



## KENSINGTON FIRE PROTECTION DISTRICT

**DATE:** June 8, 2022

**TO:** Board of Directors  
Kensington Fire Protection District

**RE:** **Agenda Item 05c**  
Preliminary FY2022-2023 Budget

**SUBMITTED BY:** Bill Hansell, General Manager

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### Recommended Action

Approve Resolution 2022-11 Preliminary FY2022-2023 Budget

### Background

The attached Preliminary FY2022-2023 Budget is presented for approval. The budget estimates revenues of **\$5,064,252** and operations expenditures of **\$4,804,304**, resulting in a net increase of **\$259,948**. This supplement to the district's general fund will be offset by the continuation of CIP expenditures for the Public Safety Building Seismic Renovation and associated costs. Prior analysis by NHA Advisors established that the district can continue to meet its operational needs, emergency reserves, and rolling-stock reserves by supplementing its existing CIP funds with a partial building loan. NHA Advisors analyzed the district's cash flow and fund balances, and the loan's annual debt service will not diminish the non-building reserve amounts nor require any revenue increases. Additionally, the investment in the seismic upgrade will substantially reduce the risk to the district and improve the station's ability to provide emergency services in case of a catastrophic event.

The unreconciled EOY 2021-2022 Fund Balances are listed on the final page of the budget showing total reserves as of July 1<sup>st</sup>, 2022 of **\$9,750,330**. This does not include the net OPEB asset which the district maintains in a separate trust for ongoing OPEB liabilities. Those costs remain more than fully funded. The next Actuarial Report is pending but the prior report listed an asset of **\$420,105**.



**RESOLUTION 2022-11**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON FIRE PROTECTION DISTRICT ADOPTING THE PRELIMINARY COMBINED REVENUE, OPERATING EXPENSE, AND CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEAR 2022-2023**

**WHEREAS**, the Board of Directors of the Kensington Fire Protection District has approved or otherwise established the preliminary annual fee for services from the City of El Cerrito for Fiscal Year 2022-2023; and

**WHEREAS**, the preliminary combined budget was reviewed by the Finance Committee at the May 25, 2022 public meeting; and

**WHEREAS**, a final Revenue, Operating Expense and Capital Improvement Budget shall be approved by the Board of Directors of the Kensington Fire Protection District by the statutory required date of October 1, 2022;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors hereby adopts the Preliminary Combined Revenue, Operating Expense and Capital Improvement Budget with its associated schedules for Fiscal Year 2022-2023 which is attached to and made part of this resolution.

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The foregoing resolution was duly adopted at a regular meeting of the Kensington Fire Protection District on the 8<sup>th</sup> day of June 2022 by the following vote of the Board.

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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**Larry Nagel, President**

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**Janice Kosel, Secretary**

	FY2021 Actual	FY2022 Budget	FY2022 Projected	FY2023 Budget	FY2023 Budget Notes:	% of FY2022
<b>REVENUES</b>						
Property Taxes	4,525,850	4,595,532	4,642,753	4,739,500	See Tax Revenue History Supplement	102.1%
Special Taxes	200,686	200,686	200,719	200,752	See Tax Revenue History Supplement	100.0%
Other Taxes (HOPTR)	24,687	24,000	24,000	24,000		100.0%
Lease Income	36,549	27,450	36,300	0		0.0%
Investment Income	32,087	30,000	26,500	20,000	Review investment options v. cashflow	75.5%
CERBT Disbursement		80,000	81,190	80,000		98.5%
Other Revenues	84,213	0	428,441	0	Covid State Funding FY2022 Only	0.0%
Grant Revenue	0	0	0	0		
<b>Total Revenues</b>	<b>4,904,072</b>	<b>4,957,668</b>	<b>5,439,903</b>	<b>5,064,252</b>		<b>93.1%</b>
<b>EXPENDITURES (Operations)</b>						
Office Wages & Related						
Regular Wages		160,000	130,086	130,000		99.9%
Longevity Pay		0	0	0	Not Provided by District	
Overtime Wages		0	0	0	Not Provided by District	
Vacation/Holiday/Sick Wages		9,500	21,665	21,665	90hrs Vac + 69hrs Hol + 42hrs Sick	100.0%
Medical/dental ins compensation		12,000	12,000	12,000	Fixed \$1,000 per month	100.0%
Retirement Contribution		0	0	0	Not Provided by District	
Payroll Taxes		14,000	12,434	12,500		100.5%
Workers Compensation/Life Ins		759	576	650		112.8%
Payroll Processing		2,300	2,300	2,500		108.7%
<b>Total Office Wages &amp; Related</b>	<b>185,137</b>	<b>198,559</b>	<b>179,061</b>	<b>179,315</b>		<b>100.1%</b>
Retiree Medical Benefits						
PERS Medical		70,000	65,928	72,500		
Delta Dental		13,500	11,385	14,000		
Vision Care		3,900	3,877	4,100		
CalPERS Settlement	24,044	12,377	11,425	7,616	Final Payoff Balance	66.7%
<b>Total Retiree Medical Benefits</b>	<b>24,044</b>	<b>99,777</b>	<b>92,615</b>	<b>98,216</b>		<b>106.0%</b>
Outside Professional Services						
Accounting		36,000	36,000	36,000	Negotiated max with Maze	100.0%
Actuarial Valuation		5,600	3,000	5,600		186.7%
Audit		17,500	16,000	16,000		100.0%
Bank Fees		0	25	25		100.0%
Contra Costa County Expenses	34,142	35,000	37,000	38,000		102.7%
EI Cerrito Contract Fee	3,229,643	3,525,860	3,525,860	3,843,483	See EC Fire Contract Proposal	109.0%
EI Cerrito Reconciliation(s)	298,738	191,060	191,060	123,165	See EC Fire Contract Proposal	64.5%
IT Services and Equipment		12,000	23	15,000	System relocation; Hybrid Mtg Equip	65847.2%
Fire Abatement Contract	2,450	5,000	0	5,000	Pending property inspection results	
Fire Engineer Plan Review		3,000	688	3,000	Pending fee schedule to reimburse	436.0%
Risk Management Insurance	64,529	14,420	17,240	19,000		110.2%
LAFCO Fees	4,254	4,254	4,254	5,000		117.5%
Legal Fees		24,000	10,000	20,000	Budget \$1.7K/mo. Avg	200.0%

	FY2021 Actual	FY2022 Budget	FY2022 Projected	FY2023 Budget	FY2023 Budget Notes:	% of FY2022
Professional Fees	168,640	0	0	0		
Operational Consultant		0	0	0		
Recruitment		0	0	0		
Temporary Services		0	0	0		
Water System Improvements		10,000	0	10,000	Chief's Discretion	
Website Development/Maintenance		2,750	3,928	4,500		114.6%
Wildland Vegetation Mgmt	6,500	7,600	0	7,600	Chief's Discretion	
Other Outside Professional Services		0	0	0		
Emergency Preparedness Coordinator		100,000	100,000	105,200	Board Approved Proposal	105.2%
Grant Writer/Coordinator		50,000	6,548	50,000	Grant writer + Support consultant	763.7%
Nixle (Everbridge) Fees		3,183	3,183	4,000		125.7%
Long-Term Financial Planner		30,000	30,000	5,000	For plan updates as needed	16.7%
<b>Total Outside Professional Services</b>	<b>3,808,896</b>	<b>4,077,227</b>	<b>3,984,808</b>	<b>4,315,573</b>		<b>108.3%</b>
<b>Community Service Activities</b>						
Public Education (Emergency Prep)	3,100	28,649	24,000	30,000		125.0%
EP Coord Expense Account		1,000	0	1,000		
Comm. Pharmaceutical Drop-Off		470	2,500	2,500		100.0%
CERT Emerg Kits/Sheds/Prep		3,532	0	4,000	Replace expired emergency kits	
Open Houses		1,800	0	1,800		
Community Shredder		4,465	5,000	5,000		100.0%
DFSC Matching Grants	24,000	0	0	0	DFSC not accepting matching grants	
Firesafe Planting Grants		3,000	1,700	25,000	Board approved EPC amount	1470.6%
Demonstration Garden		0	0	0		
Community Sandbags		1,729	1,729	1,900		109.9%
Volunteer Appreciation		0	0	500		
Community Service - Other	30,950	0	483	500		103.5%
<b>Total Community Service Activities</b>	<b>58,050</b>	<b>44,645</b>	<b>35,412</b>	<b>72,200</b>		<b>203.9%</b>
<b>District Activities</b>						
Professional Development		10,000	3,324	10,000		300.9%
Election	4,991	0	0	7,500	CCC to verify	
Firefighter's Apparel & PPE	1,187	2,000	810	2,000	Chief's Discretion	246.8%
Firefighters' Expenses		13,300	9,141	30,000	Chief's Discretion	
Staff Appreciation	1,247	3,000	93	3,000		3208.9%
Memberships	7,853	8,720	7,615	9,000		118.2%
<b>Total District Activities</b>	<b>15,278</b>	<b>37,020</b>	<b>20,983</b>	<b>61,500</b>		<b>293.1%</b>
<b>Office</b>						
Office Expense	7,444	5,000	3,500	5,000		142.9%
Office Supplies		2,000	1,000	2,000		200.0%
Telephone		7,800	7,500	8,000		106.7%
Office- Other		318	318	500		157.2%
Office - Other		64	64	0		0.0%
<b>Total Office</b>	<b>7,444</b>	<b>15,182</b>	<b>12,382</b>	<b>15,500</b>		<b>125.2%</b>

	FY2021 Actual	FY2022 Budget	FY2022 Projected	FY2023 Budget	FY2023 Budget Notes:	% of FY2022
Building Maintenance						
Gardening service		5,000	4,000	4,000		100.0%
Building alarm		1,500	1,500	1,500		100.0%
Medical Waste Disposal		7,500	6,500	7,500		115.4%
Janitorial Service		1,400	2,000	2,000		100.0%
Miscellaneous Maint.		25,000	1,601	5,000		312.3%
Total Building Maintenance	62,722	40,400	15,601	20,000		128.2%
Building Utilities/Service						
Gas and Electric		12,500	12,500	13,000		104.0%
Water/Sewer		3,000	4,000	4,000		100.0%
Bldg Utilities/Services - Other		0				
Total Building Utilities/Service	0	15,500	16,500	17,000		103.0%
Contingency						
General		25,000	0	25,000		
Contingency - Other	0	0	0	0		
Total Contingency	0	25,000	0	25,000		
<b>Total Expenditures (Operations)</b>	<b>4,161,571</b>	<b>4,553,310</b>	<b>4,357,362</b>	<b>4,804,304</b>		<b>110.3%</b>
<b>REVENUE - EXPENDITURES (Operations)</b>	<b>742,501</b>	<b>404,358</b>	<b>1,082,541</b>	<b>259,948</b>		<b>24.0%</b>
<b>EXPENDITURES (Capital)</b>						
Capital Outlay (PSB Renovation Soft Costs)	0	484,252	430,000	80,000	Design Consultants + Permit Fees	18.6%
Capital Outlay (PSB Renovation Hard Costs)	0	0	0		Pending public bid on 06/20/2022	
Capital Outlay (Temp Facilities Soft Costs)	0	130,000	50,000	40,000	Design Consultants + Permit Fees	80.0%
Capital Outlay (Temp Facilities Rental Costs)	0	0	0	44,868	Parking Lot (\$1,300/mo) + EC Modular Sublet (\$2,439/mo)	
Capital Outlay (Temp Facilities Hard Costs)	0	0	0		Pending public bid on 07/01/2022	
Capital Outlay (Equip & Furniture)	0	0	0	0	None planned for FY2022-2023	
Capital Outlay (Rolling Stock)	0	0	0	0	None planned for FY2022-2023	
Total Expenditures (Capital)	566,845	614,252	480,000	164,868	Actual total pending bids	
<b>EXPENDITURES (Annual Debt Service)</b>	<b>0</b>	<b>0</b>	<b>0</b>		Debt Service Amount Pending Loan	
<b>EXPENDITURES TOTAL (Ops, CIP, Debt)</b>	<b>4,728,416</b>	<b>5,167,562</b>	<b>4,837,362</b>	<b>4,969,172</b>		<b>102.72%</b>
<b>FUND BALANCE INCREASE OR (DECREASE)</b>	<b>175,656</b>	<b>-209,894</b>	<b>602,541</b>			

	FY2021 Actual	FY2022 Budget	FY2022 Projected	FY2023 Budget	FY2023 Budget Notes:	% of FY2022
<b>FUND BALANCES (End of Year):</b>	6/30/2021	6/30/2022	6/30/2022	6/30/2023		
CC County Funds:						
General Fund 300700	5,176,904		8,052,810			
Fire Special Tax Fund 300900	409,440		208,190			
Capital Reserve Fund 303100	3,821,952		1,489,330		Bldg Loan Revenue Added Here	
Mechanics Bank Checking Account						
<b>TOTAL FUND BALANCE</b>	<b>9,408,296</b>		<b>9,750,330</b>		Balances pending County EOY report	
<b>OPEB Balance:</b>						
<b>OPEB Asset</b>	1,459,931		1,425,669		Pending new actuarial report	
<b>OPEB Liability</b>	1,072,175		1,005,564		Pending new actuarial report	
<b>Net OPEB: Liability/(Asset)</b>	(387,756)		(420,105)		Liability more than 100% funded	

**Kensington Fire Protection District  
Tax Revenue History**

<b>FY</b>	<b>Property Taxes</b>	<b>Special Taxes</b>	<b>Total Taxes</b>	<b>Change Over Prior</b>
<i>Budget Year: Estimated</i>				
<b>2023</b>	<b>\$4,739,500</b>	<b>\$200,752</b>	<b>\$4,940,252</b>	<b>102.00%</b>
<i>Current Year: Projected</i>				
<b>2022</b>	<b>\$4,642,753</b>	<b>\$200,719</b>	<b>\$4,843,472</b>	<b>102.47%</b>
<i>Prior Years: Audited</i>				
<b>2021</b>	<b>\$4,525,850</b>	<b>\$200,686</b>	<b>\$4,726,536</b>	<b>104.20%</b>
<b>2020</b>	<b>\$4,335,438</b>	<b>\$200,653</b>	<b>\$4,536,091</b>	<b>104.82%</b>
<b>2019</b>	<b>\$4,126,850</b>	<b>\$200,453</b>	<b>\$4,327,303</b>	<b>105.80%</b>
<b>2018</b>	<b>\$3,889,704</b>	<b>\$200,395</b>	<b>\$4,090,099</b>	<b>104.46%</b>
<b>2017</b>	<b>\$3,715,003</b>	<b>\$200,287</b>	<b>\$3,915,290</b>	<b>107.37%</b>
<b>2016</b>	<b>\$3,446,307</b>	<b>\$200,345</b>	<b>\$3,646,652</b>	<b>114.59%</b>
<b>2015</b>	<b>\$2,982,110</b>	<b>\$200,346</b>	<b>\$3,182,456</b>	<b>100.00%</b>
<b>2014</b>	<b>\$2,982,113</b>	<b>\$200,428</b>	<b>\$3,182,541</b>	<b>107.27%</b>
<b>2013</b>	<b>\$2,766,585</b>	<b>\$200,395</b>	<b>\$2,966,980</b>	<b>98.91%</b>
<b>2012</b>	<b>\$2,799,582</b>	<b>\$200,196</b>	<b>\$2,999,778</b>	<b>100.49%</b>
<b>2011</b>	<b>\$2,784,872</b>	<b>\$200,221</b>	<b>\$2,985,093</b>	<b>109.54%</b>
<b>2010</b>	<b>\$2,725,229</b>	<b>-</b>	<b>\$2,725,229</b>	<b>-</b>