they are added to the base earnings rather than modifying the base earnings as would happen if the adjustments were reported in the I30 adjustment file. Therefore it appears as if additional pensionable compensation in excess of base pay is reported for PEPRA members even if that is not necessarily the case.</p> <p>□ Further, it was observed that the additional earnings screen, where the ADJ was expected to show up as explanation for the difference, is blank.</p>	See above. In addition, when submitting to County Payroll, the District will submit all earning adjustment directly to CCCERA.
21-22	The format of the processed adjustments means that in CPAS the base salary is not adjusted, rather an unspecified additional compensation item was reported. This could be problematic for Legacy and PEPRA members as it could impact the selection of the FAS period and the pension benefit calculation.	RHFD will reach out to County Payroll to determine how to more accurately report adjustments as they happen in the future.

## Rodeo-Hercules Fire Protection District

23	In 2017, the UAAL payments for April, June and July were late between one (1) and four (4) days. All other payments were timely.	Staff has worked diligently to make sure the UAAL journals are submitted to the County in a timely manner, in order for CCCERA to retrieve the payment. Delays are not intentional, and could likely be due to postal delays.
27	The provided schedules do not fulfill the requirements listed in the test standard as they do not indicate whether the time base is hourly daily, bi-weekly, monthly, bi-monthly, or annually and the provided pay schedules do not reflect actual salaries paid for all applicable classifications.	The District will be working on updating its schedules to reflect the requirements set forth by CCCERA.
28	<p><b>2017</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> RHFPD's 2017 I29s show two (2) new enrollments while CCCERA's log shows three (3) enrollments/re-enrollments.</li> <li><input type="checkbox"/> The re-enrollment entry for one member is not included in June or October 2017 I29 file. The file should have included an entry with a membership date effective February 2017 for this member.</li> <li><input type="checkbox"/> Further research has shown CCCERA does not have an enrollment packet on record for this employee, neither for the first enrollment nor the second enrollment.</li> <li><input type="checkbox"/> In cases where the I29 files are missing entries for new members the incomplete I29 files are revised manually by CCCERA staff which is done as an accommodation to the employer. However it is the employer's obligation to report its compensation and contributions in substance and form as required by CCCERA board regulations and the employer guide.</li> </ul>	<p>The District submits payroll to the County, and County payroll submits the I29 files to CCCERA. The District will work with payroll and CCCERA to streamline this process.</p> <p>The District will submit the missing enrollment packet to CCCERA. Furthermore, the District will include, in a new employees' enrollment process, a signed check off sheet to insure all proper registration forms have been completed.</p>
30	<b>Pensionable Compensation and Contribution Reporting:</b> CCCERA recommends setting up a meeting	The District will comply with this request by reviewing the Employer Handbook, and

## Rodeo-Hercules Fire Protection District

	<p>between CCCERA's Member Services Department, RHFPD's administrative staff and/or County payroll staff to discuss the correct reporting of earnings adjustment for RHFPD. Note that CCCERA's Participating Employer Handbook is available on CCCERA's website<sup>7</sup> and covers these items and in particular the format of the I30 adjustment file. In addition, CCCERA requests a correction for the incorrectly reported adjustments to the base salary for the nine (9) identified PEPRAs employees. It is further recommended to collaborate with CCCERA's Member Services department regarding the implementation of these corrections.</p>	<p>meeting with the Member Services Department, as well as County Payroll.</p> <p>The District will contact CCCERA to determine how to do a correction adjustment for the incorrectly reported adjustments.</p>
31	<p><b>Publicly Available Pay Schedules:</b> The audit revealed that the district has not maintained publicly available salary schedules per the standard outlined in CCCERA's policy. CCCERA asks that RHFPD pay schedules are maintained to show current pay for all district classifications to meet the standard outlined in CCCERA's policy.</p>	<p>The District will be working on updating its schedules to reflect the requirements set forth by CCCERA.</p>
31	<p><b>Enrollment:</b> CCCERA requests the submission of the missing enrollment packet.</p>	<p>The District will submit the enrollment packet to CCCERA.</p>

# Rodeo Hercules Fire Protection District

## Transaction List by Date

	Date	Name	October 2018 Memo	Account	Amount
Oct 18					
	10/02/2018	VERIZON WIRELESS	9813208404	2110 · COMMUNICATIONS	418.20
	10/02/2018	O'Relly Auto Parts	Motor Oil	2270 · MAINTENANCE -EQUIPMENT	217.39
	10/02/2018	Avery Associates	Fire Chief Recruitment Expenses	2310-03 · TEMPORARY CONSULTING SERVICES	2,803.19
	10/02/2018	Boundtree Medical	Medical Supplies	2140 · MEDICAL & LAB SUPPLIES	677.16
	10/02/2018	Boundtree Medical	Medical Supplies	2140 · MEDICAL & LAB SUPPLIES	41.96
	10/02/2018	Avery Associates	Fire Chief Recruitment Expenses	2310-03 · TEMPORARY CONSULTING SERVICES	2,803.19
	10/04/2018	Contra Costa County DOIT	DATA0918	2315 · DATA PROCESSING SERVICE	17.79
	10/04/2018	WILSON BOHANNAN COMPANY	Department Padlocks	2270 · MAINTENANCE -EQUIPMENT	250.44
	10/06/2018	U. S. Bank Corporate payment	Helmets R Us	2479 · OTHER SPECIAL DEPARTMENTAL EXP	990.30
	10/06/2018	U. S. Bank Corporate payment	Alert All Corp	2479 · OTHER SPECIAL DEPARTMENTAL EXP	434.57
	10/06/2018	U. S. Bank Corporate payment	Shift Calendars	2100 · OFFICE EXPENSE	693.15
	10/06/2018	U. S. Bank Corporate payment	Epopcorn.com	2479 · OTHER SPECIAL DEPARTMENTAL EXP	146.98
	10/06/2018	U. S. Bank Corporate payment	amazon.com	2100 · OFFICE EXPENSE	267.65
	10/06/2018	U. S. Bank Corporate payment	amazon.com	2100 · OFFICE EXPENSE	648.80
	10/06/2018	U. S. Bank Corporate payment	FasTrak	2303 · OTHER TRAVEL EMPLOYEES	80.00
	10/06/2018	U. S. Bank Corporate payment	Costco	2170 · HOUSEHOLD EXPENSE	1,198.35
	10/06/2018	U. S. Bank Corporate payment	amazon.com	2100 · OFFICE EXPENSE	517.19
	10/06/2018	U. S. Bank Corporate payment	Home Depot	2281 · MAINTENANCE-BLDGS AND GROUNDS	128.01
	10/06/2018	U. S. Bank Corporate payment	Staples	2100 · OFFICE EXPENSE	184.14
	10/06/2018	U. S. Bank Corporate payment	smartpress.com	2100 · OFFICE EXPENSE	58.78
	10/06/2018	U. S. Bank Corporate payment	Home Depot	2170 · HOUSEHOLD EXPENSE	100.35
	10/06/2018	U. S. Bank Corporate payment	amazon.com	2281 · MAINTENANCE-BLDGS AND GROUNDS	10.77
	10/06/2018	U. S. Bank Corporate payment	amazon.com	2281 · MAINTENANCE-BLDGS AND GROUNDS	24.65
	10/06/2018	U. S. Bank Corporate payment	FasTrak	2303 · OTHER TRAVEL EMPLOYEES	80.00
	10/06/2018	U. S. Bank Corporate payment	usps	2100 · OFFICE EXPENSE	7.85
	10/06/2018	U. S. Bank Corporate payment	usps	2100 · OFFICE EXPENSE	6.70
	10/06/2018	U. S. Bank Corporate payment	Construction Zone	2474 · FIRE FIGHTING SUPPLIES	27.73
	10/06/2018	U. S. Bank Corporate payment	ReadyRefresh	2150 · FOOD	32.93
	10/06/2018	U. S. Bank Corporate payment	amazon.com	2100 · OFFICE EXPENSE	22.92
	10/06/2018	U. S. Bank Corporate payment	Jack's Restaurant	2303 · OTHER TRAVEL EMPLOYEES	64.16
	10/06/2018	U. S. Bank Corporate payment	amazon.com	2100 · OFFICE EXPENSE	200.29
	10/06/2018	U. S. Bank Corporate payment	Home Depot	2170 · HOUSEHOLD EXPENSE	26.03

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## Transaction List by Date

Date	Name	October 2018 Memo	Account	Amount
10/06/2018	U. S. Bank Corporate payment	Finance Charge	3520 · INT ON NOTES & WARRANTS	2.07
10/10/2018	CCC Employee Retirement Associ	October UAAL JV080100	1044-02 · RETIREMENT-UAAL	140,320.00
10/10/2018	Health Care Dental	Healthcare Dental	1060 · EMPLOYEE GROUP INSURANCE	2,965.50
10/10/2018	Calpers Public Employees Retir	CalPers October	1060 · EMPLOYEE GROUP INSURANCE	37,191.52
10/10/2018	Calpers Public Employees Retir	October 2018 Calpers	1061 · RETIREE HEALTH INSURANCE	23,990.55
10/10/2018	Contra Costa County Auditor-Controller	JV075500 RVSE Charge	1063 · UNEMPLOYMENT INSURANCE	-192.70
10/10/2018	Bertrand, Fox, Elliot, Osman & Wenzel	Bertrand, Fox Elliot	2310-01 · LEGAL SERVICES-OTHER	5,918.68
10/10/2018	IEDA, INC.	IEDA September	2310-09 · REGULAR CONTRACT SERVICES	1,533.00
10/10/2018	Contra Costa County Auditor-Controller	1st Quarter Auditor Fee JV101500	2310-04 · COUNTY-AUDITOR CONTROLLER	1,805.50
10/11/2018		September Payroll	1011 · PERMANENT SALARIES	185,615.04
10/11/2018		September Payroll	1001 · HOLIDAY PAY	12,429.77
10/11/2018		September Payroll	1013 · TEMPORARY SALARIES	2,010.00
10/11/2018		September Payroll	1014 · OVERTIME	65,433.94
10/11/2018		September Payroll	1014-00 · FLSA	4,271.21
10/11/2018		September Payroll	2160 · CLOTHING & PERSONAL SUPPL	1,100.00
10/11/2018		September Payroll	1042 · F.I.C.A.	3,714.30
10/11/2018		September Payroll	1044-01 · RETIREMENT-Normal	39,255.81
10/11/2018		September Payroll	1063 · UNEMPLOYMENT INSURANCE	132.39
10/11/2018	Contra Costa County DOIT	DATA0918	2326 · INFORMATION SECURITY CHG	182.85
10/17/2018	Contra Costa County Auditor-Controller	18-19 Levy Code Fee KI JV 084300	3530 · TAXES & ASSESSMENTS	250.00
10/17/2018	Contra Costa County Auditor-Controller	18-19 Levy Collection Fee KI JV 084300	3530 · TAXES & ASSESSMENTS	8,509.72
10/18/2018	Contra Costa County Auditor-Controller	LAFCO Cost for 18-19	2310-09 · REGULAR CONTRACT SERVICES	3,335.34
10/20/2018	Comcast Cable	Station 75 Internet	2110 · COMMUNICATIONS	158.25
10/21/2018	VERIZON WIRELESS	09/22-10/21	2110 · COMMUNICATIONS	418.17
10/22/2018	Meyers Nave	September 2018	2310-00 · LEGAL SERVICES-GENERAL	4,488.00
10/24/2018	P.G. & E.	Sation 75-09/22-10/23	2120 · UTILITIES	45.77
10/24/2018	VALLEJO FIRE EXTINGUISHER	Medical O2 Valve	2270 · MAINTENANCE -EQUIPMENT	35.40
10/25/2018	J. W. Enterprises	October 2018	2281 · MAINTENANCE-BLDGS AND GROUNDS	609.00
10/25/2018	Goodyear Commercial Tire	Quint 76-Tire replacement	2273 · CENTRAL GARAGE TIRES	1,613.78
10/25/2018	J. W. Enterprises	November 2018	2281 · MAINTENANCE-BLDGS AND GROUNDS	609.00
10/25/2018	Municipal Resource Group	Services Rendered July-September	2310-02 · FINANCIAL CONSULTING	6,750.00
10/26/2018	Sprint	09/23-10/22	2110 · COMMUNICATIONS	364.47
10/30/2018	Kaiser Reimb.	Kaiser Reimbursement	1060 · EMPLOYEE GROUP INSURANCE	-35.00

**Rodeo Hercules Fire Protection District**  
**Transaction List by Date**

	October 2018				
	Date	Name	Memo	Account	Amount
Oct 18	10/30/2018	FASIS	4850 Reimbursement	1011 · PERMANENT SALARIES	-1,898.46