

# KENSINGTON FIRE PROTECTION DISTRICT

DATE:	September 7, 2023
TO:	Finance Committee
RE:	Financial Forecast Update
SUBMITTED BY:	Mary A. Morris-Mayorga, Interim General Manager

### **Recommended Action**

This item is provided for discussion, feedback, and direction prior to advancement to the Board of Directors.

#### Background

The Financial Forecast was developed by Bill Zenoni, Consultant, and presented to the Finance Committee on June 6, 2023. The committee provided feedback and direction for presentation to the Board of Directors on June 21, 2023.

Since that time, staff has made the following updates:

- revenues were updated for June 30 actuals property tax and CERBT disbursement;
- expenditures were updated for June 30 actuals retiree health benefits and capital/public safety building (PSB);
- expenditure budget estimates were updated audit, firesafe planting grants, and PSB.

#### Fiscal Impact

The long-term financial forecast demonstrates that the District can sustainably maintain operations and complete the PSB project with reserves remaining following completion.

Attachment: Financial Forecast

# KENSINGTON FIRE PROTECTION DISTRICT

#### FIVE YEAR FINANCIAL FORECAST - Summary

	FY 2022-23		FY 2022-23		FY 2023-24			FY 2024-25		Y 2025-26		Y 2026-27	FY 2027-28		
		Budget	Projected		Budget			Projected		Projected		Projected	Projected		
REVENUE															
Property Taxes	\$	4,739,500	\$	5,264,470	\$	5,475,049	\$	5,694,051	\$	5,921,813	\$	6,158,685	\$	6,405,033	
Special Taxes		200,752		200,752		201,000		201,000		201,000		201,000		201,000	
Other Taxes (HOPTR)		24,000		24,000		25,000		25,000		25,000		25,000		25,000	
Lease Income		3,050		3,050		3,050		-		-		-		-	
Investment Income		20,000		250,000		216,110		138,285		137,168		144,715		147,723	
CERBT Disbursement		80,000		67,617		68,000		68,000		68,000		68,000		68,000	
Other Revenue		-		-		2,000		2,000		2,000		2,000		2,000	
Grant Revenue	_	-		-		-		-	_	-		-		-	
TOTAL REVENUE	Ş	5,067,302	\$	5,809,889	\$	5,990,208	\$	6,128,335	\$	6,354,981	\$	6,599,400	\$	6,848,755	
EXPENDITURES															
Salaries and Benefits															
Office Wages and Related Costs		196,052		172,266		177,606		189,810		197,403		205,299		213,511	
Retiree Medical Benefits		90,600		67,618		68,000		68,000		68,000		68,000		68,000	
Total Salaries and Benefits	\$	286,652	\$	239,884	\$	245,606	\$	257,810	\$	265,403	\$	273,299	\$	281,511	
Outside Professional Services															
El Cerrito Contract Fees		3,843,483		3,843,483		4,146,968		4,478,725		4,837,023		5,223,985		5,641,904	
El Cerrito Reconciliation		123,165		123,165		77,554		125,000		125,000		125,000		125,000	
Other Outside Professional Services		348,925		361,258		327,133		315,000		322,852		335,519		344,424	
Total Outside Professional Services	\$	4,315,573	\$	4,327,906	\$	4,551,655	\$	4,918,725	\$	5,284,875	\$	5,684,505	\$	6,111,328	
Community Service Activities	\$	72,200	\$	38,262	\$	63,120	\$	33,294	\$	33,521	\$	33,702	\$	33,912	
District Activities	\$	61,500	\$	60,105	\$	23,500	\$	29,380	\$	24,500	\$	30,674	\$	25,000	
Office Expenses	\$	15,500	\$	15,500	\$	72,785	\$	15,279	\$	15,737	\$	16,209	\$	16,695	
Building Maintenance	\$	24,000	\$	19,665	\$	6,400	\$	13,685	\$	13,805	\$	14,495	\$	14,495	
Building Utilities/Service	\$	17,000	\$	19,123	\$	22,360	\$	23,914	\$	25,614	\$	27,475	\$	29,514	
Contingency	\$	25,000	\$	25,000	\$	20,000	\$	20,000	\$	20,000	\$	20,000	\$	20,000	
TOTAL OPERATING EXPENDITURES	\$	4,817,425	\$	4,745,445	\$	5,005,426	\$	5,312,086	\$	5,683,455	\$	6,100,359	\$	6,532,455	
NET OPERATING SURPLUS/(SHORTFALL)	\$	249,877	\$	1,064,444	\$	984,783	\$	816,249	\$	671,526	\$	499,041	\$	316,301	
Capital Expenditures - Rolling Stock Set-aside	\$	-	\$	202,800	\$	210,912	\$	719,348	\$	228,122	\$	237,247	\$	246,737	
Capital Expenditures - Equip/Furniture	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
Capital Expenditures - Public Safety Building	\$	3,606,440	\$	2,221,222	\$	5,725,081									
Debt Service	\$	-	\$	-	\$	87,912	\$	141,570	\$	141,525	\$	141,478	\$	141,428	
TOTAL EXPENDITURES	\$	8,423,865	\$	7,169,467	\$	11,029,331	\$	6,173,005	\$	6,053,101	\$	6,479,084	\$	6,920,620	
CHANGE IN FUND BALANCE	\$	(3,356,563)	\$	(1,359,578)	\$	(5,039,122)	\$	(44,669)	\$	301,879	\$	120,317	\$	(71,864)	
Building Loan Drawdown		_		1,926,120		-		-		-		-		-	
FUND BALANCE (June 30)	\$	-	\$	10,570,506	\$	5,531,384	\$	5,486,714	\$	5,788,594	\$	5,908,910	\$	5,837,046	

# KENSINGTON FIRE PROTECTION DISTRICT FIVE YEAR FINANCIAL FORECAST - Line Item Detail

	FY 2022-23	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
	Budget	Projected	Budget	Projected	Projected	Projected	Projected	Assumptions Fiscal Years 2025-2028
REVENUE								
Property Taxes	4,739,500	5,264,470	5,475,049	5,694,051	5,921,813	6,158,685	6,405,033	+4%
Special Taxes	200,752	200,752	201,000	201,000	201,000	201,000	201,000	Flat
Other Taxes (HOPTR)	24,000	24,000	25,000	25,000	25,000	25,000	25,000	Flat
Lease Income	3,050	3,050	3,050	-	-	-	-	
Investment Income	20,000	250,000	216,110	138,285	137,168	144,715	147,723	2.50%
CERBT Disbursement	80,000	67,617	68,000	68,000	68,000	68,000	68,000	Match to retiree medical costs
Other Revenue	-	-	2,000	2,000	2,000	2,000	2,000	Assume flat \$2,000 per year
Grant Revenue	-	-	-	-	-	-	-	784,000
TOTAL REVENUE	\$ 5,067,302	\$ 5,809,889	\$ 5,990,208	\$ 6,128,335	\$ 6,354,981	\$ 6,599,400	\$ 6,848,755	
EXPENDITURES								
SALARIES AND BENEFITS								
Office Wages & Related								
Regular Wages	144,416	144,355	148,686	154,633	160,819	167,252	173,942	4% annual increase
Vacation/Holiday/Sick Leave	23,182	4,687	5,000	10,300	10,712	11,140	11,586	4% annual increase beginning FY2025-26
Medical/Dental Insurance	12,000	6,000	6,180	6,427	6,684	6,952	7,230	4% annual increase
Payroll Taxes	13,304	12,992	13,382	13,917	14,474	15,053	15,655	4% annual increase
Workers Compensation/Life Insurance	650	1,760	1,813	1,886	1,961	2,039	2,121	4% annual increase
Payroll Processing	2,500	2,472	2,545	2,647	2,753	2,863	2,977	4% annual increase
Total Office Wages & Related Costs	196,052	172,266	177,606	189,810	197,403	205,299	213,511	
Retiree Medical Benefits	150,052	1,2,200	1,7,000	100,010	137,103	203,233	210,011	
PERS Medical	72,500	53,756	52,000	52,000	52,000	52,000	52,000	Flat
CalPERS Settlement		-		-		-		Assume \$0
Delta Dental	14,000	10,437	12,000	12,000	12,000	12,000	12,000	Flat
Vision Care	4,100	3,425	4,000	4,000	4,000	4,000	4,000	Flat
Total Retiree Medical Benefits	90,600	67,618	68,000	68,000	68,000	68,000	68,000	
TOTAL SALARIES AND BENEFITS	\$ 286,652	\$ 239,884	\$ 245,606	\$ 257,810	\$ 265,403	\$ 273,299	\$ 281,511	
Outside Professional Services								
Accounting	36,000	36,000	37,080	38,192	39,338	40,518	41,734	3% annual increase
Actuarial Valuation	5,600	5,600	2,800	5,600	2,800	5,600	2,800	
Audit	16,000	16,000	20,000	20,000	21,000	21,000	22,050	5% every other year
Bank Fees	25	25	50	50	50	50	50	Flat
Contra Costa County Expenses	38,000	38,000	39,520	41,101	42,745	44,455	46,233	4% annual increase
El Cerrito Contract Fees	3,843,483	3,843,483	4,146,968	4,478,725	4,837,023	5,223,985	5,641,904	2023-24 from EC, then 8% annual increase
El Cerrito Reconciliation	123,165	123,165	77,554	125,000	125,000	125,000	125,000	
IT Services and Equipment	15,000	15,000	2,500	2,575	2,652	2,732	2,814	3% annual increase
Fire Abatement Contract	5,000	5,000	5,250	5,250	5,513	5,513	5,788	5% every other year
Fire Engineer Plan Review	3,000	3,000	3,000	3,000	3,000	3,000	3,000	Flat
Risk Management Insurance	19,000	21,258	23,384	25,722	28,294	31,124	34,236	10% annual increase
LAFCO Fees	5,000	2,100	2,100	2,100	2,100	2,100	2,100	Flat

## KENSINGTON FIRE PROTECTION DISTRICT FIVE YEAR FINANCIAL FORECAST - *Line Item Detail*

	EV 2022 22	EV 2022 22	EV 2022 24	EV 2024 2E	EV 2025 2C	EV 2026 27	EV 2027 20	
	FY 2022-23	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Assumptions Finand Varue 2025, 2028
Level Free	Budget	Projected	Budget	Projected	Projected	Projected	Projected	Assumptions Fiscal Years 2025-2028
Legal Fees	20,000	20,000	20,600	12,000	12,360	12,731	13,113	3% annual increase (reduce after PSB)
Operational Consultant	-	19,000	5,000	5,000	5,000	5,000	5,000	
Recruitment	-	23,975	14,925	-	-	-	-	
Temporary Services	-	-	-	-	-	-	-	
Water System Improvements	10,000	-	10,000	10,000	10,000	10,000	10,000	Assume no additional costs
Website Development/Maintenance	4,500	3,500	3,120	3,120	3,120	3,120	3,120	Flat
Wildland Vegetation Maintenance	7,600	7,600	7,828	8,063	8,305	8,554	8,810	3% annual increase
Other Outside Professional Services	-	-	-	-		-	-	
Emergency Preparedness Coordinator	105,200	105,200	108,356	111,607	114,955	118,404	121,956	3% annual increase
Grant Writer/Coordinator	50,000	31,000	15,000	15,000	15,000	15,000	15,000	
Nixle (Everbridge) Fees	4,000	4,000	4,120	4,120	4,120	4,120	4,120	3% annual increase
Long-Term Financial Planner	5,000	5,000	2,500	2,500	2,500	2,500	2,500	
Total Outside Professional Services	\$ 4,315,573	\$ 4,327,906	\$ 4,551,655	\$ 4,918,725	\$ 5,284,875	\$ 5,684,505	\$ 6,111,328	
Community Service Activities								
Public Education	30,000	20,000	20,000	15,000	15,000	15,000	15,000	Reduce after FY 2023-24
EP Coordinator Expense Account	1,000	1,000	1,000	1,000	1,000	1,000	1,000	Flat
Community Pharmaceutical Drop-Off	2,500	2,500	2,500	2,500	2,500	2,500	2,500	Flat
CERT Emergency Kits/Sheds/Prep	4,000	4,000	4,120	4,244	4,371	4,502	4,637	3% annual increase
Open Houses	1,800	1,800	2,000	2,000	2,000	2,000	2,000	Flat
Community Shredder	5,000	5,000	5,500	5,500	5,500	5,500	5,500	Flat
DFSC Matching Grants	-	-				-	-	
Firesafe Planting Grants	25,000	-	25,000	-	-	-	-	
Demonstration Garden		_		-	_	-	_	
Community Sandbags	1,900	2,962	2,000	2,000	2,000	2,000	2,000	Flat
Volunteer Appreciation	500	500	500	550	600	650	700	1101
Community Service - Other	500	500	500	500	550	550	575	
Total Community Service Activities	\$ 72,200	\$ 38,262	\$ 63,120	\$ 33,294	\$ 33,521	\$ 33,702	\$ 33,912	
	. ,							
District Activities								
Equipment	-	-	-	-		-	-	
Vehicle Maintenance	-	-	-	-			-	
Professional Development	10,000	10,000	5,000	5,000	5,000	5,000	5,000	
Election	7,500	5,600	-	5,880	-	6,174	-	5% increase every other year
Firefighter's Apparel & PPE	2,000	2,000	1,500	1,500	2,000	2,000	2,000	
Firefighter's Expenses	30,000	30,000	5,000	5,000	5,000	5,000	5,000	
Staff Appreciation	3,000	3,000	2,500	2,500	3,000	3,000	3,500	
Memberships	9,000	9,505	9,500	9,500	9,500	9,500	9,500	
Total District Activities	\$ 61,500	\$ 60,105	\$ 23,500	\$ 29,380	\$ 24,500	\$ 30,674	\$ 25,000	
Office								
Office Expenses	5,000	4,811	58,000	5,200	5,356	5,517	5,682	3% annual increase
Office Supplies	2,000	1,000	1,030	1,061	1,093	1,126	1,159	3% annual increase
Telephones	8,000	8,000		8,487	8,742	9,004	9,274	3% annual increase
	0,000	0,000		1 0,107	1 0,772	1 3,004	3,2,4	

## KENSINGTON FIRE PROTECTION DISTRICT FIVE YEAR FINANCIAL FORECAST - Line Item Detail

	F	Y 2022-23	F	FY 2022-23	F	Y 2023-24	F	Y 2024-25	F۱	2025-26	F۱	Y 2026-27	F	Y 2027-28	
		Budget		Projected		Budget		Projected	P	rojected	P	Projected		Projected	Assumptions Fiscal Years 2025-2028
Office - Other		500		500		515		530		546		563		580	3% annual increase
Office - Equipment		-		1,189		5,000	_			-		-		<u> </u>	
Total Office	\$	15,500	\$	15,500	\$	72,785	\$	15,279	\$	15,737	\$	16,209	\$	16,695	
Building Maintenance															
Gardening Services		4,000		500		500		2,400		2,520		2,646		2,646	5% increase every other year from 2025-26
Building Alarm		1,500		1,500		1,500		1,575		1,575		1,654		1,654	5% increase every other year
Medical Waste Disposal		7,500		7,500		2,200		2,310		2,310		2,426		2,426	5% increase every other year (from 2024-25)
Janitorial Services		2,000		800		200		2,400		2,400		2,520		2,520	5% increase every other year
Miscellaneous Maintenance		9,000		<u>9,365</u>		2,000	_	5,000		5,000		5,250		5,250	5% increase every other year (from 2026-27)
Total Building Maintenance	\$	24,000	\$	19,665	\$	6,400	\$	13,685	\$	13,805	\$	14,495	\$	14,495	
Building Utilities/Service															
Gas and Electric		13,000		13,000		14,300		15,730		17,303		19,033		20,937	10% annual increase
Water/Sewer		4,000		4,000		4,120		4,244		4,371		4,502		4,637	3% annual increase
<b>Building Utilities/Services - Other</b>		-		2,123		3,940		3,940		3,940		3,940		3,940	
Total Building Utilities/Service	\$	17,000	\$	19,123	\$	22,360	\$	23,914	\$	25,614	\$	27,475	\$	29,514	
Contingency	\$	25,000	\$	25,000	\$	20,000	\$	20,000	\$	20,000	\$	20,000	\$	20,000	
TOTAL OPERATING EXPENDITURES	Ś	4,817,425	\$	4,745,445	Ś	5,005,426	Ś	5.312.086	Ś	5,683,455	Ś	6.100.359	Ś	6,532,455	
	-	.,,	<b>F</b>	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	+	0,000,.20	+ T	0,012,000	<u> </u>	,,	<b>•</b>	-,,	+		
NET OPERATING SURPLUS/(SHORTFALL)	\$	249,877	\$	1,064,444	\$	984,783	\$	816,249	\$	671,526	\$	499,041	\$	316,301	
CAPITAL EXPENDITURES															
Rolling Stock Set-aside (Transfer from General	P	-		202,800		210,912		219,348		228,122		237,247		246,737	
Equipment and Furniture		-		-		-		-		-		-		-	
PSB - Temporary Facilities		848,607		894,649		-		-		-		-		-	Total FY 2021-22, 2022-23, 2023-24 =
PSB Renovation		2,757,833		1,326,573		5,725,081		500,000		-		-		-	\$8,497,589
Total Capital Expenditures	\$	3,606,440	\$	2,424,022	\$	5,935,993	\$	719,348	\$	228,122	\$	237,247	\$	246,737	
DEBT SERVICE*	\$	-	\$	-	\$	87,912	\$	141,570	\$	141,525	\$	141,478	\$	141,428	
TOTAL EXPENDITURES			ć	7,169,467	ć	11,029,331	ć	6 172 005	ć	6,053,101	ć	6 470 094	ć	6,920,620	
			>	7,109,407	Ş	11,029,331	>	0,173,005	>	8,055,101	>	0,479,084	>	6,920,620	
CHANGE IN FUND BALANCE	\$	(3,356,563)	\$	(1,359,578)	\$	(5,039,122)	\$	(44,669)	\$	301,879	\$	120,317	\$	(71,864)	
Building Loan Drawdown		-		1,926,120		-		-		-		-		-	Total \$2,160,000 less capitalized interest (\$141,880) and costs of issuance (\$92,000)
					_		-						+		
ENDING FUND BALANCE				10,570,506		5,531,384		5,486,714		5,788,594		5,908,910		5,837,046	
ENDING FUND BALANCE				10,570,506		5,531,384		5,486,714		5,788,594		5,908,910		5,837,046	

# Fund Balance Projection

	Revenue	Expenditures	<u>Transfers In/</u> (Transfers	<u>Other</u> Financing	<u>Change in</u> Fund Balance	<u>Beginning</u> Fund Balance	Ending Fund Balance	
FY 2021-22	Itevenue		Transiers	<u>r mancing</u>			Dalarice	
General Fund	5,285,728	4,379,134	400,000	-	1,306,594	5,176,904	6,483,498	
Special Tax Fund	200,962	2,211	(400,000)	-	(201,249)	409,440	208,191	
Capital Fund	4,906	514,583		_	(509,677)	3,821,952	3,312,275	
Total	5,491,596	4,895,928	-	-	595,668	9,408,296	10,003,964	$\checkmark$
FY 2022-23 (Projected)								
General Fund	5,609,137	4,948,245	206,143	-	867,035	6,483,498	7,350,533	
Special Tax Fund	200,752	-	(408,943)	-	(208,191)	208,191	-	
Capital Fund - PSB		2,221,222	202,800	1,926,120	(92,302)	3,312,275	3,219,973	
Total	5,809,889	7,169,467	-	1,926,120	566,542	10,003,964	10,570,506	
FY 2023-24 (Budget)								
General Fund - Operating	5,789,208	8,674,252	(9,912)	-	(2,894,955)	7,350,533	4,455,578	
General Fund - PSB	-	3,370,002						
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund - PSB	-	2,355,079	210,912	-	(2,144,167)	3,219,973	1,075,806	\$1,075,806 Reserve-Rolling Stock
Total	5,990,208	14,399,333	-	-	(5,039,122)	3,219,973	5,531,384	
FY 2024-25 (Projected)								
General Fund	5,927,335	6,173,005	(18,348)	-	(264,017)	4,455,578	4,191,560	
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund			219,348	-	219,348	1,075,806	1,295,154	Rolling Stock Reserve
Total	6,128,335	6,173,005	-	-	(44,669)	5,531,384	5,486,714	
FY 2025-26 (Projected)								
General Fund	6,153,981	6,053,101	(27,122)	-	73,757	4,191,560	4,265,318	
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund			228,122	_	228,122	1,295,154	1,523,276	Rolling Stock Reserve
Total	6,354,981	6,053,101	-	-	301,879	5,486,714	5,788,594	
FY 2026-27 (Projected)								
General Fund	6,398,400	6,479,084	(36,247)	-	(116,930)	4,265,318	4,148,387	
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund			237,247	-	237,247	1,523,276	1,760,523	Rolling Stock Reserve
Total	6,599,400	6,479,084	-	-	120,317	5,788,594	5,908,910	
FY 2027-28 (Projected)								
General Fund	6,647,755	6,920,620	(45,737)	_	(318,601)	4,148,387	3,829,786	
Special Tax Fund	201,000	0,320,020	(201,000)	-	(310,001)	+, 1+0,307	5,029,700	
Capital Fund	- 201,000	-	246,737	-	246,737	1,760,523	2,007,260	Rolling Stock Reserve
Total	6,848,755	6,920,620	-	-	(71,864)	5,908,910	5,837,046	
	0,0.0,100	0,020,020			(,)	0,000,010	-,,	