



Date: June 29, 2021
To: Board of Directors
From: Marti Brown, General Manager
Subject: Fiscal Year 2021-22 Budget

Recommendation:

Consider and approve the proposed Fiscal Year 2021-22 budget.

Rationale for Recommendation:

Section 2030.4 of the Policy & Procedures Manual requires that the District's budget be approved prior to the end of June each fiscal year.

Background:

The Kensington Police Protection & Community Service District Fiscal Year 2021-22 recommended operating budget is \$4,014,893 and includes the same amount in revenues and \$3,847,342 in expenditures. The budget will comprise the following four public agency fund type categories: General Fund, Landscape and Lighting Maintenance District Fund, Waste Management Fund (to be established) and Capital Project Fund (to be established).

As of June 30, 2020, the District's Audited Starting Fund Balance was \$2,170,875 with a projected June 30, 2021 Ending General Fund balance of \$2,273,136. As of June 30, 2022, the projected Ending Fund Balance is \$2,440,687.

Discussion and Analysis:

The attached draft Executive Summary for the FY 2021-22 Budget and detailed budget work sheets offer greater detail regarding the recommended budget. However, it is worth noting that the proposed draft FY 2021-22 Budget is predicated on the following budgetary assumptions and recommendations:

- Increase of the Measure G Tax by the maximum permitted rate of 3.8 or \$23,207 (this is based on the increase from projected actuals received in 2020-21 to our budget in 2021-22);
- Pay the actuarially determined portion of retiree health benefits from the OPEB Trust—approximately \$50,000;
- Eliminate 100% District funded, life-long retiree dental and vision - \$25,000/year savings;
- Allocate staff time costs across four District Funds;
- Establish Waste Management Fund;

- Establish Capital Project Fund; and
- Increased revenue from Proposition 68 (\$177,952) and Measure WW (\$158,000) Grants- recorded in Account 458: Miscellaneous District Revenue.

Budget Changes since the June 10, 2021 Board Meeting and First Budget Presentation

Since June 10, there have been a few budgetary adjustments and revisions to the FY 2021-22 budget including:

- Removed the proposed Community Center alarm - \$3,000;
- Added replacement of tennis backboard wind screen – cost negligible; no change in estimate;
- Corrected mistaken double counting of Police overtime in account 502 - \$120,000;
- Increased PD overtime from \$120,000 to \$200,000 due to low staffing levels and lengthy recruitment process;
- Proposed allocating \$25,000 for architectural design and structural engineering assessment of potential new KPPCSD location;
- Completed projection of FY 2021-22 General Fund Reserve, estimated to be \$2,342,381 at 6/62/2022; and
- Made minor overall budgetary refinements as a result of receiving actuals versus estimates for various individual budget line items.

While most of these items have already been discussed or inquired about by either the Board of Directors and/or the public, the proposed allocation of \$25,000 for architectural design and a structural engineering assessment of a potential KPPCSD relocation site is a completely new item. Since the June 10 Board meeting and based on direction from the Board of Directors, the General Manager has explored both firms and costs for a preliminary assessment and, as a result of this research, proposes an initial allocation of \$25,000 in the budget to start the design and assessment process for a new KPPCSD location.

With these recommendations and budget assumptions, this year’s balanced budget addresses many of the District’s deferred maintenance needs in the Parks and Recreation Department and the Police Department, starts to prepare the KPPCSD for eventual relocation over the next fiscal year, and preserves the District’s overall fiscal health.

Fiscal Impact:

Adopting the proposed FY 2021-22 budget will allow District management to expend District funds per Board approval and administer a \$4,014,893 operating budget based on the projected revenues and expenses in the proposed budget.

Attachments:

- Attachment 1: Executive Summary
- Attachment 2: Detailed Budget Worksheets
- Attachment 3: June 29, 2021 – Budget Presentation
- Attachment 4: June 17, 2021 – Community Budget Workshop and Presentation
- Attachment 5: June 10, 2021 – First Public Budget Workshop and Presentation
- Attachment 6: Resolution No. 2021 10 – Adopting the Budget for Fiscal Year 2021-22

Executive Summary

The Fiscal Year 2021-22 Operating Budget totals \$4,014,893, including \$3,574,057 in the General Fund, \$42,184 in the Landscape and Lighting District Fund, \$62,700 in the Waste Management Fund (to be created) and \$335,952 in Capital Projects Fund. Total projected revenues and expenditures for fiscal year 2021-22 include \$4,014,893 and \$3,847,342 respectively. The District's General Fund Reserve for FY 2021-22 is projected to be \$2,342,381. The budget funds the following District departments: Police, Administration and Finance, Parks and Recreation and Waste Management.

Fund Balances and Reserves

As of July 1, 2020, the District's Audited Started Fund Balance was \$2,170,875. The June 30, 2021 projected Ending Fund Balance is \$2,273,136 and, based on projected revenues and expenditures for fiscal year 2021-22, the projected Ending Fund Balance for June 30, 2022 is \$2,440,687.

Budget Assumptions

In preparing the fiscal year 2021-22 budget, staff made the following budgetary assumptions:

- Increased Measure G ('police tax') based on the Consumer Price Index (CPI) – 3.8% or \$23,207;
- Pay the actuarially determined portion of retiree health benefits from the District's Obligation for Postemployment Benefits (OPEB) Trust - \$50,000;
- Discontinued payment of retiree lifelong dental and vision benefits - \$25,000/year;
- Excluded costs to relocate KPPCSD to a new location;
- Allocated staff costs across all funds – General Fund, Landscape and Lighting, and Waste Management; and
- Establish a Waste Management Fund – separating Waste Management funds from the General Fund.

Measure G

Budget preparation includes a 3.8% or \$23,207 CPI increase to the Measure G tax as permitted under State law. Should the Board decline to increase the assessment in any given fiscal year, those increases and potential revenues are permanently lost. The District cannot retroactively recoup those monies in the future if needed.

OPEB Trust

The District's current OPEB Trust totals approximately \$2.1 million with approximately \$200,000 of funds available each year to pay for retiree health benefits from the OPEB Trust without impacting the Trust's interest income. In an effort to balance the budget without using Reserves, it is recommended that the District pay \$50,000 from the Trust to the General Fund for fiscal year 2021-22 to use the trust to pay for retiree health benefits.

Retiree Dental and Vision Benefits

The Public Employees' Medical & Hospital Care Act (PEMHCA) governs CalPERS healthcare benefits policies and requires that the District provide the same benefits to both current employees and retirees. However, it does not require providing retirees with lifetime dental and vision benefits as it currently does

today. Budget recommendations include discontinuing this practice, which will result in an annual cost savings to the General Fund of approximately \$25,000.

KPPCSD Relocation Expenses

Since the District has not yet established relocation costs including securing a new location to move to, potential tenant improvements, moving costs, negotiated lease rate and/or other negotiable transition costs and scheduling with the Kensington Fire Protection District (KFPD), the budget does not account for these potential and yet to be determined expenses. Once costs are determined, staff will return to the Board of Directors for any necessary budget adjustments.

Cost Allocation of Staff Time

In fiscal year 2021-22, Administrative staff time will be allocated to three funds based on time spent working in various departments – General Fund, Landscape & Lighting Maintenance Fund and the Waste Management Fund. Time and cost allocations are as follows:

Table 1: Cost Allocation of Staff Time

Title	General Fund	Landscape & Lighting Maintenance Fund	Waste Management Fund
General Manager	60%	20%	20%
Finance Director	70%	20 %	10%
Office Manager/ Clerk of the Board	85%	10%	5%
Senior Accountant	80%	10%	10%
Independent contractors	0%	70%	30%
Total	\$319,654	\$93,395	\$66,409

Establish Waste Management Fund

Staff recommends establishing a Waste Management Fund to more easily track and monitor franchise agreement monies that are received from Bay View Refuse.

Establish Capital Projects Fund

Staff recommends establishing a Capital Projects Fund to track and monitor all capital projects along with donations, loans, grants and all expenses related to future capital projects.

General Fund – Projected Revenues

For fiscal year 2021-22, there are no significant changes to revenues other than standard CPI increases to Measure G, property taxes and the Landscape and Lighting Maintenance assessment. Other opportunities for growth include parks and recreation revenue due to the Community Center and other gathering sites re-opening as the State relaxes its COVID-19 social distancing standards and an increase in grant revenues (Table 2).

Table 2: FY 2021-22 Projected Revenues

Revenue Source	Projected Total Revenue
Property Tax	\$2,100,040
Measure G	\$621,207
Special Police Tax	\$685,710
LLMD	\$42,184
Parks/Rec	\$32,000
Franchise Agreement	\$62,700
Grants	\$460,952
Interest Income	\$3,600
Contributions	\$0
Other Misc. income	\$6,500
Total	\$4,014,893

In addition to the standard revenues and CPI increases and as Table 3 illustrates, revenues for this fiscal year also include a projected uptick in rental income, grants and potential COVID-19 related reimbursements.

Table 3: Potential New Revenues

Revenue Source	Projected Revenue
Park and Facility Rentals	\$30,000
Measure WW EBRPD Grant	\$158,000
Proposition 68 Grant	\$177,952
COPs Grant	\$125,000
American Rescue Plan Act of 2021	Potentially +\$500,000

General Fund – Projected Expenditures

For Fiscal Year 2021-22 and as Table 3 illustrates, there is a slight decrease in the Police Department budget of approximately \$53,000 primarily due to a reduction in the police force to 9 budgeted officers. Projected expenditures for Parks and Recreation are approximately \$94,000 more than last year of mostly one-time deferred maintenance costs and repairs. Other ongoing expenses in this Department include a cost allocation of staff time for work completed in the Parks and Recreation Department. Projected budget and expenses for the Administrative Department increase by \$96,000 due to changes in the

Department’s organizational structure. Lastly, projected expenses for Waste Management include new trash cans for the park and a cost allocations of staff time related to this Fund and Department.

Table 4: FY 2021-22 Projected Expenditures by Department

<i>Department</i>	<i>Projected Total Expenditure</i>
<i>Police</i>	<i>\$2,593,945</i>
<i>Parks and Recreation</i>	<i>\$250,850</i>
<i>Administration</i>	<i>\$710,488</i>
<i>Waste Management</i>	<i>\$7,002</i>
<i>Capital Projects</i>	<i>\$285,057</i>
<i>Total</i>	<i>\$3,847,342</i>

New Budget Expenses & Recommended Changes

There are several new expenses proposed for fiscal year 2021-22, many of which are one-time expenditures. Most recommendations can be categorized as either addressing deferred maintenance and repairs or complying with new Department of Justice requirements. New budget expenses are categorized below as Police Department, Parks and Recreation, Kensington Community Council Donation and overall District staffing changes.

Proposed staffing changes include reducing the Police Department from 10 to 9 sworn officers for fiscal year 2021-22. While the department reduction will increase over-time, it will decrease the overall burden of ongoing current and retiree benefits. That said, the reduction will place a strain on the Department (e.g., sick leave, vacation, worker’s compensation and administrative leave). As a result, staff recommends piloting the change for fiscal year 2021-22 and revisiting the staffing levels in the spring of 2022 should reconsideration be necessary. In addition, the current Police Captain position (a Kensington Police Officer Association member) will be replaced with a management-level Lieutenant position.

Other staffing changes include establishing a full time Office Manager/Clerk of the Board that incorporates the function and job duties of the Clerk of the Board, Police Services Specialist, and Administrative Assistant, as well as coordinating the day-to-day operations of the Parks and Recreation Department. Lastly, the District will establish a new full-time Senior or Associate-level Accountant to support the Finance Department and replace some of the finance department work that is currently outsourced or the responsibility of the District’s Finance and Business Manager.

Police Department

- Lease one new Police Vehicle - \$12,192/year (5 years).
- Department of Justice Required National Incident-Based Reporting System (NIBRS) – \$25,000 (one-time); (Detailed crime reporting software and database.)

- East Bay Regional Communication System (EBCRS) - \$9,720/year
(Required yearly fee to maintain radio communication infrastructure.)
- EBCRS Software - \$9,000 (two-year expense)
(Encryption software for radios.)
- Net Presenter - \$1,000/year
(A digital communication platform and application that transmits information interdepartmentally using computer screens, smart phones and television monitors.)
- Lexipol Training Bulletins - \$2,200/year
(Police Training bulletins to help personnel learn to apply policies and improve their ability to make well-reasoned decisions.)

Parks & Recreation Department

- Renovation Assessment/Inspection of Annex Building - \$5,000
- Security Cameras for Community Center - \$7000
- Rekey Community Center (electronic system) - \$15,000
- White Folding Chairs for Rentals - \$5,000
- Cover for AC Unit (outside Community Center) - \$600
- Repair Retaining Wall on Arlington - \$3,300
- Replace Tennis Court Backboard and Wind Screen - \$4,900
- Repair Sprinkler Valve (Upper Lawn) - \$600
- Repair Upper Lawn - \$2,050
- New Trash Cans (type TBD) - \$7,000
(from waste management fund)
- Tree Removal and hazardous brush in Park - \$35,000
- Survey Park Perimeter - \$20,000
- Repair storm drain and trench plate - \$17,000
- Repair Stairs from E Building up toward school - \$15,000

Capital Improvement Projects

- Preliminary architectural design and structural engineering assessment of potential KPPCSD relocation site and new home - \$25,000

Kensington Community Council (KCC) Donation - \$15,000

- Replace/Install new bench (adjacent to Community Center) - \$1,620
- Repair sprinklers (lawn adjacent to Community Center) – \$4,500

- Other potential improvements in front of the CC (cost TBD):
 - Replace grass;
 - Replace/repair two raised beds with brick and drought and deer tolerant plants; and
 - Replace other outdoor benches (as necessary).

Overall District Staffing Changes

- **Fund 9 Sworn Officers**
(instead of 10) – \$65K-\$90K/year savings to General Fund.
- **Fund new Lieutenant Position (full-time)**
(in lieu of Captain position) – \$35K/year savings to General Fund.
- **New Officer Manager/Clerk of the Board (full time)**
(to replace the functions and duties of the Police Services Specialist, Clerk of the Board and Administrative Assistant, as well as provide Parks & Recreation coordination)
- **Senior Accountant (full time)**
(to replace current part-time Senior Accountant, most of MAZE and Associates consulting, and some of the Budget Manager’s duties)

Current Staffing – FY 2020-21

Title	Hours per Week	Total Cost per Year
General Manager	30	\$169,549
Finance & Business Manager	20	\$66,743
Senior Accountant	20	\$48,464
Clerk of the Board	20	\$43,060
Administrative Assistant	20	\$27,989
Police Captain	40	\$211,661
Police Services Specialist	20	\$41,176
TOTAL		\$608,642

Proposed Staffing – FY 2021-22

Title	Hours per Week	Total Cost per Year
General Manager	30	\$162,749
Finance Director (job title change from Finance and Business Manager)	20	\$66,743
Office Manager/ Clerk of the Board	40	\$106,233
Senior Accountant	40	\$106,233
Police Lieutenant	40	\$157,336
TOTAL		\$599,294

Other Budgetary Changes

In addition to the major proposed additions to this year’s budget, there are also several minor increases and decreases in individual budgetary line items. Detailed below is an explanation of the line by line budgetary changes between this and last fiscal years.

Overall District Revenues

- **Account 404 (Measure G)**
This account includes CPI increase for this fiscal year; CPI for prior fiscal year was incorrectly printed in the budget. Hence, the calculations appear incorrect, but were correctly and accurately approved by the Board of Directors in FY 2020-21.
- **Account 415 (COPS Grant)**
Typically, \$100K is budgeted for; however, the District consistently secures closer to \$150-160K per year; as a result, staff conservatively budgeted \$125K for this year.
- **Account 427 (Community Center)**
The proposed allocation is based on pre-COVID fiscal years when the revenue was closer to \$30K per year.
- **Account 416/456 (Interest Income from the Local Agency Investment Fund (LAIF))**
Like with all interest rates, the State’s interest rate has declined considerably in the past 12-24 months and it is not expected to rebound anytime soon. For example, the LAIF interest rate on

March 30, 2020 was 2.03% and for the same period ending in 2021 the interest rate was only 0.44%.

- Account 458 (Grants)

These are projected revenues from grant monies including Measure WW grant (\$158K) reimbursement for the Community Center and Prop 68 (\$177,952) for a future park infrastructure improvement project. Combined, the two grants total \$335,952.

Police Department Expenditures

- Account 502 (Salaries):

Salaries are 1.3% lower than last fiscal year, because there are only nine Police Officers budgeted for in fiscal year 2021-22 instead of the 9.5 that were budgeted for in fiscal year 2020-21.

- Account 506 (Overtime):

Overtime is projected to be higher this year due to turnover of staff and budgeting for a smaller police force (e.g., 9 officers).

- Account 521-A (Health Insurance – Active):

There is anticipate 5.875% rate increase for this fiscal year – same as the prior year.

- Account 521-R (Health Insurance Retiree):

There is an anticipated cost decrease due to fewer ‘Classic’ retirees.

- Account 521-T (OPEB Trust):

Staff recommends a \$50,000 reimbursement to the District from the Trust to balance the budget without using Reserves.

- Account 522 (Disability Life Insurance):

There is an anticipated increase of 5.9% - Budgeting for 9 officers instead of 8.5.

- Account 523 (Social Security/Medicare):

There is an anticipated increase due to changes in salaries per the MOU.

- Account 528 (CalPERS – Employee Portion):

CalPERS has projected an Unfunded Accrued Liability (UAL) for this fiscal year.

- Account 552 (Police Supplies):

This account has increased due to a consolidation of accounts 552 with 582 (Office Supplies). Account 582 will no longer be used.

- Account 560 (Crossing Guard):

The contract for the Crossing Guard has increased.

- Account 561 (Vehicle Fuel):

There has been an increase due to rising gas prices.

- Account 562 (Vehicle Maintenance):

Maintenance is projected to decrease because the District purchased four new hybrid police SUV interceptors.

- Account 563 (Vehicle Lease):
The budget for this line item is projected to decrease because, while the FY 2020-21 Budget included leasing five vehicles, only three were actually leased and one more may be leased in mid - FY 2021-22.
- Account 564 (Communications):
Communications will increase due to the purchase of DOJ required software.
- Account 566 (Radio Maintenance):
This line item was increased due to a radio software upgrade that will cost \$9,000; staff recommends paying half this fiscal year and half next fiscal year, as well as the required contractual annual payment of \$9,720.
- Account 568 (Prisoner Booking):
This account was eliminated.
- Account 569 (Storage):
This account was eliminated.
- Account 570 (Training):
In the future, all POST reimbursements will be posted to this account instead of a revenue account.
- Account 571 (Special Department Expenses):
Consolidated accounts 553 (Range Ammunition Supplies) and 596 (Cal ID) with this account.
- Account 582 (Office Supplies):
This account was eliminated and combined with account 552 (Police Supplies).
- Account 587 (IT Contract):
IT contract increased due to more Microsoft Office 365 users and working remotely.
- Account 588 (Telephone):
There has been a major increase in the phone bill over the past three to five years. The phone system and usage is being assessed to determine the cause.
- Account 590 (Janitorial):
Increased cost due to new cleaning contract and COVID cleaning.
- Account 591 (General Liability Insurance):
Premiums increased nationwide, as well as the District increased its overall coverage for the renovated Community Center.

Parks and Recreation Expenditures

- **Account 641 (General Maintenance):**
Increased budget for grass irrigation around Community Center and other unanticipated general maintenance that had not been budgeted for in the past.
- **Account 642 (Utilities-Community Center):**
Increased budget for Comcast internet, standard increases in utilities and more accurate account tracking.
- **Account 645 (General Liability/Workers Comp):**
Premiums increased nationwide, as well as the District increased its coverage for the renovated Community Center.
- **Account 640 (Community Center Expenses – Other):**
Proposed new one-time parks and recreation improvements have been added to this account.
- **Account 651 (General Maintenance):**
The budget was increased to address deferred and general maintenance (e.g., fire prevention, tan bark replacement, lawn repairs, new trash receptacles, unplanned expenses).
- **Account 652 (Repairs):**
The budget was increased to address deferred repairs and maintenance (e.g., repair retaining wall on Arlington, backboard of tennis courts, sprinkler valves).
- **Account 653 (landscaping):**
Budgeted 70% of the landscaping contract to this account.
- **Account 659 (Misc):**
Budgeted one-time park expenses to this account (e.g., trash cans, tree/undergrowth removal, park survey, storm drain repairs, stairs from E Building to Highland).
- **Account 669 (Misc):**
Budgeted increase to conduct inspections and needs assessment to renovate the Annex building.

Administration and Finance Departments

- **Account 807-809 (Salaries, Payroll Taxes and Benefits):**
Increased due to new organizational structure; savings in other departments for an overall District net savings of salaries and benefits.
- **Account 810 (IT Contract):**
IT contract increased due to more Microsoft Office 365 users and working remotely.
- **Account 817 (Postage):**
Increased accuracy in tracking.
- **Account 818 (Mileage):**
Increased accuracy and tracking (e.g., trips to the county for bi-monthly AP/payroll).

- Account 820 (Copier Contract):
Decreased costs due to discontinuation of printed Board packets.
- Account 825 (Board Continuing Education/Conferences):
Budgeted for Board Directors to attend CSDA Annual Conference.
- Account 826 (Board Meetings):
In the prior fiscal year and before COVID, the District paid to use the Arlington Community Church for Board Meetings; moving forward, that will not be necessary.
- Account 830 (Legal):
Projected reduced need for legal services and controlled spending.
- Account 835 (Consulting):
Budgeted for HR, Finance and Board Strategic Planning consulting.
- Account 840 (Accounting):
Budgeted for the Audit and Maze & Associates (e.g., four hours/month, special reporting).
- Account 850 (General Liability Insurance):
Premiums increased nationwide, as well as the District increased its coverage for the renovated Community Center.
- Account 890 (Waste/Recycle):
In the prior fiscal year, there were projected expenses that did not occur; However, in this fiscal year, any waste/recycle expenses will be allocated to the new Waste Management Fund (to be established).

Capital Project Fund

In fiscal year 2021-22, staff recommends establishing a Capital Project Fund and allocating the Measure WW East Bay Regional Park reimbursement grant (\$158,000) and the Proposition 68 Park Grant (\$177,952) to this fund for future infrastructure improvements to Kensington Park and the District's other facilities (e.g., Annex Building). Exact improvements to be identified by the Board of Directors at a future date.

Bond Debt & Long-Term Obligations

Most recently, the District issued a Pension Obligation Bond in fiscal year 2020-21 in the amount of \$4,544,000 reducing the District's pension liability and annual debt by \$47,000 (based on the average net present value savings over the life of the obligation), as well as reducing the District's pension liability over the entire life of the debt by \$1.8 million over the entire life of the bond. The annual savings are based on the net present value; therefore, the model reflects a small bell curve that levels the debt payments so that the district can easily predict its' future obligations.

This past year, the District also entered into a five-year lease agreement for three new police vehicles. The monthly lease cost and interest rate is \$3,310 at 1.75%, respectively. The total annual cost for all three cars is \$39,715.

The District also has a 10-year, \$250,000 loan on the Community Center from Municipal Finance Corporation (West America Bank Corp). Payments are made annually in the amount of \$30,516.62 at a 3.8% interest rate. The loan will be paid in full in 2029. The loan was issued to pay for the community center retrofit and remodel.

This past fiscal year, the District also paid in full its Kensington Park Reassessment Bond (1995) totaling \$2,512,881. It was used to purchase the land for Kensington Park.

Kensington Police and Community Services District

Fiscal Year 2021-22 Proposed Budget

GENERAL FUND REVENUE DETAIL

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actuals	FY 2020-21 Projected	FY 2020-21 Budget	FY 2021-22 Budget	Percent Change
REVENUE							
401 Levy Tax	1,763,520	1,869,928	1,957,714	2,118,075	2,008,935	2,100,040	4.5%
402 Special Police Tax	681,851	681,780	681,750	685,710	681,750	685,710	0.6%
403 Misc - Tax Police	-	73	-	-	-	-	0.0%
404 Measure G Supplemental Tax	548,106	565,740	588,398	598,396	594,872	621,207	4.4%
409 Asset Seizure	-	-	-	-	-	-	0.0%
410 Police Fees/Service Charges	-	3,570	2,107	585	1,500	1,500	0.0%
411 Kensington Hilltop Services Reimb.	8,372	839	-	-	-	-	0.0%
412 Special Assignment Revenue	-	4,525	-	-	-	-	0.0%
413 West County Crossing Guard Reimb.	7,010	-	-	-	-	-	0.0%
414 POST Reimbursement	-	4,009	9,100	8,256	3,000	-	0.0%
415 Grants - Police	151,363	155,948	168,584	119,093	100,000	125,000	25.0%
416 Investment Income - Interest Police	12,000	28,169	32,275	2,620	10,000	1,000	0.0%
418 Misc Police Income	-	9,876	5,194	5,512	5,000	5,000	0.0%
419 Supplemental Workers Comp Reimb.	-	1,738	-	-	-	-	0.0%
424 Special Tax-L&L	37,481	38,841	40,195	41,529	41,500	42,184	1.6%
427 Community Center Revenue	29,595	7,870	-	-	15,000	30,000	100.0%
437 Contributions for Sound System	-	-	160	459	-	-	0.0%
438 Tennis Court Revenue	-	75,320	5,000	15,400	-	2,000	0.0%
439 Contributions for Community Ctr	722	476,350	-	-	-	-	0.0%
448a Franchise Fees Gross	54,266	94,856	101,948	107,785	100,000	110,000	10.0%
448b less Franchise Fees Paid Out	-	(40,653)	(43,692)	(46,194)	(43,000)	(47,300)	0.0%
456 Interest-District	10,416	3,924	15,889	2,955	10,000	2,600	-74.0%
458 Misc District Revenue	19,275	1,559	1,024	500	-	335,952	0.0%
TOTAL REVENUE	\$ 3,323,977	\$ 3,984,264	3,565,645	3,660,682	3,528,557	4,014,893	13.8%

Kensington Police and Community Services District
Fiscal Year 2021-22 Proposed Budget

POLICE DEPARTMENT EXPENDITURES

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21	FY 2021-22	Percent
	Actual	Actual	Actuals	Projected	Budget	Budget	Change
Salaries							
502 Salaries - Sworn	746,268	725,580	804,622	1,135,235	1,097,544	1,082,804	-1.3%
504 Compensated Absences	1,745	22,576	6,984	13,887	12,000	-	0.0%
506 Overtime	141,928	121,041	186,608	79,537	60,000	200,000	233.3%
508 Salaries - Non-Sworn	67,680	25,576	28,061	39,761	40,826	-	0.0%
Total Salaries	957,621	894,773	1,026,275	1,268,419	1,210,370	1,282,804	6.0%
Benefits							
516 Uniform Allowance	5,000	4,900	10,778	11,293	9,000	9,000	0.0%
518 Safety Equipment	3,832	500	1,851	2,057	2,250	2,250	0.0%
521-A Health Insurance - Active	134,034	132,121	118,244	149,557	149,243	172,984	15.9%
521-R Health Insurance - Retirees	151,707	174,115	160,366	179,810	174,660	161,267	-7.7%
521-T OPEB Trust	262,462	247,036	151,470	151,304	151,304	(50,000)	-133.0%
522 Disability/Life Insurance	2,971	2,923	2,715	4,456	5,630	5,962	5.9%
523 Social Security/Medicare	15,431	12,745	16,967	16,706	19,748	17,441	-11.7%
524 Social Security/District	7,603	1,586	-	3,464	-	-	0.0%
527 CalPERS - District Portion	292,399	330,711	381,155	179,883	194,834	186,795	-4.1%
528 CalPERS Employee Portion (UAL)	31,925	22,579	17,016	4,829	5,866	9,988	70.3%
529 Pension Oblg Bond Payment	-	-	-	263,789	264,016	298,399	13.0%
530 Workers Compensation	83,468	63,031	67,556	30,120	27,645	26,307	-4.8%
540 Advanced Industrial Disability	-	-	-	-	-	-	0.0%
541 Consultant - Interim Police Chief	0	77	240,997	-	-	-	0.0%
Total Benefits	990,832	992,323	1,169,115	997,268	1,004,196	840,393	-16.3%
Total Police Salaries and Benefits	1,948,453	1,887,096	2,195,390	2,265,688	2,214,567	2,123,197	-4.1%
Police Departmental Expenses							
552 Police Supplies	159	1,411	1,397	7,585	2,200	8,500	286.4%
553 Range/Ammunition Supplies	1,325	5,159	398	1,660	5,500	-	0.0%
554 Traffic Safety	-	-	-	6,243	5,000	5,000	0.0%
560 Crossing Guard	11,301	12,767	10,343	3,640	15,000	18,245	21.6%
561 Vehicle Fuel	-	-	-	16,235	11,000	13,200	20.0%
562 Vehicle Maintenance	29,717	36,316	39,906	15,894	16,000	14,380	-10.1%
563 Vehicle Lease	-	-	-	21,478	64,000	46,786	-26.9%
564 Communications	199,961	135,219	135,755	148,461	127,300	157,104	23.4%
566 Radio Maintenance	908	-	11,987	(4,057)	5,000	19,720	294.4%
567 Alarm	-	-	-	932	1,000	1,000	0.0%
568 Prisoner Booking	10,843	9,330	10,126	2,698	5,000	-	0.0%
569 Storage	-	-	-	-	1,700	-	0.0%
570 Training	4,322	5,944	12,716	15,303	10,000	10,000	0.0%
571 Special Departmental Expense	-	-	-	641	3,500	13,895	297.0%
572 Hiring	1,826	12,308	13,781	7,932	15,750	16,000	1.6%
574 Reserve Officers	9,189	-	1,000	517	4,000	4,000	0.0%
576 Dues, Meals, Travel	1,705	1,923	4,993	2,094	2,350	1,600	-31.9%
578 POST Reimburse	-	-	150	-	500	-	0.0%
580 Utilities	10,036	11,634	12,179	9,729	13,800	10,000	-27.5%
581 Building Maintenance and Repairs	-	18	313	1,173	3,000	2,000	-33.3%
582 Office Supplies	6,004	4,876	6,817	2,340	6,500	-	0.0%
587 IT Contract	-	-	-	19,492	13,000	20,764	59.7%
588 Telephone	7,226	5,265	6,968	30,863	27,500	30,240	10.0%
590 Janitorial	4,633	4,063	3,422	3,545	4,000	6,400	60.0%
591 General Liability Insurance	-	-	-	29,021	24,309	31,893	31.2%
592 Publications	2,820	2,915	3,030	3,121	3,500	5,500	57.1%
594 Community Policing	7,789	2,631	621	-	4,500	3,000	-33.3%
593 Volunteer Programs	-	-	-	2,275	2,500	2,500	0.0%
595 Legal/Consulting	81,236	76,642	80,543	4,485	25,000	25,000	0.0%
596 CAL- I.D.	5,262	5,525	5,983	6,268	6,100	-	0.0%
599 Measure G Administration	3,646	3,776	4,904	3,015	4,000	4,021	0.5%
Total Police Other Expenses	399,908	337,723	367,331	362,583	432,509	470,748	8.8%
TOTAL POLICE EXPENSES	2,348,361	2,224,819	2,562,722	2,628,271	2,647,076	2,593,945	-2.0%

Kensington Police and Community Services District
Fiscal Year 2021-22 Proposed Budget

PARKS & RECREATION EXPENDITURES

	FY 2017-18 Actual	FY2018-19 Actual	FY 2019-20 Actuals	FY 2020-21 Projected	FY 2020-21 Budget	FY 2021-22 Budget	Percent Change
Parks/Recreation Salaries and Benefits							
601 Salaries	8,591	8,524	4,750	0	3,380	-	0.0%
602 Custodian	20,550	18,635	4,335	7,400	6,000	-	0.0%
623 Social Security/Medicare	473	652	0	0	259	-	0.0%
Total Parks/Recreation Salaries and Benefits	29,614	27,811	9,085	7,400	9,639	-	0.0%
Community Center							
641 General Maintenance	-	-	-	830	1,000	6,060	506.0%
642 Utilities	5,599	5,786	5,680	5,532	6,131	8,461	38.0%
643 Janitorial Supplies	779	1,139	126	407	500	435	-13.0%
644 Landscaping	-	-	-	6,185	7,500	8,010	6.8%
645 General Liab./Workers Comp	-	-	-	6,432	6,788	7,973	17.5%
646 Facility Repairs	1,826	600	6,552	1,030	1,500	1,500	0.0%
647 Rental	-	-	-	-	500	500	0.0%
648 Equipment Maintenance	2,581	1,872	319	8	-	1,000	0.0%
649 Interest Expense	-	-	9,500	-	-	-	0.0%
640 Misc	-	-	78	-	250	33,720	13388.0%
Total Community Center Expenses	10,785	9,397	22,254	20,424	24,169	67,659	179.9%
Park							
651 General Maintenance	-	-	-	10,750.00	48,500	31,600	-34.8%
652 Repairs	-	-	153	3,047	5,000	13,736	174.7%
653 Landscaping	-	-	-	21,990.00	12,500	18,690	49.5%
654 Janitorial Supplies	-	-	-	-	250	500	100.0%
655 Rental	-	-	-	-	500	-	0.0%
656 Utilities	-	-	2,700	12,095	13,000	13,092	0.7%
657 General Liab./Workers Comp	-	-	-	6,432.00	6,710	7,973	18.8%
658 Levy Administration	-	-	-	2,244.00	6,000	5,600	-6.7%
659 Misc	-	-	-	139.00	250	94,002	37500.8%
Total Park Expenses	-	-	2,852	56,697	92,710	185,193	99.8%
Other Parks/Recreation Expenses							
665 Annex General Maintenance	-	-	-	-	1,000	-	0.0%
666 Annex Repairs	-	-	-	-	1,000	-	0.0%
667 Annex Landscaping	-	-	-	2,975	5,000	-	0.0%
668 Annex Miscellaneous Expenses	-	-	300	-	-	-	0.0%
669 Miscellaneous Projects	-	-	-	-	2,000	-	0.0%
670 Gardening Supplies	-	-	-	-	-	-	0.0%
672 Kensington Park O&M	57,508	90,632	72,004	2,050	-	-	0.0%
674 Tennis Court Maintenance	-	-	-	21,500	22,500	-	0.0%
678 Miscellaneous Expenses	553	-	650	630	-	5,000	0.0%
Total Other Parks/Recreation Expenses	58,061	90,632	72,954	27,155	31,500	5,000	-84.1%
TOTAL PARKS/RECREATION EXPENSES	119,010	146,476	107,145	111,676	164,018	257,852	57.2%

Kensington Police and Community Services District

Fiscal Year 2021-22 Proposed Budget

DISTRICT ADMINISTRATION EXPENDITURES

	FY 2017-18	FY2018-19	FY 2019-20	FY 2020-21	FY 2020-21	FY 2021-22	Percent
	Actual	Actual	Actual	Projected	Budget	Budget	Change
<u>Salaries/Benefits</u>							
807 Salaries	156,145	191,692	211,479	241,409	282,500	384,500	36.1%
808 Payroll Taxes	7,920	14,664	16,083	18,619	22,000	29,414	33.7%
809 Benefits	-	-	-	-	-	28,044	0.0%
Total Admin Salaries and Benefits	164,065	206,356	227,562	260,028	304,500	441,958	45.1%
<u>Other Expenses</u>							
810 IT Contract	31,164	23,292	28,863	14,476	11,244	16,350	45.4%
815 Admin Communications	-	4,430	5,996	6,000	5,000	5,314	6.3%
816 Office Supplies	-	-	-	1,227	2,000	1,375	-31.3%
817 Postage	-	-	-	550	500	1,020	104.0%
818 Mileage	-	-	-	111	200	800	300.0%
819 Dues/Subscriptions	-	-	-	7,397	7,800	7,253	-7.0%
820 Copier Contract	5,043	5,692	5,523	4,138	6,893	4,769	-30.8%
825 Board Continuing Ed/Conf.	-	-	-	3,364	5,000	6,351	27.0%
826 Board Meetings	-	-	-	48	2,000	-	-100.0%
830 Legal	76,461	191,724	161,083	50,596	85,000	60,824	-28.4%
835 Consulting	92,104	86,919	40,832	46,350	30,000	21,000	-30.0%
840 Accounting	40,751	54,624	109,997	88,090	35,000	26,650	-23.9%
850 General Liability Insurance	36,588	42,438	45,057	24,309	24,308	31,893	31.2%
851 Workers Compensation	-	-	-	9,402	7,088	8,769	23.7%
860 Elections	-	6,387	-	4,991	6,400	-	-100.0%
861 LAFCO	-	-	-	1,729	2,200	2,000	-9.1%
865 Police Building Lease	35,468	36,036	36,603	36,603	40,000	36,603	-8.5%
870 County Expense	21,855	22,455	22,355	22,736	24,300	24,800	2.1%
890 Waste/Recycle	4,462	2,231	2,400	3,169	5,000	-	-100.0%
891 COVID	-	-	132	5,918	-	7,760	0.0%
898 Miscellaneous Expenses	20,662	22,131	29,739	6,928	10,000	5,000	-50.0%
899 Depreciation Expense	-	77,249	-	-	-	-	0.0%
Total Other Administration Expenses	364,558	575,607	488,579	338,131	309,933	268,530	-13.4%
TOTAL ADMINISTRATION EXPENSES	528,623	781,963	716,141	598,159	614,433	710,488	15.6%

Kensington Police and Community Services District

Fiscal Year 2021-22 Proposed Budget

CAPITAL OUTLAY EXPENDITURES

	FY 2017-18 Actual	FY2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Projected	FY 2020-21 Budget	FY 2021-22 Budget	Percent Change
Capital Outlay							
962 Patrol Cars	-					0	0.0%
963 Patrol Car Accessories	-			213		-	0.0%
965 Personal Police Equipment	2,653		41,526	10,092	1,000		0.0%
966 Traffic Equipment	10,198		3,126	-			0.0%
967 Station Equipment	-			-			0.0%
968 Office Furniture/Equipment	-		766	1,225	5,000	-	-100.0%
969 Computer Equipment	-	1124	16,860	6,965	7,000	7,000	0.0%
972 Park Buildings Improvements	110,399	43272	-	-			0.0%
974 Other Park Improvements	-		23,481	-	1,500	222,440	14729.3%
975 Community Center Loan Repay	-		-	30,517	30,617	30,617	0.0%
978 Parks/Rec Furniture/Equipment	-			-			0.0%
982 Police Building Cap Projects	-	-	-	-	-	25,000	
985 Comm. Ctr Renovation (Cap Fund)			-	171,302	-	-	0.0%
TOTAL CAPITAL OUTLAY	123,250	44,396	85,759	220,314	45,117	285,057	531.8%
TOTAL OPERATING/CAPITAL EXPENSES	3,119,244	3,197,654	3,471,767	3,558,420	3,470,644	3,847,342	0.0%
OPERATING SURPLUS/(SHORTFALL)	204,733	786,610	93,879	102,261	57,913	167,551	189.3%

Kensington Police and Community Services District
Fiscal Year 2021-22 Proposed Budget

GENERAL FUND REVENUE DETAIL

Audited Fund Balance at 6/30/2020	\$	2,170,875
Projected Net Surplus at 6/30/2021	\$	102,261
Projected Net Fund Balance at 6/30/2021	\$	2,273,136
Projected Net Surplus at 6/30/2022	\$	167,551
Projected Fund Balance at 6/30/2022	\$	2,440,687

Kensington Police and Community Services District
Fiscal Year 2021-22 Proposed Budget

LIABILITIES, RESERVE & FUND BALANCE

	6.30.2020 (Audited)		6.30.2021 (projected)		6.30.2022 (projected)
Liabilities					
Accounts Payable & Accrued Expenses	\$ 61,941		\$ 61,941		\$ 61,941
Total Liabilities	<u>\$ 61,941</u>		<u>\$ 61,941</u>		<u>\$ 61,941</u>
Nonspendable	\$ 134,313	Acct #153	\$ 35,000		\$ 35,000
Committed					
Assigned	\$ 63,306	Acct#265	\$ 63,306		\$ 63,306
Unassigned Reserve	\$ 1,911,315		\$ 2,174,830		\$ 2,342,381
Total Fund Balance	<u>\$ 2,170,875</u>		<u>\$ 2,273,136</u>		<u>\$ 2,440,687</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,232,816</u></u>		<u><u>\$ 2,335,077</u></u>		<u><u>\$ 2,502,628</u></u>

		6.30.2021 (projected)	6.30.2022 (projected)
Unassigned Reserve:	\$ 1,911,315	\$ 2,174,830	\$ 2,342,381
General Fund Reserve	\$ 1,911,315	\$ 1,850,698	\$ 2,022,471
Capital Projects Fund	\$ -	\$ 15,000	\$ 91,191
Waste Management Fund	\$ -	\$ 309,132	\$ 228,719
Landscape & Lighting Fund	\$ -	\$ -	\$ -

The unassigned reserve can be broken up into the funds. Since this was not a past practice at 6.30.2021 we only have the general fund reserve.

Kensington Police and Community Services District
Fiscal Year 2021-22 Proposed Budget

GENERAL FUND REVENUE DETAIL

	FY 2017-18	FY2018-19	FY 2019-20	FY 2020-21	FY 2020-21	FY 2021-22	Percent
	Actual	Actual	Actual	Projected	Budget	Budget	Change
REVENUE							
401 Levy Tax	1,763,520	1,869,928	1,957,714	2,118,075	2,008,935	2,100,040	4.5%
402 Special Police Tax	681,851	681,780	681,750	685,710	681,750	685,710	0.6%
403 Misc - Tax Police	-	73	-	-	-	-	0.0%
404 Measure G Supplemental Tax	548,106	565,740	588,398	598,396	594,872	621,207	4.4%
410 Police Fees/Service Charges	-	3,570	2,107	585	1,500	1,500	0.0%
411 Kensington Hilltop Services Reimb.	8,372	839	-	-	-	-	0.0%
412 Special Assignment Revenue	-	4,525	-	-	-	-	0.0%
413 West County Crossing Guard Reimb.	7,010	-	-	-	-	-	0.0%
414 POST Reimbursement	-	4,009	9,100	8,256	3,000	-	-100.0%
415 Grants - Police	151,363	155,948	168,584	119,093	100,000	125,000	25.0%
416 Investment Income - Interest Police	12,000	28,169	32,275	2,620	10,000	1,000	-90.0%
418 Misc Police Income	-	9,876	5,194	5,512	5,000	5,000	0.0%
419 Supplemental Workers Comp Reimb.	-	1,738	-	-	-	-	0.0%
424 Special Tax-L&L	37,481	38,841	40,195	41,529	41,500	42,184	1.6%
427 Community Center Revenue	29,595	7,870	-	-	15,000	30,000	100.0%
437 Contributions for Sound System	-	-	160	459	-	-	0.0%
438 Misc Park/Rec Rev	-	75,320	5,000	15,400	-	2,000	0.0%
439 Contributions for Community Ctr	722	476,350	-	-	-	-	0.0%
448a Franchise Fees Gross	54,266	94,856	101,948	107,785	100,000	110,000	10.0%
448b less Franchise Fees Paid Out	-	(40,653)	(43,692)	(46,194)	(43,000)	(47,300)	0.0%
456 Interest-District	10,416	3,924	15,889	2,955	10,000	2,600	-74.0%
458 Misc District Revenue	19,275	1,559	1,024	500	-	335,952	0.0%
TOTAL REVENUE	\$ 3,323,977	\$ 3,984,264	3,565,645	3,660,682	3,528,557	4,014,893	13.8%
EXPENDITURES							
# Police Salary and Benefits							
Total Police Salaries and Benefits	1,948,453	1,887,096	2,195,390	2,265,688	2,214,567	2,123,197	-4.1%
Total Police Other Expenses	399,908	337,723	367,331	362,583	432,509	470,748	8.8%
							0.0%
TOTAL POLICE EXPENSES	2,348,361	2,224,819	2,562,722	2,628,271	2,647,076	2,593,945	-2.0%
# Parks/Recreation Salaries and Benefits							
Total Parks/Recreation Salaries and Benefits	9,064	9,176	9,085	7,400	15,639	0	-100.0%
Total Community Center Expenses	10,785	9,397	22,254	20,424	24,169	67,659	179.9%
Total Park Expenses	-	-	2,852	56,697	92,710	185,193	99.8%
Total Other Parks/Recreation Expenses	58,061	90,632	72,954	27,155	31,500	5,000	-84.1%
							0.0%
TOTAL PARKS/RECREATION EXPENSES	98,460	127,841	107,145	111,676	164,018	257,852	57.2%
# District Administration							
Total District Admin Salaries and Benefits	164,065	206,356	227,562	260,028	304,500	441,958	45.1%
Total Other Administration Expenses	364,558	575,607	488,579	338,131	309,933	268,530	-13.4%
							0.0%
TOTAL DISTRICT ADMINISTRATION EXPENSES	528,623	781,963	716,141	598,159	614,433	710,488	15.6%
							0.0%
TOTAL CAPITAL OUTLAY	123,250	44,396	85,759	220,314	45,117	285,057	531.8%
TOTAL OPERATING/CAPITAL EXPENSES	3,098,694	3,179,019	3,471,767	3,558,420	3,470,644	3,847,342	10.9%
OPERATING SURPLUS/(SHORTFALL)	225,283	805,245	93,879	102,261	57,913	167,551	189.3%

Kensington Police and Community Services District
Fiscal Year 2021-22 Proposed Budget

BUDGET SUMMARY

	FY 2017-18	FY2018-19	FY 2019-20	FY 2020-21	FY 2020-21	FY 2021-22	
	Actual	Actual	Actual	Projected	Budget	Budget	Percent Change
REVENUE							
Police Activities	3,177,797	3,326,196	3,445,122	2,754,559	2,661,751	2,636,440	-1.0%
Parks and Receptions Activities	67,998	122,031	45,355	184,473	177,036	263,188	48.7%
District Administration	78,182	5,484	16,913	660,059	632,770	716,614	13.3%
Waste Administration	-	54,203	58,256	61,592	57,000	62,700	10.0%
Capital Projects	-	476,350	-	-	-	335,952	0.0%
TOTAL REVENUE	\$ 3,323,977	\$ 3,984,264	\$ 3,565,645	\$ 3,660,682	\$ 3,528,557	\$ 4,014,893	13.8%
EXPENDITURES							
Police Activities	2,348,361	2,224,819	2,562,722	2,628,271	2,647,076	2,593,945	-2.0%
Parks and Receptions Activities	119,010	146,476	107,145	111,676	164,018	250,850	52.9%
District Administration	528,623	781,963	716,141	598,159	614,433	710,488	15.6%
Waste Administration	-	-	-	-	-	7,002	0.0%
Capital Outlay	123,250	44,396	85,759	220,314	45,117	285,057	531.8%
TOTAL EXPENDITURES	3,119,244	3,197,654	3,471,767	3,558,420	3,470,644	3,847,342	10.9%
TOTAL OPERATING/CAPITAL EXPENSES	204,733	786,610	93,879	102,261	57,913	167,551	189.3%

Kensington Police and Community Services District

Fiscal Year 2021-22 Proposed Budget

Calculation of Appropriations Limit

FY 2020-21 Appropriations Limit	4,758,237
GENERAL FUND REVENUE DETAIL	
Annual Adjustments (prior year multipliers)	
Contra Costa County Change in Population	1.0035
% Change in Per Capita Personal Income converted to a ratio	1.0573
****Source California Department of Finance****	
 FY 2021-22 Appropriations Limit	 5,048,492

Calculation of Appropriations Subject to Limit

	Proceeds of Taxes	Non-Proceeds of Taxes	Total
<u>REVENUE</u>			
401 Levy Tax	2,100,040		2,100,040
402 Special Police Tax	685,710		685,710
403 Misc - Tax Police	-		-
404 Measure G Supplemental Tax	621,207		621,207
409 Asset Seizure	-		-
410 Police Fees/Service Charges	-	1,500	1,500
411 Kensington Hilltop Services Reimb.	-		-
412 Special Assignment Revenue	-		-
413 West County Crossing Guard Reimb.	-		-
414 POST Reimbursement	-	-	-
415 Grants - Police	-	125,000	125,000
416 Investment Income - Interest Police	1,000		1,000
418 Misc Police Income	-	5,000	5,000
419 Supplemental Workers Comp Reimb.	-		-
424 Special Tax-L&L	42,185		42,185
427 Community Center Revenue	-	30,000	30,000
437 Contributions for Sound System	-		-
438 Misc Park/Rec Rev	-	2,000	2,000
439 Contributions for Community Ctr	-		-
448a Franchise Fees Gross	-	110,000	110,000
448b less Franchise Fees Paid Out	-	(47,300)	(47,300)
456 Interest-District	-	2,600	2,600
458 Misc District Revenue	-	335,952	335,952
TOTAL REVENUE	3,450,142	564,752	4,014,894

Summary

FY 2021-22 Appropriations Limit	5,048,492
Appropriations Subject to Limit	3,450,142

FY 2021-22 Proposed Budget

KPPCSD Board of Directors, Special Meeting
June 29, 2021

Presentation Agenda

- Budget Assumptions
- Big Budget Picture - Operating Budget, Fund Balance, Revenues & Expenditures
- Budget Changes (Since June 10 Budget Presentation)
- Staff Responses to Community Recommendations Made During Community Budget Workshop on June 17, 2021 and via email
- Discussion/Q&A

Budget Assumptions

- Increase in police tax - CPI - 3.8%
- Not include PS Building TI and Relocation Costs
- OPEB Trust Reimbursement - \$50K
- Retiree Dental and Vision - \$25K
- Cost allocation of staff time across three funds
- Establish Waste Management Fund
- Establish Capital Project Fund
- Grant revenue from Prop 68 and WW Grant \$335,952

Total Projected budgets - FY 2021-22

Fund	Projected Budget
General Fund	\$3,574,057
Landscape and Lighting District Fund	\$42,184
Waste Management Fund (To be established)	\$62,700
Capital Project Fund (To be established)	\$335,952
Total Projected Operating Budget:	\$4,014,893

Fund Balances, Revenues & Expenditures

Funds	Balances
Audited Starting Fund Balance (6/30/2020)	\$2,170,875
Projected Ending Fund Balance (6/30/21)	\$2,273,136
Total Projected Revenues (FY 2021/2022)	\$4,014,893
Total Projected Expenditures (FY 2021/2022)	\$3,847,342
Projected Ending Fund Balance (6/30/2022)	\$2,440,687
Projected General Fund Reserve (FY 2021-22)	\$2,342,381

Budget Changes since June 10, 2021

Changes to the Budget since the First Budget Workshop on June 10, 2021 based on Board Direction or budgetary corrections.

Budget Changes since June 10, 2021

- Removed Community Center alarm - \$3,000
- Added replacement of tennis backboard wind screen - \$ Negligible
- Corrected double counting Police overtime - \$120,000 in account 502 (police salaries) but adjusted account 506 (overtime) to \$200,000 due to staff changes.
- Propose allocating \$25,000 (account 982) for architectural design and structural engineering assessment of potential new KPPCSD location.
- Projected General Fund Reserve for FY 2021-22 is \$2,342,381
- Overall budget refinement as a result of receiving actuals versus estimates for individual line items.
- Per a prior commitment, contributed \$2,000 to the cost of a new kiosk (during FY 2020-21).

Staff Response to Community Recommendations

Community Recommendations made during the Community Budget Workshop on June 17, 2021 and via email between June 10, 2021 and June 25, as well as staff responses.

Staff Response to Community Recommendations

Community Recommendation	Staff Response
<p>Build cash reserves to prepare for KPPCSD relocation costs by:</p> <ul style="list-style-type: none"> ▪ Not hiring 3 officers and eliminating the Lieutenant position - \$200K annual savings. ▪ Not increasing administrative staff - \$137K savings compared to the previous year's budget. ▪ Postponing all but essential work on Kensington park until grant money is received - ~ \$100K savings. ▪ Not leasing a 4th new police car - ~ \$60K savings. 	<ul style="list-style-type: none"> ▪ <u>PD Staffing:</u> Police Department staffing levels are extremely low; with only six sworn Officers, the Department maintains a 24/7 operation. Not filling the three proposed officer positions would risk further attrition of PD employees, as well as burnout. In contrast, there were 10 officers this year. ▪ <u>Administrative Staffing:</u> The proposal is not an increase in the number of administrative staff - it's a decrease. A smaller, full-time team will result in higher productivity and better continuity of service delivery to the Board and residents. It will also be easier to manage and reduce reliance on financial consultants. ▪ <u>Park Maintenance:</u> There is considerable deferred maintenance in the park, including projects related to fire preparedness and safety that require immediate attention. Deferral of this work will put the District at greater fire hazard, as well as result in overall more costly repairs in the future. ▪ <u>PD Vehicle Leasing:</u> Deferring vehicle replacement will result in more costly repairs over time; and stronger likelihood of needing to replace more vehicles in one fiscal year due to vehicle failure; and as a result, have a greater financial impact in one year versus spreading vehicle replacement costs over time.

Police Structure - Middle Management (LT)

- Promotes community-based activities and other public safety programs.
- Fills the gap between the Executive (Chief) and Sergeants (POA).
- Provides additional and much needed layer of supervision, leadership, and oversight of operations.
- Conducts Internal Affairs investigations allowing the Chief to remain neutral.
- Acts as Acting Chief of Police when necessary.
- Middle management positions are part of an effective, proven structure across all of Law Enforcement.
- Mid-level management positions are essential to promote succession planning across the ranks.
- Supported by both prior ICP as the best structure for Kensington.

Staff Response to Community Recommendations

Community Recommendation	Staff Response
Maintain the \$50K reimbursement monies in the OPEB Trust. It's not needed to balance the budget.	The 50K will only be removed from the OPEB Trust toward the end of the fiscal year if it's needed to balance the budget (e.g., if for some reason the grant monies are not awarded).
Police Salaries are estimated at ~ \$1.2 million; they seem about \$200K too high.	There was an error that has since been corrected; overtime was mistakenly counted twice in the June 10, 2021 budget worksheets and presentation. However, due to staffing levels and the time it takes to hire new Officers, staff has allocated an additional \$80,000 to the PD overtime budget for a total of \$200,000.

Staff Response to Community Recommendations

Community Recommendation	Staff Response
<p>The District needs to know how much actual unrestricted funds/cash flow are available for relocating the KPPCSD to another building. How much is actually available?</p>	<p>As of June 30, 2021, there will be a General Fund Reserve of \$2,174,830; As of June 30, 2022, there will be a projected General Fund Reserve of \$2,342,381.</p>
<p>Why aren't we budgeting for the relocation of KPPCSD? It seems important enough and better to budget for it now rather than make a budget adjustment later.</p>	<p>Without an expert estimate (e.g., from an architect/engineer), the cost estimate to relocate is too wide ranging to include in the budget at this time. Staff recommends waiting until there is an estimate from a qualified Architect/Engineer and then amend the budget accordingly later in the fiscal year. In addition, staff does not anticipate paying out for construction costs until the second half (or later) of this fiscal year at which time the budget may be adjusted. That said, staff proposes adding \$25,000 (account 982) to the budget for an initial structural engineering assessment and design.</p>

Staff Response to Community Recommendations

Community Recommendation	Staff Response
<p>Is there a plan to circulate an RFP/RFQ for a new service provider for waste management? If so, there should be additional funds in the budget to hire a consultant, etc...</p>	<p>This is a policy decision that the Board will provide direction to staff on early in the new fiscal year. There are sufficient funds in the Waste Management Fund to allocate for consulting services if necessary; and the budget can be amended accordingly.</p>
<p>Property tax projections seem low and underestimated; it seems like it should be higher than 4.5%.</p>	<p>Staff consulted with the County Assessor's Office and, based on that discussion and advice, recommend a 4.5% property tax increase in the budget.</p>
<p>In addition to hiring an architect to design tenant improvements, it's recommended that the District hire a structural engineer to evaluate any building and/or relocation site (e.g., due to potential seismic issues).</p>	<p>Staff intends to include an assessment by a structural engineer as part of the design considerations for any tenant improvements at a potential relocation site.</p>

Discussion & Questions



FY 2021-22 Proposed Budget

KPPCSD Community Budget Workshop
June 17, 2021

Presentation Agenda

- Budget Assumptions
- Big Budget Picture - Operating Budget, Fund Balance, Revenues & Expenditures
- FY 2021-22 - Recommended Budget Changes & Expenditures
- Proposed Staffing Changes
- Community Inquiries - Response to Questions from Community
- Account Budget Analysis (Line by Line)
- Planning for the Future

Budget Assumptions

- Increase in police tax - CPI - 3.8%
- Not include PS Building TI and Relocation Costs
- OPEB Trust Reimbursement - \$50K
- Retiree Dental and Vision - \$25K
- Cost allocation of staff time across three funds
- Establish Waste Management Fund
- Establish Capital Project Fund
- Grant revenue from Prop 68 and WW Grant \$335,952

Total Projected budgets - FY 2021-22

Fund	Projected Budget
General Fund	\$3,574,057
Landscape and Lighting District Fund	\$42,184
Waste Management Fund (To be established)	\$62,700
Capital Project Fund (To be established)	\$335,952
Total Projected Operating Budget:	\$4,014,893

Fund Balances, Revenues & Expenditures

Funds	Balances
Audited Starting Fund Balance (6/30/2020)	\$2,170,875
Projected Ending Fund Balance (6/30/21)	\$2,273,136
Total Projected Revenues (FY 2021/2022)	\$4,014,893
Total Projected Expenditures (FY 2021/2022)	\$3,869,955
Projected Ending Fund Balance (6/30/2022)	\$2,418,074
General Fund Reserve (FY 2021-22)	~\$2 million (Final number will be ready by 6/29 Board Meeting.)

Projected New Revenue - FY 2021-22

- Park and Facility Rentals - \$30,000
- Grants:
 - Measure WW Grant (EBRPD) - \$158,000
(Reimbursement)
 - Prop 68 - \$177,952
(total project minimum - \$222,440; local match - 20% or \$44,488)
 - COPs - \$125,000
- American Rescue Plan Act of 2021 - Potentially ~\$570,000
(or 30% of KPD time)

Recommended Budget Changes & Expenses

POLICE DEPARTMENT

- Fund 9 Sworn Officers (instead of 10) - \$65K-\$90K/year savings
- Fund new Lieutenant Position (in lieu of Captain position) - \$35K/year savings
- Lease one new Police Vehicle - \$12,192/year

Recommended Budget Changes & Expenses

POLICE DEPARTMENT (Cont.)

- **NIBRS - DOJ Requirement - \$25,000**
(More detailed crime reporting software and database.)
- **EBCRS - \$9,720**
(Required yearly fee to maintain radio communication infrastructure.)
- **EBCRS Software - \$9,000 (half this year, half next year)**
(Encryption software for radios.)
- **Net Presenter - \$1,000**
(A digital communication platform and application that transmits information interdepartmentally using computer screens, smart phones and television monitors.)
- **Lexipol Training Bulletins - \$2,200**
(Police Training bulletins to help personnel learn to apply policies and improve their ability to make well-reasoned decisions.)

Recommended Budget Changes & Expenses

PARKS AND RECREATION

- Renovation Assessment of Annex Building - \$5000
- Security Cameras for Community Center - \$7000
- Rekey Community Center (electronic system) - \$15000
- White Folding Chairs for Rentals - \$5000
- Cover for AC Unit (outside Community Center) - \$600
- Repair Retaining Wall on Arlington - \$3300
- Replace Tennis Court Backboard - \$4900

Recommended Budget Changes & Expenses

PARKS AND RECREATION (CONT.)

- Repair Sprinkler Valve (Upper Lawn) - \$600
- Repair Upper Lawn - \$2050
- New Trash Cans (type TBD) - \$7000
(from waste management fund)
- Tree Removal and hazardous brush in Park - \$35,000
- Survey Park Perimeter - \$20,000
- Repair storm drain and trench plate - \$17,000
- Repair Stairs from E Building up toward school - \$15,000

Recommended Budget Changes & Expenses

KCC \$15k DONATION

- Replace/Install new bench (adjacent to Community Center) - \$1,620
- Repair sprinklers (lawn adjacent to Community Center) - \$4,500
- Other potential improvements in front of the CC (cost TBD):
 - Replace grass.
 - Replace/repair two raised beds with brick and drought and deer tolerant plants.
 - Replace other outdoor benches (as necessary).

Overall Proposed Staffing Changes

- **New Lieutenant Position (full time)**
(to replace the Captain position)
- **New Officer Manager/Clerk of the Board (full time)**
(to replace the functions and duties of the Police Services Specialist, Parks & Recreation coordination, Clerk of the Board and Administrative Assistant)
- **Senior Accountant (full time)**
(to replace current part-time Senior Accountant, most of MAZE and Associates consulting, and some of the Budget Manager's duties)

Cost Comparison - Proposed Staffing Changes

Current Staffing

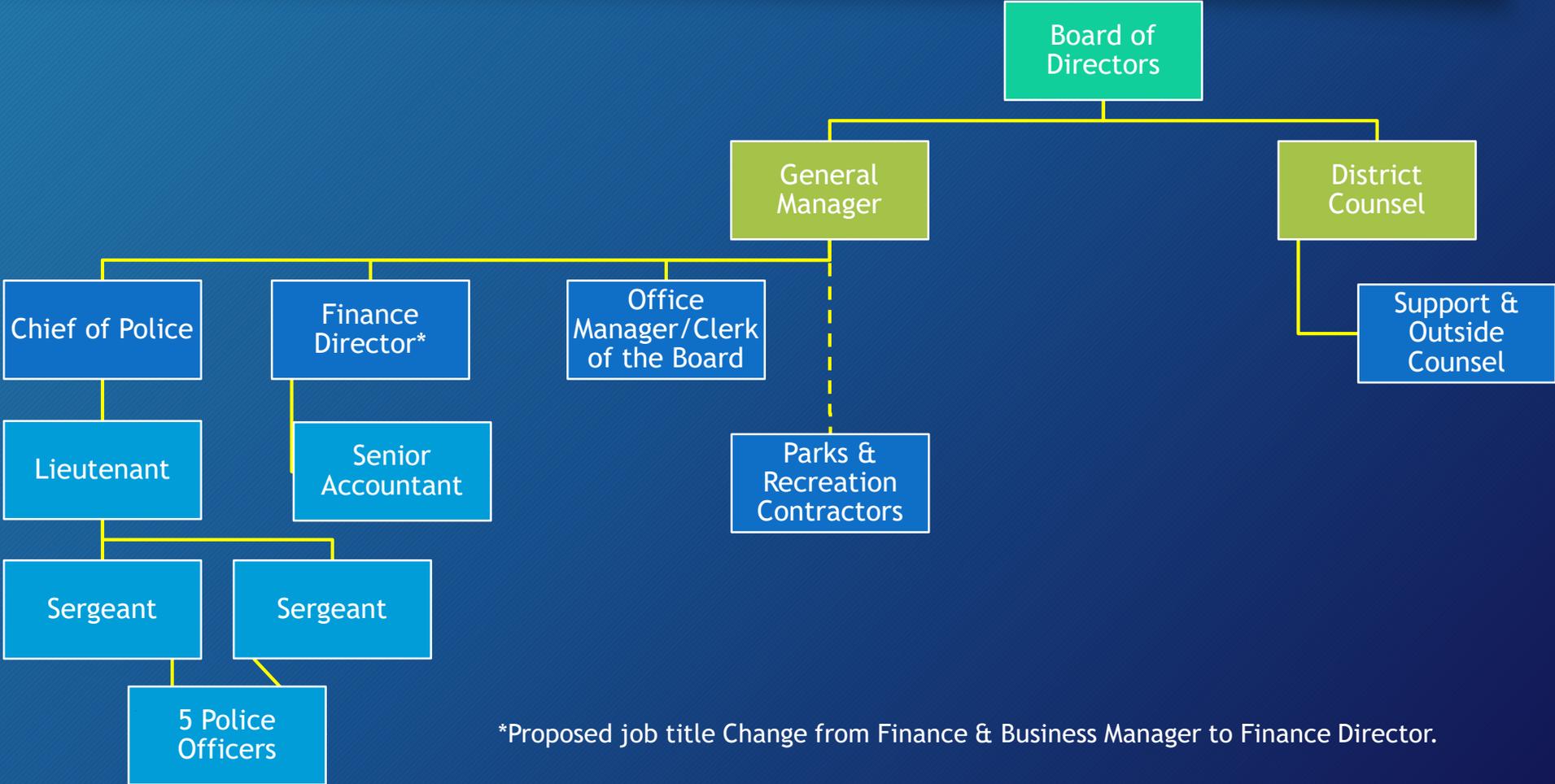
Title	Hours per Week	Total Cost per Year
General Manager	30	\$169,549
Budget Manager	20	\$66,743
Senior Accountant	20	\$48,464
Clerk of the Board	20	\$43,060
Administrative Assistant	20	\$27,989
Police Captain	40	\$211,661
Police Services Specialist	20	\$41,176
TOTAL		\$608,642

Proposed Staffing*

Title	Hours per Week	Total Cost per Year
General Manager	30	\$162,749
Finance Director	20	\$66,743
Office Manager/ Clerk of the Board	40	\$106,233
Senior Accountant	40	\$106,233
Police Lieutenant	40	\$157,336
TOTAL		\$599,294

*Cost estimate includes health, dental and vision for three employees.
Not included: potential savings from labor negotiations and savings from budgeting for 9 (instead of 10) sworn officers (e.g., \$65-90K).

Proposed Organizational Chart



*Proposed job title Change from Finance & Business Manager to Finance Director.

Community Inquiries

Response to Community
Questions/Discussion Items
Received in Advance of the Presentation

OPEB Trust Reimbursement

- The district has been contributing to the OPEB trust annually for more than 10 years.
- As of 6.30.2020, the audited balance was \$1.7 million and, as of 6.14.2021, the unaudited balance was \$2.33 million.
- Unlike the CalPERS pension, the District pays the benefit payments on a monthly basis (average invoices from CalPERS are around \$25,000 per month including active and retirees).
- By paying the District's monthly premiums (e.g., health, dental, vision), the required Actuarially Determined Contributions (ADC) to the Trust are being satisfied.
- The OPEB trust was established in order to pay retirees' health, dental and vision premiums now and in the future. If approved by the Board, however, the District will not pay for retiree health and dental in the future.
- By the District reimbursing itself \$50,000 from the trust, cash flow and the budget are balanced without using the District's General Fund Reserve.

Projected Property Taxes (Account 401)

- The projected 4.5% increase in property tax was estimated in consultation with the County Assessor's Office.
- The COVID-related Real Estate market is unprecedented and unpredictable; as a result, we projected an assertive but cautious property tax rate increase.
- The real estate market in Contra Costa County is uniquely positioned with historically low inventory and yet very high appreciation rates (e.g., 20-25%).

Landscape & Lighting District Funds

- Projected Landscape & Lighting District Funds are the result of the most recent Levy tax that was passed by the Board of Directors. An explanation of the funds can be found on page 1 of the [Fiscal Year 2021/22 Engineer's Report For: Kensington Park Assessment](#).
- On the property tax invoice for each Kensington residence, the tax is listed as *Kensington Park LLD* and the amount this past fiscal year was \$18.36 (for single family resident parcel) and coded as *J2*. For 2021-22 it will be \$18.65 per single family resident parcel.

Waste Management Fund Analysis

- As of June 30, 2021, the Bay View balance is projected to be \$309,132. Once the new Waste Management Fund is established, it will be transferred to that Fund.
- In prior fiscal years, staff time was not allocated to Waste Management funds and, therefore, the balance may be hyper-inflated.

As of date:	Fund Balance
6/30/2019	\$ 194,885.00
6/30/2020	\$ 250,741.12
6/30/2021	\$ 309,132.27

Waste Management Functions

- Management of Bay View Contract:
 - Monthly operations and management,
 - Monthly check in with management and Bay View,
 - Staff review of statements and deposits,
 - Audit accuracy of payments from Bay View & track payments,
 - Communicate with CCC Conservation Department and fulfill all required County/State regulations for waste management contract,
 - Pay monthly cost share to CCC Conservation Department, and
 - Trash pickup in parks, community center, and office; and address emergency trash/garbage overflow in park.
- Contract Negotiations
 - Upcoming Bay View negotiations or RFP/RFQ process, as well as addressing food composting.

Waste Management Contract (Bay View)

- The District's contract with Bay View expires in 2023.
- Fairly soon, the District will need to either circulate a RFP/RFQ for a new waste management provider or start negotiations for a new franchise agreement with Bay View.
- Early in the new fiscal year, staff will review the District Agreement with Bay View and make a recommendation to the full Board re: an approach to secure a new franchise agreement and seek Board direction.

Community Center Loan

- The Community Center loan is a long term debt obligation; as such, loan payments are included into the operating budget of each fiscal year until the loan is paid off.
- As a result, payments are accounted for in each fiscal year's balanced operating budget - the Fund Balance is not decreased by \$250,000 in any given year.
- The Fund Balance would only decrease by \$250,000 in one fiscal year if the entire payment was due in that fiscal year - and in this case it is NOT.
- Currently, the loan balance is approximately \$207,168 since two principal payments have been made. There are eight years remaining on this loan.

1995 Park Bond

- The 1995 Park bond has been paid in full and will close out this year.
- FY 2019-20 (August 2019) was the final year that the assessment was placed on the tax roll.
- For example, when comparing a Kensington resident's Contra Costa County FY 2018-19 tax bill to a FY 2020-21 tax bill, there is a Kensington Park AD charge of \$97.28 listed (Assessment Code VE) and in FY 2020-21 that charge was dropped and is no longer listed on the tax bill.

FY 2021-22 Projected Fund Balances

Fund Name	Projected Balance as of 6/30/2021 (transferred to 7/1/2021)
General Fund Balance	\$1,949,004
Waste Management Fund Balance	\$309,132
Capital Projects Fund	\$15,000
Landscape & Lighting Fund Balance	\$0

Police Department Operations

- Over the prior three fiscal years, the Police Department has budgeted for and employed between 7 and 8 officers; 9 officers is an improvement.
- All shifts will be covered. Officers are working 12 hour shifts plus overtime.
- District staff estimate approximately \$120,000 will be paid out in overtime during FY 2021-22 - that's double the amount that was budgeted for in FY 2020-21.
- Reasons for new PD vehicles: Police require dependable vehicles for emergency response. The low cost lease option allows for steady, affordable payments over time; and at the end, the District owns the vehicle.

Police Department - Salaries & Benefits

- Account 521-R (Retirees):
Last year, the District budgeted for 5 Classic retirees; this fiscal year, the District has budgeted for only 3 Classic and 5 PEPRA.
- Account 521-A (Active):
 - In 2020-21, the District budgeted health benefits for 7.5 Officers; however, two elected not to enroll for health benefits.
 - In 2021-22, the District budgeted health benefits for 8 officers.
 - The District assumed a 5.875% rate increase in the health benefits premium (the same as last year).

Police Department - Salaries & Benefits

- No assumptions regarding a new MOU with the KPOA have been built into this year's budget.
- Until new Officers (including a Lieutenant and/or Sergeant) are hired, the District does not know whether the employees will be Classic or PEPRA. As a result, Finance budgets for the more expensive of the two (e.g., Classic).

Other Operational and Budgetary Questions

- Reason for Proposed Administrative Org Chart
A few full-time dedicated staff will ensure consistency and continuity with regards to policy implementation, internal controls, financial reporting, adherence to government codes and regulations, and implementing best financial public sector practices.
- Unbudgeted Costs of relocation
 - Too wide ranging to budget for at this time;
 - Negotiations with KFPD to transition out of the PS Building, as well as any potential Lessor, are ongoing; and
 - The move will not likely occur until the fourth quarter of the fiscal year; hence, a mid-year budget adjustment can be made at that time and as appropriate.

FY 2021-22 Budget

Account Budget Analysis (Line by Line)

Major Budgetary Revenue Changes - Line by Line

- **Account 404 (Measure G)**
This account includes CPI increase for this fiscal year; CPI for prior fiscal year was incorrectly printed in the budget. Hence, the calculations appear incorrect, but were correctly and accurately approved by the Board of Directors.
- **Account 415 (COPS Grant)**
Typically, \$100K is budgeted for; however, District consistently secures closer to \$150-160K per year; as a result, conservatively budgeted \$125K for this year.
- **Account 427 (Community Center)**
The proposed allocation is based on pre-COVID fiscal years when the revenue was closer to \$30K per year.
- **Account 416/456 (Interest Income from LAIF Investment)**
Like with all interest rates, the State's interest rates has declined considerably in the past 12-24 months and it is not expected to rebound anytime soon. For example, the interest rate for the LAIF account in 3/31/20 was 2.03% and for the period ending 3/31/21 the interest rate was only 0.44%.
- **Account 458 (Grants)**
These are projected revenues from grant monies including Measure WW grant (\$158K) reimbursement for the Community Center and Prop 68 (\$177,952) for a future park infrastructure improvement project. Combined, they total \$335,952.

Major Budgetary Expense Changes - Line by Line

POLICE DEPARTMENT

- **Account 502 (Salaries):**
1.3% lower than last year due to:
 - 1) Salaries increased by 3% on July 1, 2021 as a result of the Board approved MOU with the KPOA.
 - 2) Budgeted for 9 police officers instead of 9.5 police officers.
- **Account 506 (Overtime):**
Overtime is projected to be higher this year due to turnover of staff and budgeting for a smaller police force (e.g., 9 officers).
- **Account 521-A (Health Insurance - Active):**
Anticipate 5.875% rate increase - same as the prior year.
- **Account 521-R (Health Insurance Retiree):**
Anticipated cost decrease due to fewer 'Classic' retirees.
- **Account 521-T (OPEB Trust):**
Recommended reimbursement to District from Trust to balance the budget without using Reserves.

Major Budgetary Expense Changes - Line by Line

POLICE DEPARTMENT (CONT.)

- **Account 522 (Disability Life Insurance):**
Anticipated increase of 5.9% - Budgeting for 9 officers instead of 8.5.
- **Account 523 (Social Security/Medicare):**
Increased due to changes in salaries per the MOU.
- **Account 528 (CalPERS - Employee Portion):**
UAL is determined by CalPERS.
- **Account 552 (Police Supplies):**
Increased due to consolidation of accounts 552 with 582 (Office Supplies). Account 582 will no longer be used.
- **Account 560 (Crossing Guard):**
Increased contract for Crossing Guard.
- **Account 561 (Vehicle Fuel):**
Increased due to rising gas prices.

Major Budgetary Expense Changes - Line by Line

POLICE DEPARTMENT (CONT.)

- Account 562 (Vehicle Maintenance):

Projected to decrease because of four new hybrid police SUV interceptors.

- Account 563 (Vehicle Lease):

Projected to decrease because, while FY 2020-21 Budget included leasing five vehicles, only three were actually leased and one more may be leased in mid - FY 2021-22.

- Account 564 (Communications):

Increased due to purchase of DOJ required software.

- Account 566 (Radio Maintenance):

Increased due to \$9,000 radio software upgrade; recommend paying half this fiscal year and half next fiscal year, as well as the required contractual annual payment of \$9,720.

- Account 568 (Prisoner Booking):

Eliminated this account.

- Account 569 (Storage):

Eliminated this account.

Major Budgetary Expense Changes - Line by Line

POLICE DEPARTMENT (CONT.)

- **Account 570 (Training):**
In future, post all POST reimbursements to this account instead of a revenue account.
- **Account 571 (Special Department Expenses):**
Consolidated accounts 553 (Range Ammunition Supplies) and 596 (Cal ID) with this account.
- **Account 582 (Office Supplies):**
Eliminated this account. Combined with account 552 (Police Supplies).
- **Account 587 (IT Contract):**
IT contract increased due to more Microsoft Office 365 users; and working remotely.
- **Account 588 (Telephone):**
There has been a major increase in the phone bill over the past three to five years. The District is having the phone system and usage assessed to determine the cause.
- **Account 590 (Janitorial):**
Increased cost due to new cleaning contract and COVID cleaning.
- **Account 591 (General Liability Insurance):**
Premiums increased nationwide and the District increased coverage for the renovated Community Center.

Major Budgetary Expense Changes - Line by Line

PARKS AND RECREATION DEPARTMENT

- Account 641 (General Maintenance):
Increased budget for grass irrigation around Community Center and other unanticipated general maintenance (this had not been budgeted for in the past).
- Account 642 (Utilities-Community Center):
Increased budget for Comcast internet, standard increases in utilities and more accurate account tracking.
- Account 645 (General Liability/Workers Comp):
Premiums increased nationwide and the District increased coverage for the renovated Community Center.
- Account 640 (Community Center Expenses - Other):
Proposed new one-time parks and recreation improvements are accounted for in this account. See slides 10 and 11.
- Account 651 (General Maintenance):
Increased budget for deferred and general maintenance (e.g., fire prevention, tan bark replacement, lawn repairs, new trash receptacles, unplanned expenses). See slides 10 and 11.

Major Budgetary Expense Changes - Line by Line

PARKS AND RECREATION DEPARTMENT (CONT.)

- Account 652 (Repairs):
Increased budget for deferred repairs and maintenance (e.g., repair retaining wall on Arlington, backboard of tennis courts, sprinkler valves). See slides 10 and 11.
- Account 653 (landscaping):
Budgeted 70% of landscape contract to this account.
- Account 659 (Misc):
Budgeted one-time park expenses to this account (e.g., trash cans, tree/undergrowth removal, park survey, storm drain repairs, stairs from E Building to Highland).
- Account 669 (Misc):
Estimate to complete inspections on Annex building.

Major Budgetary Expense Changes - Line by Line

ADMINISTRATION AND FINANCE DEPARTMENTS

- Account 807-809 (Salaries, Payroll Taxes and Benefits):
Increased due to new organizational structure; savings in other departments for an overall net savings.
- Account 810 (IT Contract):
IT contract increased due to more Microsoft Office 365 users; and working remotely.
- Account 817 (Postage):
Increased accuracy in tracking.
- Account 818 (Mileage):
Increased accuracy and tracking (e.g., trips to the county for bi-monthly AP/payroll).
- Account 820 (Copier Contract):
Decreased costs due to discontinuation of printed Board packets.
- Account 825 (Board Continuing Education/Conferences):
Budgeted for Board Directors to attend CSDA Annual Conference.

Major Budgetary Expense Changes - Line by Line

ADMINISTRATION AND FINANCE DEPARTMENTS (CONT.)

- **Account 826 (Board Meetings):**
In the prior fiscal year and before COVID, the District paid to use the Arlington Community Church for Board Meetings; moving forward, that will not be necessary.
- **Account 830 (Legal):**
Controlling spending; projecting reduced need for legal services.
- **Account 835 (Consulting):**
Budgeted for HR, Finance and Board Strategic Planning consulting.
- **Account 840 (Accounting):**
Budgeted for the Audit and Maze & Associates (e.g., four hours/month, special reporting).
- **Account 850 (General Liability Insurance):**
Premiums increased nationwide and the District increased coverage for the renovated Community Center.
- **Account 890 (Waste/Recycle):**
Prior fiscal year, there were expected expenses; however, this fiscal year, any waste/recycle expenses will be allocated to the new Waste Management Fund (to be established).

Planning for the Future

- Planning for new temporary or permanent home for KPPCSD.
- Consider increasing LLMD tax.
- Consider future purpose and renovation of Annex Building.
- Forecast and prepare for future revenues and expenditures.
- Consider exploring other district funding structures (e.g., Community Facilities District).
- Consider new agreements (e.g., Bay View, KCC).
- Implement Prop 68 Grant - Define new Park Improvements.
- Consider cost sharing and volunteering opportunities (e.g., Crossing Guard).
- Consider other employee and retiree cost saving measures (via labor negotiations).

Next Steps

- June 29, 2021 - Board Consideration and approval of Final Budget (Special Board Meeting)

Discussion & Questions



FY 2021-22 Proposed Budget

KPPCSD First Budget Workshop
June 10, 2021

Presentation Agenda

- Budget Assumptions
- Big Budget Picture - Operating Budget, Fund Balance, Revenues & Expenditures
- FY 2021-22 - Recommended Budget Changes & Expenditures
- Public Safety Building & Relocation
- Proposed Apparatus Replacement Schedule
- Proposed Staffing Changes
- Government Transparency
- Planning for the Future

Budget Assumptions

- Increase in police tax - CPI - 3.8%
- Not include PS Building TI and Relocation Costs
- OPEB Trust Reimbursement - \$50K
- Retiree Dental and Vision - \$25K
- Cost allocation of staff time across three funds
- Establish Waste Management Fund
- Establish Capital Project Fund
- Grant revenue from Prop 68 and WW Grant \$335,952

Total Projected budgets - FY 2021-22

Fund	Projected Budget
General Fund	\$3,574,057
Landscape and Lighting District Fund	\$42,184
Waste Management Fund (To be established)	\$62,700
Capital Project Fund (To be established)	\$335,952
Total Projected Operating Budget:	\$4,014,893

Fund Balances, Revenues & Expenditures

Funds	Balances
Audited Starting Fund Balance (6/30/2020)	\$2,170,875
Projected Ending Fund Balance (6/30/21)	\$2,273,136
Total Projected Revenues (FY 2021/2022)	\$4,014,893
Total Projected Expenditures (FY 2021/2022)	\$3,869,955
Projected Ending Fund Balance (6/30/2022)	\$2,418,074

General Fund - Major Revenues by Source Budgeted & Projected - FY 2020-21 and 2021-22

Revenue	2020-21 Budgeted (as of 6/30/20)	2020-21 Projected (as of 6/30/21)	2021-22 Projected
Property Tax	\$2,008,935	\$2,118,075	\$2,100,040
Measure G	\$594,872	\$598,395	\$621,207
Special Police Tax	\$681,750	\$685,710	\$685,710
LLMD	\$41,500	\$41,529	\$42,184
Parks/Rec	\$15,000	\$0	\$32,000
Franchise Agreement	\$57,000	\$61,592	\$62,700
Grants	\$100,000	\$119,093	\$460,952
Interest Income	\$20,000	\$5,575	\$3,600
Contributions	\$0	\$15,400	\$0
Other Misc income	\$9,500	\$9,801	\$6,500
Total	\$3,528,557	\$3,660,682	\$4,014,893

Major Expenses by Department Budgeted & Projected - FY 2020-21

Department	2020-21 Budgeted	2020-21 Projected	Difference
Police	\$2,647,076	\$2,628,271	\$18,805
Parks and Recreation	\$164,018	\$111,676	\$46,343
Administration	\$609,433	\$594,990	\$14,443
Waste Management	\$5,000	\$3,169	\$1,831
Capital Projects	\$45,117	\$220,311	\$(175,194)
Total	\$3,470,644	\$3,558,420	\$(93,772)

Major Revenue Three Year Comparison

Revenue	FY 2019-2020 Actual	FY 2020-21 Projected	FY 2020-21 Budgeted	FY 2021-22 Projected
Property Tax	\$1,957,714	\$2,118,075	\$2,008,935	\$2,100,040
Measure G	\$588,398	\$598,396	\$594,872	\$621,207
Special Police Tax	\$681,750	\$685,710	\$681,750	\$685,710
LLMD	\$40,195	\$41,529	\$41,500	\$42,184
Franchise Agreement	\$58,256	\$61,591	\$57,000	\$62,700
Grants	\$168,584	119,093	\$100,000	\$460,952
Interest Income	\$48,164	\$5,575	\$20,000	\$3,600
Other Income	\$121,036	\$30,713	\$123,000	\$38,500
Total	\$3,565,645	\$3,660,682	\$3,528,557	\$4,014,893

Major Expenses Three Year Comparison

Department	2019-2020 Actual	2020-21 Projected	2020-21 Budgeted	2021-22 Projected
Police	\$2,562,722	\$2,628,271	\$2,647,076	\$2,639,610
Parks and Recreation	\$107,145	\$111,676	\$158,018	\$253,850
Administration	\$713,741	\$592,241	\$563,433	\$709,436
Waste Management	\$2,400	\$5,918	\$51,000	\$7,002
Total	\$3,386,008	\$3,338,106	\$3,419,527	\$3,609,898

Projected New Revenue - FY 2021-22

- Park and Facility Rentals - \$30,000
- Grants:
 - Measure WW Grant (EBRPD) - \$158,000
(Reimbursement)
 - Prop 68 - \$177,952
(total project minimum - \$222,440; local match - 20% or \$44,488)
 - COPs - \$125,000
- American Rescue Plan Act of 2021 - Potentially ~\$570,000
(or 30% of KPD time)

Recommended Budget Changes & Expenses

POLICE DEPARTMENT

- Fund 9 Sworn Officers (instead of 10) - \$65K-\$90K/year savings
- Fund new Lieutenant Position (in lieu of Captain position) - \$35K/year savings
- Lease one new Police Vehicle - \$12,192/year

Recommended Budget Changes & Expenses

POLICE DEPARTMENT (Cont.)

- **NIBRS - DOJ Requirement - \$25,000**
(More detailed crime reporting software and database.)
- **EBCRS - \$9,720**
(Required yearly fee to maintain radio communication infrastructure.)
- **EBCRS Software - \$9,000 (half this year, half next year)**
(Encryption software for radios.)
- **Net Presenter - \$1,000**
(A digital communication platform and application that transmits information interdepartmentally using computer screens, smart phones and television monitors.)
- **Lexipol Training Bulletins - \$2,200**
(Police Training bulletins to help personnel learn to apply policies and improve their ability to make well-reasoned decisions.)

Recommended Budget Changes & Expenses

PARKS AND RECREATION

- Renovation Assessment of Annex Building - \$5000
- Security Alarm for Community Center - \$3000
- Security Cameras for Community Center - \$7000
- Rekey Community Center (electronic system) - \$15000
- White Folding Chairs for Rentals - \$5000
- Cover for AC Unit (outside Community Center) - \$600
- Repair Retaining Wall on Arlington - \$3300
- Replace Tennis Court Backboard - \$4900

Recommended Budget Changes & Expenses

PARKS AND RECREATION (CONT.)

- Repair Sprinkler Valve (Upper Lawn) - \$600
- Repair Upper Lawn - \$2050
- New Trash Cans (type TBD) - \$7000
(from waste management fund)
- Tree Removal and hazardous brush in Park - \$35,000
- Survey Park Perimeter - \$20,000
- Repair storm drain and trench plate - \$17,000
- Repair Stairs from E Building up toward school - \$15,000

Recommended Budget Changes & Expenses

KCC \$15k DONATION

- Replace/Install new bench (adjacent to Community Center) - \$1,620
- Repair sprinklers (lawn adjacent to Community Center) - \$4,500
- Other potential improvements in front of the CC (cost TBD):
 - Replace grass.
 - Replace/repair two raised beds with brick and drought and deer tolerant plants.
 - Replace other outdoor benches (as necessary).

PS Building & Relocation - Status

- Researching Relocation Options for KPPCSD.
- Developing needs assessment for Tenant Improvements (TI).
- Estimating TI for a long-term temporary relocation: ~ \$300,000 (TI cost estimate updated after needs assessment and design developed).
- Continuing dialogue and negotiations with KFPD re: transitioning out of the PS Building.
- There may be a Fiscal impact in the fourth quarter of FY 2021-22; Mid-Year Budget Amendment may be necessary.

Apparatus Replacement Schedule - Administrative Cars

Year In service	Vehicle	Expenditures	Mileage	Estimated Turnover Date
2012 Pool Car		Decommission costs \$500 – *Recycle parts	67,352	2021/22 (Surplus)
2021		\$1016.00/mo.	10,250	Replace or Convert 2026/2027
2016		yearly preventive maintenance \$1000-\$3,500	75,460	Replace 2023/2024
2022		*Replaces K2 \$1016.00./mo. Est.	NOT YET PURCHASED	Replace 2028/2029

Apparatus Replacement Schedule - Patrol Cars

Model Year	Vehicle	Expenditures	Mileage	Estimated Turnover Date
*2014 K2		Decommission costs + yearly preventive maintenance \$1000-\$5,000	67,352	Replaces white Ford 2022
2015 K3	Unit K3 is out of service at the repair facility (photo unavailable)	Double as TSU \$5,000 graphics & equipment	47,825	Replace 2023/2024
2021		\$1016.00/mo.	3071	Replace 2027/2028
2021		\$1016.00./mo.	1591	Replace 2027/2028

Analysis of Fleet Replacement

1. In 2020, two patrol units accounted for approximately \$17,000 of unexpected repairs, not including employee time spent taking vehicles to and from the repair shop.
2. Two employees must drop off when one car while being services causing significant strain on a 10-employee (or less) department.
3. Out of Warranty Repairs are also significant and usually unexpected, for example:
 - A. Patrol unit K2 - Repair costs exceeded \$6,000 (out of warranty repair); and
 - B. Patrol unit K3 - Major Service + repair costs exceeded \$5,000 (out of warranty repair).
4. Vehicle value and reliability decreases with age.
5. Since the introduction of three new hybrid cars in January 2021, maintenance and repair costs for the fleet have been under \$500. These cars came with major component warranties of 100,000 miles or 5 years. Other observations include:
 - A. *There has been a significant decrease in fuel usage since deploying the new vehicles.*
 - B. *Fuel prices across the country are on the rise.*

Overall Proposed Staffing Changes

- **New Lieutenant Position (full time)**
(to replace the Captain position)
- **New Officer Manager/Clerk of the Board (full time)**
(to replace the functions and duties of the Police Services Specialist, Parks & Recreation coordination, Clerk of the Board and Administrative Assistant)
- **Senior Accountant (full time)**
(to replace current part-time Senior Accountant, most of MAZE and Associates consulting, and some of the Budget Manager's duties)

Cost Comparison - Proposed Staffing Changes

Current Staffing

Title	Hours per Week	Total Cost per Year
General Manager	30	\$169,549
Budget Manager	20	\$66,743
Senior Accountant	20	\$48,464
Clerk of the Board	20	\$43,060
Administrative Assistant	20	\$27,989
Police Captain	40	\$211,661
Police Services Specialist	20	\$41,176
TOTAL		\$608,642

Proposed Staffing*

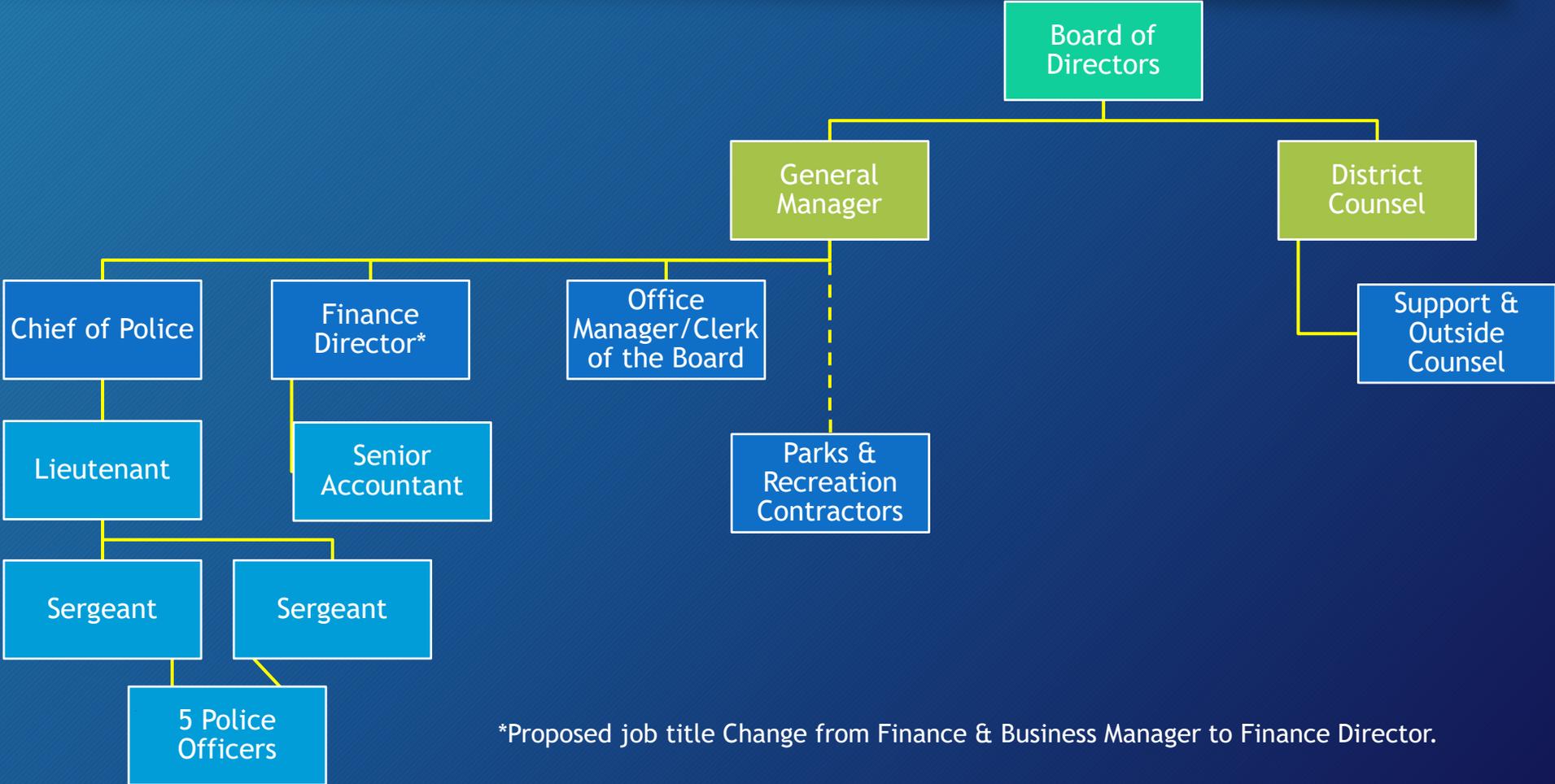
Title	Hours per Week	Total Cost per Year
General Manager	30	\$162,749
Finance Director	20	\$66,743
Office Manager/ Clerk of the Board	40	\$106,233
Senior Accountant	40	\$106,233
Police Lieutenant	40	\$157,336
TOTAL		\$599,294

*Cost estimate includes health, dental and vision for three employees.
Not included: potential savings from labor negotiations and savings from budgeting for 9 (instead of 10) sworn officers (e.g., \$65-90K).

Cost Allocation of Staff Time by Fund

Title	General Fund	Landscape & Lighting Fund	Waste Management Fund
General Manager	60%	20%	20%
Finance Director	70%	20%	10%
Office Manager/Clerk of the Board	85%	10%	5%
Senior Accountant	80%	10%	10%
Independent contractors	0%	70%	30%
Total	\$319,654	\$93,395	\$66,409

Proposed Organizational Chart



*Proposed job title Change from Finance & Business Manager to Finance Director.

Government Transparency

- Develop Finance Policies & Manual.
(e.g., credit card policy, AR policy, AP policy, payroll policy, procurement policy, deposit policy, fixed asset policy.)
- Refine budget process and cycle.
- Ensure Audit Readiness.
(e.g., Refine year end close to start the audit by August and complete it before the end of the calendar year.)
- Develop short, mid- and long-term financial forecasting and projections (e.g., 1y, 3y, 7y).

Government Transparency (Cont.)

- Institute the class function in QuickBooks or acquire fund accounting software that allows for reporting by fund.
- Review procurement policy; refine procedures.
- Implement fixed asset module; institute better fixed assets tracking (e.g., year-end audit).
- Continue to refine financial reporting to public.
- Assess and improve GAAP Compliance.
- Assess and improve Internal Control Framework. (e.g., evaluate deposit and cash handling procedures).

Planning for the Future

- Planning for new temporary or permanent home for KPPCSD.
- Consider increasing LLMD tax.
- Consider future purpose and renovation of Annex Building.
- Forecast and prepare for future revenues and expenditures.
- Consider exploring other district funding structures (e.g., Community Facilities District).
- Consider new agreements (e.g., Bay View, KCC).
- Implement Prop 68 Grant - Define new Park Improvements.
- Consider cost sharing and volunteering opportunities (e.g., Crossing Guard).
- Consider other employee and retiree cost saving measures (via labor negotiations).

Next Steps

- June 17, 2021 - Second Public Budget Workshop
(Special staff-led presentation to and meeting for the public)
- June 29, 2021 - Consideration of Final Budget for Board Approval
(Special Board Meeting)

Discussion & Questions



RESOLUTION NO. 2021-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICE DISTRICT, ADOPTING THE BUDGET FOR FISCAL YEAR 2021-22

The Board of Directors of the Kensington Police Protection and Community Service District (hereafter referred to as the "Board of Directors") does resolve as follows:

WHEREAS, on June 10, 2021 at the District's regularly scheduled meeting, The General Manager prepared and submitted to the Board of Directors a Proposed Budget for the Fiscal Year commencing July 1, 2021 and ending June 30, 2022; and

WHEREAS, on June 17, 2021, District staff held a community budget workshop and presented the proposed budget in detail to the public for review and discussion; and

WHEREAS, the Board of Directors held a public hearing on the Proposed Budget on June 29, 2021, where all interested persons were heard.

NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS, AS FOLLOWS:

1. The Board of Directors hereby adopts the Budget for Fiscal Year 2021-22 as presented and amended at this meeting.
2. The sums of money therein set forth are hereby appropriated from revenues of the District to the departments, functions and activities therein set forth for expenditures during the Fiscal Year 2021-22.

Adopted this 29th day of June, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sylvia Hacaj
President, Board of Directors

I HEREBY CERTIFY the foregoing resolution was duly and regularly adopted by the Board of Directors of the Kensington Police Protection and Community Services District at the regular meeting of said Board held on Tuesday, the 29th day of June, 2021.

Lynelle M. Lewis
District Clerk of the Board

Marti Brown
Interim General Manager