



Date: November 8, 2022
To: Board of Directors
From: Tony Constantouros, Interim General Manager
Subject: Fiscal Year 2022-2023 Budget Amendment #1 (**Including Board Amendments**)

Recommendation

Staff recommends that the Board of Directors adopt a resolution amending the Fiscal Year (FY) 2022-23 budget.

Background

At its Regular Meeting on October 13, 2022, the Kensington Police Protection and Community Services District (KPPCSD) Board of Directors approved the following amendments to the FY 2022-23 Budget. This document and exhibits have been updated to reflect the budget amendments as recommended by staff and as modified and approved by the Board.

Resolution 2022-16, approved by the Board of Directors on June 30, 2022, established the FY 2022-23 operating and capital budget for the KPPCSD. The budget provided breakdowns for the Police Department, Parks & Recreation, District Administration, and Waste Removal Administration. A separate section summarized Capital Projects.

Resolution 2022-14, adopted at the June 9, 2022, authorized the adoption of the budget at a Regular or Special Meeting of the Board of Directors.

Discussion and Analysis

The key items in this budget amendment are summarized below and detailed in Exhibit 1 attached to the Resolution. The Fiscal Year (FY 2022-23) Budget Amendments result in a

balanced budget, with total operating revenues of \$4,135,500 and operating expenditures of \$4,135,000, excluding capital.

- The sworn salary budget (account 502) is increased by approximately \$84,300 relative to the Adopted Budget. This proposed amendment captures the wages, including incentives, uniform allowance, and longevity for nine (9) sworn officers, including the Chief of Police and two (2) vacant Police Officer positions. Importantly, these wages include pending negotiated wage increases.
- The amended budget reflects a negative expenditure of \$72,417 to capture salary and benefit savings resulting from two vacant Police Officer positions. Per the Board's direction the negative expense is recorded as a separate budget line-item in account 502A for tracking purposes.
- Account 506 (overtime) is reduced from \$200,000 to \$100,000. Salary savings from unfilled vacant positions are sufficient to cover any additional overtime due to backfill. As the vacant positions are filled, there will be less need for overtime.
- Account 521 (medical-active) is increased by approximately \$59,200, reflecting the estimated cost of 2-party medical coverage for vacant positions. To the extent that these positions are not filled, there should be savings in this budget line item.
- The amended budget includes an OPEB Trust contribution of \$89,817 (Account 521T - OPEB Trust) for FY 2022-23.
- Account 527 (PERS – District Portion) was increased by approximately \$69,750 to capture the full Employer Normal Cost for Classic and PEPRA employees plus the amortization of the Unfunded Actuarial Liability (UAL). The Employer Normal Cost for Classic employees is 23.75% of pensionable pay in FY 2022-23 and the Classic UAL with pre-pay discount is a fixed dollar amount of \$22,394. The Employer Normal Cost for PEPRA employees is 12.78% in FY 2022-23 and the PEPRA UAL with pre-pay discount is \$2,110.
- Account 529 was increased by approximately \$117,450 to reflect the full Fiscal Year 2022-23 (through June 30, 2023) debt service for the Pension Obligation Bonds.
- Accounts 545, 546, 547, 548 (GASB 68/75) were removed from the operating budget. These standards only impact the accounting and financial reporting of pension obligations in the District's audit. Contribution rates and funding requirements are not impacted by this standard. Elimination of these four (4) accounts results in an expenditure reduction (savings) of \$396,800.
- Account 647 – Legal/Consulting was reduced from \$25,000 to \$10,000 resulting in budgetary savings of \$15,000.

- Account 825 – Board Continuing Ed/Conferences was reduced from \$12,500 to \$5,500 resulting in budgetary savings of \$7,000.

A complete list of the FY 2022-23 amendments are attached as an Exhibit to the Resolution authorizing these amendments.

While the FY 2022-23 budget amendment does not adjust the proposed capital budget, it is presented differently to help contextualize the available fund balance. As shown in the table below, the estimated available fund balance at June 30, 2023 (end of the current fiscal year) is approximately \$496,000 after accounting for obligations against fund balance including capital expenditures and reserve requirements. Importantly, District reserves at the end of FY 2022-23 are projected to be approximately \$1,500,000 or 35% of total operating expenditures.

General Fund Ending Fund Balance as of June 30, 2021 (Actual)	1,991,129
FY 2021-22 Results	
FY 2021-22 Operating Surplus / (Deficit) (Unaudited Actual)	584,589
FY 2021-22 Capital Expenditures	(103,402)
General Fund Ending Fund Balance as of June 30, 2022 (Estimate)	2,472,316
Adjustments	
FY 2022-23 Operating Surplus / (Deficit)	0
FY 2022-23 Capital Expenditures	(475,000)
General Fund Ending Fund Balance as of June 30, 2023 (Estimate)	1,997,316
Obligations Against Fund Balance	
<i>Reserve (951 - Reserve 5%)</i>	(214,200)
<i>Contingency (952 - Contingency 5%)</i>	(214,200)
<i>25% Reserve (982 - General Fund Reserve)</i>	(1,072,900)
<i>Sub-Total Obligations Against Fund Balance</i>	<i>(1,501,300)</i>
Total Projected Available Unassigned Fund Balance June 30, 2023	496,016

Fiscal Impact

The Fiscal Year (FY 2022-23) Budget Amendments result in total operating revenues of \$4,135,500 and operating expenditures of \$4,135,500, excluding capital. This budget, as proposed, is balanced. The FY 2022-23 amendments result in approximately \$496,000 in

available fund balance at the end of the fiscal year after accounting for the use of fund balance capital expenditures (\$475,000) and reserves (\$1,501,300). Total reserves are projected to be approximately 35% of operating expenditures. The budget will be regularly monitored and will include financial reporting to the Board of Directors.

Exhibit (s)

- Recommended Fiscal Year 2022/2023 Budget Amendments (Comprehensive)
- Resolution No. 2022 24 – Adopting Amended Budget for Fiscal Year 2022-23
- Adopted Budget June 30, 2022
- Resolution No. 2022 14 – Authorizing Adoption of the Budget for Fiscal Year 2022-23
- Resolution No. 2022 16 – Adopting the Budget for Fiscal Year 2022-23

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
2022-23 BUDGET AMENDMENTS

GENERAL FUND

	2020-21 Audited Actuals	2021-22		2022-23 Adopted Budget	Recommended Amendments	2022-23 Amended Budget	2022-23 Budget Amendments Narrative
		Unaudited Actuals					
REVENUE							
POLICE DEPARTMENT							
400 · Police Activities Revenue							
401 - Levy Tax - County 1% property	2,053,113	2,097,146	2,201,900	0	2,201,900		
402 · Special Tax-Police	685,710	685,710	720,000	0	720,000		
404 · Measure G Supplemental Tax Rev	598,396	621,207	652,300	0	652,300		
410 · Police Fees/Service Charges	12,082	1,250	12,000	0	12,000		
414 · POST Reimbursement	65,000	125,000	125,000	0	125,000		
415 · COPS Grants-Police	119,093	150,210	175,000	0	175,000		
418 · Reimbursements/Refunds	4,307	6,000	6,000	0	6,000		
Total 400 · Police Activities Revenue	3,537,701	3,686,523	3,892,200	0	3,892,200		
PARKS & RECREATION DEPARTMENT							
420 · Park/Rec Activities Revenue							
405 · Measure W Park Grant	2,486	158,358	150,000	(150,000)	0	Removed Measure W Park Grant Revenue	
424 · Special Tax-L&L	41,529	43,029	44,400	0	44,400		
427 · Community Center Revenue	1,450	31,038	57,700	0	57,700		
438 · Tennis Court Revenue	647	1,095	1,500	0	1,500		
439 · Contributions for Community Ctr	15,400	15,000	15,000	0	15,000		
Total 420 · Park/Rec Activities Revenue	61,512	248,519	268,600	(150,000)	118,600		
DISTRICT ADMINISTRATION							
440 · District Administration Revenue							
701 · Bond Proceeds	0	0	0	0	0		
456 · Interest-District	3,199	3,500	5,000	0	5,000		
458 · Misc District Revenue	500	8,742	9,700	0	9,700		
Total 440 · District Administration Revenue	3,699	12,242	14,700	0	14,700		
WASTE REMOVAL ADMINISTRATION							
460 · Waste Removal Revenue							
461 - Bay View Franchise Fee 7%	108,250	102,832	110,000	0	110,000		
Total 460- Waste Removal Revenue	108,250	102,832	110,000	0	110,000		
TOTAL REVENUE	3,711,163	4,050,116	4,285,500	(150,000)	4,135,500		

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
2022-23 BUDGET AMENDMENTS
GENERAL FUND

EXPENSE	2020-21 Audited	2021-22	2022-23	Recommended	2022-23	2022-23 Budget Amendments Narrative
	Actuals	Unaudited Actuals	Adopted Budget	Amendments	Amended Budget	
POLICE DEPARTMENT						
500 · Police Salaries and Benefits Expense						
502 · Salary - Officers	1,123,016	863,258	1,103,000	84,300	1,187,300	9.0 Sworn FTE; Vacancies @ Top Step; Adds longevity & incentives
506 · Overtime	91,631	166,773	200,000	(100,000)	100,000	Backfill overtime for vacancies will be offset by salary/benefits savings
508 · Salary - Non-Sworn	39,576	31,008	68,100	0	68,100	
509 · Hiring Bonus	0	15,273	20,000	0	20,000	
521-A · Medical/Vision/Dental-Active	147,038	114,393	113,500	59,200	172,700	Adds estimated cost for vacant positions.
521-R · Medical/Vision/Dental-Retired	180,107	178,215	167,600	(7,200)	160,400	Updated per most recent OPEB actuarial report.
521-T · Medical/Vision/Dental-Trust	151,304	247,036	0	89,817	89,817	As amended by the Board of Directors on 10/13/2022.
522 · Officer Life Insurance	5,482	6,682	8,400	1,700	10,100	Adds estimated cost for vacant positions.
523 · SocialSecurity/Medicare-Police	18,012	15,300	15,300	0	15,300	
524 · Social Security - District	104	10,666	11,600	0	11,600	
527 · PERS - District Portion	189,478	164,653	164,000	69,750	233,750	Adds estimated CalPERS costs for vacant positions & UAL payment per Actuarial Valuations
529 · Pension Obln Bond Payment	0	298,399	214,000	117,450	331,450	Adjusted POB Debt Service pursuant to debt service schedule
530 · Workers Comp	30,120	38,183	44,900	0	44,900	
545 - GASB 68 Deferred	0	0	(179,500)	179,500	0	These standards only impact the accounting and financial reporting of pension obligations.
546 - GASB 68 Current	0	0	846,050	(846,050)	0	These standards only impact the accounting and financial reporting of pension obligations.
547 - GASB 75 Deferred	0	0	(343,500)	343,500	0	These standards only impact the accounting and financial reporting of pension obligations.
548 - GASB 75 Current	0	0	73,650	(73,650)	0	These standards only impact the accounting and financial reporting of pension obligations.
502A - Salary Savings Offset (Vacancies)	0	0	0	(72,417)	(72,417)	As amended by the Board of Directors on 10/13/2022.
Total 500 · Police Sal & Ben	1,990,173	2,149,839	2,527,100	(154,100)	2,373,000	
550 · Police Operating Expense						
552 · Office Supplies and Exp	10,394	7,083	13,300	0	13,300	
553 · Police Equipment and Supplies	1,660	0	28,500	0	28,500	
554 · Traffic Safety	6,773	4,167	32,000	0	32,000	
560 · Crossing Guard	2,941	15,204	17,800	0	17,800	
561 · Fleet Expenses (combines vehicle exp 561,562,563)	16,226	83,256	91,500	0	91,500	
564 · IT and Communications	149,811	150,077	193,300	0	193,300	
568 · Evidence (prior Prisoner/Case Exp./Booking)	4,290	1,094.90	6,000	0	6,000	
570 · Training and Travel Exp	23,376	8,333	25,000	0	25,000	
571 · Records	641	11,579	6,000	0	6,000	
572 · Hiring	8,381	13,333	20,000	0	20,000	
574 · Reserve Officers	517	3,333	3,500	0	3,500	
576 · Dues and Subscriptions	2,294	1,333	5,000	0	5,000	
588 · Telephone	33,261	25,200	30,300	0	30,300	
591 · General Liability Insurance	29,021	31,893	42,100	0	42,100	
592 · Printing & Publications	3,121	4,583	9,200	0	9,200	
593 · Volunteer Programs	0	2,083	2,500	0	2,500	
594 · Community Events	2,341	2,500	5,000	0	5,000	
595 · Legal/Consulting - Police	6,190	20,833	9,000	0	9,000	
599 · Police Taxes Administration	3,015	3,351	5,500	0	5,500	
Total 550 · Other Police Expenses	304,255	389,238	545,500	0	545,500	
TOTAL POLICE DEPARTMENT EXPENSE	2,294,428	2,539,077	3,072,600	(154,100)	2,918,500	

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
2022-23 BUDGET AMENDMENTS

GENERAL FUND

	2020-21 Audited Actuals	2021-22		2022-23 Adopted Budget	Recommended Amendments	2022-23 Amended Budget	2022-23 Budget Amendments Narrative
		Unaudited Actuals					
PARKS & RECREATION DEPARTMENT							
600 · Park/Rec Sal & Ben							
601 · Park & Rec Administrator	0	0	41,500	0	41,500		
602 · Custodian/Cleaning Services	7,900	2,782	45,000	0	45,000		
623 · Social Security/Medicare - Dist	0	0	10,800	0	10,800		
Total 600 · Park/Rec Sal & Ben	7,900	2,782	97,300	0	97,300		
640 · Community Center Expenses							
641 · General Maintenance	889	2,727	3,000	0	3,000		
642 · Utilities-Community Center	7,965	17,891	19,500	0	19,500		
643 · Janitorial Supplies	574	750	1,200	0	1,200		
644 · Landscaping	5,518	12,627	13,000	0	13,000		
645 · General Liab./Workers Comp	6,432	9,003	3,500	0	3,500		
646 · Community Center Repairs	1,230	5,545	7,500	0	7,500		
647 · Legal/Consulting	0	0	25,000	(15,000)	10,000		As amended by the Board on 10/13/2022.
Total 640 · Community Center Expenses	31,646	48,544	72,700	(15,000)	57,700		
650 · Parks							
651 · General Maintenance	10,750	32,117	35,400	0	35,400		
652 · Repairs	3,455	11,859	12,000	0	12,000		
653 · Landscaping	22,928	54,982	55,000	0	55,000		
656 · Utilities	10,781	2,105	2,400	0	2,400		
657 · General Liab/Workers Comp	6,432	8,698	9,600	0	9,600		
658 · Levy Administration	2,244	8,559	9,500	0	9,500		
674 · Tennis Court Maintenance/Repair	21,500	1,500	500	0	500		
659 · Misc Park Expense	139	487	500	0	500		
Total 650 · Parks	78,227	120,308	124,900	0	124,900		
660 · Annex Expenses							
662 · Utilities - Annex	0	0	0	0	0		
665 · Annex General Maintenance	0	0	0	0	0		
666 · Annex Repairs	0	0	0	0	0		
667 · Annex Landscaping	2,975	0	0	0	0		
668 · Misc Annex Expenses	0	0	0	0	0		
669 · Misc Projects	2,000	0	0	0	0		
Total 660 · Annex Expenses	4,975	0	0	0	0		
TOTAL PARKS & REC DEPARTMENT EXPENSE	122,748	171,633	294,900	(15,000)	279,900		

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
2022-23 BUDGET AMENDMENTS

GENERAL FUND

	2020-21 Audited	2021-22	2022-23	Recommended	2022-23	2022-23 Budget Amendments Narrative
	Actuals	Unaudited Actuals	Adopted Budget	Amendments	Amended Budget	
<u>WASTE MANAGEMENT DEPARTMENT</u>						
701 - Waste Management Expense						
701 - Bay View Franchise Fees Paid to CCC	46,393	44,012	47,300	0	47,300	
702 - Waste Management Program Administration	0	1,200	3,000	0	3,000	
703 - Other Waste Management Expense	0	480	500	0	500	
701 - TOTAL WASTE MANAGEMENT DEPARTMENT EXPENSE	46,393	45,692	50,800	0	50,800	
<u>DISTRICT ADMINISTRATION</u>						
800 - District Administration Expenses						
807 - Salaries	15,084	308,030	384,200	0	384,200	
808 - Payroll Taxes	247,454	22,681	57,700	0	57,700	
809 - Benefits	19,414	43,500	50,500	0	50,500	
810 - IT Contract	15,443	22,231	27,800	0	27,800	
815 - Admin Communications	6,562	3,426	4,300	0	4,300	
816 - Office Supplies	1,399	1,263	1,600	0	1,600	
817 - Postage	493	522	700	0	700	
818 - Mileage Reimbursement	193	247	400	0	400	
819 - Dues/Subscriptions	7,397	8,435	10,600	0	10,600	
820 - Copier Contract	4,379	5,243	6,600	0	6,600	
825 - Board Continuing Ed/Conferences	3,076	3,053	12,500	(7,000)	5,500	As amended by the Board on 10/13/2022.
826 - Board Meetings	(937)	0	0	0	0	
830 - Legal (District/Personnel)	53,854	38,281	45,000	0	45,000	
831 - Training and Travel (District Admin Personnel)	0	0	6,500	0	6,500	
835 - Consulting	44,150	24,321	35,000	0	35,000	
840 - Accounting/Audit	92,200	89,735	75,000	0	75,000	
850 - Insurance	24,309	34,793	31,900	0	31,900	
851 - Workers Comp	9,402	4,600	4,500	0	4,500	
860 - Election	4,991	0	7,500	0	7,500	
861 - LAFCO	1,729	1,811	2,100	0	2,100	
865 - Police Bldg. Lease	36,603	39,931	48,000	0	48,000	
866 - Bldg Maint/Repair	0	0	3,500	0	3,500	
867 - Utilities	0	0	13,500	0	13,500	
868 - Janitorial	0	0	7,200	0	7,200	
870 - County Expenditures	22,696	24,393	25,000	0	25,000	
891 - COVID	7,198	1,356	0	0	0	
898 - Other Expenses	6,790	757	1,000	0	1,000	
800 - TOTAL DISTRICT ADMINISTRATION EXPENSE	623,879	678,608	862,600	(7,000)	855,600	
TOTAL ALL DEPARTMENT EXPENSE	3,087,448	3,435,011	4,280,900	(176,100)	4,104,800	
<u>DEBT EXPENSE</u>						
700 - Bond Issue & Debt Expense						
710 - Bond Administration	8,625	0	0	0	0	
720 - Bond Principal	150,662	0	0	0	0	
730 - Bond Interest	3,202	0	0	0	0	
731 - POB Interest	177,989	0	0	0	0	
975 - Community Center Renovation Loan	30,517	30,517	30,600	0	30,600	
988 - Cost of Debt Issuance	0	0	0	0	0	
Total 700 - TOTAL DEBT EXPENSE	370,995	30,517	30,600	0	30,600	
TOTAL REVENUE	3,711,163	4,050,116	4,285,500	(150,000)	4,135,500	
TOTAL EXPENSE	3,458,443	3,465,528	4,311,500	(176,100)	4,135,500	
Operating Surplus / (Deficit)	252,720	584,589	(26,000)	26,100	0	

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
2022-23 BUDGET AMENDMENTS

GENERAL FUND

	2020-21 Audited	2021-22	2022-23	Recommended	2022-23	2022-23 Budget Amendments Narrative
	Actuals	Unaudited Actuals	Adopted Budget	Amendments	Amended Budget	
CAPITAL PROJECTS						
950 - Capital Outlay						
951 - Reserve 5%	0	0	214,200	(214,200)	0	Reflecting reserves as an obligation against available fund balance. See below.
952 - Contingency 5%	0	0	214,200	(214,200)	0	Reflecting reserves as an obligation against available fund balance. See below.
963 - Patrol Car Accessories	213	0	15,000	0	15,000	
965 - Personal Police Equipment-Asset	10,090	0	15,000	0	15,000	
966 - Police Traffic Equipment	0	0	25,000	0	25,000	
967 - Station Equipment	0	0	50,000	0	50,000	
968 - Office Furn/Eq	1,225	462	50,000	0	50,000	
969 - Computer Equipment	6,965	17,380	25,000	0	25,000	
970 - Upgrade Phone System	0	0	25,000	0	25,000	
971 - Park Land	0	0	0	0	0	
972 - Park Buildings Improvement	0	4,240	95,000	0	95,000	
974 - Other Park Improvements	0	26,806	50,000	0	50,000	
978 - Pk/Rec Furn/Eq	0	0	25,000	0	25,000	
982 - General Fund Reserve	0	27,258	2,100,000	(2,100,000)	0	Reflecting reserves as an obligation against available fund balance. See below.
983 - Buidling Temporary Relocation	0	27,256	100,000	0	100,000	
Total 950 - TOTAL CAPITAL PROJECTS EXPENSE	18,493	103,402	3,003,400	(2,528,400)	475,000	
General Fund Ending Fund Balance as of June 30, 2021 (Actual)					1,991,129	
FY 2021-22 Results						
FY 2021-22 Operating Surplus / (Deficit) (Unaudited Actual)					584,589	
FY 2021-22 Capital Expenditures					(103,402)	
General Fund Ending Fund Balance as of June 30, 2022 (Estimate)					2,472,316	
Adjustments						
FY 2022-23 Operating Surplus / (Deficit)					0	
FY 2022-23 Capital Expenditures					(475,000)	
General Fund Ending Fund Balance as of June 30, 2023 (Estimate)					1,997,316	
Obligations Against Fund Balance						
Reserve (951 - Reserve 5%)					(214,200)	
Contingency (952 - Contingency 5%)					(214,200)	
25% Reserve (982 - General Fund Reserve)					(1,072,900)	
Sub-Total Obligations Against Fund Balance					(1,501,300)	
Total Projected Available Unassigned Fund Balance June 30, 2023					496,016	