

**RESOLUTION 21-03**

**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 2021-2022**

**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 2021-2022; and

**WHEREAS**, the preliminary combined budget was reviewed by the Finance Committee at the May 21, 2021 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, 2021;

**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 2021-2022 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 9th day of June 2021 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**



## KENSINGTON FIRE PROTECTION DISTRICT

**DATE:** June 9, 2021

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

**RE:** **Agenda Item 04c**  
Preliminary FY2021-2022 Budget

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

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### Recommended Action

Approve Resolution 21-03 Preliminary FY2021-2022 Budget

### Background

The attached Preliminary FY2021-2022 Budget is presented for approval. The budget estimates revenues of **\$4,852,153**, expenses of **\$4,458,706**, and a net increase in the fund balance of **\$393,447**.

The columns detail the reporting of the FY2020 Actuals, as confirmed by the previously approved audit; the FY2021 Budget, as most recently amended; the FY2021 Projected figures based on projections from the May 12<sup>th</sup>, 2021 County financial report with some additional updates from the May 31<sup>st</sup>, 2021 expense report; and the proposed FY2022 Budget amounts. The Notes column identifies line-item assumptions, clarifications, or other relevant info.

On page 2 of 4, please note the *Emergency Preparedness Coordinator* and *Grant Writer* consultants that were approved in March and are pending RFP selection. Some interviews will have taken place by the time of the Board meeting but proposed contracts will not be presented until the July 14<sup>th</sup>, 2021 meeting. A line-item for Long-Term Financial Planner has also been included with a preliminary amount. A Financial Planner will be very helpful in assessing the pending capital expenditures so the board and public are fully informed of funding options and their long-term impact. I am in the process of collecting proposals and will report on that process next month, as well.

Per the recommendations of the auditor, I have sub-categorized capital outlays. There are line-items for the PSB Renovation, the Temporary Facilities, Equipment & Furniture, and Rolling Stock. This will allow greater transparency in how expenditures are made on those individual items while still categorizing them together in the budget. Please note that "Soft Costs" are for services such as architecture, engineering, permitting, etc., while "Hard Costs" are for the actual General Contractor and Sub-Contractor expenses.

Finally, our County Fund Balances as of the May 12<sup>th</sup>, 2021 County Financial Report are included. The FY2021 Projected amounts require reconciliation for the final days of the year and will be revised accordingly during the Fall audit. Balances are not projected yet for FY2022, but will be included in the September final budget adoption based on renovation price models.

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget	FY2022 Budget Notes:	% of Prior Year
<b>REVENUES</b>						
Property Taxes	4,335,438	4,469,616	4,463,000	4,507,630	1% increase	101.00%
Special Taxes	200,653	200,686	200,636	200,636	Hold	100.00%
Other Taxes (HOPTR)	25,220	25,250	12,437	12,437	Hold	100.00%
Lease Income	36,603	36,603	36,603	27,450	\$3,050 x (9) mos pre-renovation	74.99%
Salary Reimbursement Income	22,761	0	0	0	N/A	
Salary Reimbursement Reconciliation	662	0	0	0	N/A	
Investment Income	128,365	121,800	104,000	104,000	Hold	100.00%
Other Revenues	1,610	0	75,714		Engine Sale in FY2021	
<b>Total Revenues</b>	<b>4,751,312</b>	<b>4,853,955</b>	<b>4,892,389</b>	<b>4,852,153</b>		<b>99.18%</b>
<b>EXPENDITURES (Operations)</b>						
Office Wages & Related						
Wages	50,725	155,892	160,332	169,130	+3.8% CPI per contract in Nov 2021	105.49%
Longevity Pay	1,000	0	0	0	N/A	
Overtime Wages	5,327	0	0	0	N/A	
Vacation Wages	12,171	0	0	0	N/A	
Medical/dental ins compensation	3,920	6,000	6,000	12,000	\$1K per month (GM Contract)	200.00%
Retirement Contribution	2,622	0	0	0	N/A	
Payroll Taxes	6,015	12,151	13,987	14,000	Reviewed by Maze	100.09%
Workers Compensation/Life Ins	1,498	1,900	1,900	1,900		100.00%
Payroll Processing	1,150	1,670	1,869	1,900	Heartland Payroll	101.66%
<b>Total Office Wages &amp; Related</b>	<b>84,428</b>	<b>177,613</b>	<b>184,088</b>	<b>198,930</b>		<b>108.06%</b>
Retiree Medical Benefits						
PERS Medical	0	0	0	0	N/A	
Delta Dental	0	0	0	0	N/A	
Vision Care	0	0	0	0	N/A	
CalPERS Settlement	12,377	11,425	11,425	11,425	Hold	100.00%
<b>Total Retiree Medical Benefits</b>	<b>12,377</b>	<b>11,425</b>	<b>11,425</b>	<b>11,425</b>		<b>100.00%</b>
Outside Professional Services						
Accounting	5,904	33,600	48,000	42,000	Pending estimate	87.50%
Actuarial Valuation	2,900	5,600	5,600	5,600	Verify w/CERBT/OPEB	100.00%
Audit	16,000	17,500	17,500	17,500	Hold	100.00%
Bank Fees	25	0	0	0		
Contra Costa County Expenses	36,678	38,759	38,759	38,759		100.00%
El Cerrito Contract Fee	3,033,275	3,229,643	3,229,643	3,525,860	As proposed by E.C.	109.17%
El Cerrito Reconciliation(s)	116,571	288,532	288,532	191,060	As proposed by E.C.	66.22%
IT Services and Equipment	18,439	17,480	10,000	10,000	Hold	100.00%
Fire Abatement Contract	0	2,450	2,450	5,000	Recommendation by Chief	204.08%
Fire Engineer Plan Review	1,234	2,060	2,060	3,000	Recommendation by Chief	145.63%
RGS Contract	195,107	0	0	0	N/A	
Risk Management Insurance	12,561	14,420	14,420	14,420	Hold	100.00%
LAFCO Fees	2,548	2,294	2,294	2,500		108.98%
Legal Fees	67,494	55,000	52,000	24,000	Budget \$2K/mo. Avg	46.15%
Polygon Study	5,000	0	0	0		

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget	FY2022 Budget Notes:	% of Prior Year
RFP Consultant	855	0	0	0		
Traffic Study	15,330	0	0	0	N/A	
Professional Fees	2,260	0	0	0	N/A	
Operational Consultant	0	7,500	7,500	0	N/A	0.00%
PSB Consultants	0	30,000	1,425	0	Track PSB under Capital Outlays	
Recruitment	0	14,400	14,400	0	N/A	0.00%
MMM Consulting	0	0	0	0	N/A	
Temporary Services	0	9,000	8,783	0	N/A	0.00%
Water System Improvements	0	0	0	10,000	Finance Committee Recommendation	
Website Development/Maintenance	2,690	2,740	2,500	2,750		110.00%
Wildland Vegetation Mgmt	6,300	7,600	7,600	7,600	Recommendation by Chief	100.00%
Needs Assess/Feasibility Study	50,789	30,000	31,584	0	Complete	0.00%
Other Outside Professional Services	26,590	0	0	0		
Emergency Preparedness Coordinator	0	17,000	2,000	100,000	<b>Approved by motion 03/10/2021</b>	5000.00%
Grant Writer/Coordinator	0	15,000	2,000	50,000	<b>Approved by motion 03/10/2021</b>	2500.00%
Long-Term Financial Planner	0	0	0	30,000	<b>Recommend ADD for FY2022</b>	
<b>Total Outside Professional Services</b>	<b>3,618,550</b>	<b>3,840,578</b>	<b>3,789,050</b>	<b>4,080,049</b>		<b>107.68%</b>
<b>Community Service Activities</b>						
Public Education	10,730	17,000	3,100	20,000	Post-COVID	645.16%
Comm. Pharmaceutical Drop-Off	0	2,500	0	2,500	Post-COVID	
CERT Emerg Kits/Sheds/Prepared	0	3,500	0	3,500	Post-COVID	
Open Houses	1,125	1,800	0	1,800	Post-COVID	
Community Shredder	1,619	3,200	0	3,200	Post-COVID	
DFSC Matching Grants	0	24,000	24,000	0	Need not verified	0.00%
Firesafe Planting Grants	0	3,000	0	3,000	Post-COVID	
Demonstration Garden	0	0	0	0	N/A	
Community Sandbags	0	1,500	0	1,500	Post-COVID	
Volunteer Appreciation	0	1,500	0	1,500	Post-COVID	
Community Center Contribution	0	0	0	0	N/A	
Community Services - Other	0	0	0	5,000	Recommended for EP Coordinator	
<b>Total Community Service Activities</b>	<b>13,475</b>	<b>58,000</b>	<b>27,100</b>	<b>42,000</b>		<b>154.98%</b>
<b>District Activities</b>						
Professional Development	4,639	10,000	1,000	10,000	Hold	1000.00%
Election	0	4,000	4,991	0	Next election in FY2022-2023	0.00%
Firefighter's Apparel & PPE	136	1,650	1,187	2,000	Recommendation by Chief	168.49%
Firefighters' Expenses	0	3,250	0	7,500	Increase (Prior roll-over funds)	
Staff Appreciation	1,017	1,750	1,247	3,000	Finance Committee Recommendation	240.58%
Memberships	7,727	8,720	7,753	8,720	Hold	112.47%
<b>Total District Activities</b>	<b>13,519</b>	<b>29,370</b>	<b>16,178</b>	<b>31,220</b>		<b>192.98%</b>
<b>Office</b>						
Office Expense	1,202	2,958	6,251	3,000	Improve accounting category tracking	47.99%
Office Supplies	1,649	2,856	302	3,000	Improve accounting category tracking	994.23%
Telephone	11,339	18,000	14,000	7,800	Sasha reduced ATT contract	55.71%
Office- Other	623	500	318	318	Check accounting categories	100.00%
Office - Other	80	0	64	64	Check accounting categories	100.00%

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget	FY2022 Budget Notes:	% of Prior Year
Total Office	14,892	24,314	20,934	14,182		67.74%
Building Maintenance						
Gardening service	650	6,000	4,000	5,000	Hold	125.00%
Building alarm	1,616	840	1,494	1,500	Hold	100.37%
Medical Waste Disposal	4,759	8,400	5,200	7,500	Hold	144.23%
Janitorial Service	1,260	1,260	1,300	1,400	Hold	107.69%
Miscellaneous Maint.	16,927	23,850	24,500	25,000		102.04%
Total Building Maintenance	25,211	40,350	36,494	40,400		110.70%
Building Utilities/Service						
Gas and Electric	7,277	11,130	11,130	12,500		112.31%
Water/Sewer	1,859	2,520	2,520	3,000		119.05%
Bldg Utilities/Services - Other	0	0	0	0		
Total Building Utilities/Service	9,137	13,650	13,650	15,500		113.55%
Contingency						
General	1,768	25,000	0	25,000	Hold	
Contingency - Other	0	0	0	0		
Total Contingency	1,768	25,000	0	25,000		
Total Expenditures (Operations)	3,793,357	4,220,300	4,098,920	4,458,706		108.78%
Audit Adjustments	(665)					
Total Expenditures (Operations) Reconciled	3,792,692					
<b>EXPENDITURES (Capital)</b>						
Capital Outlay (PSB Renovation Soft Costs)	0	0	0		Pending Renovation Est & Sched	
Capital Outlay (PSB Renovation Hard Costs)	0	0	0		Pending Renovation Est & Sched	
Capital Outlay (Temp Facilities Soft Costs)	0	0	0		Pending Renovation Est & Sched	
Capital Outlay (Temp Facilities Hard Costs)	0	0	0		Pending Renovation Est & Sched	
Capital Outlay (Equip & Furniture)	10,802	0	0		Pending Renovation Est & Sched	
Capital Outlay (Rolling Stock)	59,863	346,842	346,842			
Total Expenditures (Capital)	70,665	346,842	346,842			
<b>EXPENDITURES TOTAL (Ops &amp; Capital)</b>	3,863,357	4,567,142	4,445,762	4,458,706		100.29%
<b>CHANGE IN FUND BALANCES</b>	<b>887,955</b>	286,813	446,627	393,447		88.09%
<b>FUND BALANCES (End of Year):</b>	6/30/2020		6/30/2021	6/30/2022		
CC County Funds:						
General Fund 300700	5,299,048		7,538,809		Pending Renovation Est & Sched	
Fire Special Tax Fund 300900	210,805		409,441		Pending Renovation Est & Sched	
Capital Reserve Fund 303100	3,722,787		2,093,369		Pending Renovation Est & Sched	
Mechanics Bank Checking Account			119,327		Pending Renovation Est & Sched	
<b>TOTAL FUND BALANCE</b>	<b>9,232,640</b>		<b>10,160,946</b>		Pending Renovation Est & Sched	

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget	FY2022 Budget Notes:	% of Prior Year
<b>OPEB Balance:</b>						
<b>OPEB Asset</b>	1,459,931					
<b>OPEB Liability</b>	1,072,175					
<b>Net OPEB: Liability/(Asset)</b>	(387,756)					

**General Notes On The Budget:**

- 1.) FY2020 Actual column reflects the 06/30/2020 Qbooks amounts reconciled with the approved audited financial statements.
  - 2.) FY2021 OPEB Amounts will not be available until the next actuarial valuation but the liability is fully funded.
  - 3.) FY2021 Fund Balances shown as of 05/12/2021 per County Funds Report. EOY amounts will be listed in the next audit.
  - 4.) Quickbooks tracking for Capital Reserves of Rolling Stock needs to be improved. Coordination by the accountants and a financial planner will facilitate this and a more extensive replacement reserve schedule will be developed for the budget adoption in September. For planning purposes, the District's three vehicles include:
    - \_ **Type I Engine** = Replaced 5yrs ago; Scheduled replacement in 2031. Budget Capital Inlay of \$76,000 per year.
    - \_ **Type III Engine** = Replaced last year; Scheduled replacement in 2036. Budget Capital Inlay of \$70,000 per year.
    - \_ **Command Vehicle** = Replaced last year; Scheduled replacement in 2028. Budget Capital Inlay of \$11,000 per year.
- Total Annual Capital Inlay for Rolling Stock = Budget \$157,000 per year.**