

Rodeo Hercules Fire District

Fiscal Year 2011/12

Annual Operating Budget

RHFD



- ***5 Year Financial Condition***

- For the years 2008-2011, property tax revenues declined primarily due to diversions, state take-a-ways and lower assessed valuations.
- Declining revenues and restrictions on raising existing tax rates and fee structures limited options for the Fire District to enhance funding levels.
- In addition the percentage of ad valorem (tax) received and benefit assessment applied in the Fire District is one of the lowest in Contra Costa County.
- Currently a structural deficit of (-\$131,000) exists with an overall budget reduction of \$1,000,000.
- In previous years, General Fund shortfalls were augmented from District reserves.



RHFD 2005/2006

- Financial Condition
 - ERAF Shift - **\$986,000**
 - Loss to RDA – **\$792,419**
 - Revenue 2005/2006 (\$4.8 M)
 - Property Tax (\$2.7 M)
 - Benefit Assessment (\$1.3 M)
 - Other (\$856,000)
 - Actual Expenditure 2005/2006 (\$4.8M)
 - GF & Capital Budget (\$5.2 M)
 - Salary & Benefits (\$3.5 M)
 - Operations & Maintenance (\$500,000)
 - Capital Improvement (\$826,000)



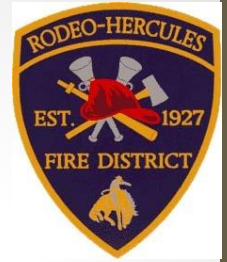
RHFD 2006/2007

- Financial Condition
 - ERAF Shift - **\$1,079,000**
 - Loss to RDA – **\$957,663**
 - Revenue 2006/2007 (\$5.5 M)
 - Property Tax (\$3.1 M)
 - Benefit Assessment (\$1.3 M)
 - Other (\$1.1 M)
 - Actual Expenditure 2006/2007 (\$5 M)
 - GF & Capital Budget (\$5.16 M)
 - Salary & Benefits (\$3.7 M)
 - Operations & Maintenance (\$500,000)
 - Capital Improvement (\$800,000)



RHFD – 2007/2008

- Financial Condition
 - ERAF Shift - **\$1,166,000**
 - Loss to RDA – **\$1,070,239**
 - Revenue 2007/2008 (\$5.2 M)
 - Property Tax (\$3 M)
 - Benefit Assessment (\$1.3 M)
 - Other (\$900,000)
 - Actual Expenditure 2007/2008 (\$4.9M)
 - GF & Capital Budget (\$ 5.28 M)
 - Salary & Benefits (\$4 M)
 - Operations & Maintenance (\$625,000)
 - Capital Improvement (\$275,000)



RHFD 2008/2009

- Financial Condition
 - ERAF Shift - **\$1,173,000**
 - Loss to RDA – **\$1,032,757**
 - Revenue 2008/2009 (\$5.1 M)
 - Property Tax (\$3 M)
 - Benefit Assessment (\$1.3 M)
 - Other (\$800,000)
 - Actual Expenditure 2008/2009 (\$5.7M)*
 - GF & Capital Budget (\$6.4 M)
 - Salary & Benefits (\$4.8 M)
 - Operations & Maintenance (\$800,000)
 - Capital Improvement (\$100,000)

***(-\$600,000) Initial year of GASB 45 & add'l loss of property tax revenue**



RHFD 2009/2010

- Financial Condition
 - ERAF Shift – **\$1,027,000**
 - Loss to RDA – **\$841,688**
 - Revenue 2009/2010 (\$4.7M)
 - Property Tax (\$2.9)
 - Benefit Assessment (\$1.3)
 - Other (\$500,000)
 - Actual Expenditure 2009/2010 (\$5.5M)*
 - GF & Capital Budget (\$5.5M)
 - Salary & Benefits (\$4.7 M)
 - Operations & Maintenance (\$715,000)
 - Capital Improvement (\$85,000)
- * (-\$800,000) Year two of GASB 45 & add'l loss of property tax revenue**



RHFD 2010/2011

- Financial Condition
 - ERAF Shift - **\$1,025,000**
 - Loss to RDA – **\$950,000**
 - Revenue 2010/2011 (4.5 M)
 - Property Tax (\$2.7)
 - Benefit Assessment (\$1.3 M)
 - Other (\$500,000)
 - Actual Expenditure 2010/2011 (\$5.M)* **(-\$500,000) Property Tax**
 - GF & Capital Budget (\$5.2M)
 - Salary & Benefits (\$4.4 M)
 - Operations & Maintenance (\$750,000)
 - Capital Improvement (\$50,000)

***(-\$500,000) Deferral GASB 45 and add'l loss of property tax revenue**

RHFD 2010/2011

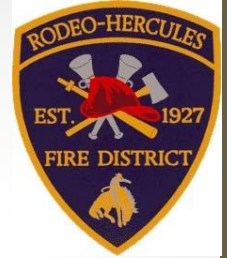


- Financial Condition
 - ERAF Shift
 - Historical Loss 1992 -2010 (-\$12,117,00)
 - 2010/11 (-\$1,025,000)
 - Property Tax Revenue (Hercules RDA)
 - Historical Loss 2000-10 (-\$6 M)
 - 2010/11 (-\$950,000)
 - Revenue Shift
 - Revenue Shift 2010/11 (**-\$2 M**)
 - Property Tax Revenue
 - 2010/11 (\$2.7 M)
 - Benefit Assessment
 - Collected 2010/11 – (\$1.325 M)
 - Other
 - 2010/11 (\$500,000)

RHFD 2011/2012



- Financial Condition
 - ERAF Shift
 - Historical Loss 1992/2010 (-\$12,117,00)
 - 2010/11 (-\$1,025,000)
 - Property Tax Revenue (Hercules RDA)
 - Historical Loss 2000/10 (-\$6 M)
 - 2010/11 (-\$950,000)
 - Revenue Shift
 - Revenue Shift 2011/12 (-\$2 M)
 - Property Tax Revenue
 - 2011/12 (\$3.2 M)
 - Benefit Assessment
 - Collected 2011-12 (\$1.338 M)
 - Other
 - 2011/12 (\$550,000)



RHFD 2011/2012

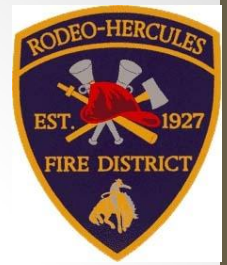
- Anticipated Expenditure 2011/2012
 - GF & Capital Budget 2011/2012 (\$5.1M)
 - Salary & Benefits (\$4.3M)
 - Operations & Maintenance (\$800K)
 - Capital Improvement (\$47K)
- Financial Condition
 - Annual Deficit (\$131K)
 - OPEB Unfunded Liability (-\$3.7 M)
 - Fund Balance (\$1.557,055 M)
 - Budget Shortfall* (\$1M)

* Required to Staff two (2) Fire Companies



- **Budget Highlights**
- Reduction in workforce (6 vacancies)
- Funding for 15 employees
- Communications (Dispatch)
- Contribution to OPEB
- EBRCs Radios
- Solar installation
- Oil Fire School
- Fire Prevention Activities

RHFD 2011/2012



Financial Stabilization Plan

Measures were implemented to increase regional cooperation, produce efficiencies, reduce the deficit or enhance revenues prior to the adoption of the plan. Some of these actions and proposed actions include:

- Fire Station Closure
- Deferring annual OPEB contribution
- Labor Concessions
- Grant Funding
- Pinole Fire Department Contract
- Consulting Services for Revenue Enhancement
- COA #84 Apparatus Purchase
- Fee Structure
- Third Party Fleet Evaluation

RHFD 2011/2012



Outlook

Additional revenue streams and efficiencies are necessary to protect the erosion of the Fire District's tax base due to declining revenue, economic considerations and state fiscal emergency impacts.

The activities of the last year were the first steps towards the introduction of a business plan that will serve as a guide for the future of the district.

Looking to FY 2011-12 we will be continuing to work towards:

- Consolidation with the Pinole Fire Department
- Continued cooperation with rank and file
- Grant funding to hire new firefighters
- Exploring additional public/private partnerships
- Developing a revenue measure
- Restoring statutory pass-through (Hercules RDA)
- Expanding community outreach