

## KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

### BOARD OF DIRECTORS MEETING

JUNE 13, 2019

#### ITEM 10.1.i

### **RESOLUTION (2019-08) OF THE BOARD OF DIRECTORS OF THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT ADOPTING THE BUDGET FOR FISCAL YEAR 2019-20 AND AUTHORIZING THE ESTABLISHMENT OF A CAPITAL FUND FOR THE COMMUNITY CENTER RENOVATION PROJECT**

#### **BACKGROUND**

The Board of Directors annually adopts a spending plan for operating and capital costs for the coming fiscal year. Over the past several months, staff has developed a Proposed Budget for the fiscal year beginning July 1, 2019. The Fiscal Year 2019-20 Proposed Budget projects revenue of \$3,428,730 to fund operating and capital costs of \$3,415,159.

#### Revenue

The District's main source of revenue is property tax revenue. It is anticipated that the general tax levy will generate \$1,941,000, with an additional \$682,000 from the Special Police Tax and \$588,400 from the Measure G Supplemental Tax. Overall, tax revenue is expected to account for 94 percent of District revenue for Fiscal Year 2019-20. The remaining sources of revenue include anticipated grant funding (\$100,000), franchise fee revenue (\$51,430), assessment district revenue (\$39,000), interest earnings (\$15,200) and miscellaneous other revenue totaling \$11,700.

#### Operating Expenditures

District operating expenses for Fiscal Year 2019-20 are projected to be \$3,383,042. Of this amount, \$2,603,545 (77 percent) will fund police activities, \$126,134 (4 percent) will fund parks and recreations activities with the remaining \$653,363 (19 percent) is allocated to general district administration activities.

#### Capital Expenditures

The Fiscal Year 2019-20 Proposed Budget includes a total of \$32,117 in capital expenses. The items to be funded include the purchase of computer risk modeling software (\$1,500) and the annual payment on the loan for the Community Center Renovation Project (\$30,617).

#### Community Center Renovation Project

A contract for the Community Center Renovation Project has been awarded and it is anticipated that this project will be completed during the 2019-20 fiscal year. The budget resolution authorizes the establishment of a Capital Fund for tracking the costs associated with this project and also authorizes transferring the funds currently allocated from

General Fund reserves and donations (estimated to be \$1,329,900 at June 30, 2019) to the Capital Fund. The proceeds of the debt financing for this project (\$250,000) will also be allocated to the Capital Fund.

The Finance Committee reviewed the Proposed Budget in detail on May 2 and June 4, 2019. The Finance Committee recommended adoption of the Budget by the Board of Directors.

**RECOMMENDATION:**

1. Discuss and receive comments;
2. Adopt Resolution 2019-08

**FISCAL IMPACT:** Anticipated General Fund revenue of \$3,428,730 and expenditures of \$3,415,159. The budget also projects the expenditure of \$1,761,670 from the Capital Fund for the Community Center Renovation Project.

**ATTACHMENTS:**

Proposed Budget – Fiscal Year 2019-20  
Resolution 2019-08

**SUBMITTED BY:** Anthony Constantouros, General Manager