

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE MEETING MINUTES

DRAFT

Via Teleconference
Tuesday, June 2, 2020
1:00 p.m.

1. Call to Order/Roll Call.

Committee Chair Chris Deppe called to order the Finance Committee meeting at 1:13 p.m. Committee Members present at roll call included: Director Rachelle Sherris-Watt, Jim Watt, and Mike Logan. Finance Committee Member Karl Kruger joined the meeting at 2:05 p.m. and Committee Member Rob Firmin was absent.

Staff present included: Interim General Manager Bill Lindsay, Interim Chief of Police Walt Schuld, District Finance and Business Manager Katherine Korsak, and District Clerk of the Board Lynelle M. Lewis.

2. Public Comment.

None.

3. Approve Meeting Minutes of May 5, 2020.

Committee Chair Deppe announced that the May 5th Finance Committee Meeting Minutes were presented for consideration and approval. Director Sherris-Watt noted that a spelling correction was needed to the name of Lynn Wolter (not “Wolters”).

- Motion by Director Sherris-Watt, seconded by Committee Member Mike Logan, to approve the Finance Committee Minutes of May 5th with correction, carried (4-0) by the following roll call vote: AYES – Rachelle Sherris-Watt, Mike Logan, Jim Watt, and Chris Deppe; NOES – None; and ABSENT – Karl Kruger and Rob Firmin.

4. Review the 2020-21 Preliminary Budget and Consider Recommendations to the Board of Directors.

District Finance and Business Manager Katherine Korsak summarized the Revenue and Expense Report which listed actuals through May 30, 2020 and projections through June 30, 2020. She also summarized the 2020-21 Preliminary Budget and pointed out that income is allocated across all three departments more evenly. The Police Department will receive 63% of the General Levy Tax, account 401, plus all the designated police income accounts 402-418. The Parks and Recreation Department will receive 6% of the General Levy Tax, account 401, and income accounts 424 and 427. The District Administration Department will receive 31% of the General Levy Tax, account 401, plus account 456. Ms. Korsak reported that to create more transparency around actual expenses, the Chart of Accounts was expanded, and some shared expenses were allocated across all departments.

- The following persons addressed the Committee: 1) Lynn Wolter commented on the budget, accounts for temporary staff costs, Sloan & Sakai invoices, and legal expenses; and 2) David Spath commented that the police overtime projection is low.

Committee Member Jim Watt asked about the budget projection for police grants. Mr. Watt pointed out that budgeted numbers were missing under the June 20 Projected column, and this would significantly change the operating surplus/shortfall total. Ms. Korsak said she would make that correction. He questioned police staffing levels, overtime costs, police vehicle costs, CalPERS costs, lack of funds for temporary relocation of staff from the Public Safety Building (PSB), and funds to renovate the Annex. Mr. Watt asked for information on the unfunded reserve account and said that unless there is sufficient money in that account, he could not approve budget. Committee Member Karl Kruger commented that the budget document is missing a narrative, that it should include a balance sheet, and it needs salaries for all officers. He also commented that overtime should be reviewed, along with increased legal fees, and consultant costs. He asked what happened to interest income (account 456) between 2017 and 2020. Mr. Kruger said that the budget should account for PSB costs.

Director Sherris-Watt commented that she liked shifting the expenses into three areas of responsibility. She recommended that staff provide a budget narrative that includes assumptions. She noted that the budget did not include funds for the Annex renovation or relocation of staff from the PSB. Chair Deppe recommended that he, Director Sherris-Watt, and Interim General Manager Lindsay develop a proposal for the Annex to consider at the next meeting. Following input from the Committee, Interim General Manager Bill Lindsay said staff would compile list of comments and concerns and include them with the agenda report going to the Board.

Next, Ms. Korsak reported that she had received the draft audit and anticipates presenting it to the Committee soon. Next, she provided a financial status update on the Kensington Community Center. Director Sherris-Watt pointed out that shades had been installed so the \$14,000 costs for this item should be deducted. She noted that the work on the Center should be completed by the end of June.

It was moved by Director Sherris-Watt, seconded by Committee Member Kruger, that the Finance Committee recommend consideration of the Fiscal Year 2020-21 Budget to the Board with the following recommendations: provide a report of cash on hand, provide a budget narrative, include funds to meet costs for relocating the police from the PSB to the Annex, and provide information on cash reserves. The motion carried (4-1) by the following roll call vote: AYES – Mike Logan, Rachelle Sherris-Watt, Karl Kruger, and Chris Depp; and NOES – Jim Watt.

5. Discuss and Determine Date and Time for the Next Finance Committee Meeting.

The next Finance Committee meeting was tentatively scheduled for Tuesday, July 7, 2020.

Adjournment

Chair Deppe adjourned the meeting at 3:21 p.m.

SUBMITTED BY:

Lynelle M. Lewis, District Clerk of the Board

APPROVED: July 7, 2020

Bill Lindsay, Interim General Manager

Chris Deppe, President of the Board