



Tracy Rural County Fire Protection District

Board of Directors

Jeff Ramsey
Matt Kopinski
Pete Reece
John Vieira
Craig Miller

Clerk of the Board

Raychel Jackson

Board of Directors – Regular Meeting Agenda Tuesday, March 12, 2024 at 4:00 PM PST

Join Zoom Meeting

<https://us06web.zoom.us/j/83946854458?pwd=PPv6FjEUnKQ3BfAsQeYSs878r7GCmp.1>

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

Meeting ID: 839-4685-4458

Passcode: 177352

**Location: 835 N. Central Avenue
Tracy, CA 95376
2nd 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 March 12, 2024 Agenda
- 3.2 Approval of the February 13, 2024 Minutes
- 3.3 Approval of March Warrant List
- 3.4 February Monthly Check Register
- 3.5 Approve to Transfer Additional \$120,326.22 from Operating to Fund Medical Leave Buyout Account

4. Regular Agenda

- 4.1 Review a Report Prepared by HdL Coren & Cone for an Estimate of Tracy Rural Fire District's Property Tax Revenue Projection for Fiscal Year 2024-2025, and 5-Year Forecast for Fiscal Years 2024-25 – 2028-29
- 4.2 Receive Updated Information Regarding Station Maintenance Issues
- 4.3 Discuss a Liability and Property Insurance Policy
- 4.4 Approve by Resolution to Transfer Station 95 to Tracy Rural Fire District

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 Conference with Real Property Negotiators (California Government Code section 54956.8)

Property: 22484 South 7th Street, Tracy, CA 95736

Agency Negotiators: Robert Pombo, District Realtor

Under negotiation: Price and Terms

9.2 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 – April 9, 2024

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) 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

Board of Directors – Regular Meeting Minutes Tuesday, February 13, 2024 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 February 13, 2024 Agenda

3.2 Approval of the January 9, 2023 Minutes

3.3 Approval of February Warrant List

3.4 January Monthly Check Register

3.5 Approve to Transfer Additional \$87,767.00 from Operating to Fund Medical Leave Buyout Account

- Motion was made by Director Kopinski, seconded by Director Reece to accept Consent Calendar. Motion passed.

4. Regular Agenda

4.1 Receive and Approve TRFD Social Media Policy

- Motion was made by Director Kopinski, seconded by Director Miller to accept The TRFD Social Media Policy. Motion passed.

4.2 Review Updated Information Regarding Station Maintenance Issues

- No Action. Board directed Director Kopinski to receive quote for kitchen update/remodel at Station 94.

5. Committee Reports

5.1 JPA Representative Report

- Chairman Ramsey provided a report from the January 10, 2023 JPA Regular Board Meeting – Board adopted a resolution to allow Fire Chief the authority to provide credit for previous work experience regarding a new employees vacation accrual; approved and adopted a resolution for the Fire Chief's pay

increase; approve and adopt a resolution to change Division Chief to Deputy Chief; and discuss the transfer of title for Station 95 to TRFD.

6. Informational Update

6.1 Fire Chief's Update

- Chief Bradley provided the monthly report based on the Fire Chief Update dated February 13, 2024, that was provided to the Board of Directors and staff at the meeting.

7. Public Comment

No Public Comment.

8. Board Member Comment

Director Kopinski congratulated all the new probationary firefighters that joined SSJCFA and Chair Ramsey provided a report that he and the board clerk attended a meeting with Assemblymember Carlos Vallapudua's staff and CSDA and discussed EMS, training tower and communication tower.

9. Closed Session

No Action Taken.

10. Meeting Adjournment at 5:22 pm.

Raychel Jackson

Raychel Jackson, Clerk of the Board

February 23, 2024

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT -- 49501 -- March 12, 2024

GENERAL OPERATING FUND	AMOUNT	ACCOUNT	VENDOR #
PETE REECE 30421 KOSTER ROAD TRACY, CA 95304	\$ 200.00	6226010900	0000010849
MATT KOPINSKI 33969 S. KOSTER ROAD TRACY, CA 95304	\$ -	6226010900	0000101809
CRAIG MILLER 5336 W. DURHAM FERRY ROAD Tracy, CA 95304	\$ 100.00	6226010900	0000105820
JEFF RAMSEY 27722 S. BIRD ROAD TRACY, CA 95304	\$ -	6226010900	0000098549
JOHN VIEIRA 19700 SOUTH LAMMERS ROAD TRACY, CA 95304	\$ 100.00	6226010900	0000010852
BERRETH LAW GROUP 2020 WEST KETTLEMAN LANE, SUITE E LODI, CA 95242	\$ 2,616.00	6221005100 6221005120 6221005130	0000110532 GOVERNANCE Litigation
Total	\$ 2,616.00		
HdL Coren & Cone 120 S State College Blvd., Suite 200 Brea, CA 92821	\$ 4,061.25 \$8,505.00 \$ 12,566.25	6238000000 6238000000	0000095531 0000095531
South County Fire Authority 835 N. Central Ave Tracy, CA 95376			
TOTAL FOR GENERAL OPERATING FUND	\$ 15,582.25		

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT -- 49591 -- March 12, 2024

CAO RESERVE FUND 49591	AMOUNT	ACCOUNT	VENDOR #
Community First National Bank 215 Seth Child Rd. Manhattan, KS 66502	\$112,437.72	6331000100.00	. 0000102922
TOTAL CAO FUND 49591	\$112,437.72		

SIGNATURES OF BOARD MEMBERS	
<div></div> <div>PETE REECE, DIRECTOR</div>	<div></div> <div>JOHN VIEIRA, DIRECTOR</div>
<div></div> <div>MATT KOPINSKI, DIRECTOR</div>	<div></div> <div>JEFF RAMSEY, CHAIR</div>
<div></div> <div>CRAIG MILLER, VICE CHAIR</div>	

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT -- 49501 -- March 12, 2024

GENERAL OPERATING FUND	AMOUNT	ACCOUNT	DIRECT DEPOSIT
JEFF RAMSEY 27722 S. Bird Road TRACY, CA 95304	\$600.00	Bank of Stockton - Operating	Yes
MATT KOPINSKI 33969 S. KOSTER ROAD TRACY, CA 95304	\$400.00	Bank of Stockton - Operating	Yes
TOTAL FOR GENERAL OPERATING FUND	\$1,000.00		

Tracy Rural Fire Protection District

Balance Sheet

As of February 29, 2024

		TOTAL
ASSETS		
Current Assets		
Bank Accounts		
Bank of Stockton-Capital Outlay		466,722.07
Bank of Stockton-Operating		848,179.00
Bank of Stockton-Retirement		428.04
CA CLASS - Capital		613,029.85
CA Class - FFF		488,685.26
CA Class - Reserves		1,049,826.81
Fund 49501 - Operations		-2,115,301.46
Fund 49512 - Retirement Buyout		18,893.92
Fund 49515 - Fire Facility Fees		11,648.86
Fund 49519 - Emergency Reserve		1,062,480.00
Fund 49554 - Fire Health Res		0.00
Fund 49581 - Smoothing Reserve		0.00
Fund 49591 - Capital Outlay Res		537,438.31
Petty Cash		0.00
Total Bank Accounts		\$2,982,030.66

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Cleared Transactions for All Bank Accounts 1538

February 2024

TRANSACTION TYPE	DATE	MEMO/DESCRIPTION	SPLIT	AMOUNT
Bank of Stockton-Capital Outlay				
Expense	02/07/2024	CHECK REF#3036	Buildings and Improvements	-14,658.23
Deposit	02/29/2024		BOS Capital:Interest	18.61
Deposit	02/29/2024		BOS Capital:Interest	18.61
Total for Bank of Stockton-Capital Outlay				\$ -14,621.01
Bank of Stockton-Operating				
Expense	02/06/2024	PGANDE WEB ONLINE TRAC PGANDE WEB ONLINE TRACY RURAL COUNTY FIR	Utilities:Station 4	-1,456.90
Expense	02/06/2024	PGANDE WEB ONLINE TRAC PGANDE WEB ONLINE TRACY RURAL COUNTY FIR	Utilities:Station 5	-1,018.39
Expense	02/06/2024	CHECK REF#2054	Building Maintenance Fund:Station 5 Tracy Hills	-2,726.91
Expense	02/06/2024	PGANDE WEB ONLINE TRAC PGANDE WEB ONLINE TRACY RURAL COUNTY FIR	Utilities:Banta	-25.22
Expense	02/06/2024	PGANDE WEB ONLINE TRAC PGANDE WEB ONLINE TRACY RURAL COUNTY FIR	Utilities:Station 3	-1,500.38
Expense	02/07/2024	CITY OF TRACY ONLINE PMT TRAC CITY OF TRACY ONLINE PMT TRACY RURAL FIRE DISTR	Utilities:Station 5	-387.50
Expense	02/08/2024	CHECK REF#2055	Insurance - General Liability	-100.00
Expense	02/09/2024	CHECK REF#5157	-Split-	-4,401.26
Expense	02/12/2024	DDA PUR AT&T PAYME 4331 COMMUNIC DDA PUR AT&T PAYME 4331 COMMUNICATIONS DALLAS TX 59843	Office Expense:Phone	-887.76
Expense	02/12/2024	DDA PUR AMAZON.COM AMAZON.COM SE DDA PUR AMAZON.COM AMAZON.COM SEATTLE WA 1BAIQ7OK3SGN	Office Expense:Miscellaneous	-150.72
Expense	02/12/2024	CHECK REF#5156	Utilities:Station 3	-4.00
Expense	02/12/2024	DDA PUR AMAZON.COM AMAZON.COM SE DDA PUR AMAZON.COM AMAZON.COM SEATTLE WA 2BVL3NOBF609	Office Expense:Miscellaneous	-261.90
Expense	02/14/2024	ZELLE JEFFERY RAMSEY 4045P0A0BAH ZELLE JEFFERY RAMSEY 4045P0A0BAHK	Directors Fees:Jeff Ramsey	-300.00
Expense	02/14/2024	ZELLE MATTHEW KOPINSKI 4045P0D01 ZELLE MATTHEW KOPINSKI 4045P0D01OXO	Directors Fees:Kopinski, Matt	-500.00
Expense	02/15/2024	DDA PUR INTUIT *QB 2535 Garcia A DDA PUR INTUIT *QB 2535 Garcia Ave CL.INTUIT.COM CA 63	Office Expense:Software/Hardware	-485.00
Expense	02/15/2024	DDA PUR FDAC 808 R ST STE 209 80 DDA PUR FDAC 808 R ST STE 209 800-8294309 CA 482892	Membership/Association Dues:Seminars	-345.00
Expense	02/16/2024	CHECK REF#5160	Building Maintenance Fund:Station 4	-2,030.51
Expense	02/16/2024	CHECK REF#5158	-Split-	-205.06
Expense	02/20/2024	DDA PUR IN NOR CA 793 S. TRACY DDA PUR IN NOR CA 793 S. TRACY BLVD. TRACY CA 40501662	Building Maintenance Fund:Station 4	-135.00
Expense	02/21/2024	R & S ERECTION T ONLINE PMT TRAC R & S ERECTION T ONLINE PMT TRACY RURAL FIRE DISTR	Building Maintenance Fund:Station 5 Tracy Hills	-815.00
Expense	02/21/2024	MELO CONSTRUCTIO ONLINE PMT TRAC MELO CONSTRUCTIO ONLINE PMT TRACY RURAL FIRE DISTR	Building Maintenance Fund:Station 4	-1,179.00
Expense	02/22/2024	CHECK REF#5161	-Split-	-166.00
Expense	02/23/2024	ADVANCED TECH 20 ONLINE PMT TRAC ADVANCED TECH 20 ONLINE PMT TRACY RURAL FIRE DISTR	Building Maintenance Fund:Station 5 Tracy Hills	-1,280.00
Total for Bank of Stockton-Operating				\$ -20,361.51
Bank of Stockton-Retirement				
Expense	02/13/2024	CHECK REF#1001	Retirement	-302,608.02
Deposit	02/29/2024		BOS Retirement:Interest	198.77

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Cleared Transactions for All Bank Accounts 1538

February 2024

TRANSACTION TYPE	DATE	MEMO/DESCRIPTION	SPLIT	AMOUNT
Total for Bank of Stockton-Retirement				\$ -
				302,409.25
CA CLASS - Capital				
Deposit	02/29/2024	Interest Earned	CA CLASS - Capital Investment:Interest	2,630.82
Total for CA CLASS - Capital				\$2,630.82
CA Class - FFF				
Deposit	02/29/2024	Interest Earned	CA Class - FFF Investment:CA Class - FFF Interest	2,097.19
Total for CA Class - FFF				\$2,097.19
CA Class - Reserves				
Deposit	02/29/2024	Interest Earned	CA Class - Reserves Investment:CA Class - Reserves Interest	4,505.33
Total for CA Class - Reserves				\$4,505.33
Fund 49501 - Operations				
Check	02/21/2024		Directors Fees:Vieira, John	-100.00
Check	02/21/2024		SSJCFA - JPA:FY2023-2024	-
				3,462,613.00
Check	02/21/2024		Auditors PR & AP Charges	-677.00
Check	02/21/2024		Directors Fees:Reece, Pete	-300.00
Check	02/21/2024		-Split-	-2,262.00
Deposit	02/21/2024		Fund 49501 - Property	4,061.25
				Tax:Outlawed Warrants - Void
Check	02/21/2024		Directors Fees:Craig Miller	-100.00
Total for Fund 49501 - Operations				\$ -
				3,461,990.75



Tracy Rural County Fire Protection District

Agenda Item 4.1

STAFF REPORT

Meeting: Regular Meeting
Date: March 12, 2024
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 24-25

RECOMMENDATION

Action Item X Non-Action Item

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 2024-25.

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 2023-2024 ranged from 13.91% - 15.97% and the estimated growth for 2024-2025 ranges from 5.10% - 6.87%. This is due to the higher interest rates.

DISCUSSION

The report discusses the trends in 2023 that will impact the 2024-25 fiscal year values and comparative analysis of the 2023-24 FY (current) and the 2024-25FY 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 24-25

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 9, 2024

Re: General Fund Budget Projection 2024-25 -- Single-Year Projection and 2024-25 through 2028-29 5-Year Forecast

PRELIMINARY DISCUSSION

Real Estate Trends for calendar year 2023. This is the year that will be influencing the 2024-25 property values enrolled. It was a year where there were continued interest rate hikes by the Fed and also a continuation of the downturn in the real estate cycle that we saw begin in late spring 2022 when the interest rate increases were implemented to slow the rate of inflation. As interest rates increased between 2022 and 2023, we saw fewer sale transactions of single-family residential homes. This was due in part to 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.

Throughout the 2023 calendar year we have seen the number of properties offered for sale in comparison to those offered in 2022 down by 30% or more. This lower sale number coupled with the flattening of sale prices is reflected in the reduction of the overall additive due to sale transactions in our modeler. While it is not universal, there are cities in each county where the sale prices have not dipped as low as the countywide average, in most agencies the prices for the last 2 quarters in 2023 are higher overall than the same 6-month period last year but year over year they are down. Homes are still selling and for more than their currently taxed value but the differential between the assessor's enrolled value for taxation the prior year and the sale price paid in the current (2023) calendar year is not as high as we have seen over the past 3-year period.

Proposition 8 Value Reviews.- The reductions initiated by Assessor's offices during the last economic downturn between 2008 and 2012 are fully restored in many counties. We are beginning to see an uptick in these reviews and modest reductions in communities where sale prices have declined between the past 2 years. There may be additional homes or commercial properties added to the Prop 8 properties under review. We have seen this cycle before and will monitor it should assessors proactively reduce homes purchased at those higher prices over the past couple

of years between 2000 and 2022. In the Tracy Rural Fire Protection District 217 homes were added between 2022 and 2023 to the number under review.

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 projection models are re-evaluated to account for changes in the real estate landscape that will impact 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 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

THE CPI AND YEAR OVER YEAR VALUE CHANGE:

The CPI granted for all taxing entities in the State per Proposition 13 for 2024-25 will be **2.00%**.

The year-to-year value increase reported in the current fiscal year, 2023-24, for the District reflects growth of \$1,195,480,314 which was \$108.6 million lower than the value change reported in 2022-23 at \$1,204,180,116 (18.1% growth). This year the total year over year growth in 2023-24 is 15.2%. This growth was due in large measure to the increased CPI adjustment allowed per Proposition 13 that was responsible for 9.7% of the overall change in the District, unsecured assets posted on developing industrial sites for an increase of 25.4%, and sale transactions which added 52.9% of the growth reported between tax years.

SALE TRANSACTIONS:

The reported median sale prices of single-family homes in the District increased 25.63% in 2022, last year, and were responsible for 52.9% of the year-over-year growth or an 8.04% portion of the District's overall 15.2% growth. As we ended 2022 and moved through 2023 experiencing the interest rate hikes implemented, year-over-year the median prices have decreased **5.29%** in 2023 which will be reflected in 2024-25. 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 District there was a decrease in the number of homes sold in 2023 by 113 fewer sale transactions for single family homes in 2023 or a reduction of **30.4%** in the number of year-over-year sales. The properties

that sold in calendar year 2023 added \$279,746,181 to the market value between the 2023-24 and 2024-25 fiscal years. This is in comparison to the \$632,419,872 positive growth value increase we saw last year in this category. There was an increase of 127.0% in the market value of the properties sold when compared to the value of the properties on the roll before the sale transaction. This is 47% less than the growth that sales reflected on the assessed values last year at 240.6%. It will require \$90.6 million in additional value growth in 2024-25 to increase revenues 1% (1% of the districtwide value of \$9,060,480,314). The additive due to sale transactions has been included in the revenue modeler for 2024-25 and is the equivalent of 3.08% of the projected growth in comparison to the actual growth in 2023-24 related to this element of 8.04%. The sale numbers are quantifiable and should not be changed in the revenue forecast model.

PROPOSITION 8 RESTORATION:

The restoration of values reduced during the Great Recession by the assessor per Proposition 8 was winding down before sale prices flattened in late 2022 and throughout the first half of 2023. As a result, the assessor's office has added properties to this review of market values after recent sales transactions. We have factored the temporary changes of these Proposition 8 value reviews in our forecast model. We will continue to monitor these parcels under review as we may see additional homes added to this pool under review if the sale prices should dip below those paid in sales over the past several years when the prices were driven by demand, availability, and low interest rates. We are not forecasting any measurable change due to Prop 8 reductions in 2024-25. We don't have a sense of the assessor's workload or the number of properties under review for these types of reductions and this is only an estimate.

The assessor will review what is happening in terms of sale prices in individual neighborhoods and use those price points to adjust taxable values if warranted within those same geographic areas for properties that were purchased during the "hard" real estate market with competitive bids and lower interest rates. Our modeling applies price increases/decreases as a percentage across the board.

BASELINE FORECAST AND NEW CONSTRUCTION DISCUSSION:

*In our budget forecast last year for the current 2023-24 fiscal year, we were estimating baseline growth of 9.89%. The actual growth realized by the District was 15.2%. This original HdLCC estimate did not include an additive for new construction which added 2.02% and would have resulted in growth of 11.91%. Adding 100% of the trimmed average that the New Construction Report included last year suggested would have closed the gap and reflected the change that the new construction added in the forecast. The element that is mentioned above and was not quantifiable in our forecast was **the addition of personal property and business assets related to industrial distribution warehouses-Unsecured Roll**. This growth of 3.86% would have resulted in a forecast of 15.5%, slightly higher than the actual growth reported by the assessor. We budget business personal property flat in our models and would caution against inserting this much of a value increase for this element without verification from the County Assessor's office.*

- Our base line forecast for growth of all values generating General Fund property tax revenue for 2024-25 is **5.10%** and is ⅓ of last year's district-wide growth. This is the forecasted growth without any factoring for new construction activity or business property (unsecured) additions.
- Adding 50% of the trimmed average growth due to new construction for the past 8 years of \$79,997,170 would be the equivalent of an additional 0.89% growth to this base number. This would mean forecasting growth of **5.99%** for 2024-25 with some new construction and no additive for personal/business property additions as were seen in 2023-24.
- The most optimistic model would be developed using 100% of the trimmed average growth due to new construction (\$159,994,341) that would add 1.77% to the baseline for a forecast of **6.87%**. City building records are the best source for quantifying the growth completed between tax years. Our reports are estimates and have not been validated with actual completed new construction projects within the City of Tracy or the County Unincorporated area served by the District. These forecasted growth numbers also do not provide for any growth from unsecured assets that if added would increase the total growth if quantified and validated by the assessor.

We project property tax revenue sources conservatively and would caution against increasing the elements in the forecasting model without solid information from the city the District serves or verified information from the Assessor.

SUMMARY OF POTENTIAL MODEL SELECTIONS

A conservative estimate of growth would be **5.10%**.

A midrange estimate with some new construction additive would be **5.99%**.

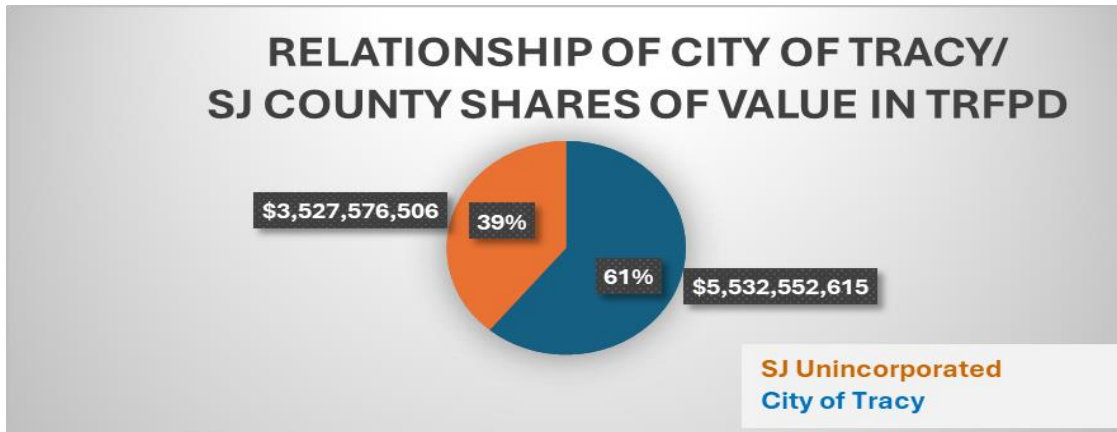
Most optimistic estimate with the Prop 8 losses as forecasted and including 100% of the trimmed average of new construction would result in a forecasted growth percentage of **6.87%**.

The 5-Year projection for the District's property tax revenue is also 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 relative to this model or how you may have items to add to augment the overall growth projected in the forecast.

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

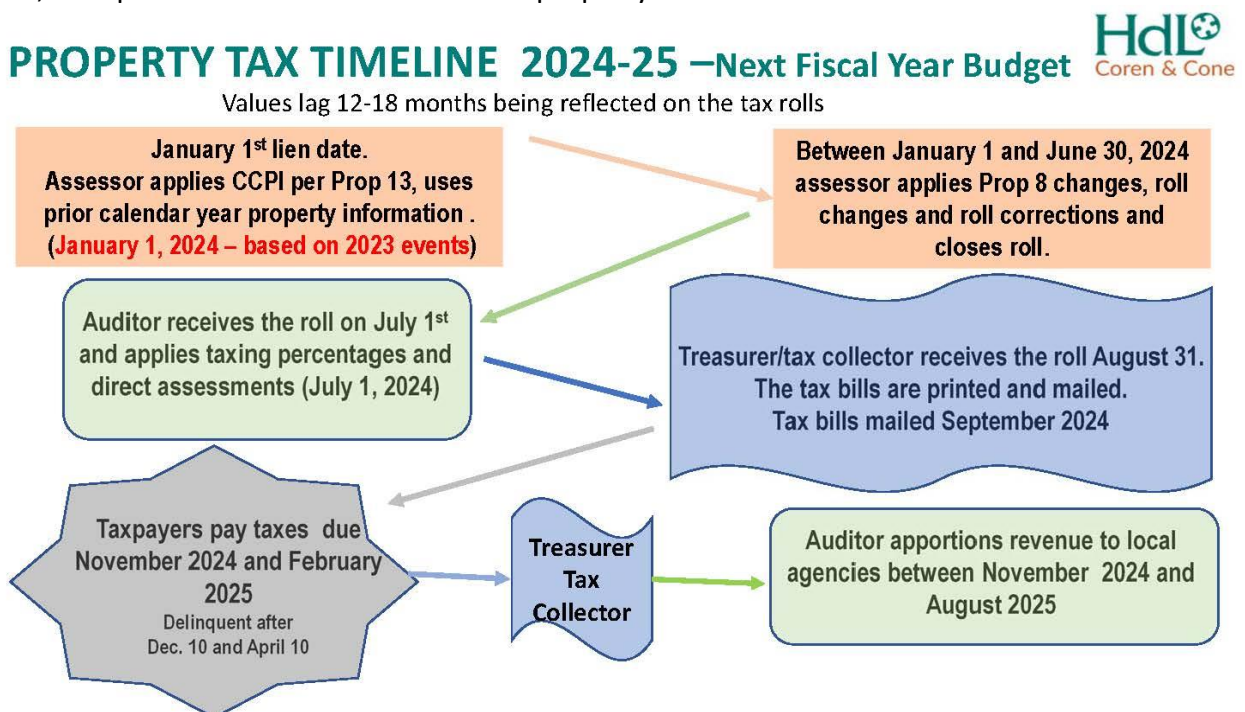
The Tracy Rural Fire Protection District service area covers the City of Tracy and parts of the San Joaquin County Unincorporated Area. The taxable values assigned to the City of Tracy of \$5,532,552,615 represent 61% of all values that generate 1% revenue for the District; and the taxable values assigned to the County Unincorporated area of \$3,527,576,506 represent 39% of all values that generate 1% revenue for the District for a total reported taxable value in 2023-24 of \$9,060,129,121. Last year the County portion of the District was 42% by value and the City of Tracy was 58% 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 2024-25 currently being prepared by the Assessor was liened on January 1, 2024, and includes events (sale transactions, completed new construction, Proposition 8 adjustments, roll corrections and appeal reductions) that happened in calendar year 2023. Any new development occurring in 2024 that will result in sales this calendar year or progress appraisals on completed new construction before the end of December 2024 will be seen on the 2025-26 tax roll. Events that occur mid-year and result in the issuance of a supplemental tax bill find that those receipts are pooled 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 and reflects the mid-year change.

The timeline for the property tax process for 2024-25 is reviewed on the graphic below from assessment to taxation, receipt of taxes and allocation of the property tax revenue.



OTHER CONSIDERATIONS:

Appeals will impact the 2024-25 FY and beyond if there have been vacancies in commercial retail, office, or industrial sites between 2021 and 2023. Appeals that are filed with the County must be heard within 2 years of filing or the applicant and the County must mutually agree to extend the time provided for a hearing. Some appeals may take 2-4 years to litigate and to be heard by the Assessment Appeals Board(s).

After TRFPD have had an opportunity to review these materials, we can arrange a conference call or Zoom meeting to answer questions that you may have about the forecast tools, memoranda and reports attached.

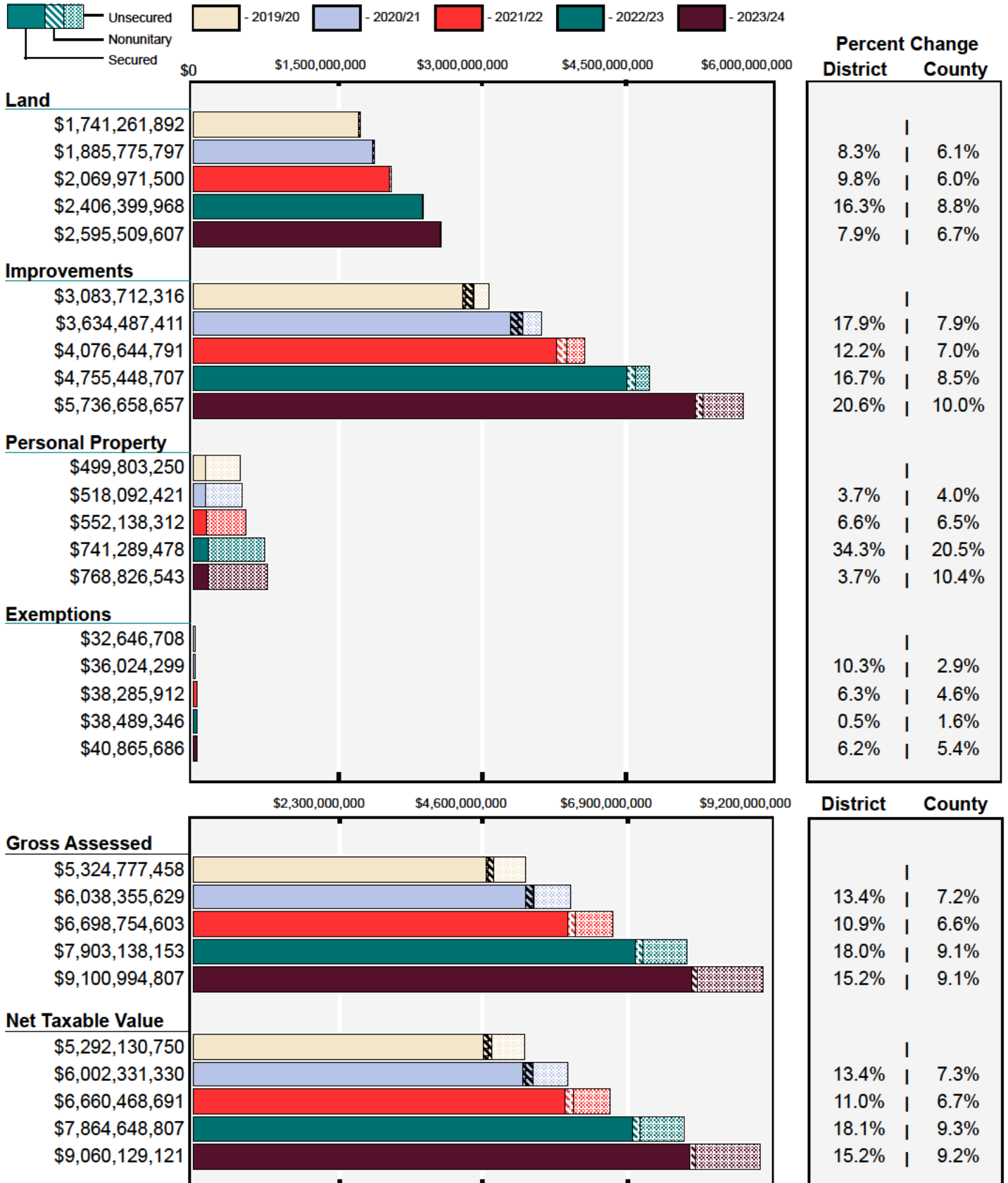
ENCLOSURES:

The enclosed materials include:

- **General Fund Annual Memorandum on Methodology and Assumptions**
- **Portfolio of Reports General Fund for the District– 2023-24 actual value reports, Real Estate Sales Trends, Prop 8 values restored, budget projection PDF - Notes and Highlights**
- **Budget Projection EXCEL Single year Projection**
- **5-year Budget Projection Assumptions Memorandum**
- **5-Year Budget Projection – Excel**

TRACY RURAL FIRE

2019/20 TO 2023/24 ASSESSED VALUES

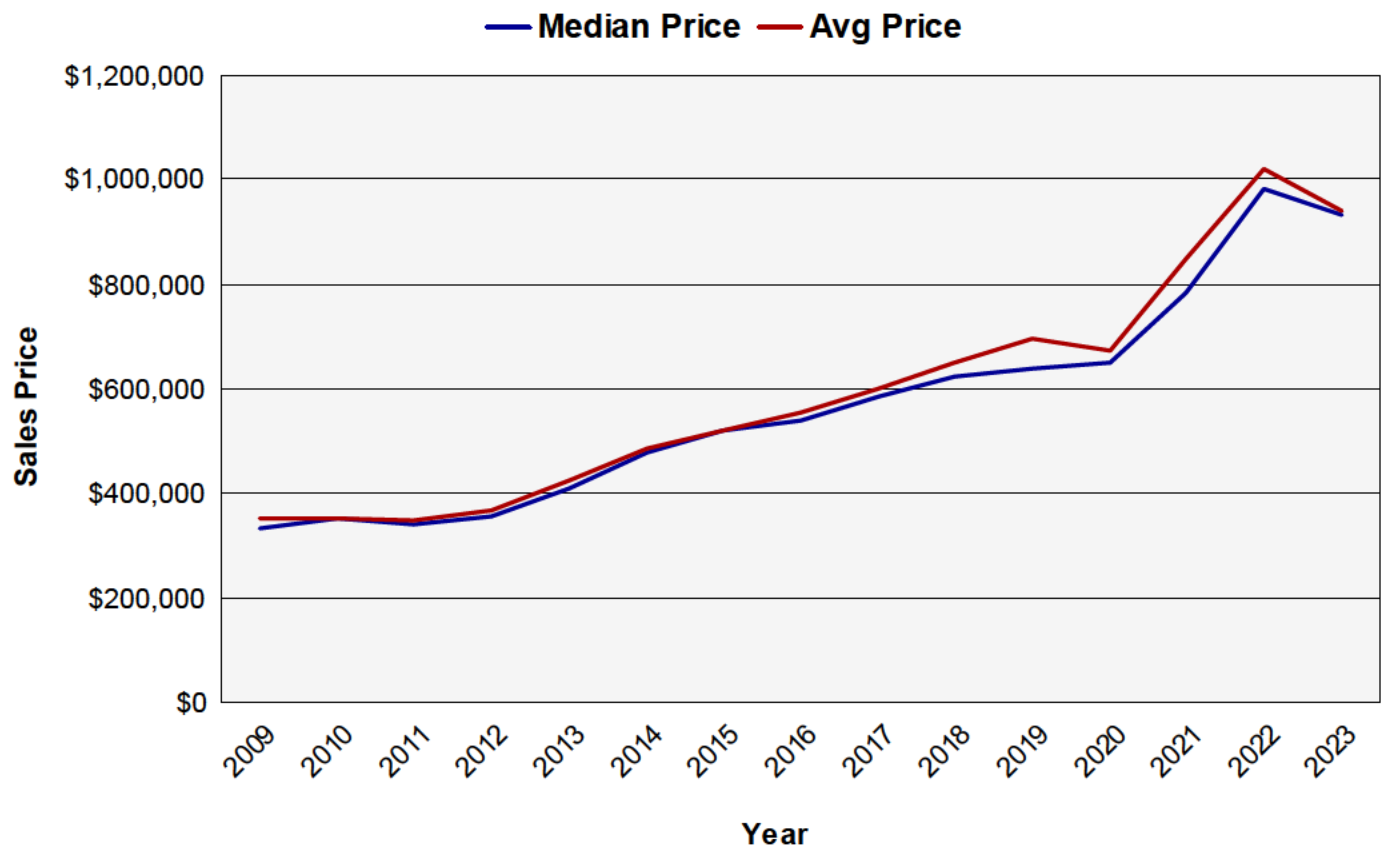


TRACY RURAL FIRE

SALES VALUE HISTORY

Single Family Residential Full Value Sales 01/01/2009 - 12/31/2023)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2009	236	\$352,649	\$332,500	
2010	185	\$351,070	\$350,000	5.26%
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	332	\$672,772	\$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%



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

Data Source: San Joaquin County Recorder

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Prepared On 2/9/2024 By PC

TRACY RURAL FIRE TRANSFER OF OWNERSHIP (2019 - 2023)

Single Family Residential

Multifamily, Commercial, Industrial, Vacant

Totals

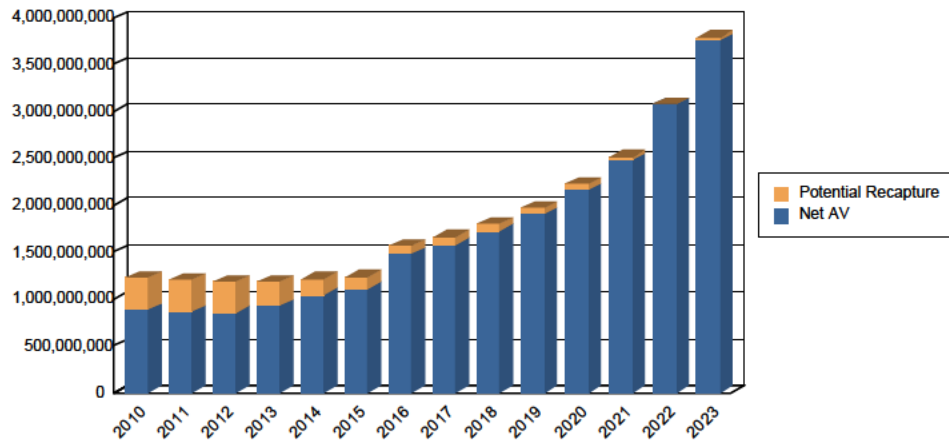
Tax Year	# SFR Sales	Original Values	Sale Price	% Change	Non SFR Sales	Original Values	Sale Price	% Change	Total Sales	Original Values	Sale Values	% Change	\$ Change
DISTRICT NON SA AREA <i>Valid Sales Price Analysis</i>													
2023 1/1/23-12/31/23	255	\$137,637,252	\$239,479,872	74.0%	243	\$82,638,166	\$260,541,727	215.3%	498	\$220,275,418	\$500,021,599	127.0%	\$279,746,181
												<i>Est. Revenue Change:</i>	\$332,286.96
2022 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>	\$703,853.47
2021 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>	\$871,688.07
2020 1/1/20-12/31/20	330	\$172,476,448	\$221,822,625	28.6%	292	\$85,761,316	\$262,571,878	206.2%	622	\$258,237,764	\$484,394,503	87.6%	\$226,156,739
												<i>Est. Revenue Change:</i>	\$262,512.37
2019 1/1/19-12/31/19	243	\$111,470,381	\$168,491,412	51.2%	228	\$85,510,806	\$179,269,744	109.6%	471	\$196,981,187	\$347,761,156	76.5%	\$150,779,969
												<i>Est. Revenue Change:</i>	\$175,457.88

* 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.

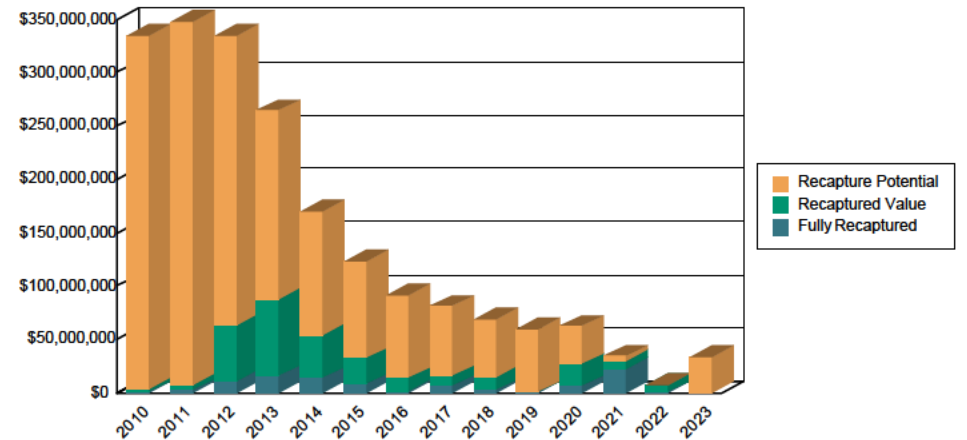
The sale transactions values added (\$ Change) in 2023 were **55.7%** less than that reported in 2022. This will be responsible for less of a growth additive next year that was seen in 2023. It takes \$90.6 million in additional value to increase revenue 1%. The growth above for 2023 is the equivalent of 3.08% of the forecasted growth. The growth recognized from this additive in 2023-24 was 8.04%.

Roll Year	Prop 8 Parcel Count	Real Value of Prop 8 Parcels	Inflation Adjusted Peak Taxable Values	Potential Recapture	% of All Parcels	Prop 8 Parcels that have fully Recaptured	Increase in Real AV Due to full Recaptures	Prop 8 Parcels that have Recaptured Value	Increase in Real AV Due to Recaptures
2010	1,603	619,947,423	951,751,413	331,803,990	49.9%	18	501,765	224	3,357,418
2011	1,642	599,594,187	943,592,460	343,998,273	51.0%	45	2,589,349	354	7,391,767
2012	1,638	593,680,544	915,970,330	322,289,786	50.8%	285	10,612,475	1,504	63,418,589
2013	1,283	515,688,571	776,900,465	261,211,894	38.8%	295	15,884,321	1,113	87,950,250
2014	962	465,252,414	633,477,960	168,225,546	28.5%	219	14,125,493	836	53,649,568
2015	709	388,947,139	509,358,864	120,411,725	20.5%	105	8,017,292	642	32,644,618
2016	575	347,026,519	436,023,890	88,997,371	15.7%	56	2,141,063	381	13,815,190
2017	494	311,719,592	391,779,697	80,060,105	13.5%	104	6,440,844	289	15,387,844
2018	369	247,746,592	317,328,828	69,582,236	9.6%	25	2,346,125	291	14,293,218
2019	334	236,434,685	294,897,621	58,462,936	7.2%	2	405,576	10	883,153
2020	321	227,499,262	289,758,004	62,258,742	6.2%	54	6,575,210	291	26,990,207
2021	248	198,454,759	232,676,932	34,222,173	4.7%	180	22,124,631	240	30,171,539
2022	65	60,790,667	67,539,616	6,748,949	1.2%	8	771,996	19	6,885,475
2023	274	254,634,217	278,892,564	24,258,347	4.9%				

Totals for Single Family Residential Parcels



Prop 8 History



The report identifies parcels that were granted a value reduction and possess value recapture potential per Proposition 8. The reductions were based on market conditions at the time of assessor review. This calculation is derived from historical transfers of ownership, Assessor applied Proposition 8 reductions and trends in the marketplace relative to median and average home sales and is an estimate of the impact of current adjustments to the assessment roll as of the 2020-21 lien date.

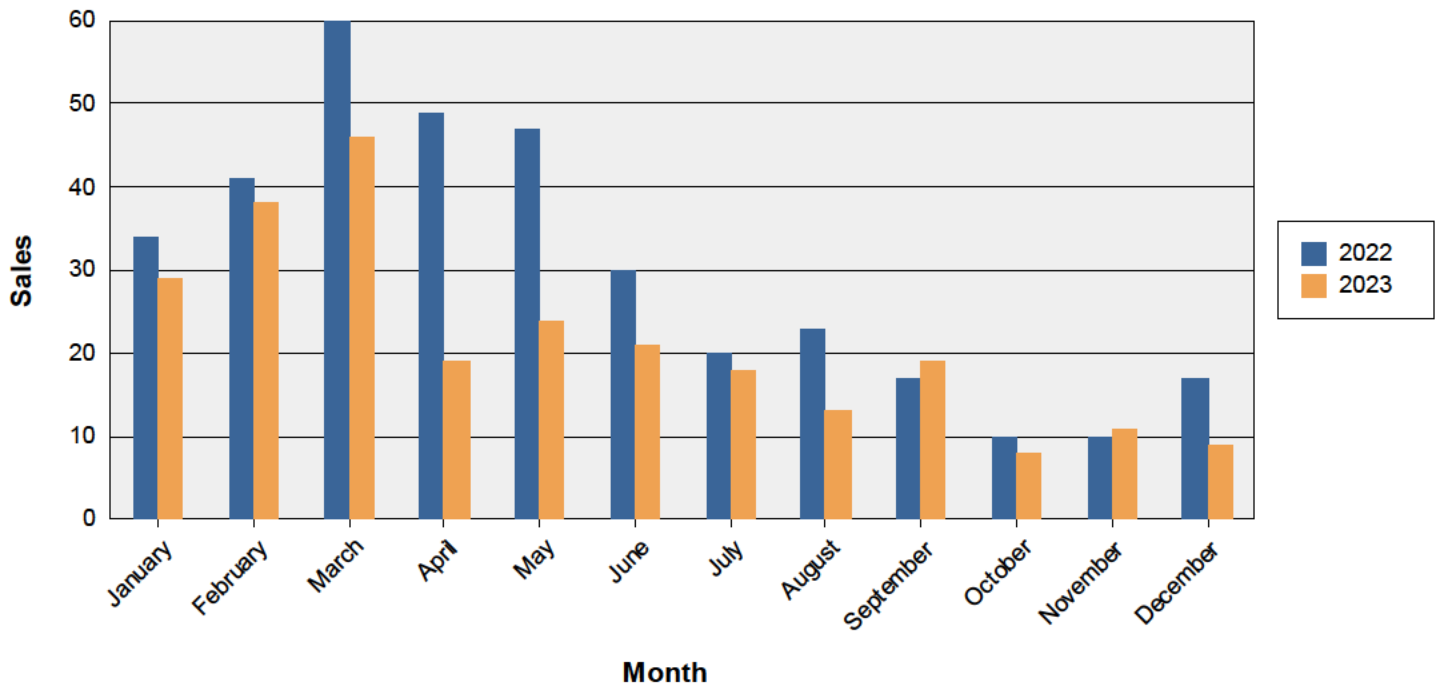
The Inflation Adjusted Peak Value is defined as a parcel's highest value after its most recent sale. If a parcel is assessed for a lower value after its most recent sale, then the sales price becomes the peak value. Peak values are inflated annually according to Proposition 13. Prop 8 Parcels that have recaptured value include both parcels that have been fully recaptured as well as parcels that have only recaptured a portion of the Inflation Adjusted Peak Values. Proposition 8 potential value recapture is shown in the Potential Recapture Column and assumes no future sales transactions. Sale of Proposition 8 parcels resets base value and removes the parcel from the Proposition 8 list.

TRACY RURAL FIRE YEAR TO YEAR COMPARISON OF TRANSFERS

Single Family Residential Full Value Sales Through 12/31/2023

2022						2023				
Month	Total Sales	Original Values	Sale Values*	Change Amount	Chg. %	Total Sales	Original Values	Sale Values*	Change Amount	Chg. %
Jan	34	14,126,009	30,979,500	16,853,491	119.3	29	16,236,686	26,184,500	9,947,814	61.3
Feb	41	16,116,258	38,845,000	22,728,742	141.0	38	19,540,824	32,230,000	12,689,176	64.9
Mar	60	28,388,818	62,533,772	34,144,954	120.3	46	21,473,703	43,670,000	22,196,297	103.4
Apr	49	25,118,390	53,039,727	27,921,337	111.2	19	8,588,572	16,666,500	8,077,928	94.1
May	47	24,359,939	53,724,000	29,364,061	120.5	24	12,410,590	22,446,500	10,035,910	80.9
Jun	30	14,712,704	33,099,000	18,386,296	125.0	21	11,667,263	21,650,500	9,983,237	85.6
Jul	20	9,601,417	20,919,500	11,318,083	117.9	18	11,909,015	18,091,500	6,182,485	51.9
Aug	23	12,143,556	22,671,500	10,527,944	86.7	13	8,424,143	13,128,500	4,704,357	55.8
Sep	17	9,422,792	18,189,000	8,766,208	93.0	19	12,417,175	18,706,500	6,289,325	50.7
Oct	10	5,345,339	7,831,086	2,485,747	46.5	8	5,071,915	8,133,000	3,061,085	60.4
Nov	10	6,138,600	14,197,487	8,058,887	131.3	11	5,330,167	10,766,000	5,435,833	102.0
Dec	17	9,117,740	13,936,627	4,818,887	52.9	9	4,567,199	7,806,372	3,239,173	70.9
Total	358	174,591,562	369,966,199	195,374,637	111.9	255	137,637,252	239,479,872	101,842,620	74.0

Monthly History



* 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.

Data Source: San Joaquin County 2022/23 - 2023/24 Secured Tax Roll And County Recorder

Prepared On 2/9/2024 By PC

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TRACY RURAL FIRE

2023/24 PROPERTY TAX REVIEW

2023/24 TAXABLE VALUE: \$9,060,129,121 +15.20% GROWTH FROM 2022/23: \$7,864,648,807

VALUE CHANGE BY CAUSE

	2022/23 Net Value	\$7,864,648,807		
Cause of Value Change	Chg. from 2022/23	% of 2022/23 Net Value	% of All Chg. from 2022/23	
Parcel Adds/Drops Net Change	\$92,173,826	1.17%	7.7%	
Change from CPI 2.0% Growth	\$115,423,139	1.47%	9.7%	
Prior Year Transfer of Ownership	\$632,419,872	8.04%	52.9%	
New Construction - Non-Res.	\$58,006,321	0.74%	4.9%	
New Construction - Residential	\$100,608,155	1.28%	8.4%	
Prop. 8 - Reduce/Recapture Net	-\$24,114,930	-0.31%	-2.0%	
Unsecured Value Change	\$303,501,119	3.86%	25.4%	
Cross-Reference Value Change	\$3,203,020	0.04%	0.3%	
Other Changes*	-\$85,740,208	-1.09%	-7.2%	
Total Change	\$1,195,480,314	15.20%		
2023/24 Net Value	\$9,060,129,121	15.20%	Growth	

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

REVENUE SUMMARY

Gen. Fund 1% Share Rev.	
15401 Tracy Rural Fire	\$10,292,030

VALUE CHANGE BY USE CATEGORY

Use Category	Chg. from 2022/23	% Chg. in Category	% of All Chg. from 2022/23
Residential	\$688,944,031	21.12%	57.6%
Industrial	\$333,056,664	14.62%	27.9%
Unsecured	\$303,501,119	41.54%	25.4%
Agricultural	\$26,814,213	3.76%	2.2%
Vacant	-\$181,833,839	-28.72%	-15.2%
Commercial	\$36,857,387	52.04%	3.1%
SBE Nonunitary	-\$14,800,000	-13.82%	-1.2%
Cross Reference	\$3,203,020	7.22%	0.3%
Recreational	\$376,518	3.05%	0.0%
Institutional	-\$114,704	-1.83%	0.0%
Govt. Owned	\$144,493	2.79%	0.0%
Miscellaneous	-\$668,588	-50.52%	-0.1%

VALUE CHANGE BY COMPONENT

Area	Chg. from 2022/23	% Chg. in Area
Tracy Rural Fire	\$1,195,480,314	15.20%
Countywide	\$9,319,827,328	9.17%

TRACY RURAL FIRE GENERAL FUND REVENUE ESTIMATE

2024-25 Revenue Estimate based on 2023-24 Values and Estimated Changes

	District Revenue	Dist Wide Value Change
Non RDA and BY Values 2023-24	\$9,059,686,121	
District Net Taxable Value 2023-24		\$9,060,129,121
Real Property Value (Incl. Prop 8 parcels)	\$8,199,076,586	\$8,199,076,586
CPI of Non Prop 8 Parcels (2.000%)	\$158,888,847	\$158,888,847
Transfer of Ownership Assessed Value Change	\$279,746,181	\$279,746,181
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$23,678,356	\$23,678,356
2024-25 Estimated Real Property Value	\$8,661,389,970	\$8,661,389,970
Base Year Values	\$0	<i>Included in AV</i>
Secured Personal Property Value (0.0% growth)	\$159,764,115	\$159,764,115
Unsecured Personal Property Value (0.0% growth)	\$608,524,666	\$608,967,666
Nonunitary Utility Value	\$92,320,754	\$92,320,754
Enter Completed New Construction		
2024-25 Estimated Net Taxable Value	\$9,521,999,505	\$9,522,442,505
Estimated Total Percent Change 2024-25	5.10%	5.10%
Revenue Calculations		
Net Taxable Value Tax @ 1%	\$95,219,995	
District Share of 1% Tax @ 11.36025059%	\$10,817,230	
Aircraft Value Tax @ 1%	\$4,430	
District Share of Aircraft Tax @ 0.0%	\$0	
Net District Estimate for 2024-25	\$10,817,230	
Taxable Value Revenue Categories		
Secured Revenue	\$10,202,811	
Unsecured Revenue	\$614,419	
Aircraft Revenue	\$0	
Rev from Taxable Value*	\$10,817,230	
Unitary Revenue (Budgeted Flat)	\$172,306	
Admin Fee (Not Deducted Above)	-\$148,060	
Enter Supplemental Apportionment Estimate		
Enter Delinquent Apportionment Estimate		



TRACY RURAL FIRE GENERAL FUND REVENUE ESTIMATE

2024-25 Revenue Estimate based on 2023-24 Values and Estimated Changes

NOTES:

***The revenue projection assumes 100% payment of taxes. Delinquency is not considered in the projection; however, rates of between 1% and 2.5% are typical.**

- Estimated Assessor Prop 8 Adjustments: Prop 8 reductions in value are TEMPORARY reductions applied by the assessor that recognize the fact that the current market value of a property has fallen below its (Prop 13) assessed value. For 2024-25, properties with prior Prop 8 reductions are not included in the CPI increase. They are projected to adjust with median sale prices, with increases possible up to the inflation-adjusted Prop 13 value, or further reductions possible if median sale prices decline further.
- The Prop 8 adjustment in 2024-25 uses general fund 2023 median single-family residence price change (10.9%) to estimate whether 2024-25 properties will enter Prop 8 reduced status or recapture previous reductions.
- 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 at 100.0% of 2023-24 levels. 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: 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. Enter the value of new construction completed between Nov. 2022 and Oct. 2023.
- Supplemental and delinquent revenue allocations are pooled countywide and are erratic. They should be budgeted conservatively.
- 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

Prepared on 2/9/24 Using Sales Through 12/31/23

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Tax Year	Estimated Parcel Count	Residential New Construction	Non-Residential New Construction	Total New Construction
2016	190	\$12,831,244	\$153,175,798	\$166,007,042
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	324	\$43,145,094	\$239,952,252	\$283,097,345*
2022	310	\$35,172,726	\$265,521,490	\$300,694,216*
2023	371	\$100,608,153	\$58,006,319	\$158,614,472
Average of all Years:				\$200,388,481
Trimmed Average (Excludes Outlying Years*)				\$159,994,341
Estimate @ 75%:				\$119,995,755
Estimate @ 50%:				\$79,997,170
Estimate @ 25%:				\$39,998,585

- 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

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Prepared On 2/9/2024 By PC

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FIVE YEAR GENERAL FUND BUDGET PROJECTION – INSTRUCTIONS AND ASSUMPTIONS

The 5-Year General Fund Revenue forecasting tool has many moving parts that need to be included and built upon to create a multi-year forecast. Some parts of this equation are easier to forecast because we have solid information resources to use. These factors include the CCPI adjustment per Prop 13, transfers of ownership between tax years and new construction projects completed between reporting years. Some of the elements are estimations based on trends and other information that may or may not be borne out in the actual tax roll data when it is released by the counties. Circumstances such as possible economic downturns, declines in the number and/or price of home sales, Prop 8 value reductions or restorations, supplemental apportionments, redemption apportionments (delinquent or prior year payments), unitary revenue changes and adjustments applied after the close of the tax roll such as successful assessment appeal impacts. **If you feel that the estimate you receive does not reflect what is currently happening in your community, please contact us to run alternate scenarios.**

With an eye on prior year trends relative to sales activity and Prop 8 value reduction or restoration, and some historical factors for ownership changes over the past 15 years (depending on the county), we have developed a spreadsheet that, like our general fund single year tool, builds a strong foundation from our data and insight, **but requires thoughtful input from city/district staff to achieve the most supportable projections.**

We are providing you with the assumptions that are considered in the development of the 5-Year General Fund Revenue Projection spreadsheet model in order to give you, the user, the detailed reasoning behind the numbers. This knowledge allows you to make educated modifications based on more regional or local information that you may be aware of so you can override our assumptions in the Excel version of this report. We recognize that, as with any tool that attempts to project property tax revenues out beyond one or two years, cities/districts will be revising their projections annually as more current data becomes available. In the development of this report, we made the following assumptions:

1. **CONSUMER PRICE INDEX ANNUAL ADJUSTMENT** The California Consumer Price Index (the “CCPI”) adjustment of 2.00% for 2024-25 has been approved by the State. In years 2-5 of the model assumes that the CCPI will continue at the maximum allowable **2%**. Properties that have been reduced by the assessor per Prop 8 are not included in this increase because they are tracked separately and reviewed annually with a potential increase different than the granted CCPI depending on the economic recovery. Remember that this CCPI adjustment applies only to land, improvement and fixture value. It is not applied to personal property value.
2. **TRANSFERS OF OWNERSHIP** For the 2024-25 fiscal year, the estimated value increase due to known 2023 transfers of ownership is included. For year 2025-26 the transfer of ownership reflects the growth of the same percentage as was used in the 2024-25 forecast. For fiscal year 2026-27 and later, the 20-year average of the value growth from transfers of ownership, as a percentage of the jurisdiction’s real assessed property value, is adjusted by a factor representing expected market conditions. The resulting percentages are unique to your community and are identified in the footnotes. The projection assumes that all value changes from transfers of ownership will be reflected in the subsequent fiscal year values. In some counties, the Assessor may not be able to process all transfers of ownership to the tax roll in a timely manner.
3. **PROPOSITION 8 VALUE RESTORATION – SINGLE FAMILY RESIDENTIAL** Proposition 8 reductions in value are TEMPORARY and are applied by the Assessor to recognize the fact that the current market value of a property has fallen below its Proposition 13 inflation-adjusted assessed value. Prop 8 value-reduced properties are not granted a CCPI increase. They are independently adjusted by the Assessor, who restores values as market

conditions improve, or further reduces them should conditions worsen, or until they sell which resets a new Prop 13 assessed value.

There was a significant restoration of the value of properties reduced in value between 2008 and 2012 throughout the State. In most counties, restoration is within 5% to 10% of full value restoration. Potential increases in value due to the restoration of previously reviewed and reduced values per Proposition 8 will result in a limited impact to the forecasted budgeted growth due to this element. In some counties, the sale prices for the 2023 calendar year have flattened or declined due to increased interest rates and insufficient supply. If there is an economic downturn or additional interest rate hikes that impact home sales, we may see the Assessors add new properties to those in this Prop 8 review “pool”. This trend began in the 2023-24 fiscal year and may extend into 2024-25 as well for some counties. It is not anticipated that such Prop 8 value reductions will be deep or long lasting.

Proposition 8 adjustments in the 5-year model are based on the projected growth in the median sale price of SFR homes. The report includes the estimated adjustment value of the remaining Prop 8 reduced properties that are likely to be restored in each of the next 5 years. The amount for 2024-25 is based on the data we have included in our single year forecast.

For years 2025-26 and beyond we are using a long-term average of median home price growth to project Prop 8 value changes. As with the Transfers of Ownership growth rates, the historical average median home price growth rate is adjusted to account for an estimated relative strength or weakness of the real estate market in those future years.

4. **BASE YEAR VALUES** With the dissolution of redevelopment, base year values are unlikely to change and are budgeted flat. No growth factors have been applied and should not be considered as these values do not change during the life of the project unless granted a Malaki Adjustment.
5. **PERSONAL PROPERTY VALUES** Secured and unsecured personal property values for 2024-25 are projected flat from 2023-24 amounts as are the values forecasted in years 2-5 of this model. Unsecured escaped values may be included in the unsecured value. These assets are generally inconsistent and vary from year to year. Due to the large number of escaped assessments in Orange County, we have included a 10-year trimmed mean for escapes in future years to prevent large fluctuations in the estimate based on these one-time corrections, for this county only. Escaped assessments have begun to be included in San Mateo County starting in 2023-24 but we do not have any historical data to use for future projections.
6. **COMPLETED NEW CONSTRUCTION** 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. (i.e. November 2022– October 2023 for the 2024-25 FY). The New Construction History report provided with your single year estimate may be useful for estimating future growth from new development in conjunction with your knowledge of future development activity. The report that includes information for the general fund should be used in the general fund column. The entire city report should be used to estimate new construction value in the VLF column. Choosing a more favorable year as an additive from this report should only be selected if the city has verified information from the Assessor’s office that a quantified amount of a new construction was processed for the jurisdiction by their office.
7. **POOLED REVENUE SOURCES** There are several revenues that are pooled and apportioned county-wide. These include supplemental allocations, redemptions for delinquent payments in Non-Teeter cities, taxpayer refunds due to successful appeals, roll corrections and other adjustments applied after the release of the roll. The forecasting of these revenues should be developed based on historical averages and entered by each city/district.

8. **APPEALS** Appeal reductions are not included in our estimates. Not all counties provide this information for purchase. Determining the impact of appeals reductions for prior years on future year's values has become unreliable in the current climate. If you are aware of specific appeals that have been approved in the past year that will impact revenues going forward, please call us to discuss and we will revise the estimate. The appealed reduction does not impact the city/agency directly until the year after the value adjustment has been approved when a lower value is enrolled on the roll released for taxation.
- 9 **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 in 2020. The COVID-19 pandemic triggered a demand shock in the oil industry leading to a decline in oil prices. 2022 saw an increase in gas prices due to the War in Ukraine but also the release of oil reserves to temper this impact. These changes are difficult to forecast and make this part of the forecast unpredictable. Revenue from these assets is being projected flat in our model. Please call us to discuss your estimate so that we can talk about what to expect in 2024-25.
- 10 **ANNEXATIONS** The model assumes that there are no new annexations. If there are annexations that are set to take effect with the 2024-25 roll year, the expected value added from the new territory should be added to the new construction line in the General Fund portion of the estimate ONLY or call HdL Coren & Cone to discuss. Annexations are treated differently than value additions year-over-year where there are no annexations in the calculation of VLF in Lieu changes.
- 11 **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 1.5% and 2%.
 - Pass through payments and Residual Revenue allocations from the RPTTF derived from former redevelopment project areas are not included.

To discuss your spreadsheet with HdLCC staff, please call 714.879.5000 or email us at:

Paula Cone - pcone@hdlccpropertytax.com

Nichole Cone- ncone@hdlccpropertytax.com

Dave Schey - dschey@hdlccpropertytax.com

Darren Hernandez - dhernandez@hdlccpropertytax.com



Tracy Rural County Fire Protection District

Agenda Item 4.2

STAFF REPORT

Meeting: Regular Meeting
Date: March 12, 2024
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 ☒ 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 February 2024:

<i>Station</i>	<i>Expenses as of 2/29/24</i>	<i>FY 23/24 Budget</i>
Station 93	\$30,642.60	\$40,000.00
Station 94	\$13,177.63	\$40,000.00
Station 95	\$14,005.38	\$15,000.00

FISCAL IMPACTS / ATTACHMENTS

None.



Tracy Rural County Fire Protection District

Agenda Item 4.3

STAFF REPORT

Meeting: Regular Meeting
Date: March 12, 2024
To: Board of Directors
Prepared by: Raychel Jackson, District Clerk
Approved by: Jeff Ramsey, Chairperson

Re: Consider and Approve Property and Liability Insurance Policy
for the Period April 1, 2024 to April 1, 2025

RECOMMENDATION

Action Item X Non-Action Item

Staff recommends the Board of Directors approve a general liability, property, public officials & management liability, business auto liability and excess liability insurance policy for the period of April 1, 2024 to April 1, 2025 and provide staff with further instructions.

BACKGROUND

The District's general liability and property damage insurance policies and premium costs are reviewed on an annual basis. CalMutuals JPRIMA holds our current policy. The proposed policy is needed for the District to effectively and efficiently operate and appropriately protect the District and assets. There is an annual change in the insurance market and therefore changes in the premium costs for coverage.

DISCUSSION

The District will need to approve an insurance policy to take effect on April 1, 2024.

FISCAL IMPACTS

The District's budget for FY 23-24 is \$50,000.00.

ATTACHMENTS

None.



Tracy Rural County Fire Protection District

Agenda Item 4.4

STAFF REPORT

Meeting: Regular Meeting
Date: March 12, 2024
To: Board of Directors
Prepared by: Raychel Jackson, District Clerk
Approved by: Jeff Ramsey, Chairperson

Re: Resolution 2024-01 TRANSFER OF STATION 95

RECOMMENDATION

Action Item ☒ Non-Action Item ☐

DISTRICT Board to adopt Resolution allowing transfer of Station 95 in fee simple to DISTRICT.

BACKGROUND

The District has been operating Station 95 although the developer still owns it. Although the City previously approved the transfer of the station, a further review of the JPA Dissolution Agreement and the new JPA agreement revealed a conflict of provisions regarding facilities. This resolution is intended to clarify the intent of the member agencies - the City and District - with regard to the new JPA agreement.

DISCUSSION

Section 4(b) of the February 20, 2018, Dissolution Agreement provided that the City and District agree that the District would own and operate ALL fire stations that are currently located or will be located in overlapping jurisdictional areas.

However, section 4.1 of the new JPA Agreement provides that member agencies that have overlapping jurisdictional boundaries shall enter into a separate agreement to establish ownership. The member agencies have not entered into a separate agreement and the District and City understood the Dissolution provision to be governing. This resolution corrects and clarifies the Parties' intent and allows the City to finally transfer Station 95.

FISCAL IMPACTS / ATTACHMENTS

Although unable to quantify, this Resolution should have a positive fiscal impact because Station 95 will finally be owned by the District and title held in fee simple. This will allow the District to more efficiently operate this facility thereby saving the District costs and maintenance.



Tracy Rural County Fire Protection District

Resolution No. 2024-1

RATIFYING THE CONVEYANCE AND PUBLIC FIRE SAFETY FEE PROVISIONS OF THE FEBRUARY 20, 2018, SOUTH COUNTY FIRE AUTHORITY DISSOLUTION AGREEMENT WITH RESPECT TO FIRE FACILITIES IN OVERLAPPING JURISDICTIONS AND SPECIFICALLY STATION 95

WHEREAS, the purpose of this Resolution is to finally accomplish transfer of Station 95 in fee title to DISTRICT.

WHEREAS, On September 7, 1999, the City and Tracy Rural Fire District (DISTRICT) entered into a Joint Exercise of Powers Agreement to form the South County Fire Authority (SCFA) to provide fire protection services within the City's and DISTRICT's respective service areas; and

WHEREAS, On June 7, 2016, the City entered into the Tracy Station 95 Fire Station Acquisition Agreement with Tracy Hills Project Owner, LLC, and Tracy Hills Phase 1, LLC (together, Developer), providing for the Developer's construction and dedication of Tracy fire Station 95 located at 7151 Tracy Hills Drive (Station 95); and

WHEREAS, the developer of the Tracy Hills Project area (Developer) built within an overlapping jurisdiction, Fire Station 95, which includes certain real property, the buildings thereon, fixtures and furnishings, and a 2020 Pierce Velocity fire engine apparatus (1500 GMP Pumper) bearing Vehicle Identification Number 4P1BAAGF0MA022707 and License Plate Number 1607554 (collectively, Fire Station 95); and

WHEREAS, the DISTRICT has been utilizing Fire Station 95, although fee title remains with the Developer; and

WHEREAS, On February 20, 2018, the City and DISTRICT executed the South County Fire Authority Dissolution Agreement (Dissolution Agreement) between City and DISTRICT, dissolving SCFA; and

WHEREAS, Section 4(b) of the Dissolution Agreement provides that "The Parties agree that the DISTRICT shall own and operate all Fire Stations that are currently located or will be located in overlapping jurisdiction areas. If DISTRICT ceases to operate a Fire Station, the Fire Station will revert back to City at no cost"; and

WHEREAS, Section 5 of the Dissolution Agreement further provides that the City will collect "Public Safety Facilities Fees (PFSF Fees), also known as "Fire Facilities Fees" located in the overlapping jurisdiction (DISTRICT'S jurisdictional boundaries) and disburse those PFSF Fees to DISTRICT to mitigate the impact of new development on such facilities, furnishings, and equipment; and



Tracy Rural County Fire Protection District

WHEREAS, On February 20, 2018, in furtherance of the Dissolution Agreement, the City and DISTRICT executed a Joint Powers Agreement of the South San Joaquin County Fire Authority (New JPA Agreement) forming the South San Joaquin County Fire Authority to replace SCFA as the fire protection services provider for the City's and DISTRICT's respective service areas; and

WHEREAS, the New JPA Agreement was intended to govern the formation, structure, role and authority of the newly formed South San Joaquin County Fire Authority (SSCJFA); and

WHEREAS, Section 4.1 of the New JPA Agreement provides, in relevant part, that "Member Agencies [City and DISTRICT] that have overlapping jurisdictional boundaries shall enter into a separate agreement to establish ownership of facilities within the overlapped areas."

WHEREAS, The City and DISTRICT never entered into a separate agreement to document the intent of Section 4.1 of the New JPA Agreement; and

WHEREAS, contrary to Section 4.1 of the New JPA Agreement and Section 4 of the Dissolution Agreement, Sections 4.2 and 4.4 of New JPA Agreement provide that fire stations and equipment will be "leased" to the SSCJFA rather than owned in fee title by DISTRICT; and

WHEREAS, notwithstanding the terms of the relevant documents, the City, DISTRICT and the SSCJFA intended for the 1) conveyance and PFSF Fee provisions of Section 4(b) of the Dissolution Agreement to be binding on both parties and the future Fire Authority, and survive the Dissolution Agreement, such that DISTRICT would own in fee-title any existing or future fire stations and equipment in the overlapping jurisdictions, and 2) lease provisions of Sections 4.2 and 4.4 of the New JPA Agreement to only apply to fire facilities outside of the overlapping jurisdictions; and

WHEREAS, to reconfirm the parties' intent and validate the survival of Sections 4(b) and 5 of the Dissolution Agreement, the City, DISTRICT and the Fire Authority have mutually agreed to have their respective decision-making bodies adopt this Resolution; and now therefore be it

RESOLVED: That the DISTRICT hereby ratifies and confirms that the conveyance and PFSF Fee provisions of Sections 4 and 5 of the Dissolution Agreement are binding on the City and DISTRICT, and survive the expiration or termination of the Dissolution Agreement, and that the City will convey to DISTRICT, in fee-title, any existing or future fire stations and equipment in the overlapping jurisdictions that is or becomes in the possession of the City; and be it further



Tracy Rural County Fire Protection District

RESOLVED: That the DISTRICT hereby ratifies and confirms that the lease provisions of Sections 4.2 and 4.4 of the New JPA Agreement only apply to fire facilities that are or will become in the possession in locations outside of the overlapping jurisdictions; and be it further

RESOLVED: That the DISTRICT ratifies that the conveyance provisions of Section 4 of the Dissolution Agreement, with respect to overlapping jurisdictions only, control over Sections 4.2 and 4.2 of the New JPA Agreement, AND conversely, with respect to all other areas, Sections 4.2 and 4.4 of the New JPA Agreement control over Section 4 of the Dissolution Agreement; and be it further

RESOLVED: That this Resolution shall become effective on the date on which the last decision-making body adopts this Resolution.

The foregoing Resolution 2024-01 was unanimously adopted by the DISTRICT Board on March 12, 2024.

Jeff Ramsey, Chairman of the Board

ATTEST:

Raychel Jackson,
Clerk of the Board