



Date: February 10, 2022
To: Board of Directors
From: Rick Benson, Interim General Manager
Subject: Mid-Year Budget Review

Recommendation:

It is recommended that your Board a) review and receive the mid-year budget report and approve the recommended budget adjustment.

Background:

On June 29, 2021 your Board approved the District's operating budget for Fiscal Year 2021-22. The budget was constructed utilizing the best information available at that time.

Government entities are required to review and, if necessary, revise the operating budget at the midyear point.

Discussion and Analysis:

Attached is a summary of the District's Revenues & Expenses as of December 31, 2021.

The KPPCSD budget has performed extremely well during the first half of the year. Revenues are in line with expectations and there have been no major unanticipated expenses. Overall, district expenses are running below the budgeted amounts. This is primarily due to salary savings. The Police Department has not been fully staffed and the costs of the administrative staff are running below the budgeted amounts.

There have been some expense overruns. Most notably the use of an outside accounting firm during the financial manager transition and certain IT expenses, some of which may be recoverable.

There are two midyear budget requests:

1. Our IT consultant has informed us that the server used by the District has reached its storage limit and needs to be replaced the estimated cost for the server is \$14,000 plus an additional \$5,000 for installation data-transfer and software updates.
2. The Police Chief has requested additional funds for the purchase of nonlethal weapons and rifles for the department. Nonlethal weapons can be a valuable tool for officers in situations where limited force is required. In most departments, rifles are a standard issue for law enforcement officers. There are situations where officers are at a distinct disadvantage without this weaponry

putting the public and officers at risk. Previously, officers were expected to purchase their own rifles, at the officer's discretion.

It is recommended that your Board a) approve a budget transfer in the amount of \$19,000 from budget line item 502, Salaries, to budget line item 969, Capital Expenses, Computer Equipment and b) approve a budget transfer in the amount of \$15,000 from budget line item 502, Salaries, to budget line item 571, Departmental Expense.

Fiscal Impact:

If approved, there is no additional fiscal impact other than a loss of a potential increase to the carryover fund balance.

Attachment: Mid-Year Revenues & Expenditures

REVENUES		Anticipated 12/31/21	Received 12/31/21	% of Anticipated	Total Annual Budget	Notes
Property	Taxes	\$ 3,236,609	\$ 3,400,192	99.80%	\$ 3,406,957	Property taxes are front loaded
Police	Grants	\$ 62,500	\$ 88,851	71.08%	\$ 125,000	
Franchise (net)	Fees	\$ 31,350	\$ 40,525	64.63%	\$ 62,700	
Other		\$ 210,118	\$ 4,190	1.00%	\$ 420,236	
TOTAL		\$ 3,540,577	\$ 3,533,758	88.02%	\$ 4,014,893	
EXPENDITURES		Anticipated 12/31/21	Actual 12/31/21	% of Anticipated	Total Annual Budget	Notes
Police Salaries & Benefits		\$ 1,235,799	\$ 1,058,213	86%	\$ 2,043,197	Significant salary savings
Other Salaries & Benefits		\$ 220,979	\$ 146,826	66%	\$ 441,958	
Police Other Expenses		\$ 308,792	\$ 304,308	99%	\$ 470,748	
Admin Other Expenses		\$ 134,265	\$ 163,345	122%	\$ 268,530	
Park & Rec Expenses		\$ 128,926	\$ 119,597	93%	\$ 257,852	
Capital Projects		\$ 142,530	\$ 20,462	14%	\$ 285,057	
TOTAL		\$ 2,171,291	\$ 1,812,751	83%	\$ 3,767,342	

REVENUES		Anticipated 12/31/21	Received 12/31/21	% of Anticipated	Total Annual Budget	Notes
Property	Taxes	\$ 3,236,609	\$ 3,400,192	100%	\$ 3,406,957	Property taxes are front loaded
Police	Grants	\$ 62,500	\$ 88,851	142%	\$ 125,000	
Franchise (net)	Fees	\$ 31,350	\$ 40,525	129%	\$ 62,700	
Other		\$ 210,118	\$ 162,550	77%	\$ 420,236	
TOTAL		\$ 3,540,577	\$ 3,692,118	104%	\$ 4,014,893	

EXPENDITURES		Anticipated 12/31/21	Actual 12/31/21	% of Anticipated	Total Annual Budget	Notes
Police Salaries & Benefits		\$ 1,235,799	\$ 1,058,213	86%	\$ 2,043,197	Significant salary savings
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Capital Projects		\$ 142,530	\$ 20,462	14%	\$ 285,057	
TOTAL		\$ 2,171,291	\$ 1,815,302	84%	\$ 3,767,342	

Revised 12/10/22