

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*

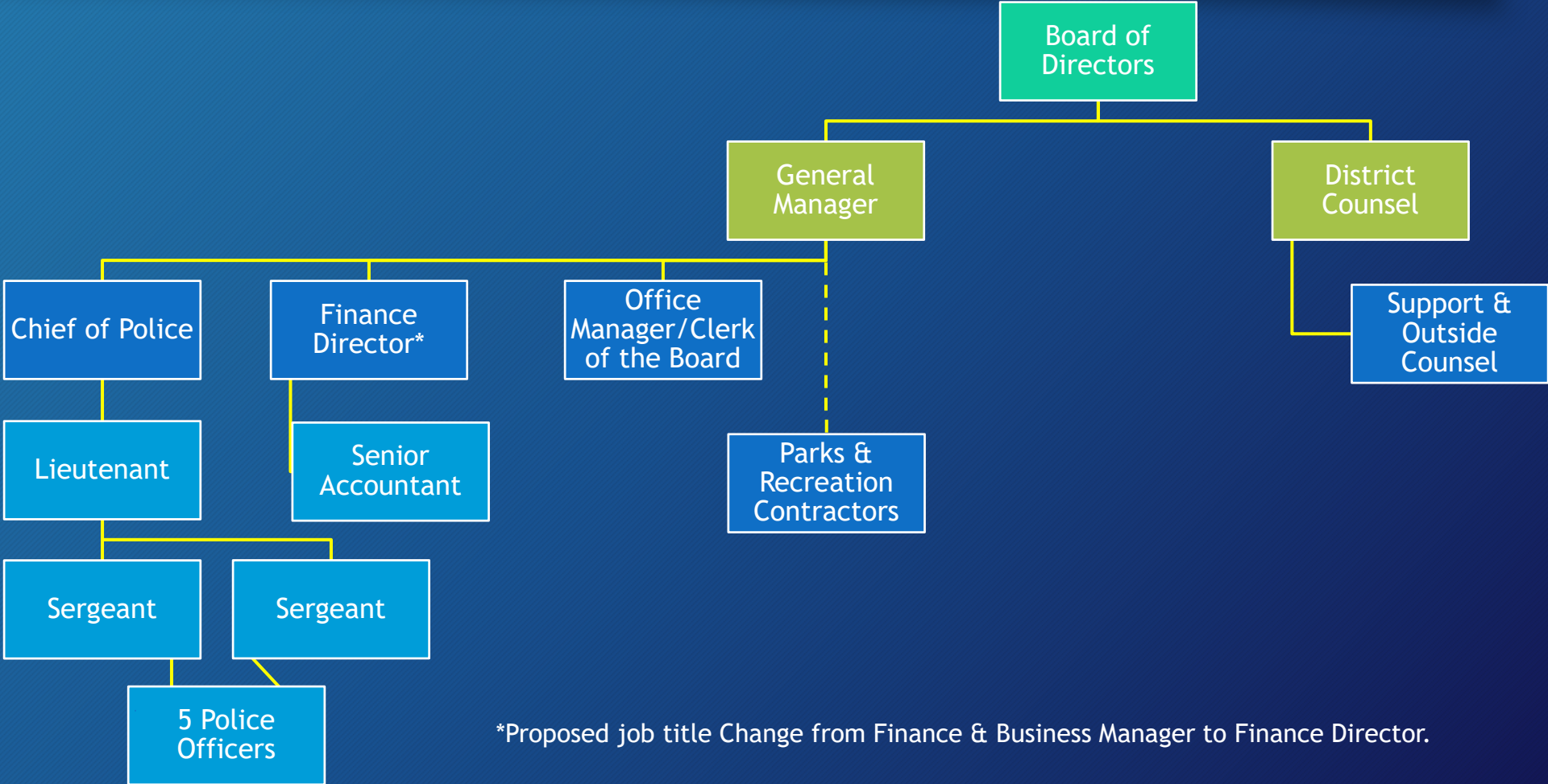
Title	Hours per Week	Total Cost per Year
General Manager	30	\$162,749
Finance Director	20	\$66,743
Office Manager/ Clerk of the Board	40	\$106,233
Senior Accountant	40	\$106,233
Police Lieutenant	40	\$157,336
TOTAL		\$599,294

*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

