



# Tracy Rural County Fire Protection District

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## Board of Directors

Jeff Ramsey  
Craig Miller  
Matt Kopinski  
Pete Reece  
John Vieira

## Clerk of the Board

Raychel Jackson

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## Board of Directors – Regular Meeting Agenda Tuesday, February 11, 2025 at 4:00 PM PST

### Join Zoom Meeting

<https://us06web.zoom.us/j/81430280608?pwd=cxzGsLHAIBBJ1wKwfskOtwmlBkVhsm.1>

Call In Number: [1 \(669\) 900 6833](tel:16699006833)

Meeting ID: 814 3028 0608

Passcode: 775698

**Location: 835 N. Central Avenue  
Tracy, CA 95376  
2<sup>nd</sup> Floor**

### 1. Roll Call and Pledge of Allegiance

### 2. Public Comment

Please, give your name, entity (if any), and address as well as what agenda item you wish to speak about to the Clerk of the Board so that your comments may be heard at the appropriate time. Comments must be limited to 3 minutes.

### 3. Consent Calendar

- 3.1 Adoption of the February 11, 2025 Agenda
- 3.2 Approval of the January 14, 2025 Minutes
- 3.3 Approval of February Warrant List
- 3.4 January Monthly Check Register

### 4. Regular Agenda

- 4.1 Receive a Report Prepared by HdL Coren & Cone for an Estimate of Tracy Rural Fire District's Property Tax Revenue Projection for Fiscal Year 2025-2026, and 5-Year Forecast for Fiscal Years 2025-26 – 2029-30
- 4.2 Receive Mid-Year Budget Report for Fiscal Year 2024-2025
- 4.3 Receive Updated Information Regarding Station Maintenance Issues

### 5. Committee Reports

- 5.1 JPA Representative Report

## **6. Informational Update**

### 6.1 Fire Chief's Update

## **7. Public Comment**

For any items not on the agenda.

## **8. Board Member Comment**

For any items not on the agenda and requests for future agenda items. No action will be taken on any questions or matters raised by the Board at this time.

## **9. Closed Session**

9.1 Consult with Legal Counsel – Significant Exposure to Litigation (California Government Code sections 54956.9(d)(2), 54956.9(e)(2)): one matter.

## **10. Adjournment until Next Regular Session – March 11, 2025**

Compliance with the Americans with Disabilities Act (US Code Title 42) – Assistance for Those with Disabilities: If you have a disability and need accommodation to participate in the meeting, please contact the Administration Office (209-834-7269) or email ([raychel.jackson@tracyruralfire.org](mailto:raychel.jackson@tracyruralfire.org)) at least 72 hours prior to the meeting to inform us of your needs and to determine if accommodation is feasible.



# Tracy Rural County Fire Protection District

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## Board of Directors – Regular Meeting Minutes Tuesday, January 14, 2025 4:00 PM

### 1. Roll Call and Pledge of Allegiance

Chairman Ramsey called the meeting to order at 4:01 pm. All Directors present.

### 2. Public Comment

No Public Comment.

### 3. Consent Calendar

3.1 Adoption of the January 14, 2025, Agenda

3.2 Approval of the December 16, 2024, Minutes

3.3 Approval of January Warrant List

3.4 December Monthly Check Register

- Motion was made by Vice Chair Miller, seconded by Director Kopinski to accept Consent Calendar. Motion passed.

### 4. Regular Agenda

4.1 Review and Discuss Purchasing G2 Altering Systems for Station 93 and 94

- No Action Taken.

4.2 Receive Updated Information Regarding Station Maintenance Issues

- No Action Taken.

### 5. Committee Reports

5.1 JPA Representative Report

- Chairman Ramsey provided a report from the December 16, 2024, JPA Special Board Meeting – Board adopted a resolution approving Side Letter agreement to the MOU between JP and TFA pertaining to the Boat/Rescue Team; and received the annual audit report for FY ending in June 30, 2024. This was Chairperson Eleassia Davis's last board meeting along with Dan Evans.

## **6. Informational Update**

### **6.1 Fire Chief's Update**

- Chief Bradley provided the monthly report based on the Fire Chief Update dated January 14, 2025, that was provided to the Board of Directors and staff at the meeting.

## **7. Public Comment**

No Public Comment.

## **8. Board Member Comment**

- Craig Miller indicated that we will be having a meeting with the City regarding impact fees.

Requested items for next agenda: True-up accounting from SCFA for FY22-23 and FY23-24 and an updated report from the City regarding Impact Fees.

## **9. Closed Session**

No Action Taken.

## **10. Meeting Adjournment at 6:03 pm.**

*Raychel Jackson*

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Raychel Jackson, Clerk of the Board

January 17, 2025

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TRACY RURAL COUNTY FIRE PROTECTION DISTRICT -- 49501 -- February 11, 2025

GENERAL OPERATING FUND	AMOUNT	ACCOUNT	VENDOR #
PETE REECE 30421 KOSTER ROAD TRACY, CA 95304	\$ 162.89	6226010900	0000010849
MATT KOPINSKI 33969 S. KOSTER ROAD TRACY, CA 95304	\$ -	6226010900	0000101809
CRAIG MILLER 5336 W. DURHAM FERRY ROAD Tracy, CA 95304	\$ 488.67	6226010900	0000105820
JEFF RAMSEY 27722 S. BIRD ROAD TRACY, CA 95304	\$ -	6226010900	0000098549
JOHN VIEIRA 19700 SOUTH LAMMERS ROAD TRACY, CA 95304	\$ 162.89	6226010900	0000010852
BERRETH LAW GROUP 2020 WEST KETTLEMAN LANE, SUITE E LODI, CA 95242		6221005100 6221005120 6221005130	0000110532 GOVERNANCE Litigation
Total	\$ -		
South County Fire Authority 835 N. Central Ave Tracy, CA 95376		6221005110	0000094467
Tracy Rural Fire District 793 S. Tracy Blvd. #298 Tracy, CA 95376		6221017700	0000072682
HdL Coren & Cone 120 S. State College Blvd. Suite 120 Brea, California 92821		6238000000	0000095531
<b>TOTAL FOR GENERAL OPERATING FUND</b>	<b>\$ 814.45</b>		



**TRACY RURAL COUNTY FIRE PROTECTION DISTRICT -- 49591 -- February 11, 2025**

<b>CAO RESERVE FUND 49591</b>	<b>AMOUNT</b>	<b>ACCOUNT</b>	<b>VENDOR #</b>
Community First National Bank 215 Seth Child Rd. Manhattan, KS 66502		6331000100.00 6331000100.00	. 0000102922 . 0000102922
<i>Total</i>			
Tracy Rural Fire Protection District 793 S. Tracy Blvd. #298 Tracy, CA 95376	\$ 265,650.29	6221017700	. 0000072682
<b>TOTAL CAO FUND 49591</b>	<b>\$265,650.29</b>		

**SIGNATURES OF BOARD MEMBERS**

\_\_\_\_\_  
PETE REECE, DIRECTOR

\_\_\_\_\_  
JOHN VIEIRA, DIRECTOR

\_\_\_\_\_  
MATT KOPINSKI, DIRECTOR

\_\_\_\_\_  
JEFF RAMSEY, CHAIR

\_\_\_\_\_  
CRAIG MILLER, VICE CHAIR





# Tracy Rural Fire Protection District

## Balance Sheet

As of January 31, 2025

	<u>Total</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
Bank of Stockton-Capital Outlay	0.00
Bank of Stockton-Operating	0.00
Bank of Stockton-Retirement	0.00
CA CLASS - Capital	1,150,067.60
CA Class - FFF	512,342.25
CA Class - Reserves	1,100,648.36
Fund 49501 - Operations	3,221,233.29
Fund 49512 - Retirement Buyout	18,893.92
Fund 49515 - Fire Facility Fees	68,602.70
Fund 49519 - Emergency Reserve	1,098,417.00
Fund 49554 - Fire Health Res	0.00
Fund 49581 - Smoothing Reserve	0.00
Fund 49591 - Capital Outlay Res	265,650.29
Petty Cash	0.00
Tri Counties Bank - Capital Improvement	287,579.28
Tri Counties Bank - Operating	597,620.98
Tri Counties Bank - Retirement Leave	5,522.81
<b>Total Bank Accounts</b>	<b>\$ 8,326,578.48</b>
<b>Accounts Receivable</b>	

# TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

## Cleared Transactions

January 2025

TRANSACTION TYPE	DATE	VENDOR	MEMO/DESCRIPTION	SPLIT	AMOUNT
<b>Bank of Stockton-Capital Outlay</b>					
Expense	01/29/2025		closing BOS to open TCB	Tri Counties Bank - Capital Improvement	-287,603.49
<b>Total for Bank of Stockton-Capital Outlay</b>					<b>\$ -287,603.49</b>
<b>Bank of Stockton-Operating</b>					
Expense	01/02/2025	ProTech		Utilities:Station 5	-70.00
Expense	01/03/2025	Patriot Pest Managment		-Split-	-388.00
Expense	01/03/2025	Van Unen Miersma Propane		Utilities:Station 3	-1,234.60
Expense	01/03/2025	Collucutt Energy		-Split-	-1,526.72
Expense	01/03/2025	Target		Office Expense:Supplies	-243.55
Expense	01/03/2025	Code Concepts Group LLC		Consultant Reports	-2,937.50
Expense	01/07/2025	HdL Coren & Cone		Consultant Reports	-4,670.19
Expense	01/08/2025	Paris Printing	stickers	Miscellaneous	-21.65
Check	01/09/2025	Special District Financial Services, LLC	Inv 00066	-Split-	-5,231.75
Expense	01/09/2025	Zoom		Office Expense:Software/Hardware	-10.00
Expense	01/10/2025	City of Tracy		Utilities:Station 5	-387.45
Expense	01/10/2025	City of Tracy		Utilities:Station 4	-335.40
Expense	01/10/2025	Delta Disposal Service		-Split-	-617.39
Expense	01/13/2025	Berreth Law Group		Legal Services:General	-1,908.00
Expense	01/16/2025	Collucutt Energy	semi-annual service	-Split-	-4,251.63
Expense	01/21/2025	EcoWater Systems		Utilities:Station 3	-65.00
Expense	01/21/2025	QuickBooks Payments		Office Expense:Software/Hardware	-116.91
Expense	01/24/2025	AT&T		Office Expense:Phone	-443.98
Expense	01/29/2025		closing BOS to open TCB	Tri Counties Bank - Operating	-295,627.23
<b>Total for Bank of Stockton-Operating</b>					<b>\$ -320,086.95</b>
<b>Bank of Stockton-Retirement</b>					
Expense	01/29/2025		closing BOS to open TCB	Tri Counties Bank - Retirement Leave	-5,547.79
<b>Total for Bank of Stockton-Retirement</b>					<b>\$ -5,547.79</b>
<b>CA CLASS - Capital</b>					
Deposit	01/31/2025		Interest Earned	CA CLASS - Capital Investment:Interest	4,305.06
<b>Total for CA CLASS - Capital</b>					<b>\$4,305.06</b>
<b>CA Class - FFF</b>					
Deposit	01/31/2025		Interest Earned	CA Class - FFF Investment:CA Class - FFF Interest	1,917.85
<b>Total for CA Class - FFF</b>					<b>\$1,917.85</b>
<b>CA Class - Reserves</b>					
Deposit	01/31/2025		Interest Earned	CA Class - Reserves Investment:CA Class - Reserves Interest	4,120.07
<b>Total for CA Class - Reserves</b>					<b>\$4,120.07</b>
<b>Tri Counties Bank - Capital Improvement</b>					
Expense	01/29/2025		closing BOS to open TCB	Bank of Stockton-Capital Outlay	287,603.49
Deposit	01/31/2025		Interest Earned	TCB Capital:Interest	0.79
Check	01/31/2025		Service Charge	Service Charge	-25.00
<b>Total for Tri Counties Bank - Capital Improvement</b>					<b>\$287,579.28</b>
<b>Tri Counties Bank - Operating</b>					
Deposit	01/08/2025		initial deposit from County Account	Fund Transfer	300,000.00
Deposit	01/08/2025	M3 Insurance		Refund	2,483.00
Expense	01/29/2025		closing BOS to open TCB	Bank of Stockton-Operating	295,627.23
Check	01/31/2025		Service Charge	Service Charge	-100.00
Check	01/31/2025	Jeff Ramsey	December stipend	Directors Fees:Jeff Ramsey	-400.00
Deposit	01/31/2025		Interest Earned	TCB Operating:Interest	10.75
<b>Total for Tri Counties Bank - Operating</b>					<b>\$597,620.98</b>
<b>Tri Counties Bank - Retirement Leave</b>					
Expense	01/29/2025		closing BOS to open TCB	Bank of Stockton-Retirement	5,547.79
Check	01/31/2025		Service Charge	Service Charge	-25.00
Deposit	01/31/2025		Interest Earned	TCB Capital:Interest	0.02
<b>Total for Tri Counties Bank - Retirement Leave</b>					<b>\$5,522.81</b>



**Tracy Rural County  
Fire Protection District**

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Agenda Item 4.1

**STAFF REPORT**

**Meeting:** Regular Meeting  
**Date:** February 11, 2025  
**To:** Board of Directors  
**Prepared by:** Raychel Jackson, District Clerk  
**Approved by:** Jeff Ramsey, Chairperson

**Re:** Receive a Report Prepared by HdL Coren & Cone for an Estimate of Tracy Rural Property Tax Revenue Projections for FY 25-26

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**RECOMMENDATION**

Action Item \_\_\_\_ Non-Action Item\_X\_\_

It is recommended the Board of Directors receive a report from HdL Coren & Cone for an estimate of Tracy Rural property tax revenue for FY 2025-26.

**BACKGROUND**

In 2018, the District contracted with HdLCC to provide property tax management services. Specifically, to perform a detailed analysis of the existing assessment data to determine whether the County's system requires additional corrections. Part of the District's overall effort to manage its finances is maintaining a comprehensive assessment of its revenue base. The estimated growth for 2024-2025 ranged from 5.10% - 6.87% and the estimated growth for 2024-2025 ranges from 5.25% - 7.47%. This is due to the higher interest rates.

**DISCUSSION**

The report discusses the trends in 2024 that will impact the 2025-26 fiscal year values and comparative analysis of the 2024-25 FY (current) and the 2025-26FY contributing factors. This report includes the base line growth percentage and discusses the addition of new construction to this number to increase the bottom line.

**FISCAL IMPACTS**

None.

**ATTACHMENTS**

1. Budget Forecast for FY 25-26

## MEMORANDUM

**To:** Tracy Rural Fire Protection District  
Jeff Ramsey, Chairman of the Board of Directors  
Raychel Jackson, Clerk of the Board

**From:** Paula Cone, President, HdL Coren & Cone (HdLCC)

**Date:** February 5, 2025

**Re:** General Fund Budget Projection 2025-26 Five-Year Property Tax Projections

### REAL ESTATE TRENDS FOR CALENDAR YEAR 2024

The events that occurred in the 2024 calendar year are what will be influencing the 2025-26 property values enrolled. It was a year where there was a continuation of the high-interest rates that impacted mortgage rates for homebuyers. In some regions this resulted in a sustained downturn in the real estate cycle that we saw begin in late spring 2022 when interest rate increases were implemented to slow the rate of inflation. As interest rates increased and have remained higher between 2022 and 2024, we have seen fewer sale transactions of single-family residential homes. This was due in part to an insufficient supply as homeowners with lower interest rates were reluctant to give up those homes to search for others with higher prices and higher mortgage rates. This is one of the major components we review and factor in developing a forecast model growth projection for future years. There are generally three elements that impact growth of values and the resulting property tax revenue: the annual CPI granted by the State in compliance with Proposition 13, sales of properties where the sale price (usually higher) is enrolled as the market value in the subsequent tax year, and the addition of value due to new construction activity.

Throughout the 2024 calendar year we have seen the number of properties offered for sale in comparison to those sold in 2023 decline by 109 property sales (residential and non-residential) transactions. Even with this reduction in units selling, the change due to these sale transactions and the enrollment of the market value of those sales are included in the model with growth of \$354,377,462 in the Transfers of Ownership line item. This amount is \$68,206,173 higher than the additive enrolled for the 2024-25 fiscal year of \$286,171,279. The current median price of a single-family home in the Tracy Rural Fire Protection District is \$950,000, which is up from \$930,750 a calendar year and an increase of 2.50%. This is after a decline in median prices in 2023 reflected in the 2024-25 forecast of -5.29%. While the median sale prices are usually mentioned, the overall increase of all values added due to sale transactions—the difference between the prior year assessor's enrolled value and the sale price paid in a transaction, noted

above, is the important element in a budget forecast, and this was a positive increase for 2025-26 in the TRFPD.

**Proposition 8 Value Reviews.-** We are not including a Proposition 8 data entry point in this year's forecast as the year-over-year changes are not significant to the bottom line in the current market. We have reviewed all single-family residential properties that have sold during the 2024 calendar year and have compared that sale price against 2023 transfers to ascertain the median price change between tax years. This analysis has led us to believe that the current real estate market is not resulting in an uptick of Proposition 8 reviews and does not consider it to be an important factor for 2025-26

HdL Coren & Cone has prepared our annual General Fund budget worksheet to assist you in estimating property tax revenues for the next fiscal year. Each year our revenue models are re-evaluated to account for changes in the real estate landscape that will have an impact on the revenue stream in the coming year. As District staff you may also have information that we have not received and that information, once applied to the revenue model, may change the outcome. These might include new housing developments, large apartment complexes or commercial and industrial sites under construction.

We have identified the secured and unsecured allocations within the total revenue estimated based on the ratio of secured to unsecured values countywide. This should assist agencies that are budgeting secured and unsecured apportionments separately.

Pooled revenue sources such as supplemental payments, taxpayer refunds due to successful appeals, and one-time adjustments made by the assessor and reflected by auditor-controller apportionments are not included in this property tax revenue projection. These forecasted amounts tend to be less consistent and should be based on the allocations or reductions the District has seen on remittance advices over a multi-year period including your knowledge of events in the District that may impact your positive cash flow.

## **ELEMENTS CONSIDERED IN THE FORECAST**

**This year we are including a single forecast. This five-year forecast includes 2025-26 as the first year in the projection. The first year's forecast methodology is discussed below and the other 4 years in this forecast are discussed in the accompanying memorandum with greater details for years 2-5.**

### **THE CPI AND YEAR OVER YEAR VALUE CHANGE:**

The CPI granted for all taxing entities in the State per Proposition 13 for 2025-26 will be **2.00%** the same increase that was granted for 2024-25.

The total assessed value reported in the TRFD for 2024-25 was \$10,186,999,731. The year-to-year value increase reported in the current fiscal year, 2024-25, for the District reflects growth

of \$1,126,870,610 which was \$68.6 million lower than the value growth reported in 2023-24 at \$1,195,480,314. The total year-over-year growth in 2024-25 is 12.4% higher than the value enrolled last year when the 2023-24's year-over-year change was 15.2%. This decline was due in large measure to the sale transactions additive which accounted for 3.16% or 25.4% of the total growth in 2024-25. This is in comparison to an 8.04% portion of total growth or 53% of the total growth seen in the prior fiscal year. The growth due to these sale transactions in 2024-25 accounted for about ½ the growth seen in this element in 2023-24.

New construction, on the other hand, added 4% to the District's bottom-line in 2024-25 accounting for 36% of the total growth. This is in comparison to the 2% change reflected in last year's total growth which was 13% of all growth seen for 2023-24. To summarize, there was less of a sales additive and more of a new construction additive to the bottom line of these 2 elements in 2024-05 than last year. As District values increase each year, it takes more of an additive to achieve the 1% growth percentages that we have seen in the past when District-wide values were lower overall before annexations and new construction additives.

### SALE TRANSACTIONS:

The reported median sale prices of single-family homes in the District decreased **-5.29%** in the 2023 calendar year and were responsible for 53% of the overall growth in 2024-25 or a 8.03% portion of the District's overall 15.2% growth. As we ended 2022 and moved through 2023 experiencing the interest rate hikes implemented to curb inflation, the median prices have increased 2.50% in the 2024 calendar year which will be reflected in 2025-26. Home sale prices as well as the number of homes coming to market have been mixed both by region and community throughout the State. In the Tracy Rural Fire Protection District there was an increase in the number of homes sold in 2024 by 3 more sale transactions, which was an increase of 0.84% in the number of year-over-year sales.

As mentioned above, the properties that sold in calendar year 2024 will add \$354,377,462 to the market value and overall growth to the value pool between the 2024-25 and 2025-26 fiscal years. This is in comparison to the \$286,171,279 growth we saw last year in this category. It will require \$101.8 million in additional value growth in 2025-26 to increase revenues by 1%. (1% of the districtwide value of \$10,186,999,731). The additive due to sale transactions has been included in the revenue model for 2025-26 and is the equivalent of **3.47%** of the projected growth next year in comparison to the 3.16% seen in 2024-25 FY. The sale numbers are quantifiable and should not be changed in the revenue forecast model. A comparison of this fiscal year's growth due to sale transactions with each of the previous ten years is noted below. The green portion of the bar in each year is the growth assigned to sales transactions. 2024-25 posted a share that was lower than 5 of the 10 years shown in this analysis. We are forecasting that 2025-26 will be very close to this same growth element reflected in 2024-25.

**TAXABLE ASSESSED VALUE**  
**\$10.2 BILLION**

**+12.4%** ↑  
**TRACY RURAL FIRE**

**+7.4%** ↑  
**COUNTY**

**HISTORY OF VALUE CHANGES BY CAUSE**

INCLUDING TOTAL ASSESSED VALUE



The Other change category may include effects of assessment appeals, multi parcel sales, and changes to secured exemptions, personal property, or utility-owned property values

**COMPLETED NEW CONSTRUCTION:**

New construction completed during the 2024 calendar year is likely to be enrolled as either a progress appraisal, a project under development but not yet completed, or as a completed project which has been granted a certificate of occupancy by the City of Tracy or for those parcels in the County Unincorporated area served by the District. A historical view of the development-new construction completed that impacted growth over the past eight years is noted below:



**TRACY RURAL FIRE**  
**NEW CONSTRUCTION HISTORY**

ESTIMATED ANNUAL CONSTRUCTION FROM 2017/18 TO 2024/25

Tax Year	Estimated Parcel Count	Residential New Construction	Non-Residential New Construction	Total New Construction
2017	319	\$32,028,661	\$42,683,462	\$74,712,124*
2018	229	\$42,830,970	\$97,946,240	\$140,777,210
2019	278	\$31,282,587	\$143,296,052	\$174,578,639
2020	343	\$81,457,023	\$223,169,779	\$304,626,802
2021	323	\$42,825,368	\$239,952,252	\$282,777,620
2022	310	\$35,172,726	\$265,521,490	\$300,694,216
2023	371	\$100,608,153	\$58,006,319	\$158,614,472
2024	230	\$22,108,973	\$383,798,853	\$405,907,827*
Average of all Years:				\$230,336,114
Trimmed Average (Excludes Outlying Years*)				<b>\$227,011,493</b>
Estimate @ 75%:				\$170,258,620
Estimate @ 50%:				\$113,505,747
Estimate @ 25%:				\$56,752,873

The area covered by the Tracy Rural District reported a larger than usual growth from completed new construction component in 2023 which was enrolled in 2024-25. This growth was due to the addition of commercial and industrial new construction sites, primarily industrial warehouses that are either in progress or have been completed during the 2023 calendar year. The forecast model has a data entry point available to record this addition to the forecast. We usually take a conservative tact when budgeting this element as we don't know if the County of San Joaquin is up to date with processing the projects completed in 2024 and if all the growth due to new construction will be enrolled before the roll is turned over to the Auditor at the end of July 2025. We usually recommend taking 50% of the trimmed average as a conservative estimate for this data entry point. Given that there have been wide variances in the actual growth over the past 8 years this may be too conservative. But, unless you can verify the projects that received a certificate of occupancy during 2024 and have some verification that the assessor will enroll all of the growth completed to date for the 2025-26 roll, it is best to underestimate this element and adjust mid-year if necessary.

The trimmed historical average of all new construction added to the roll over the past eight years is \$227,011,493. If we take a conservative entry of 50% of the trimmed average of this growth element -- \$113,050,747 the growth forecast will be roughly 1/3 of the amount reported in 2023 and reflected in the current 2024-25 values generating revenue for the District. If the Tracy Rural Fire Protection District can verify that something like the increase due to completed new construction enrolled in one of the more recent past years was also experienced in the 2024 calendar year, the District could enter a larger amount.

To state this again, the 3 major drivers of property tax increases are the 2% CPI granted per Proposition 13, real estate sales for more than the assessor's enrolled value, and new construction added to the roll between tax years.

### **BASELINE FORECAST AND NEW CONSTRUCTION DISCUSSION:**

*In our budget forecast last year for the current 2024-25 fiscal year, we were estimating baseline growth of 5.10%. There was no new construction included in this forecasted baseline amount and the unsecured roll was budgeted flat. The actual growth realized by the District was 12.2%. The calculated growth due to new construction added 4.48% to the total growth amount and unsecured assets (business owned properties that are self-reported and are aligned with the opening of industrial warehouses or distribution centers that are being constructed) added another 1.78% to the bottom line. The inclusion of these two additions would result in an increase of 11.36% slightly less than the 12.2% reported.*

*These two elements are easy to quantify after the new roll is released, but difficult to assess without knowing what is happening in the Assessor's office. Given that the additive to the growth in 2023-24 due to new construction was more than 8% it would have been difficult to expect that same growth in 2024 and even estimating the more than ½ of that amount may have been difficult to forecast with the resources available. Taking the trimmed average presented last year would have resulted in about half the reported new construction growth for the current fiscal year.*

### **BUDGET FORECAST ESTIMATES FOR 2025-26**



- Our base line forecast for growth of all values generating General Fund property tax revenue for 2025-26 is **5.25%** without any factoring for new construction activity or other elements that are unknown such as roll corrections, success appeal reductions or unsecured asset values.
- Adding 50% of the trimmed average growth due to new construction for the past 8 years of \$113,050,747 would be the equivalent of an additional 1.11% growth to this base number. This would mean forecasting growth of **6.36%** for 2025-26 with some new construction as a less conservative estimate.
- A more optimistic model would be developed by adding 100% of the trimmed average growth due to new construction (\$227,011,493) that would add 2.22% to the base line forecast for a bottom line forecast of **7.47%**. This is still less than the actual new construction additive realized for the 2024-25 tax year.

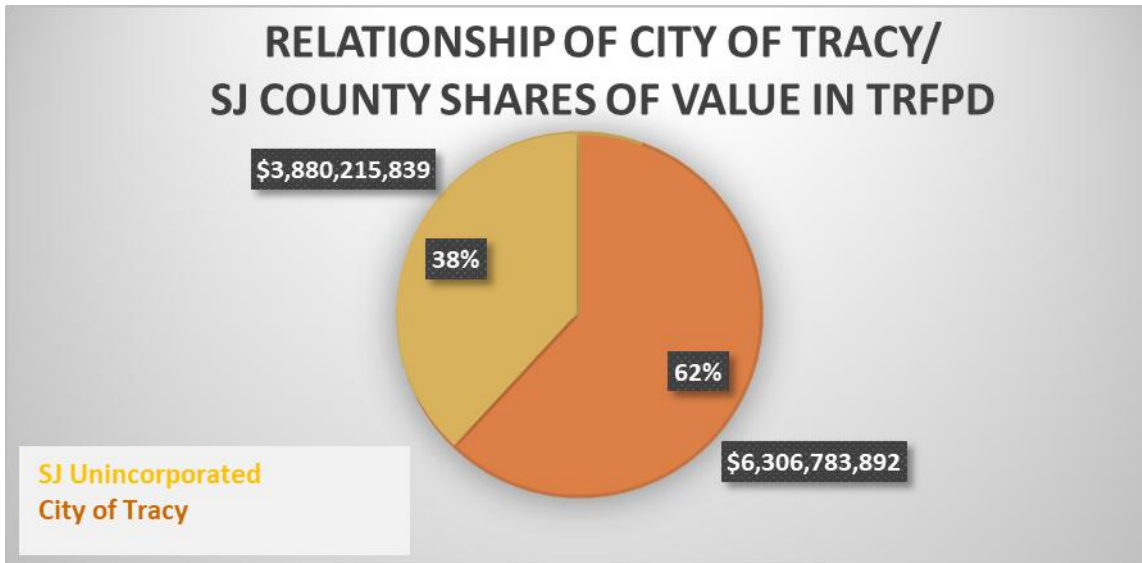
We project property tax revenue sources conservatively and would caution against increasing the elements in the forecasting model without solid information from the City/County Unincorporated portions that the District serves or verified information from the Assessor.

#### SUMMARY OF POTENTIAL MODEL SELECTIONS

- A conservative estimate of growth would be **5.25%**.
- A midrange estimate with a Trimmed Average of 50% of a historical new construction additive would be **6.36%**.
- A more optimistic estimate with the historical new construction trimmed average of 100% added would result in a forecasted growth of **7.47%**.

#### THE DIFFERENCES IN THE TRFPD BETWEEN CITY OF TRACY/COUNTY UNINCORPORATED AREAS

The Tracy Rural Fire Protection District service area covers the City of Tracy and parts of the San Joaquin County Unincorporated Area. The taxable values assigned to the City of Tracy of \$6,306,783,892 represent 62% of all values that generate 1% revenue for the District; and the taxable values assigned to the County Unincorporated area of \$3,880,215,839 represent 38% of all values that generate 1% revenue for the District for a total reported taxable value in 2022-23 of \$10,186,999,731. Last year the County portion of the District was 39% by value and the City of Tracy was 61% by value.



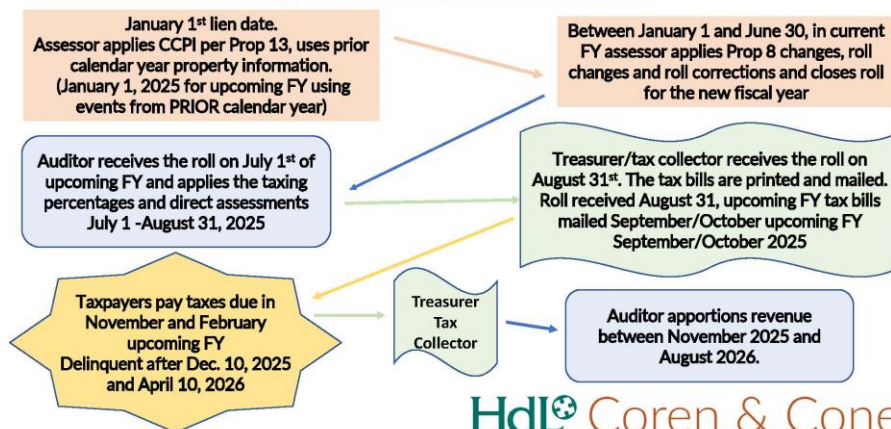
### PROPERTY TAX TIMELINE - THE DELAY BETWEEN DEVELOPMENT AND ITS REFLECTION ON TAX ROLL

Property values are a delayed indicator of what you are seeing occurring in your District. The 2025-26 roll currently being prepared by the Assessor was liened on January 1, 2025, and includes events (sale transactions, completed new construction, Proposition 8 adjustments, roll corrections and appeal reductions) that happened in calendar year 2024. Any new development occurring in 2025 that will result in sales this calendar year or progress appraisals on completed new construction before the end of December 2025 will be seen on the 2026-27 tax roll. Events that occur mid-year and result in the issuance of a supplemental tax bill result in a pooling of these receipts countywide and TRFPD receives its representative tax share of ALL taxes countywide of those receipts (AB-8). The following year when the new value is enrolled, it belongs to the jurisdiction where the property is located.

The timeline for the property tax process for 2025-26 is reviewed on the graphic below from assessment to taxation, receipt of taxes and allocation of the property tax revenue.

#### PROPERTY TAX TIMELINE UPCOMING 2025-26 FY

Values lag 12-18 months being reflected on the tax rolls



**Hdl** Coren & Cone

The 5-Year projection for the District's property tax revenue is included in an excel version for District interaction. The methodology is included in the pdf document attached to this email. Please read the information provided relative to our assumptions going forward.

After you have had an opportunity to review the attached materials, we can arrange for a Zoom meeting with the District and I will be happy to answer any questions related to this model or how you may have items to add to augment the overall growth projected in the forecast.

The enclosed materials include:

- **General Fund Annual Memorandum on Methodology and Assumptions**
- **Portfolio of Reports General Fund for the District- 2024-25 actual value reports, Real Estate Sales Trends, Prop 8 values restored, budget projection PDF - Notes and Highlights.**
- **5-Year Budget Projection 2025-26- Excel General Fund**
- **5-year Budget Projection Assumptions Memorandum**

## **2025-26 FY 1-5 YEAR GENERAL FUND REVENUE SPREADSHEET INSTRUCTIONS**

### **Please be especially aware of the following 7 items:**

- This year we are not preparing a stand-alone 1-year forecast as the 1-year budget projection is also included as the first year in the 5-year model. If you decide that you need a copy of a single 1-year forecast, one can be provided upon request.
- The “Net GF Estimate for “2025-26” line on the supplied revenue estimate represents the 2025-26 forecasted revenue for the current year secured, unsecured and homeowner’s (HOX, HOPTR) revenue allocations only. The unitary revenue is included on its own line and budgeted at the most current available year’s level. In Los Angeles County, the auditor allocates Unitary as part of the secured allocation and does not identify it specifically. The forecast does not include revenues from prior years, supplemental assessment allocations, or redemption (delinquent) and penalty revenues. Pass-through and residual revenue allocations from RPTTF allocations are also not included. The instructions below provide guidance in budgeting some of those revenue streams.
- If your agency budgets secured and unsecured revenues separately, you will note that we have broken out those two categories of property tax revenue based on the percentage each is to the countywide total revenue pool.
- “Net GF Estimate for 2025-26” assumes 0% delinquency. The actual delinquency rate is most often between 1.0% and 2.0% in non-Teeter Cities.
- Completed new construction is not represented in this estimate unless the property was completed and sold in 2024, and those properties are therefore included in the transfer of ownership category. The most accurate way to estimate new construction is to get information on construction completed prior to January 1, 2025. HdLCC has included a report showing historical new construction values in your agency to assist you in gauging an amount that you can consider and insert as the Completed New Construction increase (see description below). You may leave the entry point blank for a more conservative estimate.
- We believe there will be some potential for future value reductions in commercial office and retail sites as well as in industrial properties due to appeal filings over the past 3 years resulting from vacancies present after the pandemic and because of some to the technology industry layoffs announced during the past couple of years. (See appeals section below)
- **THIS REPORT IS ONLY A GUIDE.** The current year revenues plus trending information specifically related to property transfers and new development in the general fund taxing agency are all critical to the development of the estimated general fund revenue. You know your community. If the estimate or its assumptions don’t seem to fit your community or what you are aware is in the pipeline for completed or progressing new development or recently purchased commercial or industrial sites, please contact us to discuss your specific situation.

To discuss your spreadsheet with HdLCC staff, please call (714) 879-5000 or email us at:

Paula Cone - [pcone@hdlccpropertytax.com](mailto:pcone@hdlccpropertytax.com) Nichole Cone - [ncone@hdlccpropertytax.com](mailto:ncone@hdlccpropertytax.com)

[Dave Schey - dschey@hdlccpropertytax.com](mailto:dschey@hdlccpropertytax.com) Darren Hernandez - [dhernandez@hdlccpropertytax.com](mailto:dhernandez@hdlccpropertytax.com)

## **INFORMATION AND ASSUMPTIONS**

**The Assessor's 2025-26 applied CPI factor is 2.00%.** It is important to remember that any properties that have been granted Prop 8 reductions in prior years due to lower sale price trends and higher interest rates, are required to be reviewed each year outside of the CCPI adjustment and any positive adjustment to those properties may exceed this 2.00% if properties are granted value restorations.

We are providing you with our assumptions in developing the General Fund spreadsheet model for 2025-26 and subsequent years. This will allow you to make educated changes based on local information and override our assumptions in the Excel version of this report if you feel we are not taking specific real estate changes into consideration.

- 1. CCPI** All real property (land and improvements) that is not involved in a sale transaction or the addition of new construction and is not reduced per Proposition 8 by the county assessors will receive the 2.00% CPI adjustment. Our model has calculated the CCPI to be applied to the real property values of non-Prop 8 reduced properties.
- 2. TRANSFERS OF OWNERSHIP** For those properties that have sold between January and December 2024, we have calculated the difference between the value on the roll released for 2024-25 and the price paid for the property in the sale transaction during the 2024 calendar year and have provided that "market value" as an increase due to these sales. With very few exceptions, we have noted that the number of homes offered for sale is down and sale prices have not enjoyed as positive a year-over-year increase as we saw during the post pandemic period when low interest rates were in play. In some cities/districts the median sale prices are lower than those reported in 2023, and this coupled with fewer sales is resulting in a lower addition of value based on sales for 2025-26 unless non-residential sales have added significant value.

Sales transactions in year two (2) in the 5-year forecast are modeled on the 2025-26 sales estimate with a slightly increased change due to transfers of ownership that were reflected in the 2024 calendar year, similar sale prices and units sold, along with a 2% CPI adjustment. Years 3-5 of the forecast tool, 2027-28, 2028-29 and 2029-30, each have the 2% CPI granted and the historical percentage of total value from sales transactions over a 16-year history applied to the projected value is used for this portion of the model. This reflects the sales trends between 2008 and 2024. During this period, we were at the bottom of the Great Recession, enjoyed one recovery, experienced a slight downturn during the Pandemic, another recovery and then a slowdown during the interest rate hikes. This is a mixed view—not all positive or negative. The sales in each jurisdiction over this window of time are used to judge the growth in sales activity in years 3-5 of the forecast. If this seems too conservative or too optimistic, we can offer another version with the projection's assumptions tied to a different historical timeframe that may better align with your perception of the real estate market conditions ahead.

- 3. PROPOSITION 8 RECAPTURES – SINGLE FAMILY RESIDENTIAL** We are not including a Proposition 8 data entry point in this year's forecast as the year over year changes are not significant to the bottom line in the current market. We have reviewed all single-family residential properties that have sold during the 2024 calendar year and have compared that sale price against 2023 transfers to ascertain the median price change between tax years. This analysis has led us to believe that the current residential real estate market is not resulting in an uptick of Proposition 8 reviews, and we do not consider it to be an important factor for 2025-26.

- 4. PROPOSITION 8 RECAPTURES – NON-SINGLE FAMILY PARCELS** Gauging increases on non-single-family parcels (commercial, industrial, multifamily residential and vacant) is more difficult and due to the uniqueness among these properties, comparable sales and adjustments to Prop 8 reduced values are too difficult to forecast. For this reason, these positive adjustments are not part of our estimate.
- 5. BASE YEAR VALUES** In cities with former redevelopment agencies, base year values tend to remain constant, and we don't anticipate any changes to base year values.
- 6. PERSONAL PROPERTY VALUES** The personal property on the secured tax rolls and the unsecured property values are being budgeted flat at 2024-25 levels. This is based on our feeling that depreciation of this business asset pool will be offset by new purchases and assets added in developing commercial and industrial projects. Personal property value is not a one size fits all. Any community with new commercial or industrial development which supports tenants may see an increase in this roll value type. Conversely, re-locating or downsizing among existing tenants or annual depreciation could result in a larger decline in this roll value type. Due to the large number of escape assessments in Orange County, we have included a 10-year trimmed mean value for escape assessments in 2025-26 to prevent large fluctuations in the estimate based on these one-time corrections. Amounts are noted in the footnote. San Mateo County posted escape assessments for the first time on the unsecured roll in 2023-24. With only two years of historical data, there is too little information to forecast averages for this County. Escape assessments resulting in value increases in the current FY that may be absent next year may have an impact on the bottom line of this revenue source.
- 7. COMPLETED NEW CONSTRUCTION IN GENERAL FUND** This data entry point allows for the inclusion of new construction projects completed annually. Due to processing delays we suggest that a time frame of November 2023 through October 2024 for the 2025-26 FY. We are including a report to help you gauge a value to be included in the completed new construction line item in the absence of real data. The report includes an 8-year history of improvement values added for residential and non-residential development as determined by properties that had no transfer of ownership, no appeals and where the improvement increases are greater than the assessor applied CPI. We have eliminated the outlying years where the total new construction falls outside of one standard deviation of the average and have then calculated 25%, 50% and 75% of the trimmed average of the other years on this report.

If the number of completed construction permits or building permits issued by the city are in line with those granted in the past couple of years, taking the 50% estimate will allow you to populate the model with a conservative value estimate due to this growth. Leaving the space blank will result in an even more conservative property tax revenue estimate. For communities that have experienced large residential, commercial and industrial growth over the past one or two years, please be cautious if you are choosing to use one of those sample years to populate the model. While the City/District may have a sense of what building permits have been granted or which projects have been completed, the real issue is whether the Assessor's staff have revalued the parcel or included the full value reported on the building permit as the value of record. Unless you receive verification from an Assessor that the parcel is included in next year's roll at an increased value due to new construction, it is best to estimate a lower number and make a mid-year adjustment when the values are reported on the roll to be taxed for 2025-26. The report that includes information for the general fund should be used in the general fund portion of the

spreadsheet. The entire city report should be used to estimate new construction value in the VLF in Lieu portion of the spreadsheet at the bottom of the 5-year forecast. The VLF in Lieu is based on the value change citywide including both the general fund and successor agency in cities with former RDAs.

**8. PASS THROUGH AND RESIDUAL RPTTF REVENUE** Our modeling does not provide an estimate for residual revenue the city/district may receive from the former RDA. We have a separate spreadsheet available that assists in the development of residual revenue projections for Successor Agencies. Please contact us if you are interested in receiving one of these estimates. As an alternative you can budget the allocation received in 2024-25 (January 2 and June 1) flat.

**9. APPEALS** Appeal reductions are not included in our estimates. Not all counties provide this information for purchase. In the counties where we do receive appeal filings the data varies between once or twice a year to every quarter. We have noticed a continuation of the uptick in filings between 2022 and 2023 and in those counties already posting the 2024 filings a continued increase in the number of appeals filed. Appeals must be heard within 2 years of their filing or the hearing date can be extended with mutual agreement by the appealing party and the County. There is no offset for the possibility of appeal reductions in this forecast estimate nor do we attempt to estimate the impact of refunds due to successful appeals.

It is also difficult to quantify what an appeal heard in 2024 based on a 2022 filing may mean for a reduction in 2025-26. It is likely that these prior year appeals heard recently could result in some level of reduction going into the new fiscal year if the condition that resulted in the granting of the reduction has not been corrected (economic downturn, vacancies, low value sale transaction, etc.). Determining the impact of appeals reductions granted for prior years on future year's values has become unreliable in the current climate. The appealed revenue reduction does not impact the city/district directly until the year after the value adjustment has been approved and pooled taxpayer refunds have been made related to the prior year reductions.

Where we have appeals data, we have provided a 4-year historical report in action date order with the reported appeal reductions noted in 2024 hearings. Those would be the appeals for a focused review and consideration for future reductions to the city/district overall values. We rely on data released by the Clerk of the Board of Supervisors for appeal filings and resolution and have no way to check the accuracy of the information.

**10 OIL AND GAS VALUES** In cities with refineries and oil reserves we have seen how volatile these parcel values are between tax years. A decline in the valuation of the oil and gas storage and underground reserves due to falling oil prices can result in a decline in values or increases in prices and production can result in an increase. The reduction in supply in the global market can also result in fluctuations. These changes are difficult to forecast and make this part of the forecast unpredictable. Please call us to discuss your estimate so that we can talk about what to expect in 2025-26 or the gas and oil appraiser at your county Assessor's office.

**11 ANNEXATIONS** The model assumes that there are no new annexations. If there were annexations that are set to take effect with the 2025-26 roll year, ones that were approved in 2024, the expected value added from the new territory should be added to the new construction line and we should be

provided with information about the new annexation for auditing when the new roll is released. We are available to discuss or to help you quantify the benefit of an annexation in the next fiscal year.

**12** **WHAT IS NOT INCLUDED?**

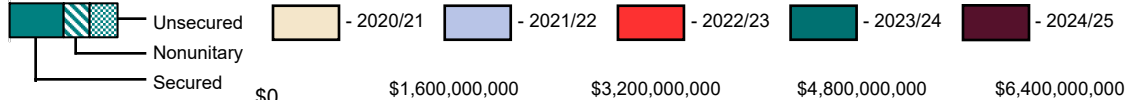
- The revenue model does not include any ad valorem voter approved debt service revenue.
- The revenue forecast assumes 100% payment of taxes. Delinquency factors for non-Teeter cities have not been included. Depending on the county, delinquencies range between 1% and 2%.
- Pass through payments and Residual Revenue allocations from the RPTTF derived from former redevelopment project areas are not included.
- Estimates related to the Los Angeles County fires in January 2025. At the time of this email and our forecasts, the fire damage has not been officially quantified however there are likely to be reductions granted through Proposition 8 filings and/or cancellation or reduction of tax bills issued for 2025-26. We will not know the full impact of the devastation until appraisers can visit the damaged areas and quantify the number of homes damaged or destroyed. To attempt to do this without accurate knowledge of this information may be misleading and certainly incorrect. As soon as reliable information is made available, we will provide it to our clients

**13** Once you have developed an assessed value number for 2025-26, the percent change between years is noted and this total value is multiplied by 1% and then that product is multiplied by the “City/District Share of 1% @ \_\_\_\_ Rev” noted on Row 30 of the report in calculating the estimated general fund tax revenue. This is a weighted 1% share agency wide.



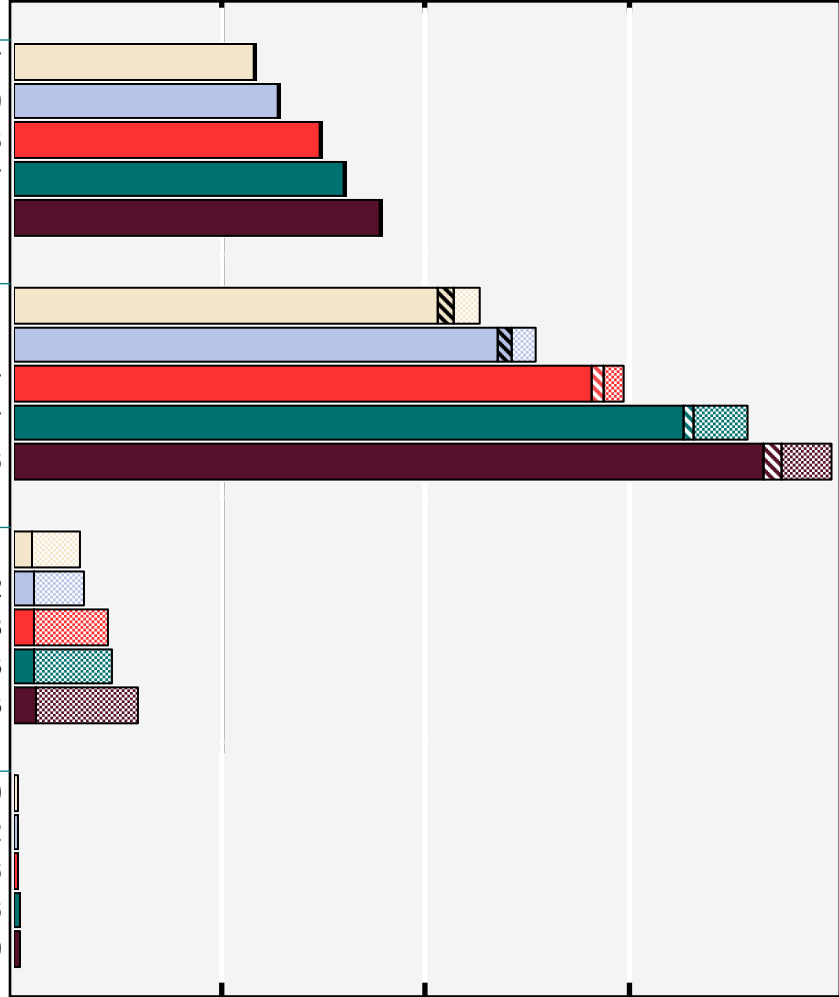
# TRACY RURAL FIRE

## 2020/21 TO 2024/25 ASSESSED VALUES



### Land

\$1,885,775,797  
 \$2,069,971,500  
 \$2,406,399,968  
 \$2,595,509,607  
 \$2,873,296,581



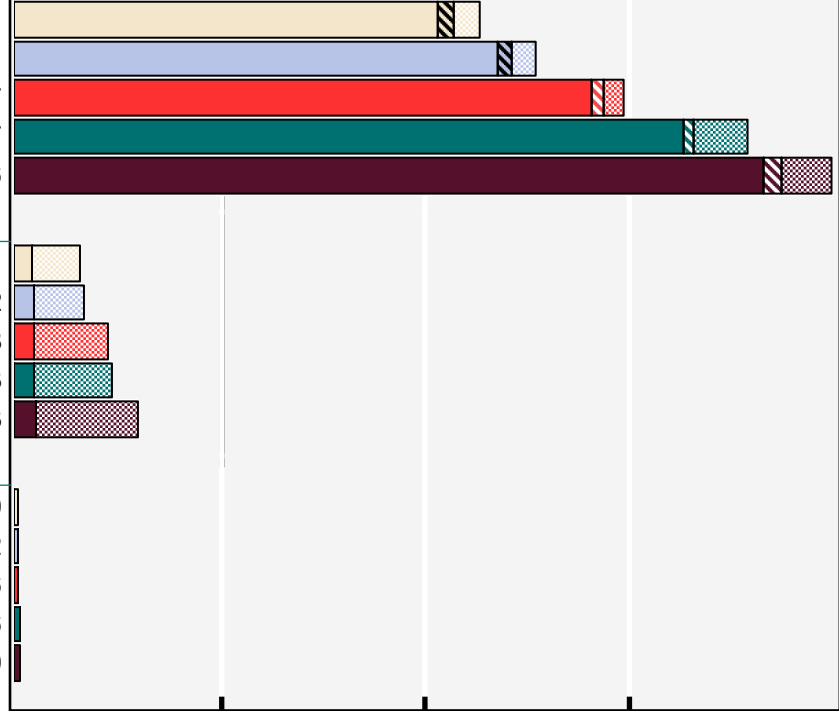
### Percent Change

District	County
----------	--------

9.8%	6.0%
16.3%	8.8%
7.9%	6.7%
10.7%	7.7%

### Improvements

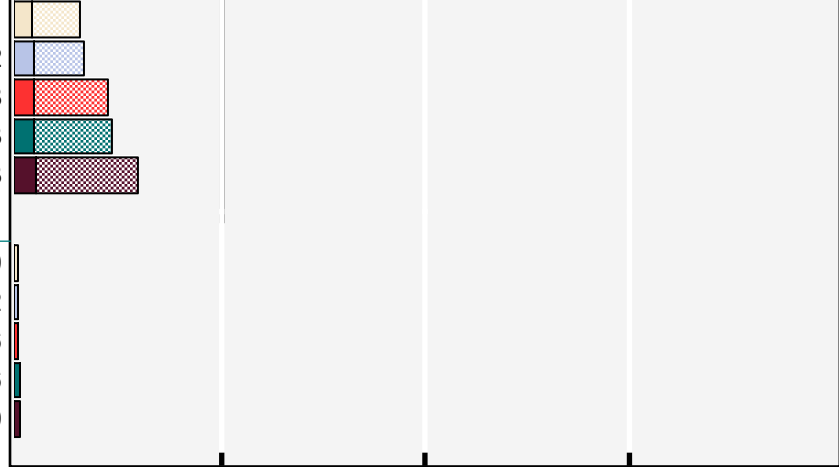
\$3,634,487,411  
 \$4,076,644,791  
 \$4,755,448,707  
 \$5,736,658,657  
 \$6,390,433,196



12.2%	7.0%
16.7%	8.5%
20.6%	10.0%
11.4%	7.2%

### Personal Property

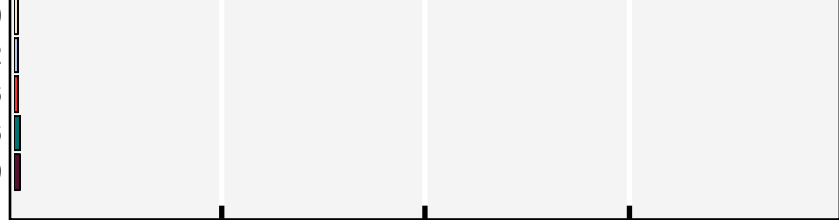
\$518,092,421  
 \$552,138,312  
 \$741,289,478  
 \$768,826,543  
 \$965,170,733



6.6%	6.5%
34.3%	20.5%
3.7%	10.4%
25.5%	8.0%

### Exemptions

\$36,024,299  
 \$38,285,912  
 \$38,489,346  
 \$40,865,686  
 \$41,900,779

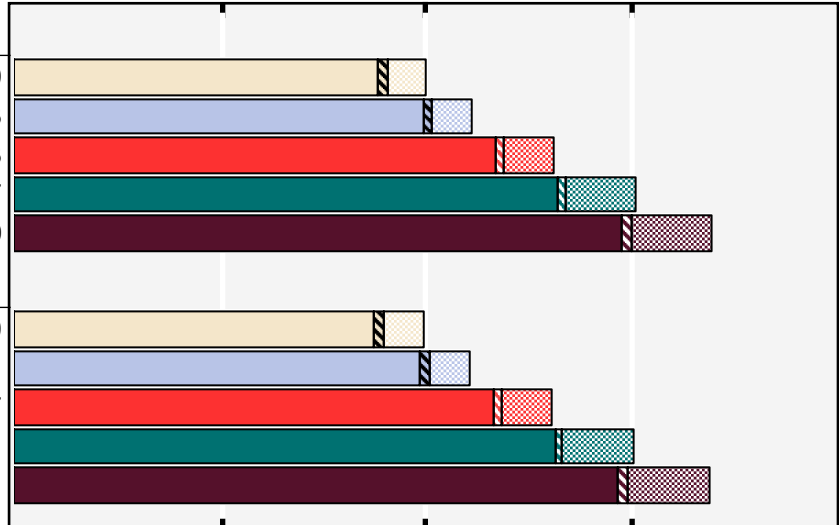


6.3%	4.6%
0.5%	1.6%
6.2%	5.4%
2.5%	5.9%

\$3,000,000,000    \$6,000,000,000    \$9,000,000,000    \$12,000,000,000

### Gross Assessed

\$6,038,355,629  
 \$6,698,754,603  
 \$7,903,138,153  
 \$9,100,994,807  
 \$10,228,900,510

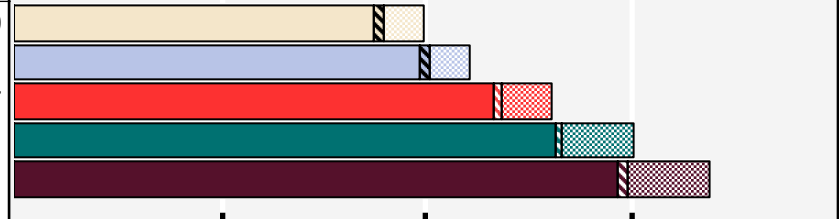


### District    County

10.9%	6.6%
18.0%	9.1%
15.2%	9.1%
12.4%	7.4%

### Net Taxable Value

\$6,002,331,330  
 \$6,660,468,691  
 \$7,864,648,807  
 \$9,060,129,121  
 \$10,186,999,731



11.0%	6.7%
18.1%	9.3%
15.2%	9.2%
12.4%	7.4%

# TRACY RURAL FIRE

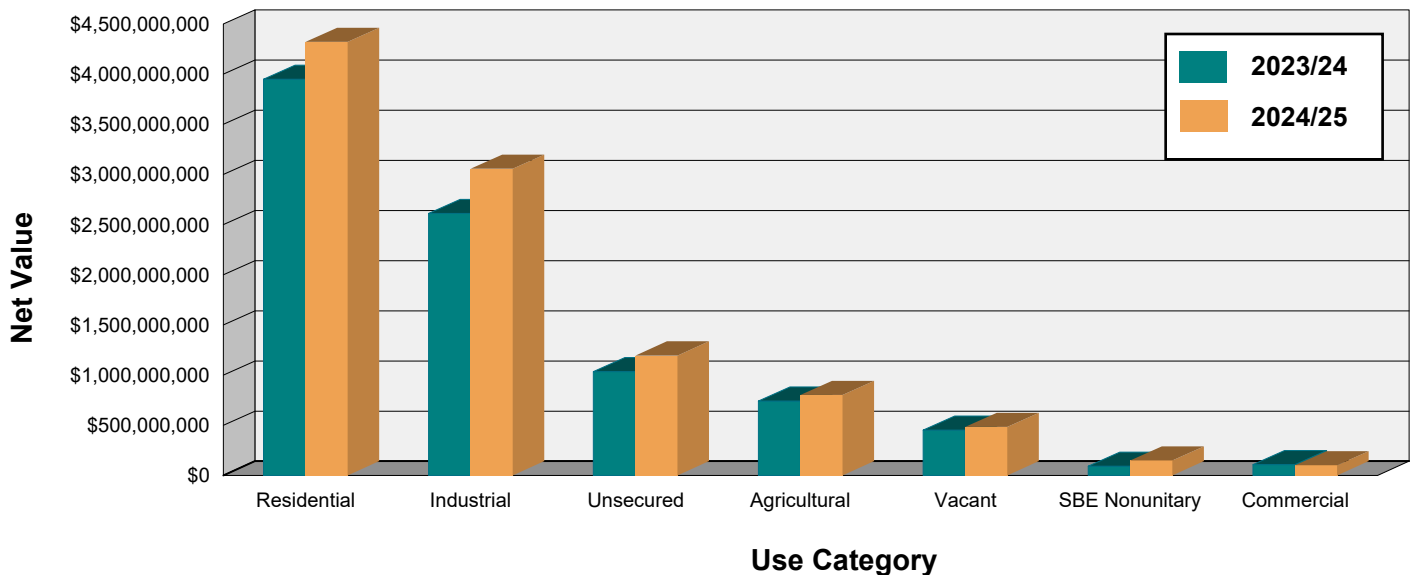
## 2024/25 GROWTH BY USE CATEGORY

### 2023/24 to 2024/25 Value Growth by Use Category

Category	2023/24 Net Taxable Value		2024/25 Net Taxable Value			\$ Change	% Change
Residential	5,797	\$3,950,602,524	6,044	\$4,322,684,054	(42.4%)	\$372,081,530	9.4%
Industrial	148	\$2,611,058,978	153	\$3,057,074,294	(30.0%)	\$446,015,316	17.1%
Unsecured	[664]	\$1,034,119,878	[687]	\$1,194,955,423	(11.7%)	\$160,835,545	15.6%
Agricultural	1,219	\$740,700,407	1,231	\$802,228,160	(7.9%)	\$61,527,753	8.3%
Vacant	808	\$451,215,719	683	\$483,398,634	(4.7%)	\$32,182,915	7.1%
SBE Nonunitary	[37]	\$92,320,754	[37]	\$149,123,973	(1.5%)	\$56,803,219	61.5%
Commercial	93	\$107,679,561	73	\$100,604,651	(1.0%)	-\$7,074,910	-6.6%
Cross Reference	[737]	\$47,582,412	[742]	\$50,112,976	(0.5%)	\$2,530,564	5.3%
Recreational	19	\$12,707,853	19	\$14,171,200	(0.1%)	\$1,463,347	11.5%
Institutional	19	\$6,158,288	19	\$6,247,663	(0.1%)	\$89,375	1.5%
Govt. Owned	112	\$5,327,847	114	\$5,590,445	(0.1%)	\$262,598	4.9%
Miscellaneous	164	\$654,900	167	\$808,258	(0.0%)	\$153,358	23.4%
Exempt	247	\$0	254	\$0	(0.0%)	\$0	0.0%
<b>TOTALS</b>	<b>8,626</b>	<b>\$9,060,129,121</b>	<b>8,757</b>	<b>\$10,186,999,731</b>	<b>(100.0%)</b>	<b>\$1,126,870,610</b>	<b>12.4%</b>

Numbers in blue are parcel/assessment counts

### Assessed Value by Major Use Category



# TRACY RURAL FIRE

## 2024/25 PROPERTY TAX REVIEW

**2024/25 TAXABLE VALUE: \$10,186,999,731 +12.44% GROWTH FROM 2023/24: \$9,060,129,121**

### VALUE CHANGE BY CAUSE

	2023/24 Net Value	\$9,060,129,121		
Cause of Value Change	Chg. from 2023/24	% of 2023/24 Net Value	% of All Chg from 2023/24	
Parcel Adds/Drops Net Change	\$2,038,235	0.02%	0.2%	
Change from CPI 2.0% Growth	\$134,318,161	1.48%	11.9%	
Prior Year Transfer of Ownership	\$286,171,279	3.16%	25.4%	
New Construction - Non-Res.	\$383,798,853	4.24%	34.1%	
New Construction - Residential	\$22,108,975	0.24%	2.0%	
Prop. 8 - Reduce/Recapture Net	-\$28,870,932	-0.32%	-2.6%	
Unsecured Value Change	\$160,835,545	1.78%	14.3%	
Cross-Reference Value Change	\$2,530,564	0.03%	0.2%	
Other Changes*	\$163,939,930	1.81%	14.5%	
<b>Total Change</b>	<b>\$1,126,870,610</b>	<b>12.44%</b>		
<b>2024/25 Net Value</b>	<b>\$10,186,999,731</b>	<b>12.44%</b>	<b>Growth</b>	

\*Other Changes may include effects of assessment appeals, multi parcel sales, and changes to secured exemptions, personal property, or utility-owned property values

### VALUE CHANGE BY COMPONENT

Area	Chg. from 2023/24	% Chg. in Area
Tracy Rural Fire	\$1,126,870,610	12.44%
Countywide	\$8,255,719,745	7.44%

### REVENUE SUMMARY

<b>Gen. Fund 1% Share Rev.</b>		
15401	Tracy Rural Fire	\$11,860,188

1% revenue, does not include direct assessments placement.

### VALUE CHANGE BY USE CATEGORY

Use Category	Chg. from 2023/24	% Chg. in Category	% of All Chg from 2023/24
Residential	\$372,081,530	9.42%	33.0%
Industrial	\$446,015,316	17.08%	39.6%
Unsecured	\$160,835,545	15.55%	14.3%
Agricultural	\$61,527,753	8.31%	5.5%
Vacant	\$32,182,915	7.13%	2.9%
SBE Nonunitary	\$56,803,219	61.53%	5.0%
Commercial	-\$7,074,910	-6.57%	-0.6%
Cross Reference	\$2,530,564	5.32%	0.2%
Recreational	\$1,463,347	11.52%	0.1%
Institutional	\$89,375	1.45%	0.0%
Govt. Owned	\$262,598	4.93%	0.0%
Miscellaneous	\$153,358	23.42%	0.0%

Major growth factors, CPI (2%); Sales transfers; new construction; unsecured asset increase; other changes- late sales recorded, values added to land, exemptions not applied timely.

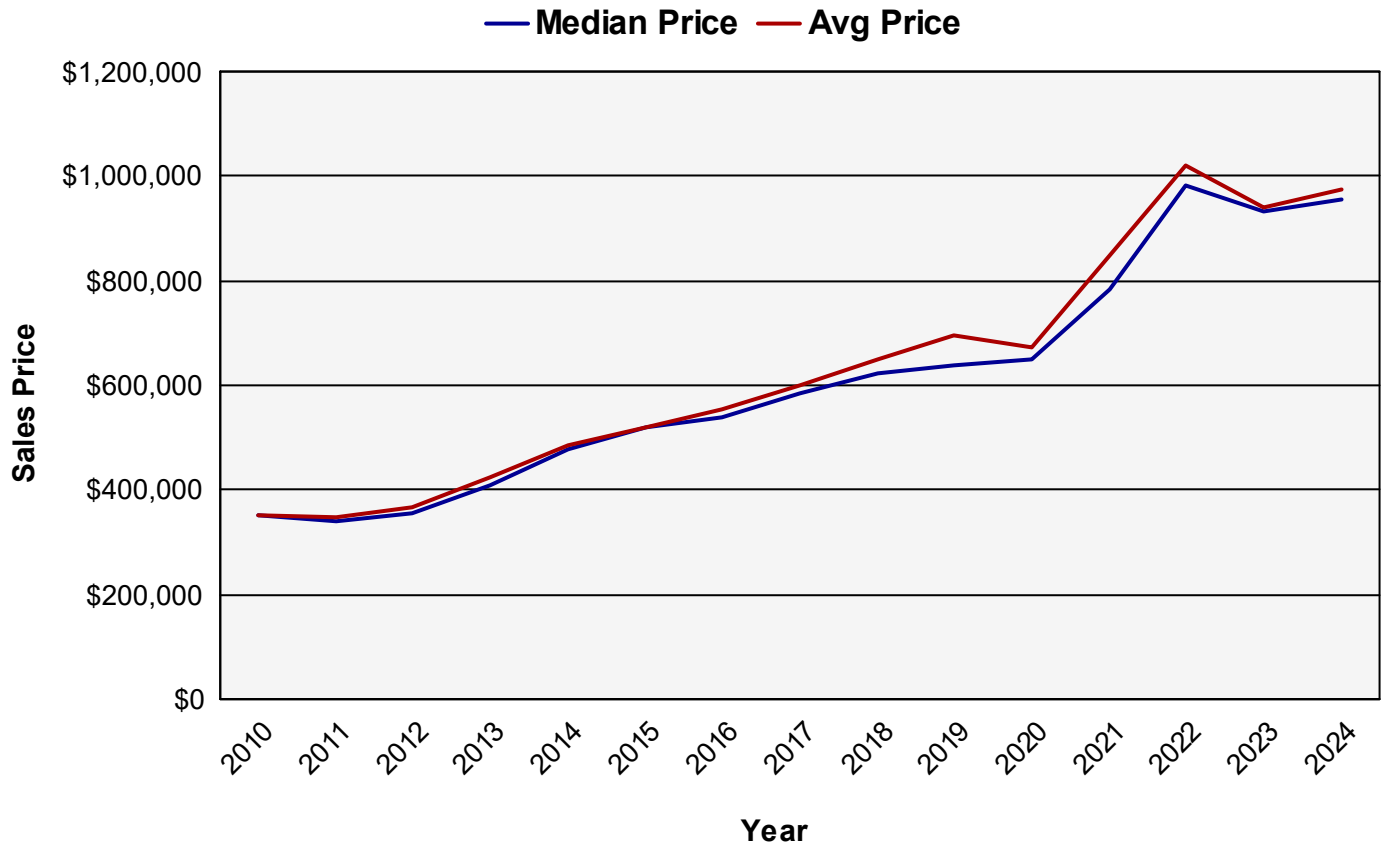


# TRACY RURAL FIRE SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2010 - 12/31/2024)

2023 was the first negative median sale price change year since 2011 at the bottom of the great recession. 2024 has seen improvement but not the growth seen in 2021 and 2022.

Year	Full Value Sales	Average Price	Median Price	Median % Change
2010	185	\$351,070	\$350,000	
2011	176	\$348,459	\$339,500	-3.00%
2012	199	\$366,291	\$355,000	4.57%
2013	156	\$425,657	\$410,500	15.63%
2014	130	\$484,273	\$476,750	16.14%
2015	116	\$518,297	\$519,750	9.02%
2016	205	\$554,396	\$540,000	3.90%
2017	262	\$600,922	\$585,000	8.33%
2018	192	\$648,771	\$621,750	6.28%
2019	239	\$696,156	\$640,000	2.94%
2020	333	\$673,154	\$650,000	1.56%
2021	390	\$847,632	\$782,250	20.35%
2022	368	\$1,019,488	\$982,750	25.63%
2023	256	\$938,984	\$930,750	-5.29%
2024	259	\$975,660	\$954,000	2.50%



\* Multiparcel transfers, quitclaim deeds, trust transfers, timeshares, and partial sales are excluded from this analysis.



# TRACY RURAL FIRE TRANSFER OF OWNERSHIP (2020 - 2024)

## Single Family Residential

## Multifamily, Commercial, Industrial, Vacant

## Totals

Tax Year	# SFR Sales	Original Values	Sale Price	% Change	Non SFR Sales	Original Values	Sale Price	% Change	Total Sales	Original Values	Sale Values	% Change	\$ Change
<b>DISTRICT NON SA AREA</b> <i>Valid Sales Price Analysis</i>													
<b>2024</b> 1/1/24-12/31/24	255	\$161,323,110	\$259,265,392	60.7%	135	\$90,252,326	\$346,687,506	284.1%	390	\$251,575,436	\$605,952,898	140.9%	\$354,377,462
											<i>Est. Revenue Change:</i>		<b>\$415,175.99</b>
<b>2023</b> 1/1/23-12/31/23	255	\$137,637,252	\$239,479,872	74.0%	244	\$82,663,135	\$266,991,794	223.0%	499	\$220,300,387	\$506,471,666	129.9%	\$286,171,279
											<i>Est. Revenue Change:</i>		<b>\$339,992.01</b>
<b>2022</b> 1/1/22-12/31/22	358	\$174,591,562	\$369,966,199	111.9%	450	\$88,291,115	\$525,336,350	495.0%	808	\$262,882,677	\$895,302,549	240.6%	\$632,419,872
											<i>Est. Revenue Change:</i>		<b>\$703,853.47</b>
<b>2021</b> 1/1/21-12/31/21	399	\$184,548,862	\$329,169,258	78.4%	535	\$189,011,586	\$824,840,019	336.4%	934	\$373,560,448	\$1,154,009,277	208.9%	\$780,448,829
											<i>Est. Revenue Change:</i>		<b>\$871,688.07</b>
<b>2020</b> 1/1/20-12/31/20	331	\$172,843,329	\$222,622,625	28.8%	292	\$85,761,316	\$262,571,878	206.2%	623	\$258,604,645	\$485,194,503	87.6%	\$226,589,858
											<i>Est. Revenue Change:</i>		<b>\$263,040.29</b>

\* Sale value is a sum of all full value parcel sales (sales not included are quitclaim deeds, trust transfers, partial sales, timeshares, and non-reported document number transfers). Est Rev Change includes all assigned agencies.

The sale prices added in 2024 were more than those reported in 2023, but the homes coming to market were also higher valued so that the percent change (the difference between the sale price and the assessor's enrolled value) was not as wide as last year.

Fewer non-SFR sales, however the sale prices of these commercial, industrial and multifamily residential sales were higher than the sales last year and accounted for a lot of the overall growth experienced in 2024.



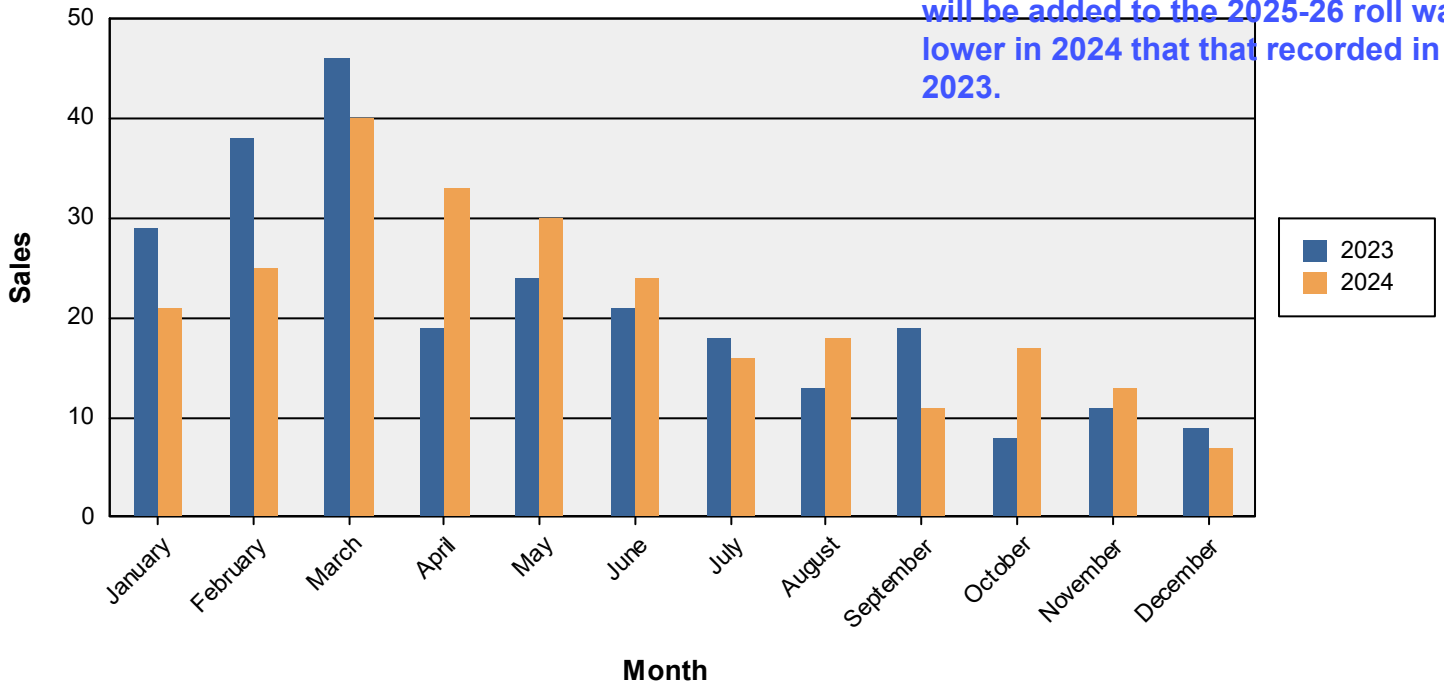
# TRACY RURAL FIRE YEAR TO YEAR COMPARISON OF TRANSFERS

Single Family Residential Full Value Sales Through 12/31/2024

Month	2023					2024				
	Total Sales	Original Values	Sale Values*	Change Amount	Chg. %	Total Sales	Original Values	Sale Values*	Change Amount	Chg. %
Jan	29	16,236,686	26,184,500	9,947,814	61.3	21	12,392,815	18,180,000	5,787,185	46.7
Feb	38	19,540,824	32,230,000	12,689,176	64.9	25	13,059,413	21,750,000	8,690,587	66.5
Mar	46	21,473,703	43,670,000	22,196,297	103.4	40	25,335,209	50,813,294	25,478,085	100.6
Apr	19	8,588,572	16,666,500	8,077,928	94.1	33	19,348,374	31,618,500	12,270,126	63.4
May	24	12,410,590	22,446,500	10,035,910	80.9	30	18,677,442	29,301,500	10,624,058	56.9
Jun	21	11,667,263	21,650,500	9,983,237	85.6	24	17,766,342	25,616,500	7,850,158	44.2
Jul	18	11,909,015	18,091,500	6,182,485	51.9	16	10,752,202	15,348,909	4,596,707	42.8
Aug	13	8,424,143	13,128,500	4,704,357	55.8	18	12,524,177	19,204,500	6,680,323	53.3
Sep	19	12,417,175	18,706,500	6,289,325	50.7	11	6,607,496	10,340,000	3,732,504	56.5
Oct	8	5,071,915	8,133,000	3,061,085	60.4	17	11,247,113	17,874,500	6,627,387	58.9
Nov	11	5,330,167	10,766,000	5,435,833	102.0	13	8,048,362	11,221,689	3,173,327	39.4
Dec	9	4,567,199	7,806,372	3,239,173	70.9	7	5,564,165	7,996,000	2,431,835	43.7
<b>Total</b>	<b>255</b>	<b>137,637,252</b>	<b>239,479,872</b>	<b>101,842,620</b>	<b>74.0</b>	<b>255</b>	<b>161,323,110</b>	<b>259,265,392</b>	<b>97,942,282</b>	<b>60.7</b>

## Monthly History

While the total sales were identical, the change amount- the value that will be added to the 2025-26 roll was lower in 2024 than that recorded in 2023.



\* Excluded from this analysis are partial sales, quitclaim deeds, trust transfers and non-reported document number transfers. Additionally, if there have been multiple transfers of a property within a calendar year, the counts and sale values shown here will include only the most recent transaction within the calendar year.

# TRACY RURAL FIRE NEW CONSTRUCTION HISTORY

ESTIMATED ANNUAL CONSTRUCTION FROM 2017/18 TO 2024/25

Tax Year	Estimated Parcel Count	Residential New Construction	Non-Residential New Construction	Total New Construction
2017	319	\$32,028,661	\$42,683,462	\$74,712,124*
2018	229	\$42,830,970	\$97,946,240	\$140,777,210
2019	278	\$31,282,587	\$143,296,052	\$174,578,639
2020	343	\$81,457,023	\$223,169,779	\$304,626,802
2021	323	\$42,825,368	\$239,952,252	\$282,777,620
2022	310	\$35,172,726	\$265,521,490	\$300,694,216
2023	371	\$100,608,153	\$58,006,319	\$158,614,472
2024	230	\$22,108,973	\$383,798,853	\$405,907,827*
Average of all Years:				\$230,336,114
Trimmed Average (Excludes Outlying Years*)				<b>\$227,011,493</b>
Estimate @ 75%:				\$170,258,620
Estimate @ 50%:				<b>\$113,505,747</b>
Estimate @ 25%:				\$56,752,873

The completed new construction in 2023 reflected in the 2024-25 fiscal year was the highest reported of any of the past 8 years. Unless this is similar to what was completed in 2024 for 2025-26 it should not be used. It was not included in the Trimmed Average calculation.

- Values are from unappealed secured parcels with no prior lien year transfers, and improvement value increases greater than Assessor CPI

- Trimmed average is the average of years where Total New Construction falls within one standard deviation of the average.

Data Source: San Joaquin County Assessor Secured Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone



# TRACY RURAL FIRE

## REVENUE ESTIMATE - NO PROP 8; TOS Y2=Y1%+5%, Y3-5=AVG

2025-26 Through 2029-30 Special District Revenue Estimate Based on 2024-25 Values and Estimated Changes

District Revenue	2025-26	2026-27	2027-28	2028-29	2029-30
<b>Non RDA and BY Values</b>	<b>\$10,186,646,231</b>	<b>\$10,721,950,528</b>	<b>\$11,307,577,869</b>	<b>\$11,821,750,576</b>	<b>\$12,361,857,640</b>
<b>Real Property Value (Incl. Prop 8 parcels)</b>	<b>\$9,073,019,596</b>	<b>\$9,608,323,893</b>	<b>\$10,193,951,234</b>	<b>\$10,708,123,941</b>	<b>\$11,248,231,005</b>
CPI Adjustment to Real Property Value	\$181,460,392	192,166,478	203,879,025	214,162,479	224,964,620
Transfer of Ownership Assessed Val. Change	\$353,843,905	393,460,863	310,293,682	325,944,585	342,384,904
<b>Estimated Real Property Value</b>	<b>\$9,608,323,893</b>	<b>\$10,193,951,234</b>	<b>\$10,708,123,941</b>	<b>\$11,248,231,005</b>	<b>\$11,815,580,529</b>
Base Year Values	\$0	\$0	\$0	\$0	\$0
Secured Personal Property Value (see notes)	\$169,156,319	\$169,156,319	\$169,156,319	\$169,156,319	\$169,156,319
Unsecured Personal Property Value (see notes)	\$795,346,343	\$795,346,343	\$795,346,343	\$795,346,343	\$795,346,343
Nonunitary Utility Value (0.0% growth)	\$149,123,973	\$149,123,973	\$149,123,973	\$149,123,973	\$149,123,973
Enter Completed New Construction					
<b>Estimated Net Taxable Value</b>	<b>\$10,721,950,528</b>	<b>11,307,577,869</b>	<b>11,821,750,576</b>	<b>12,361,857,640</b>	<b>12,929,207,164</b>
<b>Estimated Total Percent Change</b>	<b>5.25%</b>	<b>5.46%</b>	<b>4.55%</b>	<b>4.57%</b>	<b>4.59%</b>
<b>Revenue Calculations</b>					
Net Taxable Value Tax @ 1%	\$107,219,505	\$113,075,779	\$118,217,506	\$123,618,576	\$129,292,072
<b>District Share of 1% Tax @ 11.41774902%</b>	<b>\$12,242,054</b>	<b>\$12,910,709</b>	<b>\$13,497,778</b>	<b>\$14,114,459</b>	<b>\$14,762,244</b>
Aircraft Value Tax @ 1%	3,535	3,535	3,535	3,535	3,535
<b>District Share of Aircraft Tax @ 0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net District Estimate</b>	<b>\$12,242,054</b>	<b>\$12,910,709</b>	<b>\$13,497,778</b>	<b>\$14,114,459</b>	<b>\$14,762,244</b>
<b>Taxable Value Revenue Categories</b>					
Secured Revenue	11,539,360	12,169,634	12,723,006	13,304,289	13,914,891
Unsecured Revenue	702,694	741,075	774,772	810,170	847,353
Aircraft Revenue	\$0	\$0	\$0	\$0	\$0
<b>Rev from Taxable Val *</b>	<b>\$12,242,054</b>	<b>\$12,910,709</b>	<b>\$13,497,778</b>	<b>\$14,114,459</b>	<b>\$14,762,244</b>
Unitary Revenue (Budgeted Flat)	\$229,331	\$229,331	\$229,331	\$229,331	\$229,331
Admin Fee (Not Deducted Above)	-162,265	-170,965	-178,603	-186,627	-195,055
Enter Supplemental Apportionment Estimate					
Enter Delinquent Apportionment Estimate					





# TRACY RURAL FIRE

## REVENUE ESTIMATE - NO PROP 8; TOS Y2=Y1%+5%, Y3-5=AVG

2025-26 Through 2029-30 Special District Revenue Estimate Based on 2024-25 Values and Estimated Changes

Dist Wide Value Change	2025-26	2026-27	2027-28	2028-29	2029-30
<b>District Net Taxable Value</b>	<b>\$10,186,999,731</b>	<b>\$10,722,304,028</b>	<b>\$11,307,931,369</b>	<b>\$11,822,104,075</b>	<b>\$12,362,211,139</b>
<b>Real Property Value (Incl. Prop 8 parcels)</b>	<b>\$9,073,019,596</b>	<b>\$9,608,323,893</b>	<b>\$10,193,951,234</b>	<b>\$10,708,123,940</b>	<b>\$11,248,231,004</b>
CPI Adjustment to Real Property Value	\$181,460,392	\$192,166,478	\$203,879,025	\$214,162,479	\$224,964,620
Transfer of Ownership Assessed Val. Change	\$353,843,905	\$393,460,863	\$310,293,682	\$325,944,585	\$342,384,904
<b>Estimated Real Property Value</b>	<b>\$9,608,323,893</b>	<b>\$10,193,951,234</b>	<b>\$10,708,123,940</b>	<b>\$11,248,231,004</b>	<b>\$11,815,580,528</b>
Secured Personal Property Value (see notes)	\$169,156,319	\$169,156,319	\$169,156,319	\$169,156,319	\$169,156,319
Unsecured Personal Property Value (see notes)	\$795,699,843	\$795,699,843	\$795,699,843	\$795,699,843	\$795,699,843
Nonunitary Utility Value (0.0% growth)	\$149,123,973	\$149,123,973	\$149,123,973	\$149,123,973	\$149,123,973
Enter Completed New Construction					
<b>Estimated Net Taxable Value</b>	<b>\$10,722,304,028</b>	<b>\$11,307,931,369</b>	<b>\$11,822,104,075</b>	<b>\$12,362,211,139</b>	<b>\$12,929,560,663</b>
<b>Estimated Total Percent Change</b>	<b>5.25%</b>	<b>5.46%</b>	<b>4.55%</b>	<b>4.57%</b>	<b>4.59%</b>

**NOTES:**

- **The revenue projection assumes 100% payment of taxes. Delinquency is not considered in the projection; however, rates of between 1% and 2% are typical.**
- CPI adjustment to real property value is calculated at the following rates: 2025-26 @ 2.000%; 2026-27 @ 2.000%; 2027-28 @ 2.000%; 2028-29 @ 2.000%; 2029-30 @ 2.000%;
- Estimated Assessor Prop 8 Adjustments: Prop 8 reductions in value are TEMPORARY reductions applied by the assessor that recognize when the current market value of a property has fallen below its (Prop 13) assessed value.
- Changes in value for properties in Prop 8 status have been suppressed due to uncertainty over Assessor response to recent home price instability while median home prices hover near peak values.
- District Revenue Transfer of Ownership Assessed Value Change: For 2025-26, the projected increase from known 2024 transfers within the non-Successor Agency areas of District is used to estimate value growth. For this scenario, the estimated growth from transfers in 2026-27 adjusts the growth as a percentage of real value in 2025-26 by +5.0%. For years 2027-28 and later, growth is based on the historical average rate of real property growth due to properties that have transferred ownership. Value growth from transfers is estimated as the following percentages of prior year real property value: 2025-26 @ 3.9%; 2026-27 @ 4.1%; 2027-28 @ 3.0%; 2028-29 @ 3.0%; 2029-30 @ 3.0%;
- Dist Wide Value Change Transfer of Ownership Assessed Value Change: For 2025-26, the projected increase from known 2024 transfers is used to estimate value growth. For this scenario, the estimated growth from transfers in 2026-27 adjusts the growth as a percentage of real value in 2025-26 by +5.0%. For years 2027-28 and later, growth is based on the historical average rate of real property growth due to properties that have transferred ownership. Value growth from transfers is estimated as the following percentages of prior year real property value: 2025-26 @ 3.9%; 2026-27 @ 4.1%; 2027-28 @ 3.0%; 2028-29 @ 3.0%; 2029-30 @ 3.0%;
- Base Year Values Entry: With the dissolution of redevelopment, base year values are unlikely to change and are budgeted flat.
- Secured personal property and unsecured values are projected to grow at the following rates 2025-26 @ 0.0%; 2026-27 @ 0.0%; 2027-28 @ 0.0%; 2028-29 @ 0.0%; 2029-30 @ 0.0%; . Unsecured escaped assessments may be included in the unsecured value. The value of escaped assessments is generally inconsistent and varies from year to year.
- Completed new construction entry: This data entry point allows for the inclusion of new construction projects completed annually. Due to processing delays we suggest that a time frame of November - October be selected. (e.g. Nov. 2023 - Oct. 2024 for the 2025-26 FY). If completed new construction has resulted in a sale of the property it is likely that the new value will appear in the value increase due to transfers of ownership entry and therefore should not be also included in the completed new construction value.
- Pooled Revenue Sources include supplemental allocations, redemptions for delinquent payments in Non-Teeter cities, tax payer refunds due to successful appeals, roll corrections and other adjustments applied after the release of the roll. The forecasting of these revenues should be conservative.
- General Fund Revenue Estimate does not include any ad valorem voter approved debt service revenue.
- Pass through and residual revenues from former redevelopment agencies are not included in this estimate.
- SB 2557 Administration Fees are not deducted from the general fund projections. In this projection, SB2557 Administration fees are estimated by considering the jurisdiction's most recently reported fee amount as a percentage of its general fund revenue in that year, and applying that percentage to the updated revenue.



**TRACY RURAL FIRE**

**REVENUE ESTIMATE - NO PROP 8; TOS  $Y2=Y1\%+5\%$ ,  $Y3-5=AVG$**

**2025-26 Through 2029-30 Special District Revenue Estimate Based on 2024-25 Values and Estimated Changes**

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Prepared on 2/3/25 Using Sales Through 12/31/24

*This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL Coren & Cone*



**Tracy Rural County  
Fire Protection District**

**STAFF REPORT**

**Meeting:** Regular Meeting  
**Date:** February 11, 2025  
**To:** Board of Directors  
**Prepared by:** Raychel Jackson, District Clerk  
**Approved by:** Jeff Ramsey, Chairperson

**Re:** Receive a Mid-Year Budget Report for Fiscal Year 2024-2025

**RECOMMENDATION**

Action Item \_\_\_ Non-Action Item X

Receive the FY 2024-25 Mid-Year Budget Report.

**BACKGROUND**

The FY 2024-25 budget was adopted by the District on September 10, 2024. Included in this report, is a review of revenues and expenses from July 1, 2024 – December 31, 2024.

**DISCUSSION**

As the District approached the middle of the fiscal year, the finance director evaluated the adopted operating budget and revenue projections for the remainder of the fiscal year. It is standard procedure to perform a mid-year review of the District’s budget to ensure any deviations from the initial budget projections are proactively addressed. San Joaquin County provided the District with the estimated tax revenue as follows: Property Taxes \$11,196,676.00 and Special Assessment Taxes \$2,220,101.00; total of \$13,216,777.00.

***Operating Revenues:***

<b><u>Revenue Category</u></b>	<b><u>Adopted Budget</u></b>	<b><u>Actual - 12/2024</u></b>
Property Taxes	\$11,196,676.00	\$6,957,383.51
Homeowners Exemption	\$ 33,263.00	\$ 31,377.43
Special Assessment	\$ 2,220,101.00	\$1,046,022.61
Prop 172 Funds	\$ 134,205.00	\$ 134,205.00
Interest	\$ 10,000.00	\$ 41,172.00
<i>Total</i>	<i>\$13,594,245.00</i>	<i>\$ 8,210,160.55</i>



**Tracy Rural County  
Fire Protection District**

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***Operating Expenditures:***

<b><u>Expense Category</u></b>	<b><u>Adopted Budget</u></b>	<b><u>Actual - 12/2024</u></b>
Audits (financial)	\$8,300.00	0
Business Office Services	\$60,775.30	\$35,211.10
CalPERS (UAL; Medical)	\$1,307,424.00	\$754,470.98
Consultant Reports	\$16,800.00	\$12,652.88
County Charges	\$178,000.00	\$98,107.53
Director Fees	\$20,000.00	\$7,300.00
Facility Maintenance	\$105,000.00	\$88,710.62
Insurance	\$60,000.00	\$1,860.00
Internal Fund Transfers	\$350,000.00	\$200,000.00
Legal Fees	\$110,000.00	\$16,489.20
Memberships/Seminars	\$13,000.00	\$8,702.00
Office Expenses & Misc.	\$22,100.00	\$8,290.52
Utilities	\$87,000.00	\$64,021.56
SSJCFA - JPA	\$10,777,546.00	\$7,185,031.04
Ambulance	\$247,717.00	\$123,858.94
<i>Total</i>	<i>\$12,211,353.70</i>	<i>\$8,604,706.37</i>

***Capital Outlay:***

<b><u>Expense Category</u></b>	<b><u>Adopted Budget</u></b>	<b><u>Actual - 12/2024</u></b>
Capital Outlay		
- Apparatus/Equipment	\$200,000.00	
Equipment	\$ 20,000.00	\$2,855.35
- Engine Loans	\$285,794.02	\$173,256.30
Solar	\$120,000.00	\$0
Facility Improvements		\$153,810.33
<i>Total</i>		<i>\$244,290.77</i>
Interest		\$21,695.00

**Fiscal Impact**

None.

**Attachments**

None.



**Tracy Rural County  
Fire Protection District**

**STAFF REPORT**

**Meeting:** Regular Meeting  
**Date:** February 11, 2025  
**To:** Board of Directors  
**Prepared by:** Raychel Jackson, District Clerk  
**Approved by:** Jeff Ramsey, Chairperson

**Re:** Update Information Regarding Station Maintenance Issues

**RECOMMENDATION**

Action Item   X   Non-Action Item       

Receive an update on Station 93, Station 94 and Station 95 maintenance issues and modifications and provide direction to staff concerning future projects.

**BACKGROUND**

Station 93, located at 1400 W Durham Ferry Road, was constructed and occupied in 2006. Station 94, located at 16502 West Schulte Road, was remodeled from an existing 20+ year old ranch house into a fire station in 1995. Over the years, both stations have experienced maintenance issues that can be attributed to their age and the normal wear and tear related to fire station operations.

**DISCUSSION**

Ongoing maintenance and repairs at all stations. The following is the Building Maintenance budget for each station ending December 2024:

<b><i>Station</i></b>	<b><i>Expenses as of 01/31/25</i></b>	<b><i>FY 24/25 Budget</i></b>
Station 93	\$11,147.94	\$40,000.00
- Station 93 CIP	\$65,851.50	Extractor
Station 94	\$71,288.30	\$40,000.00
- Station 94 CIP	\$87,958.83	Kitchen
Station 95	\$3,493.40	\$15,000.00

**FISCAL IMPACTS / ATTACHMENTS**

None.