



**KENSINGTON FIRE PROTECTION DISTRICT  
MEETING OF THE FINANCE COMMITTEE  
AGENDA**

Thursday, September 7, 2023 12:00 p.m.  
Kensington Community Center – Meeting Room 3  
59 Arlington Avenue, Kensington, CA 94707 (and hybrid)

**This meeting will be held in-person in the Kensington Community Center, 59 Arlington Avenue, Kensington CA 94707.** Members of the public not in attendance may provide public comment by emailing the Board Clerk prior to the meeting at the following address: [public.comment@kensingtonfire.org](mailto:public.comment@kensingtonfire.org). Such comments will be noted as received and their contents orally summarized. Members of the public who attend the meeting either In-person or via Zoom are allowed to provide public comment verbally with a maximum allowance of 3 minutes per individual comment, subject to the Chair's discretion.

Instructions on how to make a public comment during the meeting: At points in the meeting when the meeting chair requests public comment, members of the public participating in the live meeting can simply raise their hand to be recognized. If participating via internet, please click the "raise hand" feature located within the Zoom application screen. If connected via telephone, please dial "\*"9" (star, nine). Public comment will be taken on each agenda item, and comment on issues not on the agenda will be taken at the beginning of the meeting. Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair, except that public speakers using interpretation assistance will be allowed to testify for twice the amount of the public testimony time limit (California Government Code section 54954.3(a)).

Any member of the public who needs special accommodations should email [public.comment@kensingtonfire.org](mailto:public.comment@kensingtonfire.org) 48 hours prior to the meeting. This will enable the Kensington Fire Protection District to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title 1).

This agenda is available on the KFPD website under the relevant meeting date at: <https://www.kensingtonfire.org/finance-committee>. Please note that supplemental materials will be posted on the website with the agenda as soon as they are available prior to the meeting. Additional information and/or materials may be presented at the meeting itself.

**Internet Address:**

<https://us06web.zoom.us/j/87088201641?pwd=amFPWVZOdEo0bmMyZlRkSCtKYnhUQT09>

**Telephone Access:**

(720) 707-2699 or (346) 248-7799 or (253) 215-8782

**Zoom Webinar ID: 870 8820 1641**

**Passcode: 112233**

**TIMING OF AGENDA ITEMS:** *Approximate times are included below but may vary to accommodate appropriate discussion time and attention to the individual items.*

**1. (12:00pm) CALL TO ORDER/ROLL CALL**

President Stein and Director Watt

**2. (12:01pm) PUBLIC COMMENT**

Under "Public Comment," the public may address the committee on any subject not listed on the agenda. Each speaker may address the committee once under Public Comment for a limit

of three minutes. The public will be given an opportunity to speak on each agenda item and once the public comment portion of any item on this agenda has been closed by the committee, no further comment from the public will be permitted unless authorized by the committee. The committee cannot act on items not listed on the agenda and, therefore, cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

**3. (12:06pm) ADOPTION OF CONSENT ITEMS**

Items listed below are consent items, which are considered routine by the committee and will be enacted by one motion. The committee has received and considered reports and recommendations prior to assigning consent item designations to the various items. Copies of the reports are available to the public. The disposition of the item is indicated. There will be no separate discussion of consent items. If discussion is requested for an item, that item will be removed from the list of consent items and considered separately on the agenda.

**a. Approval of the General Manager's Timesheets (06/01/2023 thru 08/31/2023)**

**b. Approval of Finance Committee Meeting Minutes of 6/6/2023**

**4. (12:10pm) OLD BUSINESS - None**

**5. (12:10pm) NEW BUSINESS**

**a. (12:10pm) FY 2022-23 OPEB Actuarial Report (Verbal Report)**

Action = Discussion, Staff Update on Status – *Actuary is in progress on preparing this report which will be needed for the FY 2022-2023 Annual Audit*

**b. (12:15pm) FY 2022-23 Annual Audit (Verbal Report)**

Action = Discussion - Staff Update on Status, Direct Staff as Needed

**c. (12:25pm) Public Safety Building Budget Revision (Supporting Material)**

Action = Review, Discuss, and Direct Staff

**d. (12:45pm) Financial Forecast Update – Bill Zenoni, Consultant (Supporting Material)**

Action = Review, Discuss, and Direct Staff

**e. (1:00pm) FY 2023-2024 Final Budget (Supporting Material)**

Action = Review, Discuss, and Direct Staff

**f. (1:20pm) Reserves Policy Potential Revisions (Supporting Material)**

Action = Review, Discuss, and Direct Staff

**g. (1:40pm) District Policy Updates (as they relate to finance) (Supporting Material)**

Action = Review, Discuss, and Direct Staff

**6. (1:55pm) FUTURE AGENDA ITEMS**

Action = Request agenda items for the next meeting.

**7. (2:00pm) ADJOURNMENT**

The next meeting of the KFPD Finance Committee will be held on a date to be listed on the District's website and posted at three public locations 72-hours prior to the meeting.



Date/Day	Subject	Description	Hours
1	Th	General Mgmt	
		Finance	FC Mtg agenda items
		EPC	0.00
		PSB	0.00
		Legal	0.00
2	F	General Mgmt	BOD rpts; call DA; gen admin
		Finance	FC items final review/update; payroll/rpts; pkt to CED
		EPC	0.00
		PSB	0.00
		Legal	0.00
3	Sa	General Mgmt	gen admin-files in google; Zoom-CED
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
4	Su	General Mgmt	BOD agenda draft
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
5	M	General Mgmt	consol/reorg-website, reso-JB review/to DL; laptop; call w/JS
		Finance	0.00
		EPC	0.00
		PSB	emails-team/CM/legal; doc prep/review
		Legal	0.00
6	T	General Mgmt	0.00
		Finance	FC mtg-prep/attend
		EPC	0.00
		PSB	0.00
		Legal	0.00
7	W	General Mgmt	gen emails/admin
		Finance	audit-emails/final
		EPC	0.00
		PSB	emails-team/CM/legal; doc prep/review
		Legal	0.00
8	Th	General Mgmt	BOD minutes-3; agenda
		Finance	County-pmt followup
		EPC	0.00
		PSB	emails/review docs
		Legal	0.00
9	Fr	General Mgmt	BOD agenda /items/rpts; gen emails/admin
		Finance	0.00
		EPC	0.00
		PSB	emails/review docs; call GS
		Legal	0.00
10	Sa	General Mgmt	0.00

		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
11	Su	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
12	Mo	General Mgmt	gen admin/emails-BOD agenda; call DA;	1.00
		Finance	invoice review/prmts/to BC; CalNet billing	5.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
13	Tu	General Mgmt	gen admin/emails; BOD agenda/items	6.00
		Finance		0.00
		EPC		0.00
		PSB	emails/review docs	1.00
		Legal		0.00
14	We	General Mgmt	gen admin/emails; BOD agenda/items	2.00
		Finance	forecast; rpts; budget	1.00
		EPC		0.00
		PSB	emails-team/CM/legal; doc prep/review	2.25
		Legal		0.00
15	Th	General Mgmt	gen admin/emails; BOD agenda update/items; LAFCO vote	4.00
		Finance	mtg docs-transmittal/reso/forecast/budget	2.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
	Fr	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
				63.50



<b>Date/Day</b>	<b>Subject</b>	<b>Description</b>	<b>Hours</b>	
16	F	General Mgmt	BOD agenda/items-final/review/post; call ES	4.25
		Finance	invoice payments/emails-BC, CCC	1.25
		EPC		0.00
		PSB	emails, prep/review docs; update report; call GS	1.50
		Legal		0.00
17	Sa	General Mgmt	BOD pkt final/update/post-web/ND	0.50
		Finance	CCC ltr re: petty cash	0.25
		EPC	call HG; CERT shed;	0.00
		PSB		0.00
		Legal		0.00
18	Su	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
19	M	General Mgmt		0.00
		Finance	payroll/reports	0.50
		EPC	mtg agenda-post/distribute; emails	2.25
		PSB	project emails	0.50
		Legal		0.00
20	T	General Mgmt	BOD pkt-CC; mtg microphone	3.00
		Finance		0.00
		EPC	minutes/post; emails-PM attend	1.50
		PSB	project emails	0.50
		Legal		0.00
21	W	General Mgmt	BOD items; gen admin/emails; BOD mtg-prep/attend	5.25
		Finance	invoice review/pmt/submit to BC	3.00
		EPC		0.00
		PSB	emails/doc review	2.00
		Legal		0.00
22	Th	General Mgmt	gen admin/emails/org-update files	4.00
		Finance		0.00
		EPC	EPC mtg prep/attend	2.50
		PSB		0.00
		Legal		0.00
23	Fr	General Mgmt	gen admin-emails, post Zoom	1.50
		Finance	invoice review/pmt/submit to BC	2.50
		EPC		0.00
		PSB		0.00
		Legal		0.00
24	Sa	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
25	Su	General Mgmt		0.00

		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
26	Mo	General Mgmt	gen admin/emails/org-update-save files	1.50
		Finance	invoice review/pmt/file	2.50
		EPC		0.00
		PSB		0.00
		Legal		0.00
27	Tu	General Mgmt	gen admin/emails-prep FY files	1.75
		Finance		0.00
		EPC		0.00
		PSB	emails/doc review	1.25
		Legal		0.00
28	We	General Mgmt	plan FY task calendar	1.25
		Finance	invoice review/pmt/file	1.00
		EPC		0.00
		PSB	emails/doc review	0.75
		Legal		0.00
29	Th	General Mgmt		0.00
		Finance	budget final-to NHA for disclosure; FYE agreements	1.75
		EPC		0.00
		PSB	emails/review docs	0.75
		Legal		0.00
30	Fr	General Mgmt	gen admin/emails; LAFCO vote	1.00
		Finance	transmittal/pmts/agreements	4.00
		EPC		0.00
		PSB	emails/review docs	1.00
		Legal		0.00
		General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
				55.25





Date/Day	Subject	Description	Hours
1	Sa	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
2	Su	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
3	M	General Mgmt	0.00
		Finance CCC special tax docs; resolutions; DOIT tax docs	4.75
		EPC	0.00
		PSB	0.00
		Legal	0.00
4	T	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
5	W	General Mgmt	0.00
		Finance payroll; contracts; invoice review/pmt/submit/file; ins	4.00
		EPC	0.00
		PSB emails/doc review	1.00
		Legal	0.00
6	Th	General Mgmt	0.00
		Finance invoice pmts-docs to BC	4.00
		EPC	0.00
		PSB emails/doc review	1.00
		Legal	0.00
7	Fr	General Mgmt	0.00
		Finance invoice review/pmt/submit/file	3.25
		EPC	0.00
		PSB emails/doc review	0.75
		Legal	0.00
8	Sa	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
9	Su	General Mgmt emails-gen admin/BOD/DA	1.00
		Finance	0.00
		EPC	0.00
		PSB emails	0.25
		Legal	0.00
10	Mo	General Mgmt emails-gen admin; call DA; BOD agenda	2.00

		Finance	emails-CCC/tax; invoice review/pmt/submit	4.00
		EPC	emails; call JV	0.75
		PSB		0.00
		Legal		0.00
11	Tu	General Mgmt	BOD agenda/to JS	1.25
		Finance	reports w/BC	1.25
		EPC		0.00
		PSB	emails/doc review	0.50
		Legal		0.00
12	We	General Mgmt	BOD pkt items;	2.50
		Finance	contract amendments/budget; invoice review/pmt/file	0.75
		EPC		0.00
		PSB	emails/doc review/prep	0.75
		Legal		0.00
13	Th	General Mgmt	BOD agenda/items	4.00
		Finance	contracts; budget; invoice review/pmt/file	4.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
14	Fr	General Mgmt	BOD agenda/items	8.00
		Finance		0.00
		EPC		0.00
		PSB	emails/doc review	1.00
		Legal		0.00
15	Sa	General Mgmt	BOD agenda/pkt posting, to CED	2.50
		Finance		0.00
		EPC		0.00
		PSB	pmt app; emails	0.50
		Legal		0.00
		General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
				<hr/> 53.75



# Kensington Fire Protection District Employee Timesheet

Employee Name: Mary Morris-Mayorga  
 Title: Interim General Manager  
 Pay Period Start: 7/16/2023  
 Pay Period End: 7/31/2023

Program Areas	
GA	General Administration
FN	Finance
EP	Emergency Preparedness
PS	Public Safety Bldg
PL	Policies & Legal

Date	Task/Project	Hours	GA	FN	EP	PS	PL
7/16/2023	See Separate Task Sheet	0.00	0.00	0.00	0.00	0.00	0.00
7/17/2023	"	4.75	0.50	2.75	0.00	0.75	0.75
7/18/2023	"	6.50	1.25	4.00	0.00	0.00	1.25
7/19/2023	"	8.00	4.50	3.50	0.00	0.00	0.00
7/20/2023	"	4.75	3.00	0.00	0.00	1.75	0.00
7/21/2023	"	2.00	1.25	0.00	0.00	0.75	0.00
7/22/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
7/23/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
7/24/2023	"	5.25	1.00	1.00	3.25	0.00	0.00
7/25/2023	"	4.50	0.00	0.00	4.50	0.00	0.00
7/26/2023	"	6.50	1.00	0.00	2.50	1.50	1.50
7/27/2023	"	8.25	1.75	2.50	4.00	0.00	0.00
7/28/2023	"	3.25	0.00	0.00	0.00	3.25	0.00
7/29/2023	"	2.50	0.00	1.75	0.00	0.75	0.00
7/30/2023	"	8.00	2.50	4.00	0.00	1.50	0.00
7/31/2023	"	3.75	0.75	3.00	0.00	0.00	0.00
Total Hours		68.00	17.50	22.50	14.25	10.25	3.50
Rate		\$ 116.88					
Total Gross Pay		\$ 7,947.84					

7/31/2023

\_\_\_\_\_  
Employee Signature Date

\_\_\_\_\_  
Finance Signature Date

	<u>July 2023</u>
Max monthly hours prior to FC approval = 30/wk avg:	132.86
Hours worked:	<u>121.75</u>
Hour (over)/under:	11.11

Date/Day	Subject	Description	Hours
16	Su	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
17	M	General Mgmt	0.50
		gen admin/emails	
		Finance	2.75
		CERBT FY disbursement	
		EPC	0.00
		PSB	0.75
		emails/review docs	
		Legal	0.75
		Reserves policy research	
18	T	General Mgmt	1.25
		gen admin/emails	
		Finance	4.00
		emails; payroll; billing samples to JV	
		EPC	0.00
		PSB	0.00
		Legal	1.25
		Reserves policy research	
19	W	General Mgmt	4.50
		gen admin/emails; prep/setup/attend BOD mtg	
		Finance	3.50
		invoice review/pmts	
		EPC	0.00
		PSB	0.00
		Legal	0.00
20	Th	General Mgmt	3.00
		gen admin/emails-AV; call DA	
		Finance	0.00
		EPC	0.00
		PSB	1.75
		emails/doc review/prep ltr	
		Legal	0.00
21	Fr	General Mgmt	1.25
		emails-gen admin/GM recruit	
		Finance	0.00
		EPC	0.00
		PSB	0.75
		emails/doc review	
		Legal	0.00
22	Sa	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
23	Su	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
24	Mo	General Mgmt	1.00
		emails-gen admin	
		Finance	1.00
		special tax followup	
		EPC	3.25
		mtg agenda; emails re: volunteers; call JV	
		PSB	0.00
		Legal	0.00
25	Tu	General Mgmt	0.00

		Finance		0.00
		EPC	mtg agenda/minutes; call ES; emails re: volunteers	4.50
		PSB		0.00
		Legal		0.00
26	We	General Mgmt	emails-gen admin	1.00
		Finance		0.00
		EPC	mtg reminder/emails/minutes	2.50
		PSB	doc review/emails	1.50
		Legal	Policy research	1.50
27	Th	General Mgmt	emails-gen admin; file org	1.75
		Finance	invoice review/pmts	2.50
		EPC	mtg prep/setup/attend	4.00
		PSB		0.00
		Legal		0.00
28	Fr	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB	emails/doc review; call KM; CORs	3.25
		Legal		0.00
29	Sa	General Mgmt		0.00
		Finance	special tax docs	1.75
		EPC		0.00
		PSB	emails	0.75
		Legal		0.00
30	Su	General Mgmt	org files/docs	2.50
		Finance	transmittal; invoice review/pmt/submit/file	4.00
		EPC		0.00
		PSB	emails/doc review	1.50
		Legal		0.00
31	M	General Mgmt	gen admin/emails	0.75
		Finance	invoice review/pmt/submit/file	3.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
				<hr/>
				68.00

# Kensington Fire Protection District

## Employee Timesheet



Employee Name: Mary Morris-Mayorga  
 Title: Interim General Manager  
 Pay Period Start: 8/1/2023  
 Pay Period End: 8/15/2023

Program Areas	
GA	General Administration
FN	Finance
EP	Emergency Preparedness
PS	Public Safety Bldg
PL	Policies & Legal

Date	Task/Project	Hours	GA	FN	EP	PS	PL
8/1/2023	See Separate Task Sheet	1.25	0.75	0.00	0.50	0.00	0.00
8/2/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
8/3/2023	"	1.00	0.25	0.75	0.00	0.00	0.00
8/4/2023	"	6.75	0.75	3.00	0.00	3.00	0.00
8/5/2023	"	2.00	0.50	1.50	0.00	0.00	0.00
8/6/2023	"	1.75	1.75	0.00	0.00	0.00	0.00
8/7/2023	"	1.25	1.25	0.00	0.00	0.00	0.00
8/8/2023	"	1.75	0.75	0.00	0.00	1.00	0.00
8/9/2023	"	1.00	1.00	0.00	0.00	0.00	0.00
8/10/2023	"	5.75	0.00	4.25	0.00	1.50	0.00
8/11/2023	"	8.00	2.50	0.50	0.00	0.00	5.00
8/12/2023	"	4.50	0.00	4.50	0.00	0.00	0.00
8/13/2023	"	10.00	1.00	4.00	0.00	0.00	5.00
8/14/2023	"	2.50	2.50	0.00	0.00	0.00	0.00
8/15/2023	"	1.75	1.75	0.00	0.00	0.00	0.00
	"	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours		49.25	14.75	18.50	0.50	5.50	10.00
Rate		\$ 116.88					
Total Gross Pay		\$ 5,756.34					

*8/15/2023*

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Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

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Finance Signature \_\_\_\_\_ Date \_\_\_\_\_

Date/Day	Subject	Description	Hours
1	Tu	General Mgmt gen admin-emails/BOD CSDA reg	0.75
		Finance	0.00
		EPC emails	0.50
		PSB	0.00
		Legal	0.00
2	W	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
3	Th	General Mgmt gen admin-emails	0.25
		Finance invoice review/pmt	0.75
		EPC	0.00
		PSB	0.00
		Legal	0.00
4	Fr	General Mgmt gen admin-emails; PRA; CSDA-hotel	0.75
		Finance payroll; spec tax-review parcels/confirm/rev Form A	3.00
		EPC	0.00
		PSB emails/doc review; permit fees; call-GS	3.00
		Legal	0.00
5	Sa	General Mgmt PRA; gen admin emails	0.50
		Finance invoice review/pmt; rpts to BC	1.50
		EPC	0.00
		PSB	0.00
		Legal	0.00
6	Su	General Mgmt gen admin-emails; CSDA	1.75
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
7	Mo	General Mgmt gen admin-emails	1.25
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
8	Tu	General Mgmt gen admin-emails	0.75
		Finance	0.00
		EPC	0.00
		PSB COR review	1.00
		Legal	0.00
9	We	General Mgmt gen admin-emails	1.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
10	Th	General Mgmt	0.00



		Finance	invoice review/pmt/submit to BC; FC poll to CED	4.25
		EPC		0.00
		PSB	emails/doc review	1.50
		Legal		0.00
11	Fr	General Mgmt	Ethics/Dist Distinct checklist/review/prep	2.50
		Finance	invoice review/pmt	0.50
		EPC		0.00
		PSB		0.00
		Legal	Reserve/other policy research	5.00
12	Sa	General Mgmt		0.00
		Finance	invoice review/pmt/submit/file	4.50
		EPC		0.00
		PSB		0.00
		Legal		0.00
13	Su	General Mgmt	gen admin/emails/prep for vac	1.00
		Finance	invoice review/pmt/submit/file	4.00
		EPC		0.00
		PSB		0.00
		Legal	Reserve/other policy research	5.00
14	M	General Mgmt	gen admin/emails/ethics tracking	2.50
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
15	Tu	General Mgmt	gen admin/emails	1.75
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
		General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
				<hr/>
				49.25



## Kensington Fire Protection District Employee Timesheet

Employee Name: Mary Morris-Mayorga  
 Title: Interim General Manager  
 Pay Period Start: 8/16/2023  
 Pay Period End: 8/31/2023

Program Areas	
GA	General Administration
FN	Finance
EP	Emergency Preparedness
PS	Public Safety Bldg
PL	Policies & Legal

Date	Task/Project	Hours	GA	FN	EP	PS	PL
8/16/2023	See Separate Task Sheet	2.50	0.50	0.00	0.00	2.00	0.00
8/17/2023	"	1.25	0.50	0.00	0.00	0.75	0.00
8/18/2023	"	1.00	1.00	0.00	0.00	0.00	0.00
8/19/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
8/20/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
8/21/2023	"	6.75	2.00	2.25	2.50	0.00	0.00
8/22/2023	"	5.00	1.50	2.50	0.00	1.00	0.00
8/23/2023	"	6.50	3.00	2.00	0.00	1.50	0.00
8/24/2023	"	7.00	0.75	1.00	3.00	1.25	1.00
8/25/2023	"	3.50	0.00	1.00	0.00	2.50	0.00
8/26/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
8/27/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
8/28/2023	"	8.00	3.75	1.00	0.00	1.25	2.00
8/29/2023	"	4.00	4.00	0.00	0.00	0.00	0.00
8/30/2023	"	3.50	2.50	1.00	0.00	0.00	0.00
8/31/2023	"	6.50	0.00	2.50	0.00	1.00	3.00
Total Hours		55.50	19.50	13.25	5.50	11.25	6.00
Rate		\$ 116.88					
Total Gross Pay		\$ 6,486.84					

8/31/2023

\_\_\_\_\_  
Employee Signature Date

\_\_\_\_\_  
Finance Signature Date

August 2023

Max monthly hours prior to FC approval = 30/wk avg:	132.86
Hours worked:	104.75
Hour (over)/under:	28.11

Date/Day	Subject	Description	Hours	
16	W	General Mgmt	gen admin/emails	0.50
		Finance		0.00
		EPC		0.00
		PSB	emails/doc review	2.00
		Legal		0.00
17	Th	General Mgmt	gen admin/PRA	0.50
		Finance		0.00
		EPC		0.00
		PSB	emails/doc review	0.75
		Legal		0.00
18	Fr	General Mgmt	gen admin/emails-GM int/spec mtg sched w/BI&CED	1.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
19	Sa	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
20	Su	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
21	Mo	General Mgmt	gen admin/emails; call w/DA	2.00
		Finance	payroll-rpts to BC; invoice review/pmt/submit/file	2.25
		EPC	EPC agenda; committee app-review process/update	2.50
		PSB		0.00
		Legal		0.00
22	Tu	General Mgmt	gen admin/emails-GM intw mtg sched, BOD manual	1.50
		Finance	invoice review/pmt/submit/file; OPEB actuarial census	2.50
		EPC		0.00
		PSB	emails/review docs	1.00
		Legal		0.00
23	We	General Mgmt	gen admin/emails/files; mtg w/DA, ES, MG	3.00
		Finance	invoice review/pmt/submit/file	2.00
		EPC		0.00
		PSB	emails/review docs; call GS	1.50
		Legal		0.00
24	Th	General Mgmt	gen admin/emails	0.75
		Finance	invoice review/pmt/submit/file	1.00
		EPC	emails/minutes in prog/prep & attend mtg	3.00
		PSB	emails/doc review; plan mtg	1.25
		Legal	coop purchasing info/review request to legal	1.00
25	Fr	General Mgmt		0.00

		Finance	invoice/debt svc followup;	1.00
		EPC		0.00
		PSB	mtg plan; prep/attend review mtg	2.50
		Legal		0.00
26	Sa	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
27	Su	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
28	Mo	General Mgmt	spec mtg agenda; file org; emails/gen admin; CSDA conf pmts	3.75
		Finance	invoice review/file	1.00
		EPC		0.00
		PSB	emails/doc review/update	1.25
		Legal	reserve policy	2.00
29	Tu	General Mgmt	gen admin/emails; BOD agenda/update; CED coord	4.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
30	W	General Mgmt	BOD agenda update; FAQs-email DA	2.50
		Finance	FC agenda	1.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
31	Th	General Mgmt		0.00
		Finance	DS incumb cert/pmt; state comp rpt; audit mtg;	2.50
		EPC		0.00
		PSB	emails/doc review	1.00
		Legal	policy review/research/draft	3.00
				<hr/> 55.50



**KENSINGTON FIRE PROTECTION DISTRICT  
FINANCE COMMITTEE MEETING MINUTES**

**DATE/TIME:** June 6, 2023, 12:00 p.m.

**LOCATION:** Kensington Community Center, 59 Arlington Avenue, Meeting Room 3

**PRESENT:** Directors: President Julie Stein, Director Jim Watt  
Staff: Interim GM Mary Morris-Mayorga  
Consultant: Bill Zenoni

**1. CALL TO ORDER/ROLL CALL:**

President Stein called the meeting to order at 12:03 p.m. and confirmed the roll call.

**2. PUBLIC COMMENT (00:01:10)**

There was no public comment.

**3. ADOPTION OF CONSENT ITEMS (00:01:26)**

- a. **Approval of the General Manager's Timesheets (02/01/2023 thru 05/31/2023)**
- b. **Approval of Finance Committee Meeting Minutes of 02/08/2023**

**Moved/Seconded:** Watt/Stein

**Action:** Approval of the consent items.

**Ayes:** Stein, Watt

**Nays:** None

**Absent:** None

**Motion Passed:** 2-0-0

**Video Time Stamped:** 00:02:10

**4. OLD BUSINESS – None**

**5. NEW BUSINESS (00:02:30)**

- a. **FY 2023-24 Fee Schedule for El Cerrito-Kensington Fire Department Contract – Karen Pinkos/City of El Cerrito**

El Cerrito City Manager Karen Pinkos provided an overview of the city's budget as balanced noting the current economic situation and impact. She described the new website portal the city has implemented for ease of understanding. The city has been able to rebuild the general fund. She conveyed that the city is proud of the partnership with Kensington as a cost-effective way of providing fire services.

Chief Saylor presented the Fiscal Year 2023-2024 Fee Schedule, noting increases in personnel due to the new 1230 (union) contract with an overall 7% increase. Professional services increased due to dispatch fees and records management system. Based on prior year's reconciliation, there is an increase of \$77,000.

Director Watt inquired on number of staffing and related costs. Chief Saylor clarified the number of staff as 37 full-time employees (FTE) which has remained constant and provided additional detail on the related costs. Director Stein asked for clarification on the professional services increase along with the contract reconciliation reduction of \$50,000. Chief Saylor described the dispatch services increase and noted that some areas were underspent due to being conservative which caused the reduced reconciliation amount. There was no public comment.

The committee recommended the fee schedule for approval by the Board of Directors.

**c. FY 2021-22 and 2022-23 OPEB Actuarial Reports** *(this item was taken before 5b)*

Interim GM Morris-Mayorga presented the FY 2021-22 OPEB Actuarial Report as included in the packet noting that the District is 187% funded which is very good. The committee clarified that if the District were underfunded that may require a contribution and IGM Morris-Mayorga responded that it may depending upon the actuarial report; however, no additional contribution is required at this time and none is anticipated unless a plan change is made. There was no public comment.

The committee recommended the OPEB actuarial report for acceptance by the Board of Directors.

**b. FY 2021-22 Annual Audit – Justin Williams/MUN CPAs**

Justin Williams reviewed the FY 2021-2022 Annual Audit report, describing the audit process and noting the District received an unmodified opinion which a clean audit opinion (good news) with no compliance exceptions, material weakness, or significant deficiencies. Director Stein inquired about what the challenge is in addressing the management letter comments which are old transactions in the system that just need to be cleared so IGM Morris-Mayorga stated this will be a project with focus this year. Director Watt asked for clarification on the amount of available cash the District has referring to the fund balance categories. Mr. Williams and IGM Morris-Mayorga described the nature of the categories, noting that a schedule can be added to the Management Discussion and Analysis next year to break this information out in more detail. There was no public comment.

The committee recommended the annual audit for acceptance by the Board of Directors.

**d. Updated Financial Forecast – Bill Zenoni, Consultant**

IGM Morris-Mayorga introduced this item describing the process and some overall updates in general. Bill Zenoni presented this item as included in the packet, noting the various assumptions for forecasted revenue and expenditure increases. The committee discussed some of the percentages used for increases and recommended higher percentages for several categories. Director Watt stated that he believes that the public safety building budget will require further adjustments. There was no public comment.

The committee recommended the financial forecast for presentation to the Board of Directors.

**e. FY 2023-2024 Draft Budget**

The committee noted that the budget amounts were essentially covered during discussion of the financial forecast. IGM Morris-Mayorga reviewed the budget process and overview of the narrative document. She also noted that the public safety building budget will be updated and there was discussion related to this. There was no public comment.

The committee recommended the budget for presentation to the Board of Directors.

**f. Format of Monthly Financial Reports**

Interim GM Morris-Mayorga reviewed this item as included in the packet to confirm that the committee is in agreement with the monthly reports to be provided to the Board. Director Stein noted some prior reports that were done in September 2020 which provided more information on operating reserves and these may be useful several times a year or as part of

the budget. The committee discussed and agreed with the reports as proposed which are in accordance with current District policy. There was no public comment.

**4. FUTURE AGENDA ITEMS (02:34:00)**

The committee discussed recommending to the Board of Directors that the Reserve Policy be thoroughly reviewed for potential revision.

- 5. ADJOURNMENT:** The meeting adjourned at 2:40 p.m.. The next Finance Committee Meeting will be determined at a future date and listed on the district's website with the minimum notice required by the Brown Act.

MINUTES PREPARED BY: Mary Morris-Mayorga, Interim General Manager

These minutes were approved at the Finance Committee Meeting on September 7, 2023.

Attest:

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Finance Committee Chair



**KENSINGTON FIRE PROTECTION DISTRICT**

**DATE:** September 7, 2023  
**TO:** Finance Committee  
**RE:** Public Safety Building Budget Revision  
**SUBMITTED BY:** Mary A. Morris-Mayorga, Interim General Manager

**Recommended Action**

This item is provided for discussion, feedback, direction, and potential advancement to the Board of Directors with proposed revisions.

**Background**

As discussed with the Finance Committee on June 6<sup>th</sup>, we have been in the process of updating the project budget for cost increases resulting from a variety of items (construction unforeseen conditions, additional services-construction management, design, engineering, inspections, etc.). The attached project cost detail reflects the updated project budget and expenditures including those requested.

Though the total may not be fully realized with the goal to remain below this updated budget estimate, it would be wise to retain some or all in contingency funding as listed below for consideration:

	Original Project Budget	Project Budget Revised 6/30/2023	Notes:
<u>Public Safety Building:</u>			
Construction	\$ 5,475,000	\$ 5,882,253	Incl approved change orders
PSB Renovation Design/Engineering	600,000	774,740	
Permits/Inspection/Testing		141,017	
Construction/Project Management		394,987	
Furniture, Fixtures, and Equipment		200,000	
Legal Counsel		130,000	
<u>Temporary Fire Station:</u>			
Construction Cost	740,000	595,453	
Design/Engineering/Project Management	90,000	107,573	
Relocation/FFE/Etc Estimate	300,000		
Relocation		221,566	Incl storage/sublet
Sub-Total:	\$ 7,205,000	\$ 8,447,589	
Project Contingency Allowance	720,000	550,000	
Total Project Budget	\$ 7,925,000	\$ 8,997,589	

**Fiscal Impact**

The proposed project budget revision has been incorporated into the financial forecast to demonstrate sustainability.

**Attachment:** Public Safety Building Budget Revision Detail



Vendor	Facility	Category	General Description	Total Budget	Requested	Total incl Requested	Paid thru 6/30/2023	Remaining
CWS Construction Group, Inc. Total	PSB	Hard Costs	Construction	\$ 5,882,253	\$ 627,611	\$ 6,509,864	\$ 1,481,851	\$ 4,400,402
Applied Materials & Engineering Inc. Total	PSB	Soft Costs	Inspection/Testing	79,017	-	79,017	33,760	45,257
CCC Dept of Conservation and Development Total	PSB	Soft Costs	Permit Fees	55,000	-	55,000	53,910	1,090
Forensic Analytical Consulting Services Total	PSB	Soft Costs	Inspection/Testing	7,000	-	7,000	-	7,000
HansellDesign Total	PSB	Soft Costs	Project Management	45,000	-	45,000	20,288	24,713
Mack5 Total	PSB	Soft Costs	Construction Management	349,987	-	349,987	165,219	184,768
MarJang Architecture (incl subs) Total	PSB	Soft Costs	Architect	684,323	-	684,323	173,601	510,721
Meyers/Nave Total	PSB	Soft Costs	Legal Services	120,000	-	120,000	33,525	86,475
Various Total	PSB	Soft Costs	Engineering	478	-	478	477	0
ZFA Structural Engineers Total	PSB	Soft Costs	Structural Engineering	89,940	-	89,940	26,773	63,167
Air Exchange, Inc. Total	Temp Station	Hard Costs	Plymovement System	13,572	-	13,572	13,572	0
Airport Home Appliance Total	Temp Station	Hard Costs	Appliances to Modular	4,126	-	4,126	4,126	0
American Carports Inc Total	Temp Station	Hard Costs	Final pmt carport	50,406	-	50,406	50,406	(0)
Bay Area Automatic Gates Total	Temp Station	Hard Costs	Security gate	19,944	-	19,944	19,944	-
Fernando Herrera Total	Temp Station	Hard Costs	Fence/Gutters	7,930	-	7,930	7,930	-
Gym Doctors Total	Temp Station	Hard Costs	Gym equipment	4,409	-	4,409	4,409	0
Home Depot Total	Temp Station	Hard Costs	Misc Hardware	647	-	647	647	0
OBS Engineering, Inc. Total	Temp Station	Hard Costs	General Contractor	431,684	-	431,684	431,684	-
Olivero Plumbing Total	Temp Station	Hard Costs	Plumbing	2,089	-	2,089	2,089	0
Pacific Mobile Structures Total	Temp Station	Hard Costs	Modular Installation	28,906	-	28,906	28,906	0
R&S Erection of Richmond, Inc. Total	Temp Station	Hard Costs	Electrical/Liftmaster	11,618	-	11,618	11,618	0
Rubber Flooring Inc. Total	Temp Station	Hard Costs	Flooring	1,994	-	1,994	1,994	0
Various Total	Temp Station	Hard Costs	Supplies	6,342	-	6,342	6,343	(1)
Watson Electric Inc. Total	Temp Station	Hard Costs	Generator	11,786	-	11,786	11,786	-
Air Exchange, Inc. Total	Temp Station	Relocation	Vehicle Exhaust System	5,999	-	5,999	5,999	-
Corovan Moving & Storage Co Total	Temp Station	Relocation	Long-term Storage	30,920	-	30,920	18,705	12,215
Fernando Herrera Total	Temp Station	Relocation	Move/Trash pickup	6,050	-	6,050	6,050	-
HansellDesign Total	Temp Station	Relocation	Project Management	1,688	-	1,688	1,688	1
Kensington Police Community Svcs Center Total	Temp Station	Relocation	Admin Sublet	63,402	-	63,402	26,824	36,578
Pacific Mobile Structures Total	Temp Station	Relocation	Modular Rental	80,993	-	80,993	32,205	48,788
Unitarian Church of Berkeley Total	Temp Station	Relocation	Parking Lot Rental	30,700	-	30,700	13,800	16,900
Various Total	Temp Station	Relocation	Services/Supplies	1,813	-	1,813	1,813	0
BKF Engineers Total	Temp Station	Soft Costs	Engineering	33,518	-	33,518	6,304	27,214
Kappe Architects Total	Temp Station	Soft Costs	Architect	3,785	-	3,785	3,785	-
List Engineering Company, Inc. Total	Temp Station	Soft Costs	Engineering	14,213	-	14,213	14,213	-
Mack5 Total	Temp Station	Soft Costs	Construction Management	49,115	-	49,115	49,115	-
Various Total	Temp Station	Soft Costs	Engineering	6,942	-	6,942	6,641	301
Grand Total				\$ 8,237,589	\$ 627,611	\$ 8,865,200	\$ 2,771,999	\$ 5,465,590



## KENSINGTON FIRE PROTECTION DISTRICT

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

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### **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

September 2023

	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Budget	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
<b>REVENUE</b>							
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	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 5,067,302</b>	<b>\$ 5,809,889</b>	<b>\$ 5,990,208</b>	<b>\$ 6,128,335</b>	<b>\$ 6,354,981</b>	<b>\$ 6,599,400</b>	<b>\$ 6,848,755</b>
<b>EXPENDITURES</b>							
<u>Salaries and Benefits</u>							
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
<u>Outside Professional Services</u>							
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
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 4,817,425</b>	<b>\$ 4,745,445</b>	<b>\$ 5,005,426</b>	<b>\$ 5,312,086</b>	<b>\$ 5,683,455</b>	<b>\$ 6,100,359</b>	<b>\$ 6,532,455</b>
<b>NET OPERATING SURPLUS/(SHORTFALL)</b>	<b>\$ 249,877</b>	<b>\$ 1,064,444</b>	<b>\$ 984,783</b>	<b>\$ 816,249</b>	<b>\$ 671,526</b>	<b>\$ 499,041</b>	<b>\$ 316,301</b>
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
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,423,865</b>	<b>\$ 7,169,467</b>	<b>\$ 11,029,331</b>	<b>\$ 6,173,005</b>	<b>\$ 6,053,101</b>	<b>\$ 6,479,084</b>	<b>\$ 6,920,620</b>
<b>CHANGE IN FUND BALANCE</b>	<b>\$ (3,356,563)</b>	<b>\$ (1,359,578)</b>	<b>\$ (5,039,122)</b>	<b>\$ (44,669)</b>	<b>\$ 301,879</b>	<b>\$ 120,317</b>	<b>\$ (71,864)</b>
Building Loan Drawdown	-	1,926,120	-	-	-	-	-
<b>FUND BALANCE (June 30)</b>	<b>\$ -</b>	<b>\$ 10,570,506</b>	<b>\$ 5,531,384</b>	<b>\$ 5,486,714</b>	<b>\$ 5,788,594</b>	<b>\$ 5,908,910</b>	<b>\$ 5,837,046</b>

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

September 2023

	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Budget	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	<u>Assumptions Fiscal Years 2025-2028</u>
<b>REVENUE</b>								
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	-	-	-	-	-	-	-	
<b>TOTAL REVENUE</b>	<b>\$ 5,067,302</b>	<b>\$ 5,809,889</b>	<b>\$ 5,990,208</b>	<b>\$ 6,128,335</b>	<b>\$ 6,354,981</b>	<b>\$ 6,599,400</b>	<b>\$ 6,848,755</b>	784,000
<b>EXPENDITURES</b>								
<b>SALARIES AND BENEFITS</b>								
<u>Office Wages &amp; Related</u>								
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	
<u>Retiree Medical Benefits</u>								
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	
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$ 286,652</b>	<b>\$ 239,884</b>	<b>\$ 245,606</b>	<b>\$ 257,810</b>	<b>\$ 265,403</b>	<b>\$ 273,299</b>	<b>\$ 281,511</b>	
<u>Outside Professional Services</u>								
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**

September 2023

	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Budget	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	<i>Assumptions Fiscal Years 2025-2028</i>
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	
<b>Total Outside Professional Services</b>	<b>\$ 4,315,573</b>	<b>\$ 4,327,906</b>	<b>\$ 4,551,655</b>	<b>\$ 4,918,725</b>	<b>\$ 5,284,875</b>	<b>\$ 5,684,505</b>	<b>\$ 6,111,328</b>	
<u>Community Service Activities</u>								
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	
Community Service - Other	500	500	500	500	550	550	575	
<b>Total Community Service Activities</b>	<b>\$ 72,200</b>	<b>\$ 38,262</b>	<b>\$ 63,120</b>	<b>\$ 33,294</b>	<b>\$ 33,521</b>	<b>\$ 33,702</b>	<b>\$ 33,912</b>	
<u>District Activities</u>								
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	
<b>Total District Activities</b>	<b>\$ 61,500</b>	<b>\$ 60,105</b>	<b>\$ 23,500</b>	<b>\$ 29,380</b>	<b>\$ 24,500</b>	<b>\$ 30,674</b>	<b>\$ 25,000</b>	
<u>Office</u>								
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	8,240	8,487	8,742	9,004	9,274	3% annual increase

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

September 2023

	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Budget	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
Office - Other	500	500	515	530	546	563	580
Office - Equipment	-	1,189	5,000	-	-	-	-
<b>Total Office</b>	<b>\$ 15,500</b>	<b>\$ 15,500</b>	<b>\$ 72,785</b>	<b>\$ 15,279</b>	<b>\$ 15,737</b>	<b>\$ 16,209</b>	<b>\$ 16,695</b>
<b>Building Maintenance</b>							
Gardening Services	4,000	500	500	2,400	2,520	2,646	2,646
Building Alarm	1,500	1,500	1,500	1,575	1,575	1,654	1,654
Medical Waste Disposal	7,500	7,500	2,200	2,310	2,310	2,426	2,426
Janitorial Services	2,000	800	200	2,400	2,400	2,520	2,520
Miscellaneous Maintenance	9,000	9,365	2,000	5,000	5,000	5,250	5,250
<b>Total Building Maintenance</b>	<b>\$ 24,000</b>	<b>\$ 19,665</b>	<b>\$ 6,400</b>	<b>\$ 13,685</b>	<b>\$ 13,805</b>	<b>\$ 14,495</b>	<b>\$ 14,495</b>
<b>Building Utilities/Service</b>							
Gas and Electric	13,000	13,000	14,300	15,730	17,303	19,033	20,937
Water/Sewer	4,000	4,000	4,120	4,244	4,371	4,502	4,637
Building Utilities/Services - Other	-	2,123	3,940	3,940	3,940	3,940	3,940
<b>Total Building Utilities/Service</b>	<b>\$ 17,000</b>	<b>\$ 19,123</b>	<b>\$ 22,360</b>	<b>\$ 23,914</b>	<b>\$ 25,614</b>	<b>\$ 27,475</b>	<b>\$ 29,514</b>
<b>Contingency</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 4,817,425</b>	<b>\$ 4,745,445</b>	<b>\$ 5,005,426</b>	<b>\$ 5,312,086</b>	<b>\$ 5,683,455</b>	<b>\$ 6,100,359</b>	<b>\$ 6,532,455</b>
<b>NET OPERATING SURPLUS/(SHORTFALL)</b>	<b>\$ 249,877</b>	<b>\$ 1,064,444</b>	<b>\$ 984,783</b>	<b>\$ 816,249</b>	<b>\$ 671,526</b>	<b>\$ 499,041</b>	<b>\$ 316,301</b>
<b>CAPITAL EXPENDITURES</b>							
Rolling Stock Set-aside (Transfer from General Fund)	-	202,800	210,912	219,348	228,122	237,247	246,737
Equipment and Furniture	-	-	-	-	-	-	-
PSB - Temporary Facilities	848,607	894,649	-	-	-	-	-
PSB Renovation	2,757,833	1,326,573	5,725,081	500,000	-	-	-
<b>Total Capital Expenditures</b>	<b>\$ 3,606,440</b>	<b>\$ 2,424,022</b>	<b>\$ 5,935,993</b>	<b>\$ 719,348</b>	<b>\$ 228,122</b>	<b>\$ 237,247</b>	<b>\$ 246,737</b>
<b>DEBT SERVICE*</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,912</b>	<b>\$ 141,570</b>	<b>\$ 141,525</b>	<b>\$ 141,478</b>	<b>\$ 141,428</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 7,169,467</b>	<b>\$ 11,029,331</b>	<b>\$ 6,173,005</b>	<b>\$ 6,053,101</b>	<b>\$ 6,479,084</b>	<b>\$ 6,920,620</b>
<b>CHANGE IN FUND BALANCE</b>	<b>\$ (3,356,563)</b>	<b>\$ (1,359,578)</b>	<b>\$ (5,039,122)</b>	<b>\$ (44,669)</b>	<b>\$ 301,879</b>	<b>\$ 120,317</b>	<b>\$ (71,864)</b>
Building Loan Drawdown	-	1,926,120	-	-	-	-	-
<b>ENDING FUND BALANCE</b>		<b>10,570,506</b>	<b>5,531,384</b>	<b>5,486,714</b>	<b>5,788,594</b>	<b>5,908,910</b>	<b>5,837,046</b>

*Assumptions Fiscal Years 2025-2028*

*3% annual increase*

*5% increase every other year from 2025-26*

*5% increase every other year*

*5% increase every other year (from 2024-25)*

*5% increase every other year*

*5% increase every other year (from 2026-27)*

*10% annual increase*

*3% annual increase*

*Total FY 2021-22, 2022-23, 2023-24 = \$8,497,589*

*Total \$2,160,000 less capitalized interest (\$141,880) and costs of issuance (\$92,000)*

## Fund Balance Projection

	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers In/ (Transfers)</u>	<u>Other Financing</u>	<u>Change in Fund Balance</u>	<u>Beginning Fund Balance</u>	<u>Ending Fund Balance</u>	
<b><u>FY 2021-22</u></b>								
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	
<b>Total</b>	<b>5,491,596</b>	<b>4,895,928</b>	<b>-</b>	<b>-</b>	<b>595,668</b>	<b>9,408,296</b>	<b>10,003,964</b>	<b>✓</b>
<b><u>FY 2022-23 (Projected)</u></b>								
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	-	<u>2,221,222</u>	202,800	<u>1,926,120</u>	(92,302)	3,312,275	3,219,973	
<b>Total</b>	<b>5,809,889</b>	<b>7,169,467</b>	<b>-</b>	<b>1,926,120</b>	<b>566,542</b>	<b>10,003,964</b>	<b>10,570,506</b>	
<b><u>FY 2023-24 (Budget)</u></b>								
General Fund - Operating	5,789,208	8,674,252	(9,912)	-	(2,894,955)	7,350,533	4,455,578	
General Fund - PSB	-	<u>3,370,002</u>						
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund - PSB	-	<u>2,355,079</u>	210,912	-	(2,144,167)	3,219,973	1,075,806	\$1,075,806 Reserve-Rolling Stock
<b>Total</b>	<b>5,990,208</b>	<b>14,399,333</b>	<b>-</b>	<b>-</b>	<b>(5,039,122)</b>	<b>3,219,973</b>	<b>5,531,384</b>	
<b><u>FY 2024-25 (Projected)</u></b>								
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
<b>Total</b>	<b>6,128,335</b>	<b>6,173,005</b>	<b>-</b>	<b>-</b>	<b>(44,669)</b>	<b>5,531,384</b>	<b>5,486,714</b>	
<b><u>FY 2025-26 (Projected)</u></b>								
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
<b>Total</b>	<b>6,354,981</b>	<b>6,053,101</b>	<b>-</b>	<b>-</b>	<b>301,879</b>	<b>5,486,714</b>	<b>5,788,594</b>	
<b><u>FY 2026-27 (Projected)</u></b>								
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
<b>Total</b>	<b>6,599,400</b>	<b>6,479,084</b>	<b>-</b>	<b>-</b>	<b>120,317</b>	<b>5,788,594</b>	<b>5,908,910</b>	
<b><u>FY 2027-28 (Projected)</u></b>								
General Fund	6,647,755	6,920,620	(45,737)	-	(318,601)	4,148,387	3,829,786	
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund	-	-	246,737	-	246,737	1,760,523	2,007,260	Rolling Stock Reserve
<b>Total</b>	<b>6,848,755</b>	<b>6,920,620</b>	<b>-</b>	<b>-</b>	<b>(71,864)</b>	<b>5,908,910</b>	<b>5,837,046</b>	



## KENSINGTON FIRE PROTECTION DISTRICT

**DATE:** September 7, 2023  
**TO:** Finance Committee  
**RE:** FY 2023-24 Final Budget  
**SUBMITTED BY:** Mary A. Morris-Mayorga, Interim General Manager

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### **Recommended Action**

This item is provided for discussion, feedback, and direction prior to adoption by the Board of Directors at the September meeting.

### **Background**

The Preliminary Fiscal Year 2023-24 Budget was presented to and discussed with the Finance Committee on June 6, 2023. The committee provided feedback and direction for staff presentation to the Board of Directors on June 21, 2023 where the preliminary budget was adopted.

Since that time, staff has made the following updates with the proposed Fiscal Year 2023-24 Final Budget attached:

- 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 proposed Fiscal Year 2023-24 Final Budget is balanced and sustainability in accordance with the long-term financial forecast.

**Attachment:** Fiscal Year 2023-2024 Final Budget  
Fiscal Year 2022-2023 Financial Reports (for reference if needed)





# **Kensington Fire Protection District Fiscal Year 2023-2024 Final Budget**



Presented by  
Mary A. Morris-Mayorga, Interim General Manager  
to  
KFPD Finance Committee on June 6, 2023 and September 7, 2023  
and  
KFPD Board of Directors on June 21, 2023 and September 20, 2023



## Kensington Fire Protection District Fiscal Year 2023-2024 Final Budget

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## Budget Message

September 20, 2023

To: Board of Directors,  
Kensington Fire Protection District

Members of the Board:

It is my pleasure to present to you the Kensington Fire Protection District ("KFPD") Final Budget for Fiscal Year 2023-2024. This budget serves as the foundation for KFPD's commitment to serving the Kensington community in protecting the lives, property, and environment of the community from the disastrous effects of fires, medical emergencies, natural disasters, and other hazardous conditions.

KFPD has continued to make significant improvements in service delivery over the past fiscal year, including:

- Updated long-term financial forecast for operational, emergency, and capital reserves;
- Embarking on the Public Safety Building Seismic Renovation Project and completion of the Temporary Fire Station 55;
- Broadening emergency preparedness with establishment of subcommittees that focus on public outreach and volunteering;
- Returning to in-person meetings and Implementing hybrid meeting options in accordance with the Brown Act; and
- Continuing the cooperative administrative relationship between the KFPD and KPPCSD.

To further expand on those achievements, the FY 2023-24 Preliminary Budget will enable further improvements while providing responsible stewardship of the district's resources. The budget is developed in accordance with the Guiding Principles which were developed several years ago which are listed on Page 8.

I would like to express my appreciation to the Board for their continued support and tireless leadership of such a critical organization. As always, we welcome and encourage public input and feedback on the budget to ensure that it is reader-friendly and provides useful information on the District's programs and services.

Respectfully submitted,

Mary A. Morris-Mayorga  
Interim General Manager

## Elected and Appointed Officials

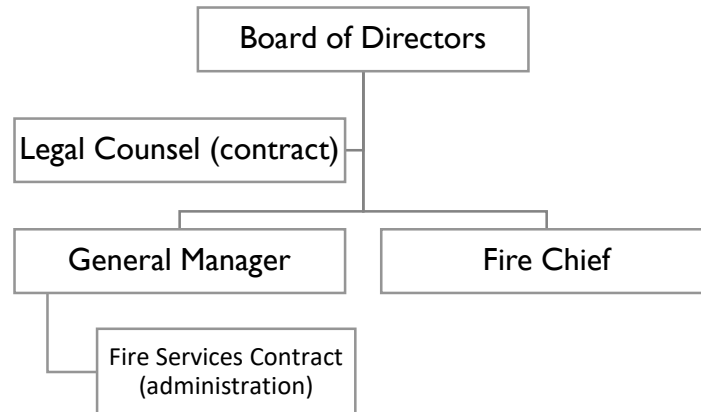
### Board of Directors

	<u>Term Expires</u>
Julie Stein, President	December 2027
Daniel Levine, Vice President	December 2027
Larry Nagel, Secretary	December 2024
Don Dommer	December 2024
Jim Watt	December 2027

### Appointed

General Manager (Interim) Mary Morris-Mayorga  
Fire Chief Eric Saylor

## Organization Chart



## Committees

### Emergency Preparedness Committee:

Directors: Larry Nagel and Don Dommer  
Public Members: Lisa Caronna, Katie Gluck, Peter Liddell, Danielle Madugo, Paul Moss, David Spath

### Finance Committee:

Directors: Julie Stein and Jim Watt

## Mission

Our mission is to provide the highest level of service to Kensington in order to protect the lives, property, and environment of the community from the disastrous effects of fires, medical emergencies, natural disasters, and other hazardous conditions.

## District Profile

The unincorporated town of Kensington began a volunteer fire department in 1928. Twenty-four years later, the Kensington Fire Protection District (formed in 1937) hired a staff of professional firefighters under the supervision of a fire chief. The district is organized under the State's Health & Safety Code Section 13800, commonly known as the Bergeson Fire District Law. In 1995, the district entered into a contract with the City of El Cerrito whereby El Cerrito would provide all fire prevention, fire suppression and emergency services within Kensington for an annual fee. As a result, the district's only current employee is its Interim General Manager (GM), Mary Morris-Mayorga while the search is in progress for a permanent General Manager. Salary information for the District's GM can be found at: [www.publicpay.ca.gov](http://www.publicpay.ca.gov)

The early fire department was housed in a small, quaint English country-style building next to the Chevron Oil gas station on the Arlington. The current public safety building, owned by the district, was constructed in 1970 and substantially renovated in 1999 and 2004. The district owns two fire engines, one specifically engineered for the steep, narrow streets of Kensington and the other a "Type III" or wildland engine for use during high fire season.

In recent years the district embarked on a series of water system improvements by contract with the East Bay Municipal Utility District to enhance the provision of water along the wildland interface and to optimize the placement of hydrants throughout the community. The district initiated paramedic service in 2001. It offers the first engine-based Advanced Life Support service in West Contra Costa County, bringing medications and equipment to a patient's side in under 5 minutes on average.

The district is able to provide a timely and appropriate level of response by active participation with other West Contra Costa County fire agencies in automatic response agreements that use the combined resources of all agencies to serve the area irrespective of jurisdictional lines.

The district operates a Community Emergency Response Team Training (CERT) program. For more information on CERT, see our "CERT Training" tab or at: [www.el-cerrito.org/index.aspx?nid=133](http://www.el-cerrito.org/index.aspx?nid=133)

Funding for District expenses is provided by property tax revenues as well as a special tax approved by the voters in 1980.

## District Services

Kensington Fire Protection District provides emergency medical, fire education, prevention and suppression services to the town of Kensington, California.

### Training 2020:

- *Medical - EMS* = 864 Hours
- *Operations* = 10,583 Hours
- *Physical Fitness* = 1,325 Hours
- *Internet-Based Safety Training* = 2,452 Hours

### Fire Prevention and Public Education 2020:

- *Fire Inspections (Fire Company)* = 48
- *Mandatory (Schools/Jails/Convalescent)* = 02
- *Self Inspections* = 10
- *Vegetation Management Inspections* = 1,254
- *Vegetation Management Re-Inspections* = 82
- *Construction Plan Checks* = 05
- *Construction Inspections* = 11

### Certifications Currently Held:

- *Chief Officers* = 02
- *Fire Officers* = 19
- *Firefighter II* = 32
- *Firefighter I* = 36
- *Driver Operator* = 32
- *Rescue Systems* = 35
- *Paramedic* = 19
- *Technical Rescue* = 14
- *CERT Instructors* = 08

### Community Programs (NOTE: Some postponed due to COVID-19):

- *Car Seat Installation Program*
- *CERT (Community Emergency Response Team)*
- *CPR / First Aid Training*
- *Free Smoke Detectors for Elderly, Disabled and Low-Income Resident*
- *Parking Flyer for Neighbors*
- *Pharmaceutical Drop Off Program*
- *School Tours*
- *Shredding Event (semi-annual)*

# Service Area Map



## Strategic Planning and Goals

The District's last goal setting session was held on January 20, 2021 as part of establishing the goals and objectives for the first year with the new General Manager. Prior to that, at a strategy planning session held on May 6, 2015, the following objectives were identified:

1. *Reducing loss of life and property and safeguarding the environment by effectively responding to fire, rescue and medical emergencies, hazardous material incidents and major disasters;*
2. *Helping members of the community reduce the frequency and severity of fires, accidents and natural disasters by providing public education programs;*
3. *Reducing threats to public safety by enforcing laws, codes and ordinances covering fire and life safety and by abating identified fire hazards on City, private and other agencies' property; and*
4. *Maintaining personnel, apparatus, equipment and facilities in a constantly ready condition.*

Long-term goals are contained within *Policy 0010 – Goals*:

- Establish a wildland/urban interface fire prevention effort through an emphasis on public education while establishing vegetation management standards and legal enforcement procedures of implementation in subsequent years.
- Maintain a Fire Hazard Reduction Program to work with the East Bay Regional Park District along the Kensington interface.
- Maintain enhanced personnel skill levels in wildland firefighting and incident command by continued participation in area-wide wildland fire response training exercises.
- Maintain Fire Station No. 65's functional adequacy and seismic structural integrity.
- Manage and implement capital projects to provide adequate fire flow throughout Kensington.
- Provide a comprehensive maintenance and certification test program to ensure readiness of complex fire apparatus and equipment.
- Provide hazardous materials response training to meet annual mandated requirements and to ensure efficient operations with the Richmond Fire Department Hazardous Materials Response Team.
- Maintain the earthquake and disaster preparedness program by supporting the Community Emergency Response Team (CERT).
- Continuously update disaster planning by utilizing support from the City of El Cerrito and their planning process.
- Continued implementation of upgraded computer-based systems for records and reports.
- Continuously improve access to and utilization of fire service weather information network.
- Fully implement the fire protection contract with the City of El Cerrito and respond to other cost-saving and service-enhancing opportunities for functional integration of fire services with surrounding jurisdictions.
- Maintain a program to identify and obtain grant funding to support and enhance the District's fire protection services.
- Prudently manage District funds.



## Fund Structure

District financial activities are recorded in three major governmental funds:

*General Fund - Operating fund of the district; Used for all financial resources except those required to be accounted for in another fund.*

*Special Revenue Fund - Accounts for the special tax authorized by Section 53978 of the Government Code and approved by the district’s electorate on April 8, 1980.*

*Capital Project Fund - Used to account for financial resources in the acquisition, construction, or rehabilitation of major capital facilities and inventory.*

## Budget Development

### Guiding Principles

1. Open and transparent – all components of the budget are available to the public with reporting that supports and enhances.
2. Strategic – delivery of District services and programs aligns with the mission and strategic goals and priorities.
3. Sustainable – a ten-year long-term financial plan demonstrates availability of resources for service delivery.
4. Resilience – future fiscal contingencies and risks are identified, assessed and prudently planned for through reserves or other measures.
5. Realistic – budget amounts are based upon the best information available.
6. Integrity and quality – budgetary forecasts and actual results are subject to quality assurance including independent audit.
7. Performance – evaluation of services and programs will be integral to the budget process.

### Budget Schedule

In general, the annual budget schedule is as follows:

Action	When
<i>Strategic Plan</i>	<i>As determined by the BOD</i>
<i>Long-Term Financial Plan (update)</i>	<i>April</i>
<i>Review with Finance Committee</i>	<i>May</i>
<i>Presentation to BOD</i>	<i>June</i>
<i>Approval</i>	<i>June</i>
<i>Adoption</i>	<i>September</i>
<i>Mid-Year Review</i>	<i>February</i>
<i>Monitoring</i>	<i>Ongoing</i>

## Budget Detail

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Budget
<b>REVENUE</b>				
Property Taxes	4,783,334	4,739,500	5,264,470	5,475,049
Special Taxes	204,418	200,752	200,752	201,000
Other Taxes (HOPTR)	24,612	24,000	24,000	25,000
Lease Income	36,603	3,050	3,050	3,050
Investment Income	14,188	20,000	250,000	216,110
CERBT Disbursement	40,282	80,000	67,617	68,000
Other Revenue	388,159	-	-	2,000
Grant Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 5,491,596</b>	<b>\$ 5,067,302</b>	<b>\$ 5,809,889</b>	<b>\$ 5,990,208</b>
<b>EXPENDITURES</b>				
<b>SALARIES AND BENEFITS</b>				
<u>Office Wages &amp; Related</u>				
Regular Wages	139,936	144,416	144,355	148,686
Vacation/Holiday/Sick Leave	9,182	23,182	4,687	5,000
Medical/Dental Insurance	13,000	12,000	6,000	6,180
Payroll Taxes	11,990	13,304	12,992	13,382
Workers Compensation/Life Insurance	759	650	1,760	1,813
Payroll Processing	1,971	2,500	2,472	2,545
<b>Total Office Wages &amp; Related Costs</b>	<b>176,838</b>	<b>196,052</b>	<b>172,266</b>	<b>177,606</b>
<u>Retiree Medical Benefits</u>				
PERS Medical	54,507	72,500	53,756	52,000
CalPERS Settlement	18,090	-	-	-
Delta Dental	11,385	14,000	10,437	12,000
Vision Care	3,877	4,100	3,425	4,000
<b>Total Retiree Medical Benefits</b>	<b>87,859</b>	<b>90,600</b>	<b>67,618</b>	<b>68,000</b>
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$ 264,697</b>	<b>\$ 286,652</b>	<b>\$ 239,884</b>	<b>\$ 245,606</b>
<u>Outside Professional Services</u>				
Accounting	37,045	36,000	36,000	37,080
Actuarial Valuation	3,000	5,600	5,600	2,800
Audit	16,000	16,000	16,000	20,000
Bank Fees	37	25	25	50
Contra Costa County Expenses	53,644	38,000	38,000	39,520
El Cerrito Contract Fees	3,525,871	3,843,483	3,843,483	4,146,968
El Cerrito Reconciliation	204,642	123,165	123,165	77,554
IT Services and Equipment	723	15,000	15,000	2,500
Fire Abatement Contract	-	5,000	5,000	5,250
Fire Engineer Plan Review	688	3,000	3,000	3,000
Risk Management Insurance	1,159	19,000	21,258	23,384
LAFCO Fees	2,078	5,000	2,100	2,100
Legal Fees	10,595	20,000	20,000	20,600
Operational Consultant	-	-	19,000	5,000
Recruitment	-	-	23,975	14,925
Temporary Services	-	-	-	-
Water System Improvements	-	10,000	-	10,000
Website Development/Maintenance	3,227	4,500	3,500	3,120
Wildland Vegetation Maintenance	4,000	7,600	7,600	7,828
Other Outside Professional Services	-	-	-	-
Emergency Preparedness Coordinator	100,000	105,200	105,200	108,356
Grant Writer/Coordinator	6,548	50,000	31,000	15,000
Nixle (Everbridge) Fees	3,183	4,000	4,000	4,120
Long-Term Financial Planner	29,194	5,000	5,000	2,500
<b>Total Outside Professional Services</b>	<b>\$ 4,001,634</b>	<b>\$ 4,315,573</b>	<b>\$ 4,327,906</b>	<b>\$ 4,551,655</b>

Budget Detail (cont'd)

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Budget
<u>Community Service Activities</u>				
Public Education	17,762	30,000	20,000	20,000
EP Coordinator Expense Account	-	1,000	1,000	1,000
Community Pharmaceutical Drop-Off	-	2,500	2,500	2,500
CERT Emergency Kits/Sheds/Prep	-	4,000	4,000	4,120
Open Houses	-	1,800	1,800	2,000
Community Shredder	5,608	5,000	5,000	5,500
DFSC Matching Grants	-	-	-	-
Firesafe Planting Grants	1,360	25,000	-	25,000
Demonstration Garden	-	-	-	-
Community Sandbags	1,729	1,900	2,962	2,000
Volunteer Appreciation	450	500	500	500
Community Service - Other	-	500	500	500
<b>Total Community Service Activities</b>	<b>\$ 26,909</b>	<b>\$ 72,200</b>	<b>\$ 38,262</b>	<b>\$ 63,120</b>
<u>District Activities</u>				
Equipment	1,697	-	-	-
Vehicle Maintenance	5,501	-	-	-
Professional Development	3,324	10,000	10,000	5,000
Election	-	7,500	5,600	-
Firefighter's Apparel & PPE	-	2,000	2,000	1,500
Firefighter's Expenses	9,141	30,000	30,000	5,000
Staff Appreciation	93	3,000	3,000	2,500
Memberships	7,615	9,000	9,505	9,500
<b>Total District Activities</b>	<b>\$ 27,371</b>	<b>\$ 61,500</b>	<b>\$ 60,105</b>	<b>\$ 23,500</b>
<u>Office</u>				
Office Expenses	3,846	5,000	4,811	58,000
Office Supplies	694	2,000	1,000	1,030
Telephones	8,720	8,000	8,000	8,240
Office - Other	-	500	500	515
Office - Equipment	-	-	1,189	5,000
<b>Total Office</b>	<b>\$ 13,260</b>	<b>\$ 15,500</b>	<b>\$ 15,500</b>	<b>\$ 72,785</b>
<u>Building Maintenance</u>				
Gardening Services	2,275	4,000	500	500
Building Alarm	1,264	1,500	1,500	1,500
Medical Waste Disposal	2,141	7,500	7,500	2,200
Janitorial Services	2,208	2,000	800	200
Miscellaneous Maintenance	6,592	9,000	9,365	2,000
<b>Total Building Maintenance</b>	<b>\$ 14,480</b>	<b>\$ 24,000</b>	<b>\$ 19,665</b>	<b>\$ 6,400</b>
<u>Building Utilities/Service</u>				
Gas and Electric	11,852	13,000	13,000	14,300
Water/Sewer	4,118	4,000	4,000	4,120
Building Utilities/Services - Other	-	-	2,123	3,940
<b>Total Building Utilities/Service</b>	<b>\$ 15,970</b>	<b>\$ 17,000</b>	<b>\$ 19,123</b>	<b>\$ 22,360</b>
<b>Contingency</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 20,000</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 4,364,321</b>	<b>\$ 4,817,425</b>	<b>\$ 4,745,445</b>	<b>\$ 5,005,426</b>
<b>NET OPERATING SURPLUS/(SHORTFALL)</b>	<b>\$ 1,127,275</b>	<b>\$ 249,877</b>	<b>\$ 1,064,444</b>	<b>\$ 984,783</b>

### Budget Detail (cont'd)

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Budget
<b>CAPITAL EXPENDITURES</b>				
Rolling Stock Set-aside ( <i>Transfer from General Fund to</i>		-	202,800	210,912
Equipment and Furniture	315	-	-	-
PSB - Temporary Facilities	91,853	848,607	894,649	-
PSB Renovation	459,433	2,757,833	1,326,573	5,725,081
<b>Total Capital Expenditures</b>	<b>\$ 551,601</b>	<b>\$ 3,606,440</b>	<b>\$ 2,424,022</b>	<b>\$ 5,935,993</b>
<b>DEBT SERVICE*</b>	<b>\$ (19,994)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,912</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,895,928</b>		<b>\$ 7,169,467</b>	<b>\$11,029,331</b>
<b>CHANGE IN FUND BALANCE</b>	<b>\$ 595,668</b>	<b>\$ (3,356,563)</b>	<b>\$ (1,359,578)</b>	<b>\$ (5,039,122)</b>
Building Loan Drawdown	-	-	1,926,120	-
<b>ENDING FUND BALANCE</b>	10,003,964		10,570,506	5,531,384

Debt Service - FY 2019-20, 2020-21, 2021-22 - CalPERS Repayment; Beginning FY 2022-23 Debt Service = Facility Loan Repayment (\$2,160,000 25 year term @ 4.07%)

### Capital Outlay – Public Safety Building

	Original Project Budget	Project Budget Revised 6/30/2023	Notes:
<u>Public Safety Building:</u>			
Construction	\$ 5,475,000	\$ 5,982,253	Incl approved change orders + \$100k
PSB Renovation Design/Engineering	600,000	704,740	
Permits/Inspection/Testing		141,017	
Construction/Project Management		394,987	
Furniture, Fixtures, and Equipment		200,000	
Legal Counsel		150,000	
<u>Temporary Fire Station:</u>			
Construction Cost	740,000	595,453	Incl storage/sublet
Design/Engineering/Project Management	90,000	107,573	
Relocation/FFE/Etc Estimate	300,000		
Relocation		221,566	
Sub-Total:	<u>\$ 7,205,000</u>	<u>\$ 8,497,589</u>	
Project Contingency Allowance	<u>720,000</u>	<u>500,000</u>	
Total Project Budget	<u>\$ 7,925,000</u>	<u>\$ 8,997,589</u>	

## Five-Year Financial Forecast

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Budget	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
<b>REVENUE</b>								
Property Taxes	\$ 4,783,334	\$ 4,739,500	\$ 5,264,470	\$ 5,475,049	\$ 5,694,051	\$ 5,921,813	\$ 6,158,685	\$ 6,405,033
Special Taxes	204,418	200,752	200,752	201,000	201,000	201,000	201,000	201,000
Other Taxes (HOPTR)	24,612	24,000	24,000	25,000	25,000	25,000	25,000	25,000
Lease Income	36,603	3,050	3,050	3,050	-	-	-	-
Investment Income	14,188	20,000	250,000	216,110	138,285	137,168	144,715	147,723
CERBT Disbursement	40,282	80,000	67,617	68,000	68,000	68,000	68,000	68,000
Other Revenue	388,159	-	-	2,000	2,000	2,000	2,000	2,000
Grant Revenue	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 5,491,596</b>	<b>\$ 5,067,302</b>	<b>\$ 5,809,889</b>	<b>\$ 5,990,208</b>	<b>\$ 6,128,335</b>	<b>\$ 6,354,981</b>	<b>\$ 6,599,400</b>	<b>\$ 6,848,755</b>
<b>EXPENDITURES</b>								
<b>Salaries and Benefits</b>								
Office Wages and Related Costs	176,838	196,052	172,266	177,606	189,810	197,403	205,299	213,511
Retiree Medical Benefits	87,859	90,600	67,618	68,000	68,000	68,000	68,000	68,000
<b>Total Salaries and Benefits</b>	<b>\$ 264,697</b>	<b>\$ 286,652</b>	<b>\$ 239,884</b>	<b>\$ 245,606</b>	<b>\$ 257,810</b>	<b>\$ 265,403</b>	<b>\$ 273,299</b>	<b>\$ 281,511</b>
<b>Outside Professional Services</b>								
El Cerrito Contract Fees	3,525,871	3,843,483	3,843,483	4,146,968	4,478,725	4,837,023	5,223,985	5,641,904
El Cerrito Reconciliation	204,642	123,165	123,165	77,554	125,000	125,000	125,000	125,000
Other Outside Professional Services	271,121	348,925	361,258	327,133	315,000	322,852	335,519	344,424
<b>Total Outside Professional Services</b>	<b>\$ 4,001,634</b>	<b>\$ 4,315,573</b>	<b>\$ 4,327,906</b>	<b>\$ 4,551,655</b>	<b>\$ 4,918,725</b>	<b>\$ 5,284,875</b>	<b>\$ 5,684,505</b>	<b>\$ 6,111,328</b>
Community Service Activities	\$ 26,909	\$ 72,200	\$ 38,262	\$ 63,120	\$ 33,294	\$ 33,521	\$ 33,702	\$ 33,912
District Activities	\$ 27,371	\$ 61,500	\$ 60,105	\$ 23,500	\$ 29,380	\$ 24,500	\$ 30,674	\$ 25,000
Office Expenses	\$ 13,260	\$ 15,500	\$ 15,500	\$ 72,785	\$ 15,279	\$ 15,737	\$ 16,209	\$ 16,695
Building Maintenance	\$ 14,480	\$ 24,000	\$ 19,665	\$ 6,400	\$ 13,685	\$ 13,805	\$ 14,495	\$ 14,495
Building Utilities/Service	\$ 15,970	\$ 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
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 4,364,321</b>	<b>\$ 4,817,425</b>	<b>\$ 4,745,445</b>	<b>\$ 5,005,426</b>	<b>\$ 5,312,086</b>	<b>\$ 5,683,455</b>	<b>\$ 6,100,359</b>	<b>\$ 6,532,455</b>
<b>NET OPERATING SURPLUS/(SHORTFALL)</b>	<b>\$ 1,127,275</b>	<b>\$ 249,877</b>	<b>\$ 1,064,444</b>	<b>\$ 984,783</b>	<b>\$ 816,249</b>	<b>\$ 671,526</b>	<b>\$ 499,041</b>	<b>\$ 316,301</b>
Capital Expenditures - Rolling Stock Set-aside	\$ -	\$ -	\$ 202,800	\$ 210,912	\$ 719,348	\$ 228,122	\$ 237,247	\$ 246,737
Capital Expenditures - Equip/Furniture	\$ 315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures - Public Safety Building	\$ 551,286	\$ 3,606,440	\$ 2,221,222	\$ 5,725,081	-	-	-	-
Debt Service	\$ (19,994)	\$ -	\$ -	\$ 87,912	\$ 141,570	\$ 141,525	\$ 141,478	\$ 141,428
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,895,928</b>	<b>\$ 8,423,865</b>	<b>\$ 7,169,467</b>	<b>\$ 11,029,331</b>	<b>\$ 6,173,005</b>	<b>\$ 6,053,101</b>	<b>\$ 6,479,084</b>	<b>\$ 6,920,620</b>
<b>CHANGE IN FUND BALANCE</b>	<b>\$ 595,668</b>	<b>\$ (3,356,563)</b>	<b>\$ (1,359,578)</b>	<b>\$ (5,039,122)</b>	<b>\$ (44,669)</b>	<b>\$ 301,879</b>	<b>\$ 120,317</b>	<b>\$ (71,864)</b>
Building Loan Drawdown	-	-	1,926,120	-	-	-	-	-
<i>*Includes Franchise Fee and Capital Funds</i>								
<b>FUND BALANCE (June 30)</b>	<b>\$ 10,003,964</b>	<b>\$ -</b>	<b>\$ 10,570,506</b>	<b>\$ 5,531,384</b>	<b>\$ 5,486,714</b>	<b>\$ 5,788,594</b>	<b>\$ 5,908,910</b>	<b>\$ 5,837,046</b>

## Fund Balance Projection

	Revenue	Expenditures	Transfers In/ (Transfers Out)	Other Financing Sources	Change in Fund Balance	Beginning Fund Balance	Ending Fund Balance
<b>FY 2021-22</b>							
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
<b>Total</b>	<b>5,491,596</b>	<b>4,895,928</b>	<b>-</b>	<b>-</b>	<b>595,668</b>	<b>9,408,296</b>	<b>10,003,964</b>
<b>FY 2022-23 (Projected)</b>							
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	-	2,221,222	202,800	1,926,120	(92,302)	3,312,275	3,219,973
<b>Total</b>	<b>5,809,889</b>	<b>7,169,467</b>	<b>-</b>	<b>1,926,120</b>	<b>566,542</b>	<b>10,003,964</b>	<b>10,570,506</b>
<b>FY 2023-24 (Budget)</b>							
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	-	2,355,079	210,912	-	(2,144,167)	3,219,973	1,075,806
<b>Total</b>	<b>5,990,208</b>	<b>14,399,333</b>	<b>-</b>	<b>-</b>	<b>(5,039,122)</b>	<b>3,219,973</b>	<b>5,531,384</b>
<b>FY 2024-25 (Projected)</b>							
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
<b>Total</b>	<b>6,128,335</b>	<b>6,173,005</b>	<b>-</b>	<b>-</b>	<b>(44,669)</b>	<b>5,531,384</b>	<b>5,486,714</b>
<b>FY 2025-26 (Projected)</b>							
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
<b>Total</b>	<b>6,354,981</b>	<b>6,053,101</b>	<b>-</b>	<b>-</b>	<b>301,879</b>	<b>5,486,714</b>	<b>5,788,594</b>
<b>FY 2026-27 (Projected)</b>							
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
<b>Total</b>	<b>6,599,400</b>	<b>6,479,084</b>	<b>-</b>	<b>-</b>	<b>120,317</b>	<b>5,788,594</b>	<b>5,908,910</b>
<b>FY 2027-28 (Projected)</b>							
General Fund	6,647,755	6,920,620	(45,737)	-	(318,601)	4,148,387	3,829,786
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	246,737	-	246,737	1,760,523	2,007,260
<b>Total</b>	<b>6,848,755</b>	<b>6,920,620</b>	<b>-</b>	<b>-</b>	<b>(71,864)</b>	<b>5,908,910</b>	<b>5,837,046</b>

September 1, 2023

## Rolling Stock Reserve

Fiscal Year Ending	Set-Asides				Outlays				Reserve			
	Command				Command Rolling Stock				Command Rolling Stock			
	Type I	Type III	Vehicle	Total	Type I	Type III	Vehicle	Outlays	Type I	Type III	Vehicle	Reserve
2021								\$0	\$440,730	\$0	\$26,363	\$467,094
2022	\$99,000	\$86,500	\$9,500	\$195,000				\$0	\$539,730	\$86,500	\$35,863	\$662,094
2023	\$102,960	\$89,960	\$9,880	\$202,800				\$0	\$642,690	\$176,460	\$45,743	\$864,894
2024	\$107,078	\$93,558	\$10,275	\$210,912				\$0	\$749,769	\$270,018	\$56,019	\$1,075,806
2025	\$111,362	\$97,301	\$10,686	\$219,348				\$0	\$861,130	\$367,319	\$66,705	\$1,295,154
2026	\$115,816	\$101,193	\$11,114	\$228,122				\$0	\$976,946	\$468,512	\$77,818	\$1,523,277
2027	\$120,449	\$105,240	\$11,558	\$237,247				\$0	\$1,097,395	\$573,752	\$89,377	\$1,760,524
2028	\$125,267	\$109,450	\$12,021	\$246,737			\$97,430	\$97,430	\$1,222,662	\$683,202	\$3,968	\$1,909,832
2029	\$130,277	\$113,828	\$12,501	\$256,607				\$0	\$1,352,939	\$797,031	\$16,469	\$2,166,438
2030	\$135,488	\$118,381	\$13,001	\$266,871				\$0	\$1,488,427	\$915,412	\$29,470	\$2,433,309
2031	\$140,908	\$123,116	\$13,521	\$277,546	\$1,622,575			\$1,622,575	\$6,760	\$1,038,528	\$42,992	\$1,088,280

### Fire Protection Contract

Fire protection is provided pursuant to the contract between the Kensington Fire Protection District and the City of El Cerrito, originally signed in 1995 with updates in 2005, 2009, 2019, and 2022. The full contract is available here: [Kensington-El Cerrito Fire Services Contract](#)

FY 2023-2024 Contract Amount (unreconciled)	\$ 4,146,968.14
FY 2022-2023 Budget to Actual Contract Reconciliation	<u>77,553.80</u>
FY 2023-2024 Proposed Contract Fee	<u>\$ 4,224,521.94</u>

Contract % Increase 7.90%

### Financial Plan

The district engaged NHA Advisors in October 2021 for strategic financial planning of the district's operational, capital, and emergency reserves. The final projection for the Public Safety Building Renovation Project, and associated costs, is attached.

### Code/Enabling Act

California Health & Safety Code Section 13800, commonly known as the Bergeson Fire District Law.

### Gann Limit

Fiscal Year 2022-2023 Limit	\$ 5,507,566
Per Capita Personal Income Ratio	1.0444
Population % Change Ratio	<u>0.9964</u>
Fiscal Year 2023-2024 Limit	<u>\$ 5,731,394</u>

### Resources

[KFPD District Policies](#)

[Districts Make the Difference](#)

[California Special Districts Association](#)



## KENSINGTON FIRE PROTECTION DISTRICT

**DATE:** September 7, 2023  
**TO:** Finance Committee  
**RE:** Reserves Policy Potential Revisions  
**SUBMITTED BY:** Mary A. Morris-Mayorga, Interim General Manager

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### **Recommended Action**

This item is provided for discussion, feedback, direction, and potential advancement to the Board of Directors with proposed revisions.

### **Background**

The District's *Policy 1170 Financial Reserves* is very brief and has been in place for some time. At the Finance Committee meeting on June 6, 2023, the committee discussed potential revisions to the policy and confirmed with the Board of Directors on June 19, 2023 that there was consensus on evaluating potential policy revision. The Board was also interested in seeing the policies of other districts for comparison.

Staff has collected a sample of reserve and fund balance policies from other agencies, including the sample policy of the California Special Districts Association (CSDA) which are attached to the item. A proposed starting point for policy revision which incorporates prior comments of the committee along with best practice policy language is attached for the committee's review, discussion, feedback, and direction as applicable.

After review by the committee, staff can incorporate additional revision(s) and advance to the Board of Directors for review if desired.

### **Fiscal Impact**

Revision of this policy would not increase or decrease overall District funds; however, may change the classification of funds depending upon the revisions made.

**Attachments:** Policy 1170 Financial Reserves (with potential revisions)  
Policies from Other Agencies (for comparison)





## KENSINGTON FIRE PROTECTION DISTRICT POLICY MANUAL

Policy Number	1170
Policy Title	<u>Financial Fund Balance and Reserves</u>
Last Revision Date	05/01/2018

1170.040 Purpose: The District shall maintain funds as designated by this Fund Balance and Reserves Policy. Having an adequate financial reserve is critical to the successful and stable short- and long-term operation of the district. An adequate reserve ensures that the district will at all times have sufficient funding available to meet its operating and capital needs. The ability of the district to maintain reserve funds is a critical factor in providing reliable service and ensuring overall financial strength. This policy establishes a hierarchy of fund balance expenditures in conformance with Governmental Accounting Standards Board guidelines, reporting of fund balance classifications, and prudent reserve funding to achieve the following goals:

- a) Maintain operational sustainability in periods of economic uncertainty.
- b) Fund designated projects/programs or other special uses not otherwise funded by grants or requiring additional monetary support;
- c) Fund replacement and major repairs for the District's physical assets; and
- d) Fund capital improvements.

1170.01 Definitions: The District shall account for reserves as required by Governmental Accounting Standards Board Statement No. 54, which distinguishes reserves as among these classes: non-spendable, restricted, committed, assigned and unassigned. The reserves stated by this policy, unless otherwise required by law, contract, or District policy shall be deemed "assigned" reserves.

**Assigned** - A fund balance that is earmarked for intended use. The intent is established by the Board of Directors.

**Committed** - A fund balance incorporating limitations in its use as determined and defined by the Board of Directors. The " " shall reside in this category.

**Non-Spendable** - A fund that is non-spendable due to constraints placed on the funds in this category such as committed loans or liens.

**Restricted** - A fund that has externally enforceable limitations on the use of the fund balance such as creditors, grantors, or laws regulating the use of the funds.

**Unassigned** - Encompasses all fund balances left after considering the other four categories. Use is less restrained in this fund category.

1170.20 Policy: The Board of Directors shall be responsible for the establishment and management of all District fund accounts and balances.

- a) The Reserve fund accounts shall be established by the Board of Directors through adoption of this policy and codified by passage of a resolution.
- b) Changes to existing fund balances, establishment of new fund accounts and balances, and authorization for expenditures from fund balances shall require action by the Board of Directors.
- c) The balances of each Reserve Fund shall be reviewed by the Board of Director's Finance Committee as part of the budget each year. Any recommended changes to fund balances for the upcoming fiscal year shall be presented to the full Board of Directors as an action item.

The following reserves reflect those which have been established by the Board of Directors:

- a) El Cerrito Contract Reserve: This It is the District's policy to establish, to the extent practicable, a reserve account to fund fire protection services provided by the City of El Cerrito for a period of 12 months; however, in May 2022 a contract amendment reduced the requirement to a period of 6 months in recognition of the public safety building renovation.
- b) Vehicle Replacements (Type I, Type III, and Command Vehicles): This reserve account funds vehicle replacements and is funded annually as part of the budget from operating funds.
- c) Building Maintenance: After completion of the public safety building renovation, this reserve account will fund future maintenance needs.
- d) Building Improvements/Renovation: This reserve account funds the public safety building renovation and is anticipated to be depleted by the end of Fiscal Year 2024 or the end of the project.
- e) Such other amounts as the Board shall deem prudent.

~~1170.20 The District shall maintain a capital reserves account to satisfy equipment and building replacement costs in amounts recommended by the Fire Chief. A replacement cost schedule will be included as part of the annual budget.~~

1170.03 Reserve funds need not be segregated from other funds or accounts of the district and are pooled for investment purposes.

# KENSINGTON FIRE PROTECTION DISTRICT POLICY MANUAL

**POLICY TITLE AND NUMBER:            1170 Financial Reserves**

**1170.10** It is the District's policy to establish, to the extent practicable, a reserve account to fund fire protection services provided by the City of El Cerrito for a period of 12 months.

**1170.20** The District shall maintain a capital reserves account to satisfy equipment and building replacement costs in amounts recommended by the Fire Chief. A replacement cost schedule will be included as part of the annual budget.

**POLICY TITLE AND NUMBER: 1170 Financial Reserves**

- 1170.00** Having an adequate financial reserve is critical to the successful and stable short- and long-term operation of the district. An adequate reserve ensures that the district will at all times have sufficient funding available to meet its operating and capital needs. The ability of the district to maintain reserve funds is a critical factor in providing reliable service and ensuring overall financial strength.
- 1170.01** A prime purpose of the reserves is to accumulate sufficient assets to pay known future liabilities and expenditures associated with the district's contract with the City of El Cerrito and its equipment outlays.
- 1170.02** The board shall deliberately set aside:
- A. At all times six months of the fee for services under the district's contract with the City of El Cerrito; and
  - B. One fifteenth of the cost of each engine annually, such amount to be indexed by the cost of living; and
  - C. Such other amounts as the board shall deem prudent.
- 1170.03** Reserve funds need not be separated from other funds or accounts of the district.



**POLICY TITLE: Reserve Policy**  
**POLICY NUMBER: 2150**

2150.1 Purpose: The [name of District] (the District) shall maintain reserve funds from existing unrestricted funds as designated by the District's Reserve Policy. This policy establishes the procedure and level of reserve funding to achieve the following specific goals:

- a) Fund replacement and major repairs for the District's physical assets.
- b) Fund regular replacement of computer hardware and software.
- c) Fund designated conservation projects/programs or other special uses not otherwise funded by grants or requiring additional monetary support;
- d) Fund capital improvements; and
- e) Maintain minimal operational sustainability in periods of economic uncertainty.

The District shall account for reserves as required by Governmental Accounting Standards Board Statement No. 54, which distinguishes reserves as among these classes: non-spendable, restricted, committed, assigned and unassigned. The reserves stated by this policy, unless otherwise required by law, contract, or District policy shall be deemed "assigned" reserves.

2150.2 Policy: Use of District Reserves is limited to available "Unrestricted" Funds (not obligated by law, contract or agreement), including donations, interest earned, fees for service or other non-grant earnings. All special use funds will be designated by formal action of the Board of Directors. [The following reserves reflect common purposes of many Districts for cash reserves; the listed purposes and reserve amounts should be tailored to the needs of your District.]

- a) Vehicle Fleet Reserve:  
Vehicle Fleet Reserves will accumulate from existing unrestricted funds, at a rate of [\$10,000] annually. The maximum amount of Vehicle Fleet Reserves will be [\$50,000]. When the annual accumulation would increase the Reserve beyond [\$50,000], only the amount required to reach the maximum will be reserved.
- b) Technology Reserve:  
Technology Reserves will accumulate from existing unrestricted funds at a rate of [\$4,000] annually. The maximum amount of Technology Reserves will be [\$20,000]. When the annual accumulation would increase the Reserve beyond [\$20,000], only the amount required to reach the maximum will be reserved.
- c) Designated Project/Special Use Reserve:  
Designated Project/Special Use Reserves will accumulate from existing unrestricted funds at a rate of [\$10,000 annually]. The maximum amount of Designated Project/Special Use Reserve will be [\$50,000]. When the annual accumulation would increase the Reserve beyond [\$50,000], only the amount required to reach the maximum will be reserved.



- d) **Capital Improvement Reserve:** Capital Improvements Reserve will accumulate from existing unrestricted funds at a rate of [\$25,000] annually. Designated Capital Improvement Funds may be used to cover major facility improvements (construction, installation of new doors or windows, replacing doors and windows, roof replacement, HVAC replacement, alarm system installation, parking lot and outside lighting improvements, etc.). The maximum amount of Capital Improvement Reserves will be [\$100,000]. When the annual accumulation would increase the Reserve beyond [\$100,000], only the amount required to reach the maximum will be reserved.
- e) **Repair/Operations & Administrative Operations Reserve:** Facility & Administrative Operations Reserves will accumulate from existing unrestricted funds at a rate of [\$260,000] annually. The maximum amount of Facility & Administrative Operations Reserves will be [\$780,000]. When the annual accumulation would increase the Reserve beyond [\$780,000] (equivalent of three years of Operations Reserves), only the amount required to reach the maximum will be reserved.
- f) **Total All Reserve Funds:**  
The total amount of Reserves designated annually from all funds shall be [\$309,000] with a cumulative accrual cap of [\$1,000,000].

2150.3 Using Reserve Funds:

- a) **Vehicle Fleet Reserve:**  
Vehicle Fleet Reserves will be used exclusively for the purchase of new vehicles to support District operations, or to make major repairs to existing vehicles.
- b) **Technology Reserve:**  
Technology Reserves will be used to purchase hardware and software in support of District operations, with the intent of maintaining a modern technology for employees.
- c) **Designated Project/Special Use Reserve:**  
Projects, programs or special uses will be identified by the General Manager and/or the Board of Directors and approved by the Board. Uses must further the mission of the District and will be evaluated for designation according to value to the District and the people it serves.
- d) **Capital Improvements Reserve:**  
Capital Improvements Reserves shall be limited to costs related to making changes to improve capital assets, increase their useful life, or add to the value of these assets.
- Operations/Repair & Administrative Operations Reserve:**
- e) **Operational Reserves** shall be accrued to ensure three years of minimal facility and administrative functions, at a rate of \$260,000. Reserve funds shall be utilized to support:
  - 1) Administrative operational functions, including minimal staffing levels and administrative/office expenses;
  - 2) facility operations;
  - 3) facility repairs (distinguished from Capital Improvements and may include painting, caulking of seams, roof repairs, HVAC repairs, patching of walls, etc.).



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2150.4 Monitoring Reserve Levels: The General Manager, in collaboration with the [position title], shall perform a reserve status analysis annually, to be provided to the Board of Directors' annual deliberation/approval of Budget and Reserve Funds.

Additional information may be provided to the Board of Directors upon the occurrence of the following events:

- a) When a major change in conditions threatens the reserve levels established by this policy or calls into question the effectiveness of this policy;
- b) Upon General Manager and/or Board request.

# MORAGA-ORINDA FIRE DISTRICT DISTRICT POLICY 12

## FUND BALANCE POLICY

### **Purpose:**

The Fund Balance Policy establishes a policy for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures in conformance with Governmental Accounting Standards Board guidelines.

### **Policy:**

The District will report fund balance in accordance with Governmental Accounting Standards Board Statement No. 54. The following five components will be used:

1. Nonspendable Fund Balance
2. Restricted Fund Balance
3. Committed Fund Balance
4. Assigned Fund Balance
5. Unassigned Fund Balance

The District will maintain a Minimum Fund Balance of unrestricted fund balance in the General Fund of at least 40% of budgeted General Fund revenue at fiscal year-end with a goal of achieving a 50% year-end General Fund balance in the long term.

The District will report the following amounts as Committed Fund Balance at fiscal year-end:

- Capital Projects – Fund balance derived from the Fire Flow Tax is committed to pay for District capital improvement projects as approved by the Board of Directors. The amount is equal to the fund balance in the Capital Projects Fund.

The Fire Chief or Administrative Services Director is designated to determine and define the amounts of those components of fund balance that are classified as “Assigned Fund Balance”. The District will report the following amounts as Assigned Fund Balance:

- Budgetary Deficit – Fund balance committed to pay for the subsequent year’s budget deficit. The amount is equal to the projected excess of budgeted expenditures over budgeted revenues by fund.
- Other Assigned Fund Balance categories as determined by the Fire Chief or Administrative Services Director.

The District considers restricted amounts to have been spent prior to unrestricted amounts when an expenditure is incurred for purposes for which both are available. Committed, assigned and unassigned amounts, in this order, are considered to be spent when an expenditure is incurred for purposes for which either is available.

The Board will review this policy on an annual basis.



## **City of Berkeley General Fund Reserve Policy**

### **Policy**

The General Fund is the City's primary operating fund. It is not connected to any one revenue source and may be used at the City's discretion. The General Fund is the operation fund that pays for general services provided by the City as well as public safety and capital improvements. The General Fund accounts for all general revenues and expenditures of the City related to the delivery of the City's general services not specifically collected or levied for other City funds.

The City of Berkeley is committed to achieving long-term fiscal stability as well as mitigating the negative impacts of extraordinary risk such as earthquakes, fires, floods, and economic volatility. A key attribute of a financially stable organization is appropriate reserves. Strong reserves position an organization to weather significant economic downturns more effectively, manage the consequences of outside agency actions that may result in revenue reductions, and address unexpected emergencies such as natural disasters and other catastrophic events. Establishing an adequate General Fund reserve policy allows the City to mitigate current and future financial risks resulting from economic instability or catastrophic loss.

### **Functions of Reserves: Stability and Catastrophic**

The City of Berkeley will establish and maintain an adequate General Fund Reserve ("Reserve") to prepare for the impact of economic cycles and catastrophic events and assure fluctuations in revenue do not impede the City's ability to meet expenditure obligations. When revenues fail to meet the City's normal operating requirements, or the need for disbursements temporarily exceeds receipts, General Fund reserves, upon a two-thirds vote of the City Council, may be used in accordance with the standards set forth herein.

The Reserve shall be comprised of two elements: a Stability Reserve and a Catastrophic Reserve. The Reserve shall not be used for ongoing or new programs or services.

A Stability Reserve will be maintained to mitigate loss of service delivery and financial risks associated with unexpected revenue shortfalls during a single fiscal year or during a prolonged recessionary period. The purpose of the Stability Reserve is to provide fiscal stability in response to unexpected downturns or revenue shortfalls, and not to serve as a funding source for new programs or projects.

A Catastrophic Reserve will be maintained for the purpose of sustaining General Fund operations in the case of a public emergency such as a natural disaster or other

catastrophic event. The Catastrophic Reserve will be used to respond to extreme, onetime events, such as earthquakes, fires, floods, civil unrest, and terrorist attacks. The Catastrophic Reserve will not be accessed to meet operational shortfalls or to fund new programs or projects.

### **Funding and Functions that are NOT Part of the General Fund Reserves**

Not included in the General Fund Reserves are funds that are set aside for a specific purpose. This would include restricted, committed, and assigned funds.

- The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action by the City Council.
- Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

### **Target Reserve Levels**

The General Fund Reserve consists of the total of the Stability Reserve and the Catastrophic Reserve. 55% of the Reserve shall be allocated to the Stability Reserve and 45% to the Catastrophic Reserve.

Effective immediately, the target level for the Reserve shall be a minimum of 13.8% of 2017 Adopted General Fund Revenues with an Intermediate Goal of a minimum of 16.7% by the end of Fiscal Year 2020, if financially feasible.

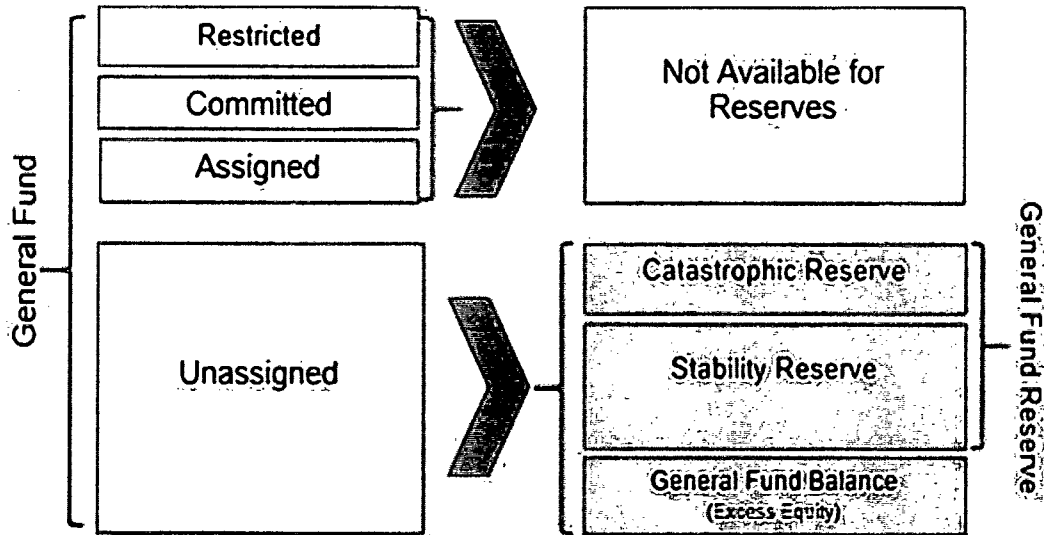
The Council hereby adopts a Long Term Goal of a Reserve of a minimum of 30% of General Fund Revenues, to be achieved within no more than 10 years. Based on a risk assessment (according to best practices), to be updated at least every five years, the Council may consider increasing or lowering the General Fund Reserve level.

Starting in Fiscal Year 2018, to achieve the City's Intermediate and Long Term Reserve Goals, 50% of Excess Equity above the first \$1M shall be allocated to Reserves. Additional Excess Equity may be allocated to Reserves by a majority vote of the City Council.

### **Methodology to Meet Reserve Levels**

The General Fund Reserve is separate from the General Fund Balance. The sum of the Stability Reserve and the Catastrophic Reserve and the amount determined to be

Excess Equity is deemed to be General Fund Unassigned Fund Balance. Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The following graphic shows the relation between these funds as well as other restricted, committed, and assigned general fund monies.



Excess Equity is most commonly a non-recurring source of revenue and shall only be used for one-time, nonrecurring expenditure needs of the City. Excess Equity should be reported separately from the General Fund Reserves .

Attaining the Long Term Goal of 30% Reserves is important to the long-term financial health and stability of the City

**Replenishment of the General Fund Reserves**

The City Manager shall recommend a replenishment schedule for all monies proposed for appropriation from the General Fund Reserves. The replenishment schedule shall be adopted simultaneous with the appropriation to withdraw Reserve funds or, if infeasible due to emergency circumstances, no more than 3 months from the date of the withdrawal appropriation. Repayment shall begin no more than 5 years from the date of withdrawal and be completed within 10 years from the date of withdrawal.

While staff envisions that, in most cases, repayment will start as soon as possible, the repayment guidelines are meant to reflect a commitment to maintain a sufficient Reserve, while also recognizing that a use of Reserve funds may occur during an economic downturn and it may be necessary to postpone repayment while the economy improves.

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# MENLO PARK FIRE PROTECTION DISTRICT

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## Fund Balance Policy

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### **Fund Balance Policy**

The Menlo Park Fire Protection District (the District) believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain a General Fund Balance sufficient to fund all cash flows of the District, to provide financial reserves for replacement of fixed assets such as apparatus and equipment, unanticipated expenditures and/or revenue shortfalls due to unfavorable economic conditions or emergencies, set aside funds to work towards the paydown of the District's CalPERS Unfunded Actuarial Liability (UAL) and to provide funds for all opportunities that require an expenditures/reimbursement process.

The District's reporting and communication relating to fund balance reserves will utilize the classifications outlined in generally accepted accounting principles (GAAP). The District hereby establishes and will maintain reserves of fund balances, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions. This policy will ensure that the District maintains adequate fund balances and reserves in order to:

- a) Ensure sufficient funding to support the District's short-term and long-term operating objectives.
- b) Limit adverse annual and multi-year budgetary impacts from anticipated and unanticipated expenditures or revenue shortfalls and thereby stabilizing services fees and changes.
- c) Cover current outstanding liabilities or fund actuarial unfunded liabilities.
- d) Build and maintain the financial resiliency of the District.

This policy and the procedures promulgated under it supersede all previous regulations regarding the District's fund balance and reserve policies.

### **Fund Type Categories**

The following definitions will be used in reporting activity in governmental funds across the District. The District may or may not report all fund types in any given reporting period, based on actual circumstances and activity. The District's finances are accounted for within four major fund categories or types: the General Fund, the Federal Emergency Management Agency (FEMA) Special Revenue Fund, the Capital Improvement Projects Fund, and the Debt Service Fund.

The purpose of each major fund is described below:

- **General Fund**—The General Fund is the general operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in another fund.
- **FEMA Special Revenue Fund**— California Task Force 3 Urban Search and Rescue (US&R) FEMA Special Revenue Fund is used to account separately for funds received and disbursed for federal emergencies.
- **Capital Improvement Projects Fund (CIP)**— The Capital Improvement Projects Fund is used to account for the acquisition of property, renovation or complete rebuild of the District’s seven Fire Stations, Administration and Fire Prevention Offices, Annex Building, Special Operations Warehouse, and properties on 28 Almondal Ave. and 2110 Valporaiso.
- **Debt Service Fund**— he Debt Service Fund is used to account for accumulation of resources and payments made for the principal and interest on long-term debt.

This Policy shall apply to all District’s governmental funds.

### **Fund Balance Descriptions**

Statement GASB 54 requires local governments to focus on the constraints imposed upon resources when reporting fund balance in government funds. The new fund balance classifications will indicate the level of constraints placed upon how resources can be spent and identify the sources of those constraints.

Constraints are broken down into five different classifications: non-spendable, restricted, committed, assigned, and unassigned. The classifications serve to provide clearer, more structured fund balance classifications so that users of governmental financial statement receive more consistent and understandable information on the specific purposes for which resources in a fund can be spent.

### **GASB 54 Fund Balance Classifications**

- **Non-spendable**—consists of assets that are inherently non-spendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivables, financial assets held for resale, and principal of endowments.
- **Restricted**—consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through enabling legislation. That is, legislation that creates a new revenue source and restricts its use. Restrictions may be changed or lifted only with the consent of resource providers.
- **Committed**—consists of amounts that are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.
- **Assigned**—consists of amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision-making authority,

or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

- **Unassigned**—fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**District’s Fund Balance Classifications**

**Non-spendable Fund Balance**

**Prepaid Assets:** The prepaid assets fund balance was established to indicate those amounts relating to prepaid and deposits that are not in spendable form. This consists of prepaid purchases of apparatus and fixed assets.

**Restricted Fund Balance**

**Debt Service:** The Debt Service reserve was established as mandated by debt covenants and disclosure requirements of debt issuance in which the District is required to keep designated deposits with appointed Trustee as part of the Certificate of Participation agreement.

**Committed Fund Balance**

**Budgetary Deficit:** The Budgetary Deficit Fund balance was established to set up reserves to pay for any subsequent year’s non-routine budget deficit. A minimum shortfall threshold for the use of funds has been identified in order to meet the Committed Fund Balance requirements as stated under GASB 54.

Use Requirement	Maximum Set Aside
A minimum projected budget deficit of greater than five percent.	Maximum set aside balance at year-end be calculated as six months of General Fund Operating Expenditures, plus 50 percent of the budgeted transfers out from the General Fund to other funds

**FEMA Deployments:** The FEMA Deployments Fund Balance was established to reserve funds in case of Federal Emergency that would require deployment of District assets. Reimbursable expenditures are requested from FEMA within 90 days of deployment and the amounts due in their entirety are to be received within 120 days. The Committed FEMA Deployment Reserve fund is funded and identified in the District’s financial statements.

**Apparatus:** The Apparatus Reserve is maintained to fund replacement of fire trucks and engines. The District owns and operates various apparatus and equipment. The Apparatus deployed by the District are highly specialized and unique.

The replacement of Apparatus is based upon three criteria:

- Age
- Mileage
- Condition

Generally, replacement occurs when either the age exceeds 10 years, the mileage exceeds 100,000 miles, or the condition is deemed to be poor or insufficient for safe operation.

The Apparatus fund balance was established to ensure availability of funds for needed replacements without a negative budgetary impact. The financial objective is to utilize this fund's reserves to absorb the cash flow variations caused by the timing of apparatus replacements. Having sufficient fund balances is central to maintain service levels even in times of economic contraction or annual revenue constraints.

**Equipment Replacement:** The District deploys a wide variety of equipment, including vehicles, in its everyday operations. The equipment has a useful life ranging from five to twenty years. Equipment, as all mechanical systems and devices, are prone to failure and obsolescence, and planning for both expected and unexpected replacement needs is essential. Replacement of various equipment will result in different levels of expenditures in different years, and maintaining a sufficient reserve fund will ensure adequate resources are available without adverse budgetary impacts.

The District's equipment reserve covers:

- Communication Radios
- Emergency Equipment
- Emergency Medical Equipment
- Information Technology Equipment
- Rolling Stock (i.e. Vehicles)

**Debt Service:** The committed reserve to Debt Service was established as a precaution to offset any economic downturn. This would allow the District to make regular debt service payment shall there is a revenue shortfall.

**CIP Development Contribution:** The CIP development contribution reserve consists of funds received from development contract in the District jurisdictions. The funds received are committed for the betterment of the jurisdiction and are to be spent on added apparatus, rolling stock or CIP related projects.

**CIP (Admin/Fire Prevention building & Station 1-6, 77 Special Ops Warehouse):** The District's CIP funds were established to provide reserves to fund the improvement or replacement of fire stations and administration facilities. Construction projects usually extend

over more than one financial reporting period. The District has a vital CIP program and is continually seeking new one-time funds to support the projects needed due to aging of facilities, growth and development in its jurisdictions.

### **Assigned Fund Balance**

***Encumbrances (Purchase Orders):*** Encumbrances assigned fund balance consists of open purchase orders for the fiscal year which will roll over to the new fiscal year. As such, a reserve for encumbrances is necessary to provide funding for the approved expenditures.

***PERS future - PERS payments:*** The PERS stabilization assigned fund balance was established to mitigate the impact of changes in the employer contribution rates on the General Fund. These funds can also be used to offset the unfunded pension liabilities. The Board's budget philosophy sets aside any excess funds created by budgeting the employer's contribution percentage at the higher rates to offset potential future PERS Safety Rates in excess of the budgeted amounts. The excess at year-end will be transferred to the reserve for future UAL PERS payment.

***General Services:*** The General Services assigned fund balance was established in the FY 2009-10 to provide coverage for liability expenses and property protection which includes, but is not limited to, management liability, comprehensive crime, and portable equipment. The reserve is also allocated for unforeseen legal expenses.

***Workers' Compensation:*** The Workers' Compensation assigned fund balance was established in FY 2009-10. This reserve shall be maintained at a level deemed adequate to meet projected liabilities as determined by an actuarial evaluation to be conducted at least once every 5 years.

***Compensated Absences:*** The Compensated Absences assigned fund balance was established in 2009 to be used for payment of current and terminated employee's accrued annual leave and compensatory time off. The value of the actual accumulated employees' annual leave and compensatory time off balances at the end of each fiscal year is funded within this reserve.

### **Unassigned Fund Balance**

***Unassigned:*** The Unassigned fund balance can be used for any purposes that the District deems appropriate and beneficial to operations. The use of unassigned fund balance is based on availability and need.

### **Order and Use of Restricted and Unrestricted Funds**

When both restricted and unrestricted funds are available for expenditures, restricted funds should be spent first unless legal requirements disallow it.



**Authority for Fund Balance Designation**

**Authority to Commit Funds:** Any funds set aside as committed fund balance requires the passage of a resolution by a simple majority vote of the Board of Directors. The passage of a resolution could occur before or after year-end of the applicable fiscal year. In the event the Board of Directors would like to lift the committed status of the funds, a formal passage of resolution must be taken.

**Authority to Assign Funds:** The Board of Directors or the Fire Chief and/or designee staff has the ability to set aside funds for specific purposes.

The table below provides a listing of authority for Fund Balance Designation:

<b>Fund Balance Description</b>	<b>District's Fund Balance Classification</b>	<b>GASB 54 Classification</b>	<b>Decision Making Authority</b>	<b>Formal Action Required</b>
Prepaid Assets	Non-spendable	Non-spendable	General Accepted Accounting Principles	Not Required
Debt Service account	Restricted	Restricted	Legal Restriction (Debt Agreement)	Not Required
Budgetary Deficit	Committed	Committed	Board of Directors	Required Resolution
FEMA Deployments	Committed	Committed	Board of Directors	Required Resolution
Apparatus	Committed	Committed	Board of Directors	Required Resolution
Equipment Replacement	Committed	Committed	Board of Directors	Required Resolution
Debt Services reserve	Committed	Committed	Board of Directors	Required Resolution
CIP Development Contribution	Committed	Committed	Board of Directors	Required Resolution
CIP Funds (Admin/Fire Prevention building & Station 1 -7 & Special Operations Warehouse)	Committed	Committed	Board of Directors	Required Resolution
Encumbrances (Purchase Orders)	Assigned	Assigned	Fire Chief & Fire Chief Designee	Not Required
UAL PERS Payments	Assigned	Assigned	Fire Chief & Fire Chief Designee	Not Required
General Services	Assigned	Assigned	Fire Chief & Fire Chief Designee	Not Required
Workers' Compensation	Assigned	Assigned	Fire Chief & Fire Chief Designee	Not Required
Compensated Absences	Assigned	Assigned	Fire Chief & Fire Chief Designee	Not Required
Unassigned	Undesignated	Undesignated	Fire Chief & Fire Chief Designee	Not Required

**Minimum Level of Unassigned Fund Balance**

The District does not currently have a formal minimum fund balance policy.

**Annual Review and Determination of Fund Balance Reserve Amounts**

Compliance with the provisions of this policy shall be reviewed, presented and discussed as part of the unaudited actuals financial reporting process and presentation to Board of Directors, and the amounts of non-spendable, restricted, committed, assigned and unassigned fund balances shall be reported.

**Additional Information, Requirements and Responsibilities**

It will be the responsibility of the Administrative Services Manager to keep this policy current and up-to-date.



4. **Bondholders:** Investors who lend money to the bond issuer in return for interest and future repayment.
5. **California Employer's Retiree Benefit Trust (CERBT):** CERBT is Metro Fire's trust fund managed by the California Public Employees' Retirement System (CalPERS).
  - a. CalPERS maintains a separate trust fund to benefit Metro Fire retirees. CERBT is accumulating and investing funds for post-retirement medical premiums.
  - b. Amounts cannot be removed from CERBT except to pay retiree premiums.
  - c. CERBT is a separate legal entity. As such, CERBT assets are only disclosed in Metro Fire's audited financial statements, and not included in Metro Fire's Governmental Fund balance sheet assets.
7. **Capital Facilities Fund:** A separate accounting for budgeting and reporting purposes used to track expenditures for capital outlay not associated with new development.
8. **Capital Improvement Program (CIP):** A multi-year plan that identifies needed capital projects and equipment, provides a planning schedule, and financing options.
9. **CIP Reserves:** Reserves accumulated for the purchase of new infrastructure. Funding is from Development Impact Fees and General Fund transfers.
10. **Capital Replacement Reserves:** Reserves accumulated to fund replacement of existing infrastructure when the asset's useful life has ended.
11. **Committed Fund Balance:** A classification of Fund Balance. Committed Fund Balance amounts can only be used for specific purposes as determined by a formal action of the Metro Fire Board of Directors.
12. **Debt Service Reserves:** Money generally from bond proceeds that is set aside for additional security to Bondholders. This is a Restricted Reserve and documentation of the requirement is in the Bond Indenture.
13. **Development Impact Fee:** A fee charged by Metro Fire to mitigate the costs associated with property acquisitions, site preparation, design, construction, and equipping of fire stations within Metro Fire's service areas. This fee serves to protect the health and safety of the general public and preserve lives and property, and is authorized by California Government Code Section 66000 et seq.
14. **Development Impact Fees Fund:** A separate accounting for budgeting and reporting purposes used to track Development Impact Fee collection and spending. The reserves in this fund are used for new capital needed to serve new development.

15. **Dry Period Funding:** Dry period funding is a borrowing from the County of Sacramento. Dry Period Funding is automatically activated should Metro Fire have a negative cash position from July through the last Monday in April. The County Treasurer will cover Metro Fire's negative cash up to 85% of anticipated tax collections. Metro Fire must have positive cash balances from the last Monday in April until fiscal year end.
16. **Fund Balance:** Governmental Fund balance sheet assets less liabilities, equals Fund Balance. Accountants distinguish up to five separate categories of Fund Balance, based on the extent to which the government is bound to honor specific purposes spending constraints.
  - a. These five categories are: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance (all separately defined herein).
17. **Funding Policy Contribution (FPC):** A level of funding that if paid on an ongoing basis is projected to cover post-retirement medical explicit subsidies for current employees and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.
18. **Early Debt Extinguishment Reserves:** Reserves accumulated to retire the Pension Obligation Bonds at the earliest dates allowed under the Bond Indenture.
19. **General Fund:** For budgeting and reporting purposes, Metro Fire records all transactions in the General Fund that are not specifically accounted for in any other fund. The other funds include the Capital Facilities Fund, the Leased Properties Fund, the Grant Fund, the Development Impact Fees Fund, and the Intergovernmental Transfer (IGT) Fund.
20. **General Fund Operating Reserves:** These are Unassigned Reserves accounted for in the General Fund that are used for unexpected costs, revenue shortfalls, and smoothing cash flow prior to the receipt of expected revenue. In particular, cash flow is needed prior to the receipt of property taxes in January, May and June..
21. **Governmental Fund Financial Statements:** Governmental Fund Financial Statements report using the modified accrual basis of accounting and generally reports financial resources collected and used within 90 days of fiscal year end. Capital assets are expenditures when purchased.
22. **Government-Wide Financial Statements:** Government-Wide Financial Statements are reported using the accrual basis of accounting. The Statement of Net Assets in the Government-Wide Financial Statements include all capital assets, and the Statement of Activities shows annual depreciation of the capital assets
23. **Grant Fund:** For budgeting and reporting purposes, Metro Fire records all grant related revenue and expenditures in the Grant Fund.

24. **Intergovernmental Transfer (IGT) Fund:** For budgeting purposes, Metro Fire records all transactions associated with Medi-Cal intergovernmental transfers in the IGT Fund.
25. **Labor Agreements:** All agreements with Local 522, along with resolutions and employment agreements passed by the Board of Directors covering unrepresented employees.
26. **Leased Properties Fund:** For budgeting purposes, Metro Fire records all transactions for surplus real property in the Leased Properties Fund. In addition, real property temporarily not in use is also recorded in this fund. Rent from these properties offsets non-operating expenditures such as utilities and special assessments.
27. **Net Budgeted General Fund Operating Expenditures:** Current year budgeted operating expenditures in the General Fund, adjusted to exclude one-time expenditures and include transfers out for ongoing expenditures.
28. **Non-spendable Fund Balance:** A classification of Fund Balance. Non-spendable Fund Balance amounts cannot be spent because they are not in spendable form or cannot be spent because legally or contractually are required to be maintained intact.
  - a. Examples of Non-Spendable Fund Balance are inventory and prepaid items.
29. **Pension Obligation Bonds:** Bonds issued by Metro Fire in 2004 to pay down unfunded pension liabilities with CalPERS and the Sacramento County Employee Retirement System (SCERS).
30. **Reserve Analysis:** Comparing actual reserve levels to target reserve levels.
31. **Restricted Fund Balance:** A classification of Fund Balance. Restricted Fund Balance amounts can only be spent for specific purposes, which are stipulated outside the control of Metro Fire's Board of Directors by State law, granting entities, legal agreements, or enabling legislation, etc.
  - a. Restricted Fund Balance examples are grant funds, debt proceeds, and Development Impact Fees.
32. **Self-Insurance Reserves:** Reserves accumulated for the payment of workers' compensation claims.
33. **Unassigned Fund Balance:** A classification of Fund Balance. Any Fund Balance amounts not classified as Restricted Fund Balance, Committed Fund Balance, and Assigned Fund Balance.

## *Policy*

1. Unassigned Fund Balance

- a. General Fund Operating Reserves will be used for unexpected costs or revenue shortfalls.
  - I. The minimum amount of General Fund Operating Reserves shall be 1.8 months of Net Budgeted General Fund Operating Expenditures (15%). Metro Fire is able to operate with this minimum amount due to a County of Sacramento “Dry Period Funding” credit line used in anticipation of property tax receipts.
  - II. The maximum amount of General Fund Operating Reserves shall be 6 months of Net Budgeted General Fund Operating Expenditures (50%) as reflected in the most current Metro Fire budget. This amount would allow Metro Fire the cash flow needed to operate without the County of Sacramento “Dry Period Funding” credit line.
2. Committed Fund Balance
  - a. Metro Fire is self-insured for most workers’ compensation claims, and maintains excess coverage for extraordinary claims of \$3 million or more. This coverage amount may be adjusted each budget cycle.
    - I. To allow for future payment of workers’ compensation claims, the minimum General Fund Self-insurance Reserves should equal the most recent short-term liability disclosed in Metro Fire’s Audited Financial Statements.
    - II. The maximum General Fund Self-insurance Reserve should equal the most recent total liability of unpaid claims and expenses as reported in the most recent Audited Financial Statements.
  - b. Reserves should be accumulated to replace existing infrastructure upon the end of the assets’ useful life. Capital Replacement Reserves should be in keeping with the Metro Fire CIP.
    - I. The minimum Capital Replacement Reserves should be equivalent to the annual depreciation in Metro Fire’s most recent audited Government-Wide Financial Statements.
    - II. The maximum Capital Replacement Reserves should be equal to the accumulated depreciation in Metro Fire’s most recently audited Government-Wide Financial Statements.
  - c. The District’s Pension Funding Bonds Early Payoff Policy, 01.014.02, adopted in 2008 and revised in 2017, extinguishes the Pension Obligation Bonds at the earliest dates allowed under the Bond Indenture, to avoid the interest rate associated with the variable rate securities. Each year additional reserves will be budgeted pursuant to the Pension Funding Bonds Payoff Schedule incorporated within the revised Early Payoff Policy.

- I. The minimum amount of Early Debt Extinguishment Reserves should be the beginning balance plus the annual deposit amount calculated according to the procedures outlined in the Early Payoff Policy.
  - II. The maximum amount of Early Debt Extinguishment Reserves should be the total outstanding Pension Obligation Bond principal due to the Bondholders.
3. Restricted Reserves
- a. Development Impact Fees Fund CIP Reserves will be accumulated to fund Metro Fire's new infrastructure needed to maintain Metro Fire's service level standards. CIP funding will be from the Development Impact Fees that mitigate the impact of new development. All Development Impact Fee amounts collected are restricted in use until such time as they are spent on capital outlay as provided for in State law. Capital spending over and above the Development Impact Fees should be provided as a transfer from the General Fund.
    - I. The minimum CIP Reserves shall be 10% of the current year's planned CIP expenditures. These reserves are a buffer for deviations in bid amounts or construction costs.
    - II. The maximum CIP Reserves shall be the amount needed to fully fund the CIP plan.
  - b. Bondholders and other lenders require Debt Service Reserves to provide additional security for obligations due to them from Metro Fire. Metro Fire will maintain at all times the Debt Service Reserve levels provided for in all outstanding debt and capital lease agreements.
4. Trust Fund
- a. Post-retirement medical insurance coverage is currently, and will continue to be, pre-funded in CERBT:
    - I. At a minimum, an amount should be the cumulative of Funding Policy Contributions plus earnings. This amount is reported to Metro Fire by CERBT on a quarterly basis.
    - II. At a maximum, an amount should be accumulated in CERBT to equal the Actuarial Present Value. This amount is determined by Metro Fire's actuary in its most recent Actuarial Valuation of Other Post-Employment Benefits.
5. Transition to Target Reserve Amounts
- a. Any budgeted Unassigned Reserve amounts remaining at fiscal year-end will initially be General Fund Operating Reserves. The Board of Directors will review appropriate levels and uses for reserves during the budget process and may reclassify reserves as deemed appropriate.

- b. When reclassifying reserves, consideration will be made to all Metro Fire contractual obligations including the agreements with Local 522.
6. Use of Reserves
- a. Operating and Self-Insurance Reserves can be used at any time to meet cash flow requirements and Workers' Compensation claims, respectively. Authority to use the funds should be consistent with Metro Fire's budget, Purchasing and Contract Policy, and Labor Agreements. Any other use requires authorization of the Board of Directors.
  - b. The Board of Directors will authorize use of Capital Replacement and CIP Reserves during the budget process. Capital Replacement and CIP Reserves are also available for unplanned (unbudgeted) capital replacement. Authorization for the use of Capital Replacement Reserves for unplanned capital replacement will be consistent with Metro Fire's Purchasing and Contract Policy.
  - c. Early Debt Extinguishment and Debt Service Reserves use, is limited to the repayment of principal and interest of the related debt obligations.
  - d. CERBT Reserves will be used exclusively for the payment of retiree medical premiums and CERBT management fees.

### *Procedures*

1. The Chief Financial Officer shall perform a Reserve Analysis to be submitted to the Board of Directors upon the occurrence of the following events:
  - a. Board of Directors' budget deliberations; or
  - b. When changes are made to the amount of Workers' Compensation self-insurance excess insurance coverage; or
  - c. When updated Post-Retirement Medical or Workers' Compensation actuarial valuations are issued; or
  - d. When a major change in conditions threatens the targeted reserve levels established within this policy.
2. If the Reserve Analysis indicates projected or actual reserve levels are not within the target levels outlined in this policy, the following shall be included with the analysis:
  - a. An explanation of why reserve levels are not at the targeted level, and;
  - b. A course of action to bring reserve levels within the minimum and maximum levels prescribed.



## *References*

1. Sacramento Metropolitan Fire District, Pension Fund Bonds Early Payoff Policy, 01.014.02 revised as of September 28, 2017.
2. Sacramento Metropolitan Fire District, Purchasing and Contracting Policy, 01.010.02, revised as of June 12, 2014.
3. Government Finance Officers Association of United States and Canada, Best Practice for Appropriate Level of Unrestricted Fund Balance in the General Fund.
4. Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, effective for fiscal years June 30, 2011 and later.



## KENSINGTON FIRE PROTECTION DISTRICT

**DATE:** September 7, 2023  
**TO:** Finance Committee  
**RE:** District Policy Updates  
**SUBMITTED BY:** Mary A. Morris-Mayorga, Interim General Manager

### Recommended Action

This item is provided for discussion, feedback, and potential staff direction.

### Background

The District's Policy Manual was last fully reviewed and updated in May 2018 with several individual policy updates since that time. As staff is preparing to submit the District of Distinction application to the California Special Districts Association (CSDA), one of the checklist items is annual review of the agency's policies. Staff has planned to review the policy manual for potential updates, but there had not been available time/resources until now.

District policies are contained in the Policy Manual with three separate sections: Policy Handbook, Employee Handbook, and Operations Manual. The process for overall review and update of the Policy Manual would involve the following steps with others as warranted:

- identify "policies" versus staff "operating procedures" to recommend to the Board of Directors removal of those which are operational in nature such that they may require more frequent update to reflect processes/procedures and not truly qualify as a "policy";
- present the plan for update to the Board of Directors including the proposed organization/flow of policy manual;
- collect/review sample policies to utilize as templates in whole or in part;
- present draft updated policies with a financial component to the Finance Committee, incorporating feedback and/or direction; and
- present draft updated policies to, hold first reading, hold or waive second reading for adoption as determined by the Board of Directors.

Initially, staff has identified several policies which are not included in the Policy Manual which should be considered for addition: Purchasing, Employee Compensation and Benefits, and Paid Leaves (Sick, Vacation, etc.). With one employee in the past employment compensation, benefits, and leaves were included in the agreement which was then included in the Policy Manual.

### Fiscal Impact

Any fiscal impact as a result of a potential policy revision if adopted by the Board of Directors would be incorporated into the Fiscal Year 2023-24 Final Budget as needed.

**Attachments:** District Policy Manual Tables of Contents (finance related policies highlighted)  
 Moraga Orinda Purchasing Policy  
 CSDA Sample Policies (included for reference)  
     2135 Purchasing  
     3415 Compensation  
     3460 Sick Leave  
     3490 Vacations

# KENSINGTON FIRE PROTECTION DISTRICT POLICY HANDBOOK

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# KENSINGTON FIRE PROTECTION DISTRICT OPERATIONS MANUAL

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**ORDINANCE NO. 23-05****AN ORDINANCE OF THE MORAGA-ORINDA FIRE PROTECTION DISTRICT AMENDING THE PURCHASING AND CONTRACTING PROCEDURES AND AUTHORITIES**

The Board of Directors (the Board) of the Moraga-Orinda Fire Protection District (the "District") ordains as follows:

**WHEREAS**, the District adopted Ordinance Number 16-01 establishing a purchasing system for the purchase of supplies, equipment, public projects, and services.

**WHEREAS**, the District wishes to restate and amend the purchasing system for the purpose of setting forth efficient procedures for the purchase of supplies, equipment, public projects and services; to secure for the District those supplies, materials, equipment and services at the lowest possible cost or in the best interests of the District in an efficient manner without unnecessary delays; to exercise positive financial control over purchases; to clearly define the delegated authority for the purchasing and contracting functions; in compliance with the Fire Protection District Law (the "Act"), Government Code section 4526 and Public Contract Code section 20812(a) and (b); and to ensure the quality of the purchases and contracts for services accomplished by the District.

**NOW THEREFORE BE IT RESOLVED**, that the District restates and amends the purchasing system for the purpose of setting forth efficient procedures for the purchase of supplies, materials, equipment and services; to secure for the District those supplies, materials, equipment and services at the lowest possible cost or in the best interests of the District in an efficient manner without unnecessary delays; to exercise positive financial control over purchases; to clearly define the delegated authority for the purchasing and contracting functions; in compliance with the Act, Government Code section 4526 and Public Contract Code section 20812(a) and (b); and to ensure the quality of the purchases and contracts for services accomplished by the District.

**1. DEFINITIONS****1.1 Purchasing and Contracting Authority**

Purchasing and Contracting Authority is the representative or representatives of the District, whether members of its staff, or its Board of Directors acting together, who, depending on the size and type of transaction at issue, are authorized to approve a particular purchasing transaction or award a contract after completion of the applicable selection process.

**1.2 Lowest Responsible Bidder**

The Lowest Responsible Bidder is a bidder that is deemed responsible by the District and has demanded the least compensation from the District. When determining whether a bidder is responsible, the District shall consider one or more of the following factors as appropriate:

- 1.2.1 The ability, capacity, and skill of the bidder;
- 1.2.2 Whether the bidder has the facilities to perform the contract promptly, or within the time specified, without delay or interference;
- 1.2.3 The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- 1.2.4 The bidder's record of performance of previous contracts;
- 1.2.5 Previous and existing compliance by the bidder with laws and policies relating to the contract;
- 1.2.6 The sufficiency of the financial resources and ability of the bidder to perform the contract;
- 1.2.7 The available insurance held by the bidder;
- 1.2.8 The quality and availability of the supplies, equipment, or services purchased, and the adaptability of the above to the particular use required;
- 1.2.9 The ability of the bidder to provide future maintenance and service for the supplies, equipment, or services purchased;
- 1.2.10 The number and scope of conditions attached to the bid;
- 1.2.11 Any referrals or comments regarding the bidder made by knowledgeable persons familiar with the bidder and/or the bidder's business, industry or finances.

**1.3 Open Market Purchase Procedure**

The Open Market Purchase Procedure does not involve any formal or informal solicitation and evaluation of competitive bids. The Purchasing and Contracting Authority shall use his or her judgment and experience in making the decision, and shall also consider the same criteria used to determine the Lowest Responsible Bidder.

**1.4 Informal Bidding Procedure**

The Informal Bidding Procedure is a cost-effective competitive process for canvassing the marketplace to identify vendors most likely to provide appropriate supplies or services at a reasonable price and in an efficient manner.

The Informal Bidding Procedure requires the Purchasing and Contracting Authority to solicit written, faxed, e-mailed or verbal price quotations from a minimum of three (3) vendors. The solicitation may be either written or verbal, as dictated by the circumstances and judgment of the Purchasing and Contracting Authority. The bid shall be awarded to the Lowest Responsible Bidder as defined above.

## **1.5 Formal Bidding Procedure**

- 1.5.1 Preparation of Plans and Specifications.** For Public Projects, the District shall prepare plans and specifications providing adequate direction to enable any competent contractor or other builder to carry them out.
- 1.5.2 Notice.** Notice requesting sealed bids shall set a date for the opening of sealed bids. The first publication or posting of the notice shall be at least 10 days before the date of opening the sealed bids. Notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation in the District, or if there is none, it shall be posted in at least three public places in the District.
- 1.5.3 Posting Bonds.** The District Board may require in the public notice for bids that the bidder provide bidder's security, insurance, and/or the posting of those bonds it deems desirable as a condition to the filing of a bid or the letting of a contract. A surety bond insures the faithfulness of the bid and insures the performance of a contract. The intent is to protect the District from losses, damages, claims and liabilities in the event the vendor fails to execute a contract. For all Public Projects in excess of \$25,000, posting of a bond shall be required.
- 1.5.4 Time Stamping Bids.** Bids received shall be time-stamped by the District Clerk and deposited unopened in the bid file. Any bid received subsequent to the time of closing as stated on the request for bid shall be time-stamped and returned to the bidder.
- 1.5.5 Tendering Bids.** Bidders shall be entitled to the return of bid security, except that a successful bidder shall forfeit its bid security upon refusal or failure to execute the contract within ten (10) days after the notice of award has been mailed, or a time agreed upon in writing by both the successful bidder and the District, unless the District is responsible for the delay. The Purchasing and Contracting Authority may, on refusal or failure of the successful bidder to execute the contract, award the contract to the next Lowest Responsible Bidder. The amount of the lowest bidder's forfeited security shall be applied by the District to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder. The successful bidder's check or bond will be held until submission of the performance bond.
- 1.5.6 Bid Opening.** In the case of construction contracts, and pursuant to the Public Contract Code, bidders shall submit sealed bids to the District and shall identify the bid as a sealed bid on the envelope. Sealed bids must be opened only at the time and place stated in the public notice. The Purchasing and Contracting Authority shall prepare a summation of all sealed bids received and shall make the summation available for public inspection during regular business hours for a period of not less than thirty (30) days after the bid opening. The District shall not accept any bid unless it is in writing.



**1.5.7 Award of Bid.** If any bid is awarded, it shall be awarded to the Lowest Responsible Bidder using the criteria defined within this Ordinance.

**1.5.8 Tie Bids.** Pursuant to the Public Contract Code, if two or more bids are the same and the lowest, the Purchasing and Contracting Authority may accept the bid of any of the lowest responsible bidders.

**1.5.9. Rejection of Bids.** In its discretion, the District Board may reject the bids presented and readvertise.

**1.6 Public Projects**

Contracts for the construction or completion of any building, structure, or improvement

**2 PURCHASES OF SUPPLIES AND EQUIPMENT**

This section governs purchases of goods, materials, supplies, vehicles, machinery, furnishings and other tangible property.

**2.1** For purchases of supplies and equipment under \$5,000, the Purchasing and Contracting Authority shall use the Open Market Purchase Procedure.

**2.2** For purchases of supplies and equipment of between \$5,000 and \$100,000, the Purchasing and Contracting Authority shall use the Informal Bidding Procedure.

**2.3** For purchases of supplies and equipment over \$100,000, the Purchasing and Contracting Authority shall use the Formal Bidding Procedure.

**2.4** For purchases of gasoline or other automotive fuel, the Purchasing and Contracting Authority shall use the Informal Bidding Procedure. Informal bidding shall occur at least triennially.

**2.5** Notwithstanding the above, purchases of any equipment for fire protection purposes shall conform to the standardization provisions of Health & Safety Code section 13025 and following (dealing with couplings and threaded fittings).

**3 PUBLIC PROJECTS**

Contracts for the construction or completion of any building, structure, or improvement must follow the procedures of this section.

**3.1** When the expenditure required for a Public Project described above exceeds ten thousand dollars (\$10,000), the Purchasing and Contracting Authority shall follow the Formal Bidding Procedure.

In addition, the following provisions apply to contracts let for Public Projects.

- 3.1.1 **Cost Records.** Cost records of the public project work shall be kept in the manner provided in Chapter 1 (commencing with Section 4000) of Division 5 of Title 1 of the Government Code.
- 3.1.2 **Contractor Requirements.** Contracts authorized by the District shall be let only to a holder of a valid State Contractor's license unless such work is exempt from such licensing requirement by any other provision of law.

#### 4 SERVICES

- 4.1 **Special Services.** Public Contract Code section 20182(a) provides that the District may contract for special services. The special services shall be limited to the fields of accounting, administration, ambulance, architecture, custodial, economics, engineering, finance, insurance, labor relations, law, maintenance, mechanics, medicine, planning, science, technology, and other services which are incidental to the operation of the District. The term "special services" includes, in accordance with Government Code section 4526, professional services of private architectural, landscape architectural, engineering, environmental, land surveying, and construction project management firms.
- 4.2 In securing such special services, pursuant to Public Contract Code section 20812(b), the District shall follow the contracting and purchasing procedures which apply to the County of Contra Costa. The District shall, by resolution, adopt contracting and purchasing procedures for securing such special services that follow the contracting and purchasing procedures which apply to the County of Contra Costa. These procedures shall assure maximum participation of small business firms, as defined pursuant to Government Code section 14837.
- 4.2.1 The contracting and purchasing procedures for securing special services applicable to the County of Contra Costa, as established by Government Code sections 4526, 31000 and 53060, do not require that any contracts for special services be let to the lowest responsible bidder. Such special services shall be engaged, in accordance with the contracting and purchasing procedures established pursuant to Section 4.2 of this Ordinance, on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the District.
- 4.3 **Core Services** includes fire protection services, rescue services, emergency medical services, hazardous material emergency response services, ambulance services, and any other emergency services for the protection of lives and property.
- 4.3.1 When the district board determines that it is in the public interest, the District may contract with any other public agency for Core Services. No formal competitive process is required. The District may not contract with private entities for the Core Services.

## **5 EXCEPTIONS TO THE BIDDING PROCESS**

Purchases of supplies, equipment or services may be, but need not be, allowed pursuant to competitive proposals in the following circumstances:

- 5.1.1** In the case of an emergency, as defined in Public Contract Code section 1102, the District Board delegates authority to the Fire Chief up to \$100,000 to repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts. If the Fire Chief orders any such action, he or she shall report to the Board, at its next meeting as required under Public Contract Code section 22050, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency. The District shall follow all other applicable procedures of Public Contract Code section 22050.
- 5.1.2** When the following types of personal property or services are being acquired, obtained, rented or leased: (i) advertising; (ii) books, recordings, films, subscriptions; (iii) election supplies; (iv) insurance; (v) public utility services; (vi) travel services; (vii) property or services provided by or through other governmental agencies; or obtainable from suppliers which have in force a current contract with another governmental agency for the same item or service; or (viii) property or services the price of which is fixed by law; or
- 5.1.3** The supplies, materials, services or equipment are produced only by one manufacturer or are available from only one source; or
- 5.1.4** When a purchase is made through a master agreement, multiple award schedule or cooperative agreement with any federal, state or local agency wherein the original agreement was properly awarded through the appropriate public bid process.

## **6 PURCHASING AUTHORITY LEVELS**

The funding included in the annual budget approved by the Board of Directors for the purchase of supplies and equipment, services, and Public Projects shall constitute spending authority to the listed persons for such contracts up to the amounts listed below. The Board of Directors, when sitting as a convened Board, may serve as the Purchase and Contract Authority for any District purchases in any amount. All such purchases by any individual or the Board of Directors shall meet the requirements, if any, of the informal or formal bidding requirements prior to purchase and the contracting limits as specified below.

For purchases and contracts of \$100,000 or more, the District Board of Directors shall be the only Purchasing and Contracting Authority.

For all other types of purchases and contracts, each of the following persons shall be authorized to be a Purchasing and Contracting Authority:

Any amount less than \$100,000:	District Fire Chief
Any amount less than \$25,000:	Administrative Services Director
Any amount less than \$10,000:	Battalion Chief, Fire Marshal, Finance Manager, Human Resources Manager, Fuels Mitigation Manager, District Secretary/District Clerk, Project Coordinator and Emergency Preparedness Coordinator
Any amount less than \$500	Captain, Fire Inspector/Plans Examiner, Office Specialist
Any amount less than \$100	Any District Employee

## **7 PROHIBITED ACTS**

In no event shall any Purchasing and Contracting Authority allow any unlawful activity including, but not limited to, rebates, kickbacks or other unlawful consideration in fulfilling the requirements of this Ordinance nor shall any individual participate in the selection process when he or she has a financial interest as defined in Government Code section 87100, et seq. with a person or business entity seeking a contract.

## **8 SUFFICIENT FUNDS REQUIRED**

Nothing in this Ordinance shall be interpreted to allow any purchase or contract for which insufficient District funds have been appropriated.

## **9 USE OF DISTRICT FORM CONTRACTS**

The District shall utilize a form contract provided by the District and approved by District Counsel ("Form Contract") to memorialize agreements for provision of any Services whenever the District is agreeing to pay \$500.00 or more. The District may utilize a Form Contract for expenditures of \$499.99 or less.

## **10 PROTEST PROCEDURE**

After the award of any contract, any unsuccessful bidder may challenge the bid procedure by filing a written protest with the Purchasing and Contracting Authority. The protest must set forth the reasons for the challenge and must be filed within ten (10) days of the award of the contract, and must be accompanied by a bid protest deposit. The District bid protest deposit is \$1,500.

The bid protester will be charged actual hourly costs of staff time and attorney fees and any remaining deposit will be returned. The Board of Directors shall review the protest

and provide a written reply in an expeditious manner. The decision of the Board of Directors with respect to the protest shall be final. Failure to file a timely protest shall be deemed a waiver of any challenge to the selection procedure or the award of a contract. Notice of this procedure shall be included in any formal or informal District solicitation for the purchase of supplies, materials, equipment or the performance of services.

## **11 SPLITTING ORDERS**

The splitting of orders to separate purchases, orders or contracts for services into smaller quantities or amounts for the purpose of avoiding the competitive bidding provisions or the Purchasing and Contracting Authority provisions of this Ordinance will not be allowed.

## **12 INSPECTION AND TESTING**

The Purchasing and Contracting Authority shall have the power to inspect all supplies, materials and equipment delivered pursuant to any District purchase or any service provided by District contract to determine their conformance with the specifications for the involved supplies, materials, equipment or service. The Purchasing and Contracting Authority shall also have the power to require chemical and physical tests of samples submitted with bids and samples of deliveries, as necessary to determine their quality and conformance with specifications and applicable law.

## **13 SEVERABILITY**

If any section, subsection, subdivision, paragraph, sentence, clause, phrase or word in this Ordinance is for any reason held to be unconstitutional or otherwise invalid, such holding shall not affect the validity of the remaining provisions of this Ordinance. The Board hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, phrase or word of this Ordinance regardless of the unconstitutionality or invalidity of any other section, subsection, subdivision, paragraph, sentence, clause, phrase or word herein.

**14.** This Ordinance supersedes Ordinance 16-01.

## **15. EFFECTIVE DATE AND PUBLICATION OF ORDINANCE SUMMARY.**

This Ordinance shall take effect and be in force thirty (30) days from and after the date of its passage. The Administrative Secretary of the District shall cause a summary of the Ordinance to be posted in accordance with Section 25124 of the Government Code of the State of California.

PASSED, APPROVED and ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2023 at the regular meeting of the Board of Directors held at 22 Orinda Way, Orinda, California 94563 on \_\_\_\_, on a motion made by, on a motion made by Director \_\_\_\_, seconded by Director \_\_\_\_, and duly carried with the following roll call vote:  
District.

**ORDINANCE NO: 23-05**

ATTEST:

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John Jex, President  
Board of Directors

I certify that this is a full, true, and correct copy of the original document, which is on file in my office, was passed and adopted by the Moraga-Orinda Fire District on the date shown.

ATTEST:

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Marcia Holbrook  
District Secretary/District Clerk

APPROVED AS TO FORM:

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Jonathan V. Holtzman  
District Counsel



**POLICY TITLE: Compensation**  
**POLICY NUMBER: 3415**

3415.1 This policy shall apply to all District employees.

3415.2 Compensation at Hiring.

3415.2.1 New Employees. All newly appointed employees shall be paid at the first step of the salary range for the position to which the employee is appointed except as provided elsewhere herein.

3415.2.2 Advanced Step Hiring. If the General Manager [or PERSONNEL DIRECTOR, etc.] finds that qualified applicants cannot be successfully recruited at the first step of the wage range, he/she may request the Board of Directors to authorize an appointment at an advanced step of the wage range.

3415.2.3 Former Employees. A person who previously held a full-time position from which the person was separated in good standing may, when re-employed in a position with the same or lower pay range than held at separation, be appointed at the same salary rate which was paid at the effective date of the person's termination, or the nearest lower applicable step for the range to which the person is appointed, provided such re-employment occurs within twelve (12) months from the date of said termination.

3415.3 Merit Advancement within Range.

3415.3.1 Performance Evaluation Required. The General Manager [or PERSONNEL DIRECTOR or other responsible managing employee] shall authorize a merit advancement within the salary range only after evaluating the employee's performance and determining that it is satisfactory. This determination shall be noted on a performance evaluation form to be placed in the employee's file, with a copy given to the employee.

3415.3.2 Period of Employment Required for Merit Advancement. Unless otherwise specified herein, each employee shall, in addition to receiving a satisfactory performance evaluation, complete the following required time of employment to be eligible to receive a merit increase:

3415.3.2.1 New Employees. A person hired as a new employee shall have a merit advancement date which is \_\_\_ [six, 12, etc.] months following the appointment date.

3415.3.2.2 Promotion or Demotion. An employee who is promoted or demoted shall have a new merit advancement date which shall be one year from the date of promotion or demotion.



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3415.3.2.3 Voluntary Demotion. An employee who voluntarily demotes to a position at a lower salary range shall have no change in merit advancement date.

3415.3.2.4 Change-in-Range Allocation. If the salary range for an employee's position is changed, the employee's merit advancement date shall not change.

3415.3.2.5 Position Reclassification. An employee whose position is reclassified to a position having the same or lower salary range shall have no change in merit advancement date. An employee whose position is reclassified to a position having a higher salary range shall have a new merit advancement date which is one year following the effective date of the position reclassification.

3415.3.2.6 Non-Merit Step Adjustments. An employee whose salary step is adjusted to a higher step for reasons other than regular merit advancement shall have a new merit advancement date effective one year from the date of said adjustment.

3415.3.3 Effective Date. An employee's merit increase shall take place on the first day of the pay period in which his/her merit advancement date falls. The General Manager [or PERSONNEL DIRECTOR, etc.] may delay authorizing the merit advancement up to 90 days beyond the employee's merit advancement date without affecting the normal merit advancement date. In case of such a delay, the employee's merit advancement shall be effective the first day of the pay period following the General Manager's [or PERSONNEL DIRECTOR or other responsible managing employee] authorization. If authorization for merit advancement is delayed beyond 90 days from the employee's merit advancement date, the employee shall not be eligible for a merit increase until his/her next normal merit advancement date.

3415.4 Promotion. Employees promoted to a position with a higher salary range may be paid either at the minimum rate of the new range or at the nearest higher rate that the employee would otherwise be entitled to on the date the promotion is effective, whichever is greater, provided that an employee promoted to a salary range in excess of one range above his/her former range shall receive no less than one range increase [or 3%, 5%, etc.], at the same step, in rate.





**POLICY TITLE: Sick Leave**  
**POLICY NUMBER: 3460**

3460.1 This policy shall apply to probationary and regular employees in all classifications.

3460.2 Sick leave is defined as absence from work due to illness, non-industrial injury, or quarantine due to exposure to a contagious disease. In addition, dentist and doctor appointments and prescribed sickness prevention measures shall be subject to sick leave provided prior notice is provided to [SPECIFY DEPARTMENT, POSITION, PERSON, etc.].

3460.3 Employees shall earn sick leave at the rate of one working day per month, cumulative to a maximum of 60 days. The determination of total accumulated sick leave days shall be made on January 2 of each year.

3460.4 Each employee may use accrued sick leave, up to half the time accrued per calendar year, as kin care leave, to care for sick immediate-family members. It is provided for those circumstances where the employee must take time off to care for a sick family member, regardless of the seriousness of the illness. Employees should notify their supervisor to the extent feasible in order to avoid disruptions in work schedule as a result of use of kin care time. Family members covered include parents, children and spouses and are defined as follows:

3460.4.1 A "child" means a biological, adopted or foster child, a stepchild, a legal ward or a child for whom an employee has accepted the duties and responsibilities of raising, such as where a grandparent raises his/her grandchild.

3460.4.2 A "parent" means a biological, foster or adoptive parent, a stepparent or legal guardian. Mothers-in-law, fathers-in-law and grandparents are also considered "parents for purposes of this division.

3460.4.3 The term "spouse" is not defined in the legislation mandating kin care, but presumably applies only to an individual to whom the employee is legally married.

3460.5 In order to receive compensation while on sick leave, the employee shall notify his/her supervisor prior to the time for beginning the regular work day, or as soon thereafter as practical.

3460.6 If absence from duty by reason of illness occurs, satisfactory evidence may be required by the [PERSONNEL DIRECTOR or other responsible managing employee].



[OPTIONAL]

3460.7 Unused sick-leave time may be "bought back" by the District at a rate of one-half ( $\frac{1}{2}$ ) day [specify whatever rate your district provides] for each whole day accrued. Said buy back shall be limited only to time over and above 30 days of accrued sick leave. No more than 12 days of accrued sick leave shall be bought back in any given calendar year unless employment is terminated for non-cause reasons, in which case all accrued sick leave over and above 30 days shall be bought back at said one-half ( $\frac{1}{2}$ ) rate. Termination for cause shall result in loss of all accrued sick leave.



**POLICY TITLE: Vacations**  
**POLICY NUMBER: 3490**

3490.1 This policy shall apply to regular and probationary employees in all classifications.

3490.2 Paid vacations shall be accrued according to the following schedule on an annual basis:

- a) During the first year of continuous work, (\_\_\_\_) days;
- b) Two through five years of service, (\_\_\_\_) days;
- c) Six through ten years of service, (\_\_\_\_) days;
- d) After ten years of service, one additional day of paid vacation for each additional year of service to a maximum of 30 days.

3490.3 Employees who have completed six months in regular status may take their vacation time all at once, or gradually, with the prior written approval of their supervisor. No vacation may be taken until the employee has completed at least six months in regular employee status unless approved by the General Manager in writing.

3490.4 Vacation time may be accumulated or postponed. The total accumulated vacation time shall not exceed that amount earned annually by the employee. Only one week of accumulated vacation may be used in addition to regular vacation time during any given year.

3490.5 At termination of employment for any reason, the District shall compensate the employee for his/her accumulated vacation time at his/her straight time rate of pay at the time of termination.

3490.6 The District will not require an employee to take vacation time in lieu of sick leave during periods of illness. However, the employee may elect to take vacation time in case of extended illness where sick leave has been fully used. The District will not consider granting a leave of absence for medical reasons until all accumulated sick leave and vacation time have been used.

3490.7 If a holiday falls on a workday during an employee's vacation period, that day shall be considered as a paid holiday and not vacation time.

3490.8 Vacations may be scheduled at any time during the year upon written approval of the [PERSONNEL DIRECTOR or other responsible managing employee].

3490.9 Vacations are provided by the District to employees as a period of exemption from work with pay for the purpose of rest, relaxation and recreation. This respite is a benefit and is intended as an aid in maintaining the long-term and consistent productivity and contentment of the employee. As such, pay in lieu of vacation time away from work shall not be permitted except in situations of hardship or cumulation in excess of (\_\_\_\_) hours. Said pay off shall be submitted for written approval by the General Manager.



**POLICY TITLE: Purchasing**  
**POLICY NUMBER: 2135**

2135.1 To purchase small items — such as office supplies, auto parts, and other miscellaneous items costing less than \$500 — vendors will be asked to submit pricing information by telephone or written quotation. District accounts are then awarded to those firms that provide the best prices, discounts, etc. Acquisitions are processed on purchase order forms that list instructions to vendors.

2135.2 To purchase items costing more than \$500 and up to \$25,000, quotations will be solicited from vendors and received by telephone or written quotation, preferably from two or more sources, before selecting a supplier and processing a purchase order. The General Manager and [position title] must approve purchase orders.

2135.3 For items over \$25,000 or orders of large quantities, the District will provide suppliers with a list of items to be purchased. Suppliers will provide written quotes for consideration and recommendation to the Board of Directors for award of contract. Items on the list will be purchased from the supplier quoting the lowest prices and having an acceptable delivery date.

2135.4 Vehicles will be purchased through the State's Vehicle Procurement Program, unless they can be acquired at the same cost or less expensively from local sources by competitive quotation bids in accordance with section 2135.2.

2135.5 This policy covers the purchase of goods, not services and not public works construction services. Those matters are addressed in other policies of the District: [identify the policies.]