

RODEO HERCULES FIRE PROTECTION DISTRICT MEMORANDUM

TO: Board of Directors
FROM: Rebecca Ramirez, Interim Fire Chief
DATE: September 11, 2024
SUBJECT: Budget Presentation /Workshop

BACKGROUND:

CA H&S § 13890 requires that on or before June 30th of each year, a district board shall adopt a preliminary budget with the final budget adoption occurring by September 30th. The budget is developed using a collaborative process with staff, Board ad hoc committee, and other stakeholders.

On June 12, 2024, the Board of Directors reviewed and adopted the preliminary budget. Due to varied Board views, staff were asked to conduct a workshop/presentation prior to the final budget adoption to include the budget impacts of annexation compared to remaining independent.

On July 31st, 2024, the Board approved an application to annex into Contra Costa Fire Protection District (CCCCFPD) and dissolve the Rodeo Hercules Fire Protection District (RHFPD). Given the pending annexation, subsequent discussions of the budget workshop/presentation have been modified to focus more on changes from the preliminary budget, changes to expenditures due to the pending annexation, and some limited contrast if the District were to remain independent. While some revenues will be discussed within the report and presentation, a more in-depth review of revenues will be provided within the regularly scheduled meeting.

EXPENDITURES

All expenditures by the RHFD are in furtherance of its Mission Statement, focusing on Health & Safety, Operations, and Personnel.

The justification for expenditures experiencing an increase or decrease of over \$10,000 from the approved preliminary budget are below:

Personnel

Reductions in part-time prevention services (transfer to professional services), insurance, and workers compensation have occurred. An additional line item has been added in personnel to account for The Battalion Chief overtime coverage balance reimbursement due to CCCFPD.

Training

Some minor increases for training in fire investigation, firefighter, engineer, and officer development are included. Placeholder amounts have been added to the training budget to account for some limited additional training. It is anticipated that as the annexation nears these training opportunities may increase, and future adjustments may be requested.

Professional Services To continue community risk reduction efforts, and backfill for the vacancy in fire prevention, the contract with CSG has increased. To support further analysis of the district’s revenue and expenditures, financial services through Strategic Advisory Services (SAS) have also been increased.

The changes from the preliminary budget expenditures are shown below.

DESCRIPTION	GL CODE	PRELIMINARY		FINAL	
		BUDGET	BUDGET	INC/(DEC)	
Drill/Temporary Salaries	1013	\$ 49,000	\$ 7,280	\$ (41,720)	
Overtime	1014	\$ 1,024,202	\$ 1,059,202.00	\$ 35,000	
FICA	1042	\$ 66,030	\$ 65,425	\$ (605)	
Group Insurance	1060	\$ 620,453	\$ 616,459	\$ (3,994)	
Group Insurance-Retiree	1061	\$ 360,000	\$ 355,000	\$ (5,000)	
Worker's Compensation Insurance	1070	\$ 470,000	\$ 420,000	\$ (50,000)	
Utilities	2120	\$ 49,000	\$ 55,000	\$ 6,000	
Small Tools & Equipment	2130	\$ 9,500	\$ 8,500	\$ (1,000)	
Food	2150	\$ 4,420	\$ 5,000	\$ 580	
Professional/Specialized Services	2130	\$ 541,843	\$ 617,642	\$ 75,799	
			\$	\$ 15,060	

Fiscal Impacts of Remaining Independent

In anticipation of the forthcoming annexation, the budget does not include significant additional expenditures for administrative and training support staff that are recommended for providing adequate service and safety to the community if remaining independent is the alternative option. However, to provide information as requested the information below provides estimates of some costs that would be recommended if the district were to remain independent, none of which could be sustained without additional funding. See table on next page.

DESCRIPTION	ONE TIME	ONGOING
Fire Chief Recruitment	\$ 32,000	\$ -
Deputy Chief (conv. From BC)		\$ 8,000
Contract for BC coverage		\$ 380,000
Fire Investigation Program	\$ 25,000	\$ 10,000
Weed Abatement Services		\$ 50,000
Extended Logistical Support		UNK
Training Officer (40hr)	\$ 110,000	\$ 400,050
Outsource Fire Prevention Services/ Fire Marshal year 3		\$ 140,000
Policies and Procedures	\$ 25,132	\$ 10,722
Additional Administrative Assistance		\$ 30,000
Human Resources Support	\$ 2,000	\$ 27,600
Water Rescue	\$ 125,000	\$ 40,000
HAZMAT	\$ 500,000	\$ 40,000
Technical Rescue	\$ 300,000	\$ 35,000
Critical Incident Debriefing		\$ 5,250
Develop Illness & Injury Program (OSHA Required)	\$ 15,000	
Logs and Mechanic Support		UNK
TOTAL	\$ 1,134,132	\$ 1,176,622

It should be expected that most costs would increase at a rate of 5% annually.

While most of the amounts have been provided by quotes from consultants or contracting entities, some services have not yet been identified and estimates would need to be obtained, and others are based upon estimations of providing in house programs which would include start-up costs (equipment, training, supplies etc.). This list is not all inclusive and would be far from the optimal staffing as suggested in the Strategic Plan and Management Assessment. Optimal staffing would likely include a Fire Marshal, three Battalion Chiefs and additional administrative support personnel at a significantly higher cost.

Impacts of Annexation

Annexation to CCCFPD will eliminate the forecasted structural deficit and provide fiscally sustainable fire and emergency services at a very high level to the communities of Rodeo and Hercules. In the near term (24-25), the impacts of the annexation are not yet fully known. It is expected that mid-year modifications will be needed as the impacts of annexation become clear. However, the areas we would expect the most movement on would focus on the incremental reduction of consultant services. In some areas the contracts would be discontinued, in other areas the usage would be decreased and/or phased out as CCCFPD support increased.

Some areas where those reductions would be expected are:

- Labor Negotiations (IEDA)
- Grant Writing (Townsend)
- Pre-Employment Screening
- Promotional Testing (JCA)
- Financial Services (SAS)
- MED Enterprises
- Fire Statistics and Information (FireStats)
- Online Training Support (Vector Solutions)
- EMS CQI (Greg Kennedy)

Reductions in ordering and overall standing inventory will be evaluated with expected reductions in firefighting supplies, Personal Protective Equipment (PPE), tools and equipment, medical supplies, computer software/IT, office supplies, etc. There may be some additional personnel related expenditures that may be expected as the workforce either transitions to CCCFPD or retires.

CAPITAL

Capital Facilities (equipment, buildings, and facilities) maintenance, with replacement costs of more than \$5,000, is a major Fire District obligation that includes higher cost periodic funding. These are expenditures that are less frequent and require planning to accomplish. The capital expenditures have been modified causing a net increase to the request. This increase is due to the deferral of projects from the capital list request, including air conditioning at station 75 and increased costs associated with the Station 75 and 76 kitchen renovations.

DESCRIPTION	PRELIMINARY BUDGET	FINAL BUDGET	INC/(DEC)
Alerting System 75/76	\$ 10,000	\$ 10,000	\$ -
Matching Funds-Radios	\$ 26,000	\$ 26,000	\$ -
Matching Funds-Cardiac Monitor	\$ 22,000	\$ 22,000	\$ -
Station 76 Paint Interior	\$ 15,000	\$ 15,000	\$ -
Concrete Floor Rehab 75	\$ 9,000	\$ 9,000	\$ -
Concrete Floor Rehab 76	\$ 9,000	\$ 9,000	\$ -
Station 76 Kitchen Remodel	\$ 90,000	\$ 90,000	\$ -
Station 75 Kitchen Remodel	\$ 75,000	\$ 75,000	\$ -
Computer Replacement	\$ 35,000	\$ 35,000	\$ -
Modular/Facilities	\$ 30,000	\$ 30,000	\$ -
Station 75 HVAC	\$ -	\$ 17,000	\$ 17,000
Cost Overrun	\$ 35,000	\$ 35,000	\$ -
TOTAL	\$ 356,000	\$ 373,000	\$ 17,000

REVENUE

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

The Fire District historically received a "pass-through" of 100% of the ad valorem property tax received by the County in the Rodeo redevelopment project area and a portion in the City of Hercules redevelopment project areas. The dissolution of the Redevelopment Agency has reduced the passthrough. The funding now received by the District in this area is determined by the successor agency which is Contra Costa County.

Other revenue sources are generated through voter-approved special taxes, including two longstanding fire district benefit assessments and the 2016 Measure O parcel tax that became effective on July 1, 2017.

A variety of additional sources of revenue to be received include earnings on investments, fire prevention plan review and code enforcement, an EMS advisory measure (Measure H), and some grant funds.

The analysis of RHFPD FY 2024-2025 estimated revenues indicates that while the report prepared by Strategic Advisor Services (SAS) recommend somewhat different estimates for some specific revenue sources, the overall estimate of total revenue is \$10,240,388 do not differ substantially from the Preliminary Budget estimate of \$10,180,371. A more detailed presentation regarding revenues will be provided within the regular packet and meeting.

DESCRIPTION	PRELIMINARY BUDGET	FINAL BUDGET	INC/(DEC)
REVENUES	\$ 10,180,371	\$ 10,240,388	\$ 60,017

TOTALS:

DESCRIPTION	PRELIMINARY BUDGET	FINAL BUDGET	INC/(DEC)
REVENUES	\$ 10,180,371	\$ 10,240,388	\$ 60,017
EXPENSES	\$ 10,507,698	\$ 10,523,265	\$ 15,567
Personnel	\$ 8,832,845	\$ 8,767,033	\$ (65,812)
Supplies and Services*	\$ 1,674,853	\$ 1,756,232	\$ 81,379
SURPLUS(DEFICIT)	\$ (327,327)	\$ (282,877)	

RECOMMENDATION:

Staff presents this report for informational purposes only.

Rodeo-Hercules Fire Protection District

Fiscal Year 2024-25

Budget Workshop/Presentation

September 11, 2024



Budget in Transition

- June - adoption of 2024/25 preliminary budget
- July - application for annexation approved
- Focus on expenditures
- Annexation vs. remaining independent
- Changes since adoption of preliminary budget
- Remain flexible as the District transitions to ConFire

Expenditures Operating Budget

Changes to compensation,
supplies, and services
(regular and recurring)

- Personnel
- Workers Compensation
- OT/ BC backfill
reimbursement
- Professional Services

Net increase of \$15,060

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Logs and Mechanic Support		UNK
TOTAL	\$ 1,134,132	\$ 1,176,622

Estimated costs are not all encompassing and will vary. Increase of 5% annually should be assumed.

Impacts of Annexation 24/25

Reductions in Supplies and Services

Incremental reduction in spending as services are combined:

Equipment

- Firefighting Supplies
- Personal Protective Equipment (PPE)
- Medical Supplies
- Small Tools and Equipment

Professional Services

- Labor Negotiations
- Grant Writing
- Pre-Employment Screening
- Financial Services
- MED Enterprises
- Fire Statistics
- Online Training Support
- EMS Continuous Quality Improvement

Capital Expenditures

Addition:

- Air Conditioning

Net increase of \$17,000

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Cost Overrun	\$ 35,000	\$ 35,000	\$ -
TOTAL COSTS	\$ 356,000	\$ 373,000	
NET CHANGE			\$ 17,000

Revenue

Measure O actual revenues increased

Net change equals an increase of \$60,017 from preliminary budget

DESCRIPTION	PRELIMINARY BUDGET	FINAL BUDGET	INC/(DEC)
REVENUES	\$ 10,180,371	\$ 10,240,388	\$ 60,017

Revenue Expenditure Totals

- Revenues increased
- Expenditures increased
- Slight reduction in deficit

Projected deficit of
\$282,877

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RODEO-HERCULES FIRE PROTECTION DISTRICT



2024-25 BUDGET

I. MISSION STATEMENT

Rodeo-Hercules Fire Protection District

Mission Statement

This organization's mission is to provide the highest level of service to the community; mitigate the devastating effects of fires and other disasters, deliver emergency medical services; educate the public, and maintain a constant state of readiness.

Core Values

To that end, we value:

Service to the Community

Public Trust

Professionalism

Educated Work Force

Compassion

Teamwork

Safety, Health & Welfare of the Organization

Board of Directors

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

Delano Doss (Board Chair)

Marie Bowman (Vice Chair)

Steve Hill

Charles Davidson

Robyn Mikel

Interim Fire Chief

Rebecca Ramirez

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

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II. Executive Summary

A. Transmittal Letter

September 11, 2024

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

Members of the Board of Directors:

As your Interim Fire Chief, I am pleased to present the Fiscal Year 2024-25 Budget for the Rodeo-Hercules Fire Protection District. The creation of this budget wouldn't have been possible without the support of the Fire District Board of Directors. Its continued leadership has allowed the Fire District to provide a budget with complete financial transparency. With the assistance of the Board of Directors, budget ad hoc committee, the firefighters, administrative staff, and the Fire District's financial advisor (Strategic Advisory Services), District staff present this budget for your approval.

The budget is developed based upon the needs and priorities of the Fire District with consideration of historical spending, trend analysis, present and forecasted needs and staff capacity. The development, approval, and implementation of the budget are critical to properly manage the district's finances.

Under Board direction, significant progress to identify and address the challenges before the District have been made. While some of the challenges will be addressed within this document, let's take a moment to identify and celebrate the significant accomplishments which have taken place during the 2023-24 FY:

- ✓ Update of the 2022-2027 Strategic Plan and Business Plan
- ✓ Adoption of updated Fire Prevention Fees Schedule
- ✓ Adoption of the Weed Abatement Plan
- ✓ Completion and reporting of all state mandated fire prevention inspections
- ✓ Installation of new alerting system in stations 75 and 76
- ✓ Completion of bathroom renovations in all bathrooms at Stations 75 and 76
- ✓ Execution of multiple contracts for service to fill service gaps including fire prevention, financial assistance, grant writing, and EMS training support.
- ✓ Promotional process which culminated in the promotion of a Captain, two Engineers, and the hiring of a new Firefighter.
- ✓ Completion of an Area Operating Agreement with CalFire and an Automatic Aid agreement with Crockett-Carquinez Fire Protection District

These accomplishments would not have been possible without the tireless efforts of personnel and staff and the support of our Board and community.

Background

In spring of 2022 and at the direction of the Fire District Board of Directors, staff entered into a contract with Fitch & Associates to update their Strategic Plan (SP) and conduct a Management/Administrative Assessment plan (MAP) to help identify challenges to the District and help provide a roadmap for the future.

To ensure the process was community driven, the team of consultants, led by retired fire chief Micheal Despain, in collaboration with staff, met with stakeholders for several months to gather information. The plans were completed and received by the Board in fall of 2022 and accepted as to findings. At the direction of the Board, staff began developing and implementing portions of the plans that were achievable within the constraints of the 2023-24 budget and the capacity of staff. An update to the Strategic Plan and corresponding Business Plan was completed and accepted by the Board in early 2024. The findings, recommendations, goals, and objective in the aforementioned documents have collectively served to inform the budget recommendations contained within this document.

The Board, staff, and Mr. Despain worked collaboratively to provide options to achieve improved levels of service to fill identified gaps. To address the ongoing issue of providing effective, sufficient, and sustainable services three options were identified to include an option for bolstering staff capacity through additional positions, a contract for service, and an annexation.

At the direction of the Board, a Request for Proposal was developed and issued yielding no responsive bidders. Subsequently staff were directed to explore annexation, develop a plan for annexation, and conduct community outreach through Town Hall style meetings. After completion of Town Hall meetings, staff was directed to coordinate another meeting to review the findings and, with Board support, vote on a resolution to annex. On July 31, 2024, the Board approved a resolution of application to the Contra Costa Local Area Formation Commission (LAFCo) requesting dissolution of the Rodeo-Hercules Fire Protection District (RFFPD) and annexation into Contra Costa County Fire Protection District (CCCFPD). The impacts the annexation will have on the budget are not yet fully known. It is expected that mid-year modifications will be needed as those impacts become clear.

Several areas of near-term challenges which will be addressed in this budget document have been identified including funding of personnel overtime and capital expenditures. In anticipation of the forthcoming annexation, the budget does not include significant additional expenditures for administrative and training support staff that are recommended for providing adequate service and safety to the residents should the District remain independent.

Personnel

83% of the overall budget is allocated to personnel cost with very limited flexibility. Much of the budget is set by outside parties and formulas are inserted, i.e. health care costs set by CalPERS, retirement calculations recommended by CCCERA, payroll taxes, workers compensation rates, and personnel compensation as dictated by the Memorandum of Understanding (MOU). The MOU Based on the “constant staffing” model that the RHFD has employed, every time a line employee takes time off from a regularly assigned shift, it necessitates backfill overtime, which accounts for a significant portion of the personnel budget.

The methodology by which the personnel budget lines have been developed to ensure personnel staffing, compensation, and benefit allocations align with expected costs has been evaluated and adjustments have been made as needed. Three distinct areas are worthy of more discussion: salary, overtime, and retirement.

The MOU with Local 1230 expired on July 1, 2024, and a new one-year MOU was approved and adopted, equating to a 5% increase for all represented personnel and administrative staff. Some assumptions related to the likelihood of exposure to overtime overages along with an increase for training related overtime have been included. Retirement benefits are formula-based calculations provided by Contra Costa County Employee Retirement Association (CCCERA) and are based upon current salaries and present and future retirees. An additional financial consultant was retained to better understand, evaluate and forecast retirement costs. As forecasted, a decrease for FY 24-25 is anticipated. While administrative staff capacity required to support operations remains limited, pending the annexation, no additional positions have been included within the budget

Facilities

In previous years budgeting for capital expenditures, including facilities, has been inadequate as to funding and staff capacity. While staff capacity remains challenged, significant progress has occurred in 2023-24 and is envisioned for 2024-25. However, the District continues to rely heavily upon line staff to address these overarching needs in a manner that is not consistent with their roles and places undue burden on the firefighters to complete large projects between other duties or on their off-duty days, all of which cause further delays and an increase to overtime. Continued plans to further improve the facilities and address deferred maintenance in both stations 75 and 76 are included.

Equipment

The department Apparatus Committee has evaluated all apparatus and updated the apparatus replacement spreadsheet which assesses condition and identifies expected replacement needs. The committee identified two heavy apparatus, Quint 76A, which is recommended to be decommissioned and Brush Engine 375 which is in need of replacement as it moves into reserve status. The replacement of a Type 3 engine has been included within the Capital budget as a forecasted expense for 2025-26. While a request to execute a contract to purchase the Type 3

Brush Engine in 2024-25 is anticipated, no expenditure will be realized until fall of 2025. This request may be modified as the annexation moves forward.

Should Assistance for Firefighting (AFG) grant applications for radios and cardiac monitors be successful, matching funds will be required and are included in the budget. An additional expenditure for desktop computers and an air conditioning unit have been included in the final budget as a capital expenditure.

Fire Prevention

In order to become more consistent with inspections and mandated reporting, increase cost recovery, capacity and resilience, and better serve the community, an outsourced contract for service was executed with CSG Consultants. To account for weed abatement and an increase in inspections, and the coverage to backfill the recently vacated part time fire prevention position (which will not be filled in anticipation of annexation) both a transfer from Personnel to Professional services and an increase in costs and revenues has been included within the budget.

Summary

This budget is forecasted by planning for moderate to low level of expenditures and a mildly conservative mindset when planning for revenues. Despite the efforts of staff and dedication of this Board, and in particular the Budget Ad Hoc Committee, the Budget for FY 2024-25 places the district in a position of deficit spending. If the deficit is realized, the fund balance will need to be accessed. However, previous years have consistently shown expenditures to be less than budgeted and revenues to exceed projections. If this same trend continues, the actual budget impact may be reduced, and the budget deficit may not be fully realized.

This budget is built to manage mild fluctuations in both staffing and market assumptions. The budget is not built to absorb the negative impact significant changes in present staffing (unforeseen vacancies and/or injuries and illness) or a negative swing in market assumptions such as a recession. The budget is status quo for staffing. It will be important to maintain budget flexibility for both the reduction in expenditures as well as the additional expenditures that will likely occur as a result of the annexation.

As of July 1, 2024, the unaudited fund balance was approximately \$7,133,869.

During this budget preparation process, we have continued to review existing practices and identify and implement cost saving opportunities while seeking to expand high demand services. As always, the District will continue to be diligent and good fiscal stewards. This budget will enable the District to maintain high-quality fire and emergency response while maintaining a top

priority on the health and safety of the public and our personnel. In summary, I would like to express appreciation to the Board of Directors for their continued support, direction, and dedication to public safety.

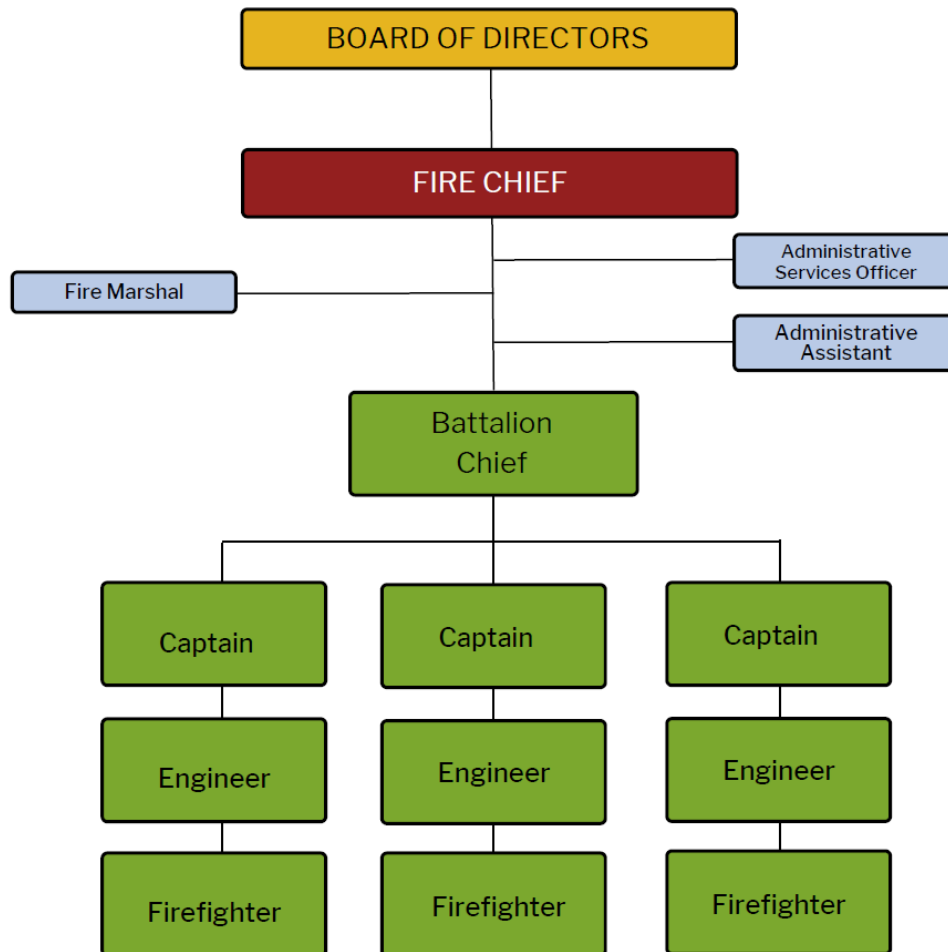
In continued dedicated service,

A handwritten signature in blue ink, appearing to read 'R. Ramirez', is positioned above the printed name and title.

Rebecca Ramirez
Interim Fire Chief

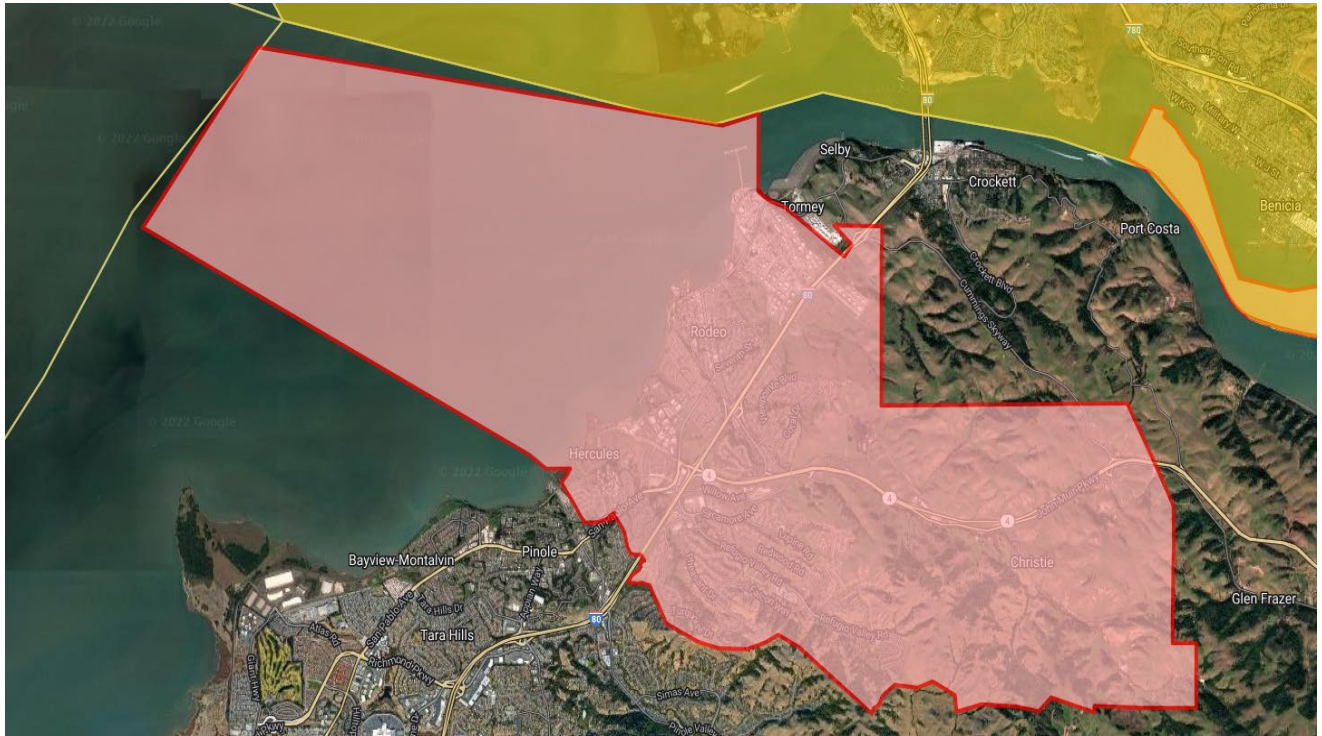
B. District Overview

Organizational Chart



***Part Time Fire Marshal Position Presently vacant**

District Boundaries



II. FIRE OPERATIONS

Rodeo-Hercules Fire Protection District is a two-station all-risk department operating individual fire companies specially trained to respond to residential and commercial fires, refinery and industry-related incidents, wildland fires, vehicle extrication, technical rescue, and hazard materials first responder duties. Engine companies are also tasked with determining the origin and cause of fires and providing rescue and advanced life support services. The Fire District provides a minimum of one advanced life support paramedic on duty 365 days a year in the Town of Rodeo and the City of Hercules.

Rodeo-Hercules Fire Protection Fire District operates within Battalion 7, a jointly operated Battalion with Contra Costa County Fire Protection Fire District. RHFD provides one participating Battalion Chief and Contra Costa Fire Protection District (ConFire) provides two Battalion Chiefs to ensure the consistent establishment of incident command, firefighter safety, and judicious resource management at emergencies. The Battalion also serves the outlying communities of Rodeo-Hercules, including Pinole, Tara Hills, Bayview, Montalvan Manor, Montara Bay, East Richmond Heights, San Pablo, El Sobrante, unincorporated Contra Costa County, and Martinez. Each of these areas presents a unique set of complex hazards, and the rapid establishment of fire ground command is essential to the successful resolution of an array of calls for service.

The Fire District also responds to automatic aid (additional unit response on a call regardless of

jurisdictional boundaries) and mutual aid (request for additional resources for large incidents or due to multiple simultaneous incidents). Citizens of participating communities benefit from this sharing of resources and a regionalized approach. These extended responses have included the Contra Costa County Fire Protection Fire District, Crockett-Carquinez Fire Protection Fire District, Richmond Fire Department, El Cerrito Fire Department, Moraga/Orinda Fire Protection Fire District, and in mutual threat zones, CalFire. This aid is reciprocity based.

The Fire District also participates in the California Fire Assistance Agreement (CFAA) for the State of California and Federal Fire Agencies. This agreement, which the Office of Emergency Services manages, has called upon RHFPD to provide Mutual Aid resources throughout California, Oregon, and Nevada. The CFAA aid is cost recovery based.

Fire Prevention:

The District's single part time Fire Marshal has retired. As a result, all prevention services including construction plan review and compliance with Fire District, local and state requirements, meetings with developers and contractors, weed abatement, code enforcement, and public education for prevention activities will be handled through a contract for service with Fire Prevention Consultant CSG.

A contract for weed abatement has yet to be executed.

In order to continue community risk reduction efforts, and backfill for the vacancy in fire prevention, the contract with CSG has increased. It is anticipated that cost recovery will also grow as a result of the increased inspections.

Apparatus:

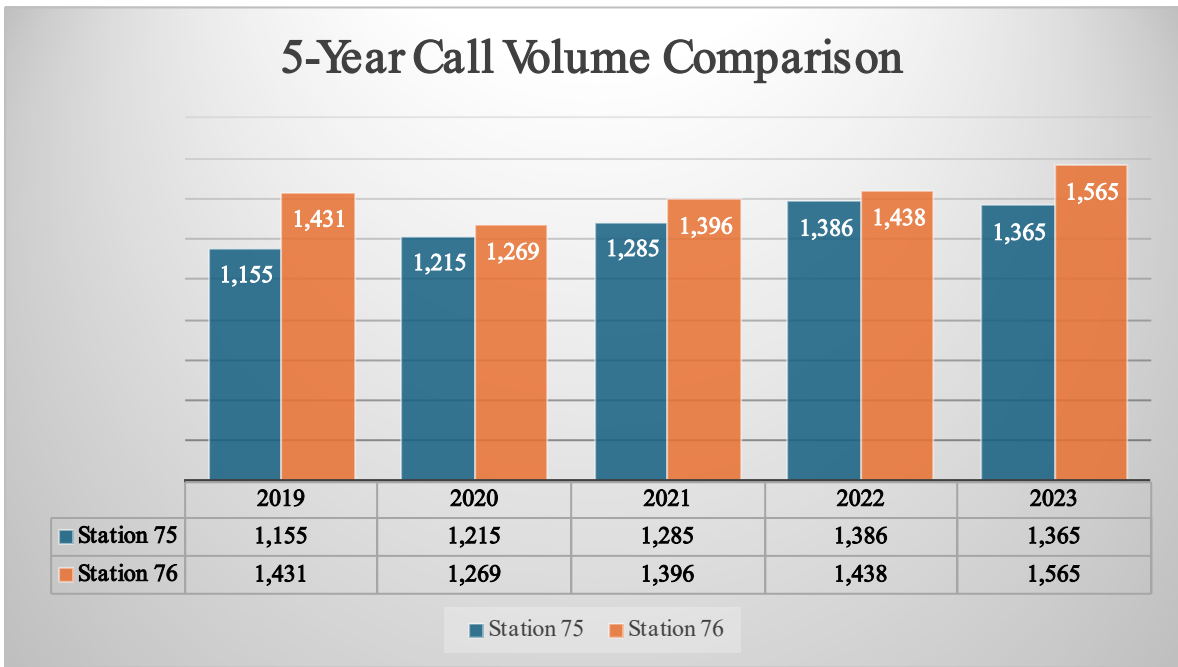
The Fire District operates a variety of Fire Apparatus* including:

- One 100-foot Quint Ladder Truck
- One Type 1 Rescue Pumper
- Two Type 3 Wild Land Engines (replacement of one Type 3 is recommended in 2024-25)
- One Type 1 Rescue Pumper (Reserve)
- One 75-foot Quint Ladder Truck (Reserve recommended for decommission)

**Fire apparatus is identified into standard category typing within the Incident Command System to organize multiagency resources through the National Interagency Fire Center and the Office of Emergency Services.*

The Fire District maintains a variety of fire apparatus and equipment to meet the public safety needs of our service area, including major highways and streets, undeveloped wildland, developed urban residential, and refinery/industrial areas.

CALL VOLUME-2023			
Incident Type	Number of Calls		Total
	Station 75	Station 76	
Alarm	37	51	88
EMS	1113	1242	2355
EXCLUDE		1	1
Fire-Other	30	23	53
Fire-Structure	9	9	18
Fire-Vegetation	5	7	12
Fire-Vehicle	2		2
MVA	54	71	125
Other	101	142	243
Rescue	14	19	33
TOTALS	1365	1565	2930



A. Budget Overview and Summary

Structure for Budgeting and Accounting:

As a single-purpose fire authority, the Fire District maintains one governmental account. Within this single account are five separate funds. They are the General Fund, Measure O Fund, Capital Fund, Hercules Developer Impact Fund, and the Rodeo Developer Impact Fund. The Fire District reports the majority of its financial activities in the General Fund. Revenues and expenditures are reported in accordance with government accounting standards. Government funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when funds are available if the revenues are collected within 60 days after year-end; expenditures are recorded when the related liability is incurred.

Budget Control and Amendments:

The Fire Chief is responsible for ensuring expenses are within program allocations and shall adopt budget policies necessary to carry out that responsibility within his/her authority. Except in prescribed emergencies, no expenditure of funds shall be authorized unless enough funds have been appropriated by the Board of Directors as outlined in this budget. The Fire District has three distinct formal budgetary review and approval cycles within a given fiscal year: Preliminary, Final, and Mid-Year (Amended) Budget if needed. The final budget is approved after holding a public hearing and formal adoption by the Fire District Board of Directors. The Board reviews total budgeted appropriations and any necessary amendments throughout the year. Formal budgetary integration at the fund level is employed as a management control device to monitor budget-to-actual performance throughout the fiscal year. Quarterly budget reports are also provided to the Board and are available to the general public. The Fire District's Budget is adopted on a basis consistent with the Governmental Accounting Standards Board method (GASB).

Budget Goals for Fiscal Year 2024-25:

In preparing the Budget, Fire District staff has developed a budget that recognizes the Fire District's current obligations and provides accurate information on the fiscal realities and the global economic impacts faced by the Fire District. The Fire District will continue its efforts to secure additional revenue sources to stabilize its financial future and provide for the health and safety of the community and firefighters.

Compensation and benefits: Ensure personnel costs are adequately forecasted for potential yet reasonable levels of exposure and retirement obligations.

Training: Increase budget for training and training related overtime to improve firefighter and civilian safety.

Operations/Capital: Repair/replace communication equipment (grant submitted), computers, and cardiac monitors (grant submitted). Repair and maintain apparatus and, in coordination with CCCFPD, execute a contract for purchase for a new Type 3 Brush apparatus.

Facilities/Capital: Repair facilities to create a healthy and positive living environment for fire personnel.

Fire Prevention: Reduce risk to the community by completing 100% of mandated and high hazard inspections, improving cost recovery and proactive fuel management.

Financial Stabilization: Continue to pursue cost recovery and grant opportunities. Continue to increase fund stabilization allotment to account for salary increase (four-month stabilization fund).

Projected Revenues:

- The methodology utilizes actual received revenues from which to base future forecasts. The FY 2024-25 budget projects a total revenue of \$10,240,388, a decrease of .021% from the prior year actual received revenues. (as of July 1, 2024) prior to completion of audit. A change in audit would effect the calculations. This revenue projection is based on the following assumptions: \$5,182,857 in Property Tax revenues, \$2,725,107 in Measure O revenue, \$1,363,968 in Benefit Assessment revenue, and \$968,456 in Intergovernmental Revenue. The budget revenue projections are only mildly conservative. The budget is not built to absorb the impact of negative swing in market assumptions such as an economic downturn.

Fiscal Year 2024-25 Projected Expenditures

Budget expenditures include full staffing for two stations. Full staffing compliment for FY 2024-25 includes:

- One Fire Chief
- One Battalion Chief
- Six Captains
- Six Engineers
- Six Firefighters
- One Part-Time Fire Inspector/Fire Marshal (vacant/consultant)
- One full-time Administrative Services Officer
- One full-time Administrative Assistant

The constant staffing configuration which the Fire District employs provides for permanent employees to staff the two-station configuration. However, this model can lead to an increase in firefighter fatigue, injuries, and burn out which may, in turn, lead to higher workers compensation costs as well as an increase in overtime. A review of actual overtime usage along with an adjustment for present full staffing complement was considered. Additionally, an increase to overtime for training of new Firefighters, Engineers, and Captains has been included. Training is essential to provide for the safety of

our personnel and our citizens. Because the RHFD has no dedicated training personnel it should be noted that partnerships with aid partners or new contracts for service will likely be required for fire investigation, firefighter, engineer, and officer development. Placeholder amounts have been added both in overtime and training budget to account for some limited additional training. It is anticipated that as the annexation nears these training opportunities may increase and future adjustments may be requested. The increase in the overtime line to include the back fill and training is an additional \$180,937 in overtime exposure for 24-25. Should significant unforeseen injuries or illness occur additional funds may be required to maintain present service levels. It is important to note that backfilling for vacancies is not included in the overtime projections as they are typically offset by the salary savings created by the vacancy.

The MOU with Local 1230 expired on July 1, 2024, and a new one-year MOU was agreed upon and adopted equating to a 5% increase for all represented/line personnel and administrative staff. The FY2024-25 budget includes the 5% increase.

The District struggles to complete fire investigations beyond regular and routine fires. The District has become reliant upon automatic aid partner, CCCFPD to assist. If that assistance were to discontinue additional training for personnel and/or a combination of outsourcing would be needed. Some limited additional funding for Fire Investigation classes have been included in the this budget.

Fire District Financial Position

Fully funding two fire stations and providing uninterrupted emergency service is the continued primary focus when creating the budget. The development, implementation, and establishment of an industry-standard budgeting and accounting system have streamlined processes and built a budget based on actual revenue and expenses. The future financial projection forecast increased reliance on the reserve fund to meet the capital needs and growing costs of compensation and benefits for both present and retired employees. Fire District expenditures are beginning to outpace the revenue it collects. Unless significant growth or development occurs in Rodeo-Hercules development area, or the financial impact created by the dissolution of Redevelopment Agency is (the debt created by the City of Hercules) minimized, the trend will continue. The annexation to CCCFPD will eliminate the forecasted structural deficit and provide fiscally sustainable fire and emergency services to the communities of Rodeo and Hercules.

Forecasted Future Financial Issues

Most of the financial constraints faced by the Fire District originate externally and are difficult or impossible to control. A number of these involve actions by outside agencies or result from past economic conditions outside the Board's control.

These issues include the following:

- Inflation has outpaced revenues in general, and Measure O specifically. Additionally, senior exemptions have grown year over year causing a further reduction in growth, despite Board approval of the maximum allowable CPI increases.

- High-density rental development within the City of Hercules is causing service demands without corresponding revenue. Multi-story high-density residential and commercial projects require additional equipment and resources to protect. Although the Fire District was successful in increasing its Fire Facilities Impact Fee schedule, it was not to the full extent necessary to provide adequate funding to acquire all additional equipment needed to provide suitable fire and emergency response to these areas.
- Rising payroll will continue to impact CCCERA and OPEB costs and are largely out of the District's control. Additionally, market fluctuations and changes in assumptions can either decrease or increase contributions.
- Addressing previously identified training and administrative staffing shortages and reducing reliance upon automatic aid partners for core services.

III. Statement of Unfunded Liabilities: CCCERA & OPEB UAALS

The Fire District provides two benefit programs to employees that require ongoing contributions to be sustainable. These are: (1) the pension benefits provided through contracts with the Contra Costa County Employees' Retirement Association (CCCERA) and (2) "other post-employment benefits" (medical insurance) for qualifying retirees (OPEB program).

In the latest valuation dated December 31, 2022, that was completed last fall, the forecast shows UAAL amortization annual payment projected going down for FY 2024-25. This will help reduce the UAAL rates for FY 2024-25. Each year, a payment is made against the UAAL including the amortization of payments and interest. The amount is expected to rebound with another likely increase in FY 2025-26 and pending changes in assumptions and salary variances compared to actuals, become somewhat more consistent afterward. Therefore, unless sufficient contributions are made the UAAL will continue to be a financial burden to the Fire District. The unfunded liability as of June 30, 2022, was \$12.6 million.

The Fire District's Other Post Employment Benefit (OPEB) Program funds retiree medical insurance. The Fire District pays the cost of qualifying retiree medical insurance based on an agreement with the employees. The Fire District is currently paying the full cost of that coverage to retirees—the 'normal' costs of the OPEB program. For FY 2024-25, \$355,000 is budgeted for this program. The CERBT Fund is a Section 115 trust fund dedicated to pre-funding Other Post-Employment Benefits (OPEB) for all eligible California public agencies. By joining this trust fund, California public agencies can help finance future costs from investment earnings provided by CalPERS. As of June 30, 2024, the District's balance in the CERBT Fund is \$3,172,940.

While unfunded liability for pension and retiree healthcare are significant obligations of the District, we continue to manage these liabilities in accordance with Board direction.

IV. BUDGET POLICIES

The following Budget policies were adopted by the Board of Directors during the FY 2017-2018 budget adoption and currently remain in place with no additions or deletions.

A. Policy for Reserves and Fund Balances and Goals for Reserves and Fund Balance

Maintenance

Fund Balance and Reserve Policy

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

The Rodeo-Hercules Fire Protection Fire District utilizes the following definitions for its Budgetary Practices:

Committed Fund Balance

A **Committed Fund Balance** is defined as funds that can only be used for a specific purpose, as determined by formal action of the Fire District's Board of Directors.

Assigned Fund Balance

An **Assigned Fund Balance** is intended to be used by the Fire District for a specific purpose; however, the activity does not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance

An **Unassigned Fund Balance** is defined as any Fund Balance amounts not classified as a Restricted Fund Balance, Committed Fund Balance, or an Assigned Fund Balance.

Restricted Fund Balance

A **Restricted Fund Balance** is defined as funds that can only be spent for specific purposes for which the funds were intended. These typically include expenditures controlled by outside agencies such as the State and Federal Government, employee retirement, medical and other funds, as well as funds required for surety for debt obligations.

The establishment and maintenance of the Fire District's financial stability and sustainability are of primary importance to the Board of Directors. The Board has established the following policies for the Fire District to implement:

Financial Stabilization Fund —the key financial stabilization objective is to build the District's Reserve. The reserve is to provide the Fire District with the needed flexibility to provide for unanticipated

changes in revenues or expenditures and to assure the provision of stable services to the Fire District's residents and businesses.

In 2023-24 the Board established the goal of having funds for four months of operations as Unassigned Fund Balance for economic uncertainty. The initial contribution for four months of salary fully loaded was approximately \$1.3 million. Based upon expected increase in salary, this amount will need to be increased to \$1,365,000 and is included within this budget under the financial stabilization fund.

General Fund Committed Fund Balance—The General Fund will be utilized for the regular and routine day to day operational expenditures.

Assigned Fund Balance—included in the assigned fund balance are funds for specific program activities that benefit from a protected source of funding. These are generally specific programs that include high-cost items that last for many years. Fire apparatus, equipment, and buildings are examples.

Capital Facilities (buildings and facilities) maintenance is a major Fire District obligation that includes higher cost periodic funding. These are expenditures that are less frequent and require planning to accomplish. The budget does include a capital replacement reserve to handle expected capital expenditures outlined as follows:

CAPITAL EXPENDITURE LIST

TASK	ESTIMATED COST	PRIORITY LEVEL	PROJECTED COMPLETION DATE
ALERTING SYSTEM 75/76	\$ 10,000	1	FY 24-25
MATCHING FUNDS-RADIOS	\$ 26,000	1	FY 24-25
MATCHING FUNDS-CARDIAC MONITORS	\$ 22,000	1	FY 24-25
STATION 76 PAINT INTERIOR	\$ 15,000	2	FY 24-25
CONCRETE FLOOR REHAB 75	\$ 9,000	2	FY 24-25
CONCRETE FLOOR REHAB 76	\$ 9,000	2	FY 24-25
STATION 76 KITCHEN REMODEL	\$ 90,000	2	FY 24-25
STATION 75 KITCHEN REMODEL	\$ 75,000	2	FY 24-25
COMPUTER REPLACEMENT	\$ 35,000	3	FY 24-25
MODULAR/FACILITIES	\$ 30,000	3	FY 24-25
STATION 75 HVAC	\$ 17,000	1	FY24-25
COST OVERRUN	\$ 35,000		
FY 2024-25 COSTS:	\$ 373,000		
VEHICLE REPLACEMENT ALLOCATION	\$ 100,000	1	FY25-26
PARKING LOT REPAIR	\$ 100,000	2	FY 25-26
STATION 76 APP BAY PAINTING	\$ 12,000	3	FY 25-26

*City of Hercules and RHFD shared responsibility

Replacement of Fire District equipment is another major Fire District obligation. The Fire District owns several pieces of equipment that have a replacement cost of more than \$5,000 per unit. These expenditures are less frequent and require planning to accomplish. Two Assistance for Firefighting Grants (AFG) have been submitted to replace failing communication equipment and cardiac monitors that have reached the end of their useful life. The required matching funds have been included in the budget. A pre-existing request for Measure X funds for the communication equipment is also still pending. If unsuccessful in obtaining alternative funding, additional capital funding during the 24-25 budget and over the next two fiscal cycles would be requested in order to achieve full replacement over a three-year period. With annexation, the additional expenditure for radios and cardiac monitors, beyond grant funding, will not likely be necessary.

Continued plans to further improve the facilities and address deferred maintenance in both station 75 and 76 are included within this budget. Preliminary bids have been obtained for some projects and are contained within the budget. Additional bids will be needed and will require adjustment once obtained. Based upon the existing lease, the City of Hercules and the District will likely share responsibility for the parking lot repair which is slated for FY25-26 and is included in the budget for forecasting purposes. Pending annexation will negate future year capital needs.

At least two heavy apparatus, Quint 76A and Brush Engine 375 are recommended to be replaced. Quint 76A will be decommissioned and Brush 375 will be placed into reserve status. The replacement of a Type 3 engine to replace Brush 375 has been included within the Capital budget as a forecasted expense for 2025-26. While a request to execute a contract to purchase the Type 3 Brush Engine in 2024-25 is anticipated, no expenditure will be realized until fall of 2025. It should be noted that supply chain issues and inflation have led to 2-3 year build times and significant cost increases all of which are being taken into consideration. The pending annexation may cause this request to be eliminated or modified (CCCFPD has committed within the service plan a pending purchase of a Type 3 and a Type 6 fire apparatus). The cost of a Type 3 Fire apparatus without equipment and not factoring financing costs is approximately \$550,000.

V. FIRE DISTRICT REVENUES, EXPENDITURES & FUND BALANCES

A. Fire District Revenues

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

The Fire District historically received a "pass-through" of 100% of the ad valorem property tax received by the County in the Rodeo redevelopment project area and a portion in the City of Hercules redevelopment project areas. The dissolution of the Redevelopment Agency has reduced the pass-through.

Other revenue sources are generated through voter-approved special taxes, including two long-standing fire district benefit assessments and the 2016 Measure O parcel tax that became effective on July 1, 2017.

Property taxes, the Benefit Assessment, and Measure O equal 91% of the revenues received annually, Miscellaneous/other revenues equal 9% of total revenue:

REVENUE SOURCES

Property Taxes	\$ 5,182,857	51%
Measure O	\$ 2,725,107	27%
Benefit Assessment	\$ 1,363,968	13%
Miscellaneous other	\$ 968,456	9%
	<u>\$ 10,240,388</u>	<u>100%</u>

Property tax and Fire District Benefit Assessment revenues have been in place since the Fire District incorporated, and the voters approved the Measure O funding in 2016. These three sources of revenue provide a stable, but inflation lagging, long-term revenue stream for the Fire District. While the Fire District Benefit Assessment and Measure O revenues are based on set annual amounts, the property tax is "ad valorem" based on commercial property and residential dwellings. The annual revenue from property tax varies year to year, depending on the general economic conditions and assessed value of the real property. Total proposed revenues for all funds in FY2024-25 are \$10,240,388.

**RODEO HERCULES FIRE PROTECTION DISTRICT
REVENUE ALL FUNDS
FY2024-25**

DESCRIPTION	GL CODE	ADOPTED BUDGET FY2023-2024	ACTUAL UNAUDITED 06/30	% REC'D	PRELIMINARY 2024-25	FINAL BUDGET 2024-25
Prop. Taxes-Current secured	9010	4,224,038	4,175,762	99%	4,445,520	3,935,387
RDA Pass Through	9010		764,436			383,604
RPTTF Residual Distribution	9010					454,568
Prop. Tax-Supplemental	9011	181,557	126,665	70%	187,004	158,664
Prop. Tax-Unitary	9013	84,000	85,763	102%	88,336	89,451
Prop. Tax-Current Unsecured	9020	135,000	188,544	140%	181,794	197,971
Prop Tax-Prior-Secured	9030	(17,614)	(25,136)	143%	(25,136)	(25,136)
Prop Tax-Prior-Supplemental	9031	(10,406)	(12,039)	116%	(12,039)	(12,039)
Prop Tax-Prior-Unsecured	9035	(816)	387	-47%	(816)	387
TOTAL PROPERTY TAXES		4,595,759	5,304,382	115%	4,864,663	5,182,857
Benefit District	9066	1,361,582	1,363,968	100%	1,363,968	1,363,968
TOTAL BENEFIT DISTRICT		1,361,582	1,363,968	100%	1,363,968	1,363,968
H/O Prop Tax Relief	9385	29,000	27,102	93%	29,000	27,102
Other In Lieu Taxes	9580	183	182	99%	183	182
RDA NonProp-Tax Pass Thru	9591	639,165	580,314	91%	935,000	600,219
Earnings on Investment	9181	35,374	83,092	235%	80,000	80,000
Fire Prevention Plan Review	9741	11,887	9,687	81%	60,000	60,000
Misc. Current Services	9980	15,000	18,688	125%	15,000	15,000
Other Revenue/Measure H	9895	86,388	86,328	100%	86,388	86,328
TOTAL INTERGOVERNMENTAL		816,997	805,393	99%	1,205,571	868,831
Measure O	9066	2,645,510	2,647,187	100%	2,646,544	2,725,107
TOTAL MEASURE O		2,645,510	2,647,187	100%	2,646,544	2,725,107
Grant Funds	9980	99,750	99,625	100%	99,625	99,625
Stale Dated Check	9975	0	(1,925)		-	
Misc. State Aid	9435	0	35,835		-	
Indemnifying Proceeds	9969	0			-	
Development Impact Fee	9980	0	7,938		-	
TOTAL OTHER REVENUE		99,750	141,473	142%	99,625	99,625
TOTAL REVENUE		9,519,598	10,262,403	108%	10,180,371	10,240,388

B. Measure O

The Fire Chief met with the Measure O Oversight Committee and Legal Counsel to better understand the legal parameters by which the Measure O funds can be utilized and worked collaboratively with the Board and the Measure O Oversight Committee to stay within the scope of those parameters. Allocations for Measure O funds as listed are reflective of the changes.

**RODEO-HERCULES FIRE PROTECTION DISTRICT
FY2024-25 BUDGET
MEASURE O**

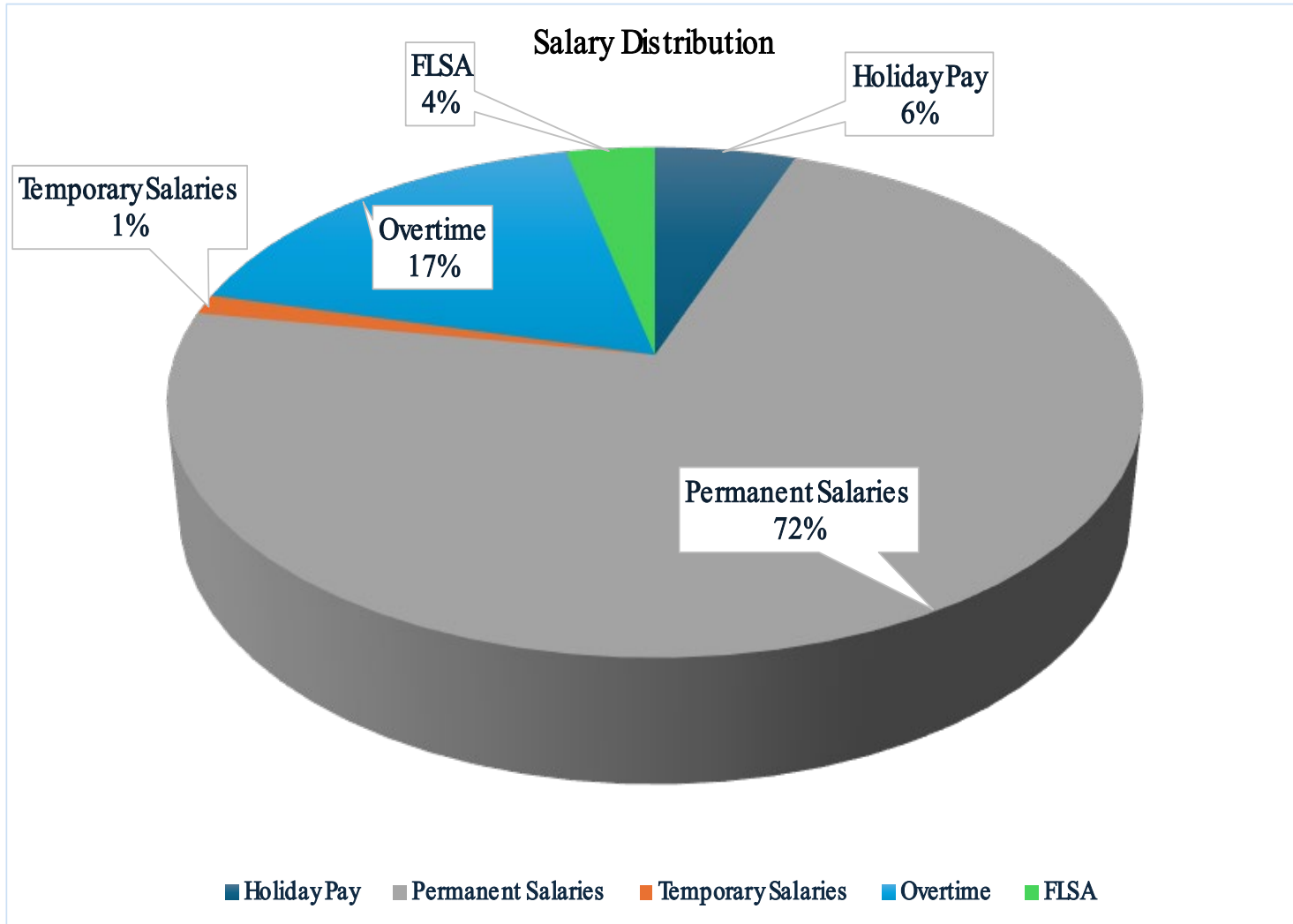
DESCRIPTION	GL CODE	ADOPTED BUDGET FY2022-23	AUDITED ACTUAL FY2022-23	ADOPTED BUDGET FY2023-24	UNAUDITED ACTUAL FY2023-24	PROPOSED FY2024-25
Opening Fund Balance 07/01/24					\$ 968,133	\$ 1,110,390
REVENUE	9066	\$ 2,584,204	\$ 2,584,327	\$ 2,645,510	\$ 2,647,187	\$ 2,725,107
EXPENSES						
Permanent Salaries	1011	\$ -	\$ -	\$ 1,574,451	\$ 1,576,876	\$ 1,574,451
CCCERA-UAAL Payment	1044	\$ 1,684,896	\$ 1,684,896	\$ -	\$ -	
Group Insurance-Active	1060	\$ 505,639	\$ 429,230	\$ 119,573	\$ 118,346	\$ 119,573
OPEB Matching Funds	1060	\$ -				
Group Insurance-Retiree	1061	\$ 360,000		\$ 83,500	\$ 80,391	\$ 83,500
CCCYPD Dispatch Services	2110			\$ 164,715	\$ 170,953	\$ 175,000
Apparatus Finance Payment	2250			\$ 100,000	\$ 100,000	\$ 100,000
Fire Prevention	2310			\$ 99,000	\$ 84,577	\$ 140,000
Alerting System for Stations	2474			\$ 220,000	\$ 210,597	
EMS Training for Personnel	2310			\$ 42,000	\$ 42,580	\$ 42,000
Bathroom Remodels					\$ 96,322	
Carpet Replacement					\$ 14,573	
Kitchen Remodels						\$ 165,000
Computer Replacement						\$ 35,000
AFG Matching Funds-Radios						\$ 26,000
AFG Cardiac Monitors						\$ 22,000
Modular Facilities/Training Room						\$ 30,000
Station 75 HVAC						\$ 17,000
Community Education & Engagement						\$ 20,000
County Collection Fee		\$ 10,000	\$ 9,537	\$ 10,000	\$ 9,716	\$ 10,000
TOTAL EXPENDITURES		\$ 2,560,535	\$ 2,123,663	\$ 2,413,239	\$ 2,504,930	\$ 2,559,524
FISCAL YEAR REMAINING BALANCE		\$ 23,669	\$ 460,664	\$ 232,271	\$ 142,257	\$ 165,583
PROJECTED FUND BALANCE MEASURE O 07/01/25					\$ 1,110,390	\$ 1,275,973

C. Fire District Expenditures

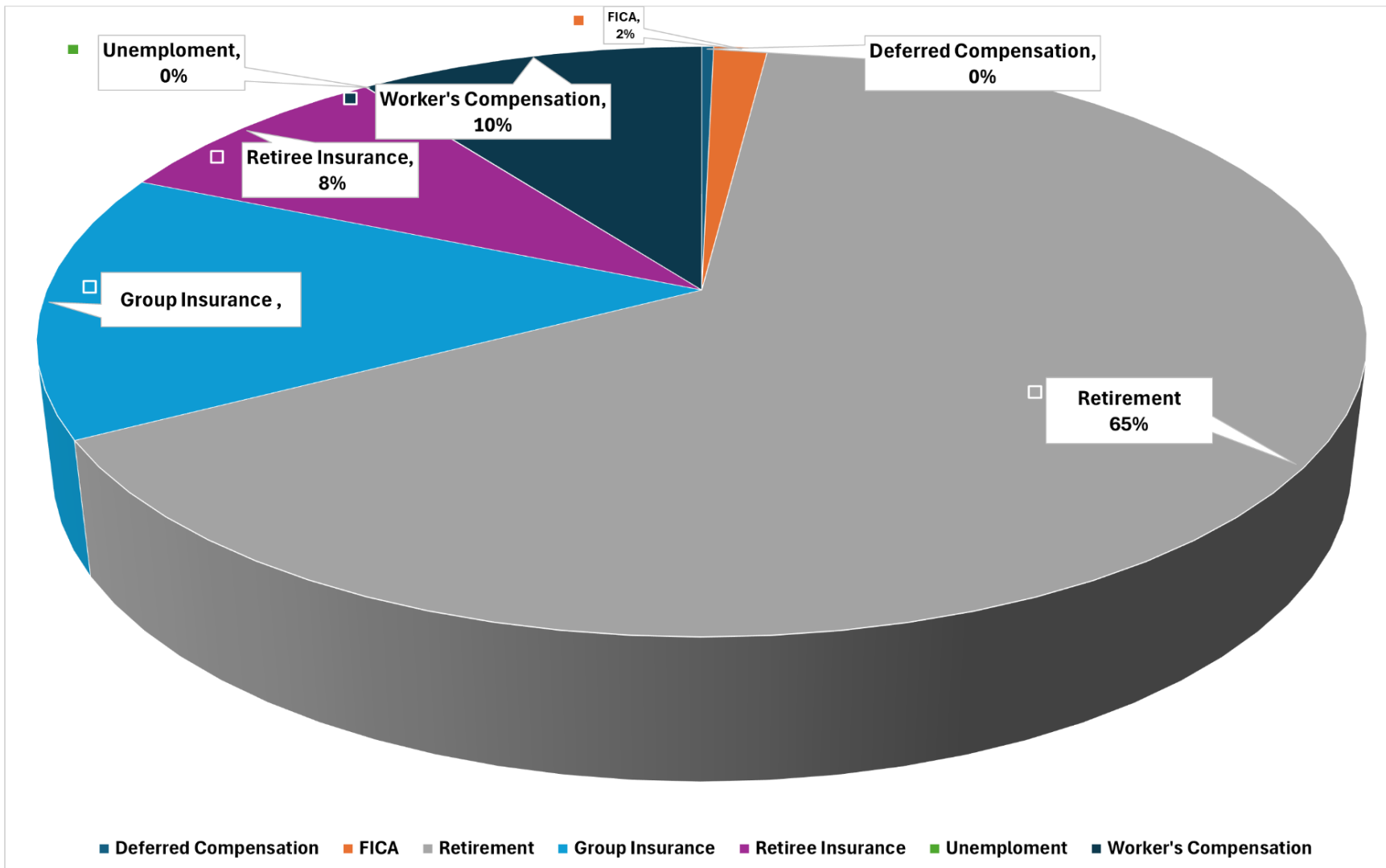
As discussed within this document, the Budget for FY 2024-25 is based on maintaining the Fire District's two station configuration, as fully staffed, and accounts for and a 5% increase in salaries and benefits. The total projected expenditures for FY 2024-25 are \$10,523,265

(continued on next page)

DESCRIPTION	23-24 REVISED BUDGET	23-24 UNAUDITED 06/30	PRELIMINARY 2024-25	PROPOSED FINAL	VARIANCE INC/(DEC)
Holiday Pay	218,393	215,333	228,065	228,065	4.43%
Permanent Salaries	3,063,138	2,970,030	3,252,517	3,252,517	6.18%
Strike Team Reimbursement	-				
Drill/Temporary Salaries	49,000	44,480	49,000	7,280	-85.14%
Overtime	-				
FLSA	137,277	141,765	161,902	161,902	17.94%
Backfill/Ancillary	681,363	812,483	862,300	862,300	26.56%
Strike Team	-	92,218			
Strike Team-FLSA	-	7,920			
Strike Team Reimbursement	-	(160,548)			
BC Coverage Reimbursement				35,000	
Deferred Compensation	14,400	12,900	14,400	14,400	0.00%
FICA	58,000	69,023	66,030	65,932	13.68%
Retirement	2,824,156	2,784,591	2,747,178	2,747,178	-2.73%
Group Insurance	660,757	543,860	620,453	616,459	-6.70%
Group Insurance-Retiree	360,000	313,574	360,000	355,000	-1.39%
Unemployment Insurance	1,000	-	1,000	1,000	0.00%
Worker's Compensation Ins.	441,129	441,129	470,000	420,000	-4.79%
TOTAL SALARIES AND BENEFITS	8,508,613	8,288,758	8,832,845	8,767,033	3.04%
Office Expenses	34,750	28,360	37,646	37,646	8.33%
Books/periodicals/subscriptions	4,000	3,173	4,000	4,000	0.00%
Communications	217,915	221,660	231,476	231,476	6.22%
Utilities	41,495	52,942	49,000	55,000	32.55%
Small Tools and Equipment	10,500	2,827	9,500	8,500	-19.05%
Medical supplies	26,500	7,337	27,800	27,800	4.91%
Food	4,420	4,594	4,420	5,000	13.12%
Clothing & personal supplies	13,440	13,515	13,680	13,680	1.79%
Household expenses	9,100	22,788	9,100	9,100	0.00%
Publications and legal notices	1,300	617	1,300	1,300	0.00%
Memberships	13,482	13,210	9,482	9,482	-29.67%
Rents and leases	203,660	201,233	203,660	203,660	0.00%
Repair & service equipment	41,920	15,242	41,220	41,220	-1.67%
Vehicle repair services	100,000	83,301	90,000	90,000	-10.00%
Reimbursements		(42,118)			
Gas & oil supplies	32,100	13,560	17,100	17,100	-46.73%
Vehicle maintenance-tires	15,000	15,682	15,000	15,000	0.00%
Maint. Radio & electrical equip.	7,380	8,176	7,380	7,380	0.00%
Maintenance building & grounds	36,500	32,227	36,500	36,500	0.00%
Employee travel expenses	5,400	2,349	5,400	5,400	0.00%
Professional/Specialized services	440,864	510,627	541,843	617,642	40.10%
Data processing service	4,200	14,238	18,324	18,324	336.29%
Data processing supplies	323	-			-100.00%
Information security	4,620	395	4,620	4,620	0.00%
Insurance	97,509	100,096	123,283	123,283	26.43%
Firefighting supplies	98,458	43,640	96,940	96,940	-1.54%
Recreation/Physical Fitness	2,600	1,114	2,600	2,600	0.00%
Educational Supplies & Courses	32,763	15,704	41,039	41,039	25.26%
Other Special Departmental Expenses	4,270	10,902	8,540	8,540	100.00%
Interest on Notes & Warrants	1,000		1,000	1,000	0.00%
Tax Assessments	23,000	19,455	23,000	23,000	0.00%
Total Services & Supplies Expenses	1,528,469	1,416,847	1,674,853	1,756,232	14.90%
Total Operational Expenses	\$ 10,037,082	\$ 9,705,605	10,507,698	\$ 10,523,265	4.84%



BENEFITS DISTRIBUTION



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D. Revenues vs. Expenditures

DESCRIPTION	PRELIMINARY BUDGET	FINAL BUDGET	INC/(DEC)
REVENUES	\$ 10,180,371	\$ 10,240,388	\$ 60,017
EXPENSES	\$ 10,507,698	\$ 10,523,265	\$ 15,567
Personnel	\$ 8,832,845	\$ 8,767,033	\$ (65,812)
Supplies and Services*	\$ 1,674,853	\$ 1,756,232	\$ 81,379
SURPLUS(DEFICIT)	\$ (327,327)	\$ (282,877)	

E. Fire District Fund Balances

	7800 GENERAL FUND	7801 CAPITAL	7812 MEASURE O	7822 HERCULES DIF	8514 RDO DIF	TOTAL
FUND BALANCE 7/1/2023	\$ 5,936,839	\$ 117,125	\$ 968,133	\$ 185,033	\$ 20,612	\$ 7,227,742
REVENUES*						
Property Taxes	\$ 5,304,382					
Benefit Assessment	\$ 1,363,968					
Intergovernmental	\$ 797,452			\$ 7,938		
Measure O			\$ 2,647,187			
Other	\$ 137,502	\$ 3,971				
EXPENDITURES*						
Salaries & Benefits	\$ (6,513,146)		\$ (1,775,613)			
Services & Supplies	\$ (1,029,040)		\$ (407,826)	\$ (33,310)		
Capital Improvements		\$ (1,145)	\$ (321,492)			
Committed Expenditures	\$ (274,701)					

FUND BALANCE 07/01/2024	\$ 5,723,256	\$ 119,951	\$ 1,110,389	\$ 159,661	\$ 20,612	\$ 7,133,869
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*UNAUDITED

If all projections are correct (including operating expenditures, capital, and revenues) the projected fund balance for all funds as of July 1, 2025 would be approximately \$6,477,992.

VI. GENERAL FUND EXPENDITURES

The Proposed Budget expenditures assume the Fire District is operating at full staffing. The Fire District is currently not at full staffing but does anticipate a full staffing complement to provide permanent employees to the two-station configuration for the majority of the 2024-25 fiscal year.

VIII. DEVELOPMENT IMPACT FEES:

A development impact fee is a monetary fee that a local government agency charges to an applicant in connection with the approval of a development project for defraying all or a portion of the cost to mitigate impacts created by new development adequately. The legal requirements for the enactment of the development impact fees program are outlined in Government Code §66000 under the Mitigation Fee Act. The City of Hercules and Contra Costa County Department of Conservation and Development currently collect fees on behalf of the Fire District. The Fire District's current adopted fee structure established by a Fire Facilities Impact Fee Study is as follows: Single Family Homes: \$1,817, Multi-Family Home: \$1120.00, Accessory Dwelling Unit: \$849.00, Commercial: \$0.91 per square foot, Office \$01.21 per square foot, Industrial \$0.52 per square foot and Hotel \$110.00 per room. Fees that are collected by the Fire District must be held in a separate account and accounted for in a different revenue and expense balance sheet.

Annual report: §66006 (b)(1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues. No Developer fees are anticipated for the 2024-25 budget cycle. This may be adjusted if projects come to fruition earlier than anticipated. Some DIF fees remain within the fund balance and are anticipated to be utilized as shown on the following page.

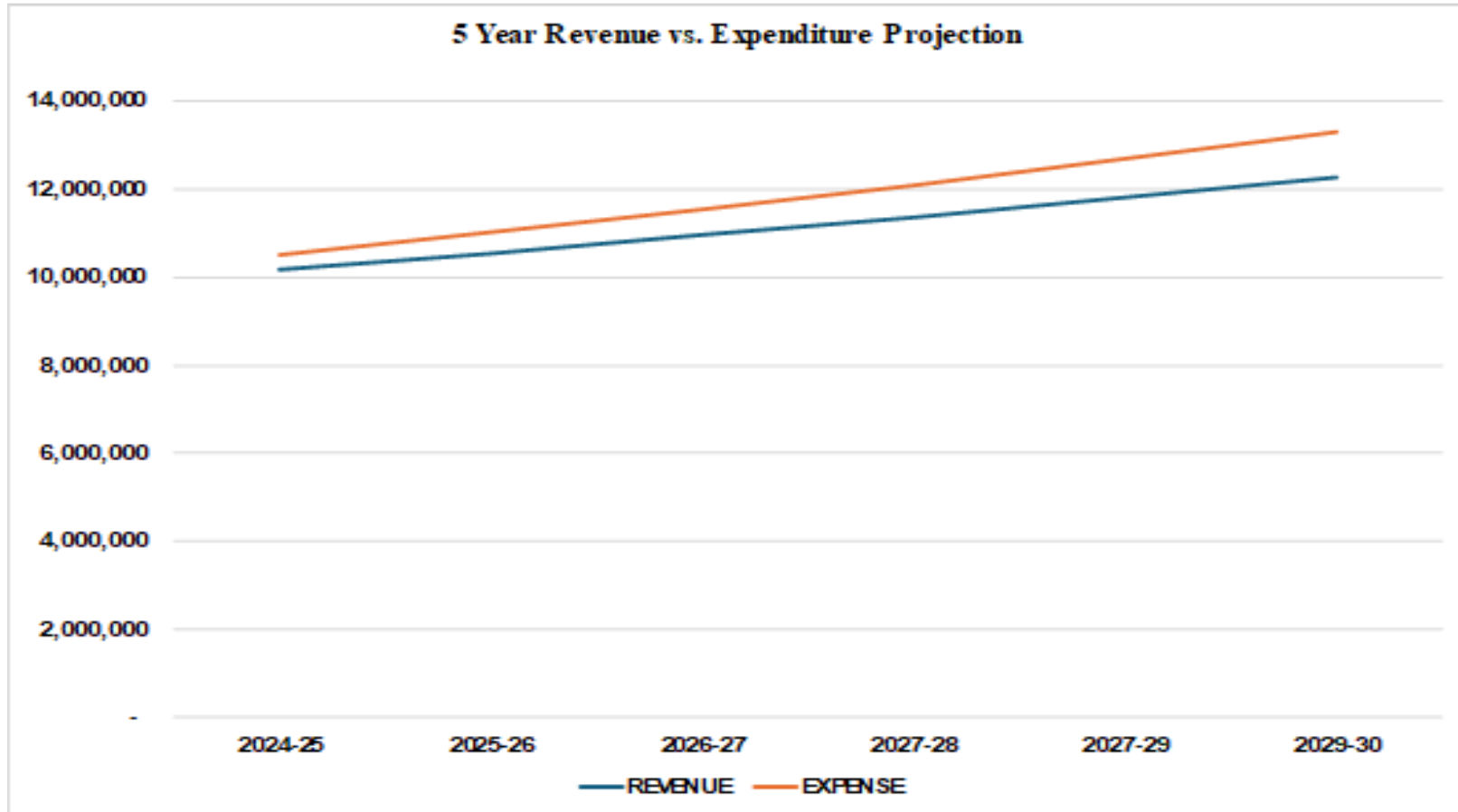
2024-2025 DEVELOPMENT IMPACT FEE EXPENDITURES

FY 2024-25 FIRE FACILITIES FEE REVENUES AND EXPENDITURES			
DESCRIPTION	ADOPTED BUDGET FY2023-24	PROJECTED ACTUAL FY2023-24	PRELIMINARY 2024-25
OPENING FUND BALANCE JULY 1, 2024			
Hercules DIF	199,815	\$ 7,938	
Rodeo DIF	20,612		
	<u>220,427</u>		
EXPENDITURES			
Outfitting of new emergency staff vehicle	50,000	33,310	
TOTAL	50,000	33,310	

IX. FIVE YEAR REVENUE & EXPENDITURE PROJECTIONS

Preparation of the Final Budget included creating Five-Year Revenue and Expenditure Projections to provide the Board and Staff with a roadmap for financial decisions and policy.

The district prepares a 5-year financial forecast which shall be updated from time to time with unexpected changes in economic conditions or other circumstances.



**RODEO-HERCULES FIRE PROTECTION DISTRICT
Five-Year Projections for Revenue and Expenditures**

	PROJECTED- FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30
Property taxes	5,182,857	5,442,000	5,714,100	5,999,805	6,299,795	6,614,785
Special Tax/Fire (Benefit Assessment)	1,363,968	1,363,968	1,362,081	1,362,081	1,362,081	1,362,081
Inter Gov. Revenue	868,831	912,273	957,886	1,005,780	1,056,070	1,108,873
Measure "O"	2,725,107	2,793,235	2,877,032	2,963,343	3,052,243	3,143,810
Other District Revenue	99,625	101,618	103,650	105,723	107,837	109,994
TOTAL GRAND REVENUE	<u>10,240,388</u>	<u>10,613,093</u>	<u>11,014,749</u>	<u>11,436,732</u>	<u>11,878,026</u>	<u>12,339,543</u>
Expenditures						
Salaries and Benefits	8,767,033	9,205,385	9,665,654	10,148,937	10,656,384	11,189,203
Services and Supplies Expenditures	1,756,232	1,826,481	1,899,540	1,975,522	2,054,543	2,136,724
TOTAL EXPENDITURES	<u>10,523,265</u>	<u>11,031,866</u>	<u>11,565,194</u>	<u>12,124,459</u>	<u>12,710,926</u>	<u>13,325,927</u>
Change in Revenue and Expenditures	<u>(282,877)</u>	<u>(418,773)</u>	<u>(550,446)</u>	<u>(687,727)</u>	<u>(832,901)</u>	<u>(986,384)</u>

Assumptions:

Property Tax Revenue for FY2024-2025 will increase by 3% and continue to increase by 5% going forward.
 Special Tax/Benefit Assessment will remain flat based on prior year experiences
 Measure "O" will increase by 2.5% for FY2025-26 and increases 3% subsequent years
 Salary and Benefit increases by 5% because of MOU change and other benefit increases
 Services and Supplies Increase by 4% in 2024-25, 3.1% 2025-26 and 3.1% in subsequent years (Source U.S Bureau Labor Statistic CPI)
 This schedule does not include the Capital Expenditures proposed in the FY2024-2025 budget.
 This schedule assumes the Philips grant will continue to subsidize the District budget for the next 5 years

Note:

If high inflation persists longer than expected or if the Federal Reserve policy causes greater pullback by business or individuals, the economy could tip into a mild recession. This could lead to steeper decline in the housing market which has negative effect in the districts major source of revenue which is the property tax.