



## KENSINGTON FIRE PROTECTION DISTRICT

**DATE:** May 21, 2021

**TO:** Finance Committee  
Kensington Fire Protection District

**RE:** **Agenda Item 4**  
Draft FY2021-2022 Budget

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

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### **Recommended Action**

Review, Discuss, and Direct Staff as needed.

### **Background**

The attached Draft FY2021-2022 Budget is presented for your review, discussion, and recommendations. The columns represent 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; and finally the proposed FY2022 Budget amounts. The Notes column identifies line-items that need further research, lists "Holds" (i.e. continuations of prior amounts), or otherwise explains particular background info.

On page 2 of 4, please note the line-items for the Emergency Preparedness Coordinator and Grant Writer consultant positions that were approved in March and are pending RFP selection. A line-item for Long-Term Financial Planner is recommended but an amount has not been included yet. 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.

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, page 4 of 4 shows our Fund Balances with the County. The FY2021 Projected amounts still need information from the last two months of this year and will be revised accordingly during the next audit process. Amounts are not included yet for FY2022, as they will depend on the projected costs and payment methods for the coming capital projects. Again, a financial planner will be of help in determining how much of our reserves to employ during the project.

### **Fiscal Impact**

Not determined at this time.

	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	4,466,784	4,466,784	Hold	100.00%
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	97,192	97,192	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>4,889,365</b>	<b>4,804,499</b>		<b>98.26%</b>
<b>EXPENDITURES (Operations)</b>						
Office Wages & Related						
Wages	50,725	155,892	160,332	160,332	Excl COLA (CPI) on 11/11/2021	100.00%
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	Needs review by Heartland	100.09%
Workers Compensation/Life Ins	1,498	1,900	1,900	1,900		100.00%
Payroll Processing	1,150	1,670	1,869	1,869	Needs review by Heartland	100.00%
<b>Total Office Wages &amp; Related</b>	<b>84,428</b>	<b>177,613</b>	<b>184,088</b>	<b>190,101</b>		<b>103.27%</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	Needs review w/C.C.	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	2,450	Needs review by Chief	100.00%
Fire Engineer Plan Review	1,234	2,060	2,060	2,060	Needs review by Chief	100.00%
RGS Contract	195,107	0	0	0	N/A	
Risk Management Insurance	12,561	14,420	14,420	14,420	Hold	100.00%

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget	FY2022 Budget Notes:	% of Prior Year
LAFCO Fees	2,548	2,294	2,294	2,294	Needs review w/LAFCO	100.00%
Legal Fees	67,494	55,000	52,000	24,000	Budget \$2K/mo. Avg	46.15%
Polygon Study	5,000	0	0	0		
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	0		
Website Development/Maintenance	2,690	2,740	2,500	2,740	Verify Streamline cost	109.60%
Wildland Vegetation Mgmt	6,300	7,600	7,600	7,600	Needs review 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	5,000	100,000	<b>Approved by motion 03/10/2021</b>	2000.00%
Grant Writer/Coordinator	0	15,000	5,000	50,000	<b>Approved by motion 03/10/2021</b>	1000.00%
Long-Term Financial Planner	0	0	0	0	<b>Recommend ADD for FY2022</b>	
<b>Total Outside Professional Services</b>	<b>3,618,550</b>	<b>3,840,578</b>	<b>3,795,050</b>	<b>4,036,343</b>		<b>106.36%</b>
<b>Community Service Activities</b>						
Public Education	10,730	17,000	3,100	17,000	Post-COVID	548.39%
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	Verify need	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	0	N/A	
<b>Total Community Service Activities</b>	<b>13,475</b>	<b>58,000</b>	<b>27,100</b>	<b>34,000</b>		<b>125.46%</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	1,650	Needs review by Chief	139.01%
Firefighters' Expenses	0	3,250	0	3,250	Needs review by Chief	
Staff Appreciation	1,017	1,750	1,247	1,750	Hold	140.34%
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>25,370</b>		<b>156.82%</b>

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget	FY2022 Budget Notes:	% of Prior Year
<b>Office</b>						
Office Expense	1,202	2,958	6,251	6,251	Check accounting categories	100.00%
Office Supplies	1,649	2,856	302	302	Check accounting categories	100.00%
Telephone	11,339	18,000	14,000	8,000	Reduced ATT contract	57.14%
Office- Other	623	500	318	318	Check accounting categories	100.00%
Office - Other	80	0	64	64	Check accounting categories	100.00%
<b>Total Office</b>	<b>14,892</b>	<b>24,314</b>	<b>20,934</b>	<b>14,934</b>		<b>71.34%</b>
<b>Building Maintenance</b>						
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	24,500	Hold	100.00%
<b>Total Building Maintenance</b>	<b>25,211</b>	<b>40,350</b>	<b>36,494</b>	<b>39,900</b>		<b>109.33%</b>
<b>Building Utilities/Service</b>						
Gas and Electric	7,277	11,130	11,130	11,130	Hold	100.00%
Water/Sewer	1,859	2,520	2,520	2,520	Hold	100.00%
Bldg Utilities/Services - Other	0	0	0	0		
<b>Total Building Utilities/Service</b>	<b>9,137</b>	<b>13,650</b>	<b>13,650</b>	<b>13,650</b>		<b>100.00%</b>
<b>Contingency</b>						
General	1,768	25,000	0	25,000	Hold	
Contingency - Other	0	0	0	0		
<b>Total Contingency</b>	<b>1,768</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>		
<b>Total Expenditures (Operations)</b>	<b>3,793,357</b>	<b>4,220,300</b>	<b>4,104,920</b>	<b>4,390,723</b>		<b>106.96%</b>
Audit Adjustments	(665)					
<b>Total Expenditures (Operations) Reconciled</b>	<b>3,792,692</b>					
<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		Pending Renovation Est & Sched	
<b>Total Expenditures (Capital)</b>	<b>70,665</b>	<b>346,842</b>	<b>346,842</b>			
<b>EXPENDITURES TOTAL (Ops &amp; Capital)</b>	<b>3,863,357</b>	<b>4,567,142</b>	<b>4,451,762</b>	<b>4,390,723</b>		<b>98.63%</b>
<b>CHANGE IN FUND BALANCES</b>	<b>887,955</b>	<b>286,813</b>	<b>437,603</b>	<b>413,776</b>		<b>94.55%</b>

	FY2020 Actual	FY2021 Budget	FY2021 Projected	FY2022 Budget	FY2022 Budget Notes:	% of Prior Year
<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		7,658,136		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	
<b>TOTAL FUND BALANCE</b>	<b>9,232,640</b>		<b>10,160,946</b>		Pending Renovation Est & Sched	
OPEB Asset	1,459,931					
OPEB Liability	1,072,175					
<b>Net OPEB: Liability/(Asset)</b>	<b>(387,756)</b>					

Notes:

- 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. EOY amounts will be listed in the next audit.

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**KENSINGTON FIRE PROTECTION DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ 4,335,438	\$ -	\$ -	\$ 4,335,438
Special taxes	-	200,653	-	200,653
Other taxes	25,220	-	-	25,220
Other revenues	1,610	-	-	1,610
Lease income	36,603	-	-	36,603
Salary reimbursement income	22,761	-	-	22,761
Salary reimbursement reconciliation	662	-	-	662
Investment income	96,352	-	32,013	128,365
	<u>4,518,646</u>	<u>200,653</u>	<u>32,013</u>	<u>4,751,312</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current expenditures/expenses:				
City of El Cerrito service contract	3,033,275	-	-	3,033,275
City of El Cerrito reconciliation(s)	116,571	-	-	116,571
Firefighter's apparel/expenses	136	-	-	136
Insurance	12,561	-	-	12,561
Contingency	1,768	-	-	1,768
Office wages and related expenses	84,428	-	-	84,428
Contra Costa county expenses	34,490	2,188	-	36,678
Wildland vegetation management	6,300	-	-	6,300
LAFCO	2,548	-	-	2,548
Professional development	4,639	-	-	4,639
Outside professional service fees	341,365	-	-	341,365
Public education	10,730	-	-	10,730
Office expense and supplies	3,579	-	-	3,579
Building utilities/services	114,249	-	-	114,249
Memberships	7,727	-	-	7,727
Community service activities	2,744	-	-	2,744
Staff appreciation	1,017	-	-	1,017
Debt Services - Principal (CalPERS settlement)	12,377	-	-	12,377
Capital outlay	70,665	-	-	70,665
	<u>3,861,169</u>	<u>2,188</u>	<u>-</u>	<u>3,863,357</u>
Total Expenditures				
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	278,512	-	196,489	475,001
Transfers out	(196,489)	-	(278,512)	(475,001)
	<u>82,023</u>	<u>-</u>	<u>(82,023)</u>	<u>-</u>
Total other financing sources (uses)				
<b>Change in Fund Balance</b>	<u>739,500</u>	<u>198,465</u>	<u>(50,010)</u>	<u>887,955</u>
Fund Balance - July 1, 2019	<u>4,559,548</u>	<u>12,340</u>	<u>3,772,797</u>	<u>8,344,685</u>
<b>Fund Balance - June 30, 2020</b>	<u>\$ 5,299,048</u>	<u>\$ 210,805</u>	<u>\$ 3,722,787</u>	<u>\$ 9,232,640</u>

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4: FUND BALANCE**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The Board of Directors, as the District's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action. Committing fund balance is accomplished by approval of an action item by the Board of Directors. These committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned fund balance are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted or committed.

The accounting policies of the District consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

As of June 30, 2020, fund balances were comprised of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
<b>Nonspendable</b>				
Prepaid	\$ 7,755	\$ -	\$ -	\$ 7,755
Deposit on capital asset	-	-	220,000	220,000
Subtotal	<u>7,755</u>	<u>-</u>	<u>220,000</u>	<u>227,755</u>
<b>Committed</b>				
Public protection	-	-	559,099	559,099
Capital projects	-	-	2,943,688	2,943,688
City of El Cerrito contract reserve	288,532	-	-	288,532
Subtotal	<u>288,532</u>	<u>-</u>	<u>3,502,787</u>	<u>3,791,319</u>
<b>Assigned</b>				
Public protection	3,033,275	210,805	-	3,244,080
Capital projects	-	-	-	-
Subtotal	<u>3,033,275</u>	<u>210,805</u>	<u>-</u>	<u>3,244,080</u>
<b>Unassigned</b>				
	<u>1,969,486</u>	<u>-</u>	<u>-</u>	<u>1,969,486</u>
<b>Total Fund Balance</b>	<u>\$ 5,299,048</u>	<u>\$ 210,805</u>	<u>\$ 3,722,787</u>	<u>\$ 9,232,640</u>

The Board's financial planning aims to help reduce the negative impact on the District in times of economic uncertainty and potential losses of funding from federal or state governmental agencies. District funds are restricted, committed and assigned as part of a multi-year financial plan to balance the budget and avoid operating deficits.