



KENSINGTON FIRE PROTECTION DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
AGENDA

Wednesday, June 21st, 2023 7:00pm
Kensington Community Center, 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 President and Board Clerk prior to the meeting at the following address: 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 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/governance> . 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.

Hybrid Meeting Option Internet Address:

<https://us06web.zoom.us/j/87864394594?pwd=bEVxdDVuSktaRUtwak40R3MxY0t5QT09>

Telephone Access:

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

Zoom Webinar ID: 878 6439 4594

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. (7:00pm) CALL TO ORDER/ROLL CALL

President Stein, Vice President Levine, Director Dommer, Director Nagel, Director Watt

2. (7:01pm) PUBLIC COMMENT

Under "Public Comment," the public may address the Board on any subject not listed on the agenda. Each speaker may address the Board 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 Board, no further comment from the public will be permitted unless authorized by the Board. The Board 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. (7:06pm) PUBLIC HEARING

a. Fire Hazard Abatement Hearing on the Designation of Properties Containing Fire Hazards

Prior to beginning the public hearing, the President will ask those in the audience having objections to the designation of their property as containing fire hazards to identify their property addresses. Public Hearing Procedure: The President will open the public hearing and then:

- (a) Call for staff report and recommendation from staff.
- (b) Call for comments from those in the audience regarding fire hazard abatement.
- (c) Close the public hearing terminating public testimony. The Board of Directors will then deliberate the matter and arrive at a decision.

Action = Adopt Resolution 23-04 Declaring that Weeds, Rubbish, Litter or other Flammable Material on Designated Private Properties Constitutes a Public Nuisance and Providing for Notice that the Fire Chief or Designee Shall Abate Such Public Nuisance Conditions if not Abated by the Property Owner (Adopt)

4. (7:20pm) ADOPTION OF CONSENT ITEMS

Items listed below are consent items, which are considered routine by the Board of Directors and will be enacted by one motion. The Board of Directors 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. (Supporting material)

- a. Approval of Minutes** of the Board of Directors regular meetings of: 06/08/2022, 06/29/2022 (06/08 continuation), 07/13/2022, 5/17/2023; and special meeting of: 06/29/2022 (Approve)
- b. Acceptance of Incident Activity Report** May 2023 (Accept)
- c. Approval of Monthly Transmittal** 06/21/2023 (Approve)
- d. Approval of Monthly Financial Reports** 05/31/2023 (Approve)
- e. General Manager Recruitment Report** - Brent Ives (Receive and File)

- f. **Adoption of Resolution 2023-05 Establishing the Appropriations Limit of the Kensington Fire Protection District for FY2023-2024** (Adopt)
 - g. **Adoption of Resolution 2023-06 Authorizing Contra Costa County to Place the Special Tax on the Tax Roll for Fiscal Year 2023-2024 and to Collect the Special Tax on Behalf of the Kensington Fire Protection District** (Adopt)
 - h. **FY 2023-24 Fee Schedule for El Cerrito-Kensington Fire Department Contract** (Approve)
 - i. **FY 2021-22 OPEB Actuarial Report** (Accept)
 - j. **FY 2021-22 Annual Audit** (Accept)
5. **(7:25pm) FIRE CHIEF'S REPORT** (Supporting Material)
Action = Presentation/Discussion
6. **(7:35pm) EMERGENCY PREPAREDNESS COORDINATOR'S REPORT** (Supporting Material)
Action = Presentation/Discussion
7. **(7:45pm) OLD BUSINESS - None**
8. **(7:45pm) NEW BUSINESS**
- a. **(7:45pm) Updated Financial Forecast** – Bill Zenoni, Consultant (Supporting Material)
Action = Presentation, Discussion, and Direction to Staff as needed
 - b. **(8:05pm) Adoption of Resolution 2023-07 Preliminary FY2023-2024 Budget** (Supporting Material)
Action = Presentation, Discussion, Direction to Staff, and Adoption
 - c. **(8:25pm) Discussion of Updating the District Reserve Policy, With Possible Direction to the GM Leading to a First Reading of an Updated Policy** – Finance Committee (Supporting Material)
Action = Discussion and Direction to Staff as needed
 - d. **(8:30pm) Consideration of Proposed Resolution 2023-08 to Join the KPPCSD in Partnership in Conducting the LAFCO Standard Financial Analysis Required to Evaluate Consolidation or Reorganization of KPCSD and KFPD** – Daniel Levine (Supporting Material)
Action = Presentation, Discussion, possible Direction to Staff, and possible Adoption
 - e. **(8:45pm) Vote On 2023 Election For LAFCO Special District Seat (Alternate)** (Supporting Material)
Action = Discussion/Approval
 - f. **(8:55pm) Public Safety Building Project Update** – Morris-Mayorga (Supporting Material)
9. **(9:05pm) PRESIDENT'S REPORT: UPDATE ON TEMPORARY COMMITTEES: NEW COMMITTEE(S) AND SUNSETTING OLD COMMITTEE(S)** (Supporting Material)
Action = Presentation/Discussion

10. (9:15pm) GENERAL MANAGER'S REPORT (Supporting Material)

Action = Presentation/Discussion

11. (9:25pm) COMMITTEE REPORTS

Informational reports from Board members or staff covering the following assignments:

- a. **Emergency Preparedness Committee Meeting** – Nagel/Dommer (Supporting Material)
- b. **Finance Committee Meeting** – Stein/Watt (No Report)
- c. **Consolidation Liaison Temporary Committee** – Levine (Supporting Material)
- d. **Information Technology Temporary Committee** – Levine/Nagel (No Report)

12. (9:45pm) OUTSIDE AGENCIES REPORTS

- a. **Contra Costa Special Districts Association** – Nagel (Verbal Report)

13. (9:50pm) ADJOURNMENT

The next regular meeting of the Board of Directors of the Kensington Fire Protection District will be held on Wednesday, July 19, 2023 at 7:00pm at the Kensington Community Center. The deadline for agenda items to be included in the Board packet is Wednesday, July 5, 2023, by 1:00pm. The deadline for agenda-related materials to be included in the Board Packet is Wednesday, July 12, 2023, by 1:00pm.



AGENDA BILL

Subject: Annual Fire Hazard Abatement

Initiated by: Chase Beckman, Fire Marshal
Traviss Crumpacker, Fire Prevention Officer

BACKGROUND

The Fire Department is continuing its annual fire hazard abatement program. This program seeks to remove weeds, rubbish, litter or other flammable material from private properties where such flammable material endangers the public safety by creating a public nuisance and a fire hazard. Most property owners voluntarily abate these hazards without Fire Department involvement. Ideally 100% of the property owners would do so. Experience in prior years suggests most will comply. Any property owners that do not comply will have the District do the work and place the costs on their tax bill.

ANALYSIS/DISCUSSION

The Fire Hazard Abatement process under the direction of the Fire Department should proceed according to Health and Safety Code Sections 14875 et seq which specify the following:

1. The El Cerrito Fire Department on behalf of the Kensington Fire Protection District has determined hazards that must be abated. Pursuant to these code sections, hazards are defined as weeds, rubbish, litter or other flammable materials which create a fire hazard or are otherwise noxious or dangerous and which exist on specific parcels of property within the boundaries of the District.
2. Notice was sent by mail that the Fire District has determined the existence of a public nuisance which must be abated and that a hearing will be held to consider any objections prior to ordering the Fire Chief or his designee to perform abatement.
3. At the June 21, 2023 meeting, the Board of Directors shall hear and consider all objections to the proposed removal of weeds, rubbish, litter or other flammable material. At the conclusion of the hearing, the Board of Directors shall by resolution allow or overrule any objections and order the Fire Chief or his designee to abate some or all of the public nuisance conditions on any remaining parcels which have not been voluntarily cleared by that time. The costs for abatement shall be assessed against the property as a lien and special assessment.
4. At the conclusion of the June 21, 2023 hearing, a second and final notice shall be sent to each property owner prior to abatement. This notice will order the immediate abatement of nuisance conditions. This notice will clearly state that if nuisance conditions are ignored, the

Fire District shall cause abatement and costs for removal will be assessed against the property as a lien and special assessment. It will also indicate that if the conditions are voluntarily abated, the property shall be removed from the process.

5. Sometime between July 17, 2023 and August 1, 2023, if the hazardous conditions are not removed prior to the arrival of the hazard abatement crew, the Kensington Fire Protection District shall cause the weeds, rubbish, refuse, and other flammable material to be removed and shall keep an account of the cost of abatement for each parcel or land where such work is performed.
6. At the August 16, 2023 Board meeting, the Fire Chief or his designee shall submit to the Board of Directors of the Fire District for confirmation an itemized written report showing the cost of abatement work performed. A copy of this report shall be posted for at least three days prior to its submission to the Board of Directors. Each property owner upon whose property abatement work was performed shall be sent written notice by mail of a hearing by the Board of Directors to consider the cost of abatement work performed on their property.
7. At the Board meeting on August 16, 2023 the Board of Directors of the Fire District shall receive and consider the written staff report on abatement actions taken by the District and shall hear any objections from the property owners liable to be assessed for the abatement. The Board of Directors may modify the staff report if deemed appropriate and then confirm the report by motion or resolution.
8. After the Board of Director's confirmation of the report, a certified copy of the report shall be filed with the county auditor who shall add the amount of the assessment to the next regular tax bill levied against the parcel.

FINANCIAL CONSIDERATIONS

The abatement program will be administered by Fire Department staff with minimum costs expended for printing and mailing. Abatement work will be completed by private contract labor as appropriate. Program costs will be recovered through the special assessment and lien process.

LEGAL CONSIDERATIONS

The Fire District's Attorney has reviewed and approved the process. The Fire Hazard Abatement Program is exempt from California Environmental Quality Act (CEQA) pursuant to sections 15304 and 15308 or the CEQA Guidelines. Therefore, no further CEQA review is required.

RECOMMENDATION

Staff recommends that the Kensington Fire Protection District authorize through the adoption of Resolution 2023-04 the initiation of the abatement process by declaring weeds, rubbish, litter, and other flammable material on specific parcels of property within District boundaries as public nuisances, which must be abated.

Reviewed by: _____
Chase Beckman, Fire Marshal

ATTACHMENTS

Resolution 2023-04

Exhibit A of Address's and APN #'s

Initial Fire Hazard Letter from the Fire Marshal

Fire Marshal's Letter of Declared Fire Hazard to be mailed 6/22/23

Kensington Vegetation Management Standards

Kensington Vegetation Management Standards Checklist

Fire Hazard Abatement Inspection Form - Example



RESOLUTION 2023-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON FIRE PROTECTION DISTRICT DECLARING THAT WEEDS, RUBBISH, LITTER OR OTHER FLAMMABLE MATERIAL ON DESIGNATED PRIVATE PROPERTIES CONSTITUTES A PUBLIC NUISANCE AND PROVIDING FOR NOTICE THAT THE FIRE CHIEF OR DESIGNEE SHALL ABATE SUCH PUBLIC NUISANCE CONDITIONS IF NOT ABATED BY THE PROPERTY OWNER

WHEREAS, Health and Safety Code Sections 14875 et seq provides a method by which a local legislative body may abate on private property public nuisance conditions relating to weeds, rubbish, litter or other flammable material which creates a fire hazard, a menace to the public health or which is otherwise noxious or dangerous; and

WHEREAS, the Fire Marshal for the Kensington Fire Protection District has identified in Exhibit A to this resolution those private properties, by street name, lot and block number, on which the presence of weeds, as defined in Health and Safety Code Section 14875, constitute a public nuisance; and

WHEREAS, Health and Safety Code Sections 14890 through 14899 provide that notice shall be provided to each person to whom the properties identified in Exhibit A is assessed informing those persons that unless the property owner abates those nuisance conditions, that the Fire District shall abate the public nuisance. The notice shall further state that if the Fire District must abate the public nuisance, then the cost of abatement shall be assessed against the property as a special assessment. The notice shall also specify a date for a hearing at which property owners may present objections to the designation of their properties as public nuisances or to the proposed removal of the weeds by the Fire District; and

WHEREAS, Health and Safety Code Section 14900 provides that after the hearing, the local legislative body may, by motion or resolution, order the Fire Chief or designee to abate the public nuisance. After further proceedings, these abatement costs may be assessed against the property as a special assessment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Kensington Fire Protection District that the properties listed in Exhibit A to this resolution are declared a public nuisance and such nuisance conditions shall be ordered abated because the presence of weeds, rubbish, litter or other flammable material on those properties create a fire hazard, a menace to the public health or are otherwise noxious or dangerous.

BE IT FURTHER RESOLVED that the notice shall state that a public hearing shall be held on August 16, 2023 at 7:00 p.m. at a location to be publicly noticed 72 hours prior to the meeting in accordance with the Brown Act. At this hearing, the Board shall receive a written staff report on abatement actions and any objections shall be heard from the property owners identified in Exhibit A liable to be assessed for the abatement.

The foregoing resolution was duly adopted at a regular meeting of the Kensington Fire Protection District on the 21st day of June 2023 by the following vote of the Board.

AYES:

NOES:

ABSENT:

ABSTAIN:

Julie Stein, President

Larry Nagel, Secretary

EXHIBIT A1

As of 6/14/23

Kensington Fire Protection District
List of Real Property Constituting Public Nuisances

APN	Street Address
570-253-001	Vacant lot Beloit Avenue
570-253-002	Vacant lot Beloit Avenue
570-253-003	Vacant lot Beloit Avenue
570-253-004	Vacant lot Beloit Avenue
570-253-005	Vacant lot Beloit Avenue
572-231-010	18 Highgate Road
572-203-002-9	18 Norwood Ave
572-201-019-5	31 Norwood Ave
572-181-034-8	80 Norwood Ave
572-022-002-8	57 Rincon Rd
570-122-025-2	309 Vassar Ave



EL CERRITO-KENSINGTON FIRE DEPARTMENT

Fire Prevention Office

10900 San Pablo Avenue, El Cerrito, CA 94530

(510) 215-4457 FAX (510) 232-4917 fpo@ci.el-cerrito.ca.us



May 18, 2023

Parcel Number: «APN»

Property Address: «Parcel_Address» «Parcel_Street», Kensington, CA 94708

Property Owner: «Legal_Property_Owner»

Property Owner's Address: «Mailing_Address», «Mailing_City», «Mailing_State» «Mailing_Zip»

Dear Kensington Property Owner:

With the continued drought conditions, the community is facing its peak fire danger earlier than normal. To reduce the fire danger on private property and provide greater community safety, the Fire Department has been inspecting properties and checking for fire hazards. Recently your property listed above was found that it **does not comply** with the Vegetation Management Guidelines set forth in the Kensington Fire Protection District Vegetation Management Standards. You are being notified now so that you may, if you have not already done so, take steps to remove those fire hazard conditions found on your property.

Enclosed is a copy of the Fire Hazard Reduction Inspection form specifying those areas that are not in compliance as well as the Fire Hazard Reduction Guidelines and Fire Hazard Reductions Checklist that can assist you in bringing your property into compliance. More information on the Vegetation Management Standards and Guidelines may be found on the Fire District's website at: www.kensingtonfire.org under Vegetation Management Standards. Additional information is also available at www.readyforwildfire.org or www.cafiresafecouncil.org as well as many others.

If you have recently completed the work to meet these standards, no further action is required. If not, your property is required to be brought into compliance no later than June 12, 2023. There is no need to contact Fire Department upon completion as we will be re-inspecting all properties. When the Fire Department has cleared your property, it will be dropped from our list and no further action will be taken at that time.

On June 21, 2023 at 7:00PM the Kensington Fire Protection Board of Directors will hold a public hearing to declare those properties still not in compliance as a public nuisance. Your property is at risk of being declared a public nuisance and subject to further abatement actions. In accordance with the Government Code, you may appear before the Board at this public hearing to dispute this declaration.

If you have not done so already, please take immediate action to remove those fire hazard conditions and we thank you for your cooperation in helping us make Kensington a more fire safe community.

Sincerely,

Chase Beckman

Chase Beckman
Fire Marshal



Fire Hazard Reduction Checklist



Zone 1 Requirements

Definition: Zone 1 extends 30 feet from buildings, structures, decks, etc. in all portions within the community of Kensington including the designated Very High Fire Hazard Severity (VHFHS) Zones

- Remove all dead plants, grass and weeds within 30 feet of buildings, structures, decks, etc.
- Remove dead or dry leaves and pine needles from your yard, roof and rain gutters
- Trees shall be maintained so that no portion is closer than 10 feet from any chimney opening
- Trees, shrubs, bushes or other vegetation adjacent to or overhanging any structure shall be maintained free of dead limbs and other combustible matter such as vines and loose papery bark
- On mature trees, limbs should be removed up to 10' above the ground. Smaller trees should be limbed to 1/3rd of their height up to 6' above the ground, but in no case less than 18" from the ground
- Relocate wood piles to Zone 2 if applicable
- Remove or prune flammable plants and shrubs near windows
- Remove vegetation and items that could catch fire from around and under decks
- Create a minimum 6-foot separation between trees, shrubs or vegetation and combustible materials
- Vacant lots in Zone 1 shall be maintained to be 10 feet wide along the property line

Zone 2 Requirements

Definition: Zone 2 extends from 30 feet to 100 feet out from buildings, structures, decks, etc. in those areas within the community of Kensington designated as the Very High Fire Hazard Severity (VHFHS) Zones. NOTE: All Zone 1 requirements shall be followed in addition to the following Zone 2 requirements

- Cut or mow weeds and grass shall be cleared to a maximum height of 6 inches
- All fire hazardous vegetation except for weeds and grass shall be cleared and maintained to a height no greater than 18 inches above the ground
- Vacant lots in Zone 2 shall be maintained to be 30 feet wide along the property line

To find out if your property is located within the Very High Fire Hazard Severity Zone, go to : <https://egis.fire.ca.gov/FHSZ/> On the upper left hand side, click on the bottom icon for Address Search.



KENSINGTON FIRE PROTECTION DISTRICT

c/o El Cerrito Fire Department
10900 San Pablo Avenue
El Cerrito, CA 94530
(510) 215-4450
FAX (510) 232-4917

June 22, 2023

Parcel Number: XXXX
Property Address: XXXX, Kensington, CA 9470X
Property Owner: XXXX
Property Owner's Address: XXXX

NOTICE TO DESTROY WEEDS AND REMOVE RUBBISH, REFUSE AND OTHER FLAMMABLE MATERIAL

On **June 21, 2023**, the Kensington Fire Protection District Board of Directors declared that your property in the Kensington community, designated above by address and parcel number, constitutes a public nuisance because of the presence of weeds, rubbish, litter or other flammable material which creates a fire hazard, a menace to the public health, or is otherwise noxious or dangerous.

A previous notice was sent to you informing you of the June 21, 2023 hearing and further informing you of your obligation to remove the weeds, rubbish, refuse and other flammable material from your property. **If you do not immediately abate these nuisance conditions, the District will do so and the costs for removal of the weeds, rubbish, refuse and other flammable material will be assessed against your property as a lien and special assessment.** These removal costs shall then be collected in the time and manner of ordinary municipal taxes.

You will not receive any further notices from the District prior to this removal. The District shall perform this removal either through its own staff or through private contract sometime between **July 17, 2023 and August 1, 2023**. It is impossible to predict what it will cost the District to remove these nuisance conditions from your property. The costs depend on the severity of those conditions. In past years these abatement costs have sometimes exceeded \$8,000 per parcel for those parcels with severe nuisance conditions.

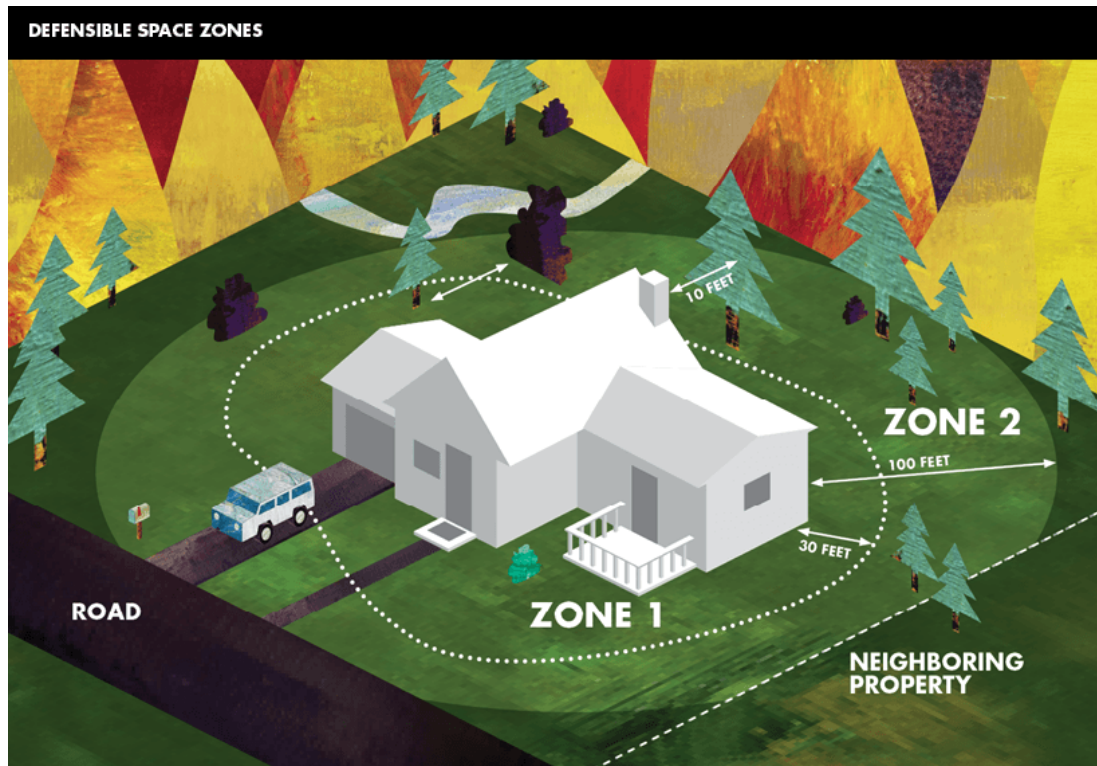
The Kensington Fire Protection District Board of Directors will hold a public hearing on **August 16, 2023 at 7:00 p.m.** At this hearing, the Board will receive the staff report and cost of abatement for your property. Objections to the abatement costs can be heard at this public hearing. Contact the Fire Department for the location of the meeting or go to the Kensington Fire Protection District website at <https://www.kensingtonfire.org/meetings> for meeting information.

If you have any questions, contact the Fire Department at 10900 San Pablo Avenue, El Cerrito, CA 94530. The phone number is (510) 215-4457.

Chase Beckman

Chase Beckman
Fire Marshal

Kensington Fire Protection District Fire Hazard Reduction Guidelines



Zone 1

Zone 1 extends 30 feet from buildings, structures, decks, etc. in all portions within the community of Kensington including the designated Very High Fire Hazard Severity (VHFHS) Zones. Vacant lots in Zone 1 shall be maintained to be 10 feet wide along the property line.

- Remove all dead plants, grass and weeds (vegetation).
- Remove dead or dry leaves and pine needles from your yard, roof and rain gutters.
- Trees shall be maintained so that no portion is closer than 10 feet from any chimney opening.
- Trees, shrubs, bushes or other vegetation adjacent to or overhanging any structure shall be maintained free of dead limbs and other combustible matter such as vines and loose papery bark.
- On mature trees, limbs should be removed up to 10' above the ground. Smaller trees should be limbed to 1/3rd of their height up to 6' above the ground, but in no case less than 18 inches from the ground.
- Relocate wood piles to Zone 2 if applicable.
- Remove or prune flammable plants and shrubs near windows.
- Remove vegetation and items that could catch fire from around and under decks.
- Create a minimum 6-foot separation between trees, shrubs or vegetation and combustible materials.

Zone 2

Zone 2 extends from 30 feet to 100 feet out from buildings, structures, decks, etc. in only those areas within the community of Kensington designated as the Very High Fire Hazard Severity (VHFHS) Zones. Vacant lots in Zone 2 shall be maintained to be 30 feet wide along the property line. NOTES: (1) All Zone 1 requirements shall be followed in addition to the following Zone 2 requirements: (2) The vast majority of the entire community of Kensington is in the VHFHSZ.

- Cut or mow weeds and grass shall be cleared to a maximum height of 6 inches.
- All fire hazardous vegetation except for weeds and grass shall be cleared and maintained to a height no greater than 18 inches above the ground.



**EL CERRITO FIRE DEPARTMENT
KENSINGTON FIRE PROTECTION DISTRICT**



**10900 San Pablo Avenue, El Cerrito, Ca. 94530 (510)215-4450
Fire Hazard Reduction Inspection**

Owner/Tenant	Site Address	City	State	Zip Code
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Legal Propety Owner	Mailing Address	City	State	Zip Code
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APN # _____

YOUR PROPERTY IS NOT IN COMPLIANCE WITH THE FIRE CODE.
YOU MUST COMPLETE THE FOLLOWING REQUIREMENTS:

ZONE 1

Zero to 30 feet from buildings, structures, decks,etc. in all portions within El Cerrito and Kensington

- _____ 1. Remove all dead plants, grass and weeds.
- _____ 2. Remove dead or dying leaves and pine needles from your yard, roof and rain gutters.
- _____ 3. Trees shall be maintained so that no portion is closer than 10 feet from any chimney opening.
- _____ 4. Trees, shrubs, bushes or other vegetation adjacent to or overhanging any structure shall be maintained free of dead limbs and other combustible matter.
- _____ 5. On mature trees, limbs should be removed up to 10' above the ground. Smaller trees should be limbed to 1/3 of their height up to 6' above the ground, but in no case less than 18" from the ground.
- _____ 6. Relocate wood piles to Zone 2 if applicable.
- _____ 7. Remove or prune flammable plants and shrubs near windows.
- _____ 8. Remove vegetation and items that could catch fire from around and under decks.
- _____ 9. Create a minimum 6-foot separation between trees, shrubs or vegetation and combustible materials.
- _____ 10. Vacant lots in Zone 1 shall be maintained to be 10 feet wide along the property line.

ZONE 2

Thirty to 100 feet from buildings, structures, decks, etc. for all parcels within the Very High Fire Hazard Severity Zone. Zone 1 requirements shall be followed in addition to Zone 2 requirements.

- _____ 1. Cut or mow weeds and grass to a maximum height of 6 inches.
- _____ 2. All fire hazardous vegetation except for weeds and grass shall be cleared and maintained to a height no greater than 18 inches above the ground.
- _____ 3. Vacant lots in Zone 2 shall be maintained to be 30 feet wide along the property line.

COMMENTS:

Inspected by	Inspection #	Date	Time
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Kensington Fire Protection District Fire Hazard Reduction Program

I. INTRODUCTION

A. Purpose of Vegetation Management Standards

California communities have experienced devastating fire loss because of the severity of fires which occur in the wildland interface areas. These areas exist in the community of Kensington. In these areas the risk of conflagration is increased further by homeowners who create or do not maintain landscaping on their properties. Homes are threatened by fire every year in California largely because of heavy vegetation fuel load very near structures.

Very High Fire Hazard Severity Zones (VHFHSZ) have been identified within the Kensington community by the Kensington Fire Protection District and CAL Fire. As specified by State Law AB 337, property owners within the VHFHSZ must take special precautions with their property, including vegetation management, to reduce the risk of fire. All Kensington property owners must comply with the District's Fire Hazard Reduction standards.

The buildup of unmanaged vegetation, whether native or non-native, steep hillsides with canyons, draws, and periods of extremely hot, dry weather all combine to create in Kensington the potential for catastrophic fire behavior. Catastrophic fires can destroy large numbers of homes, threaten public safety and severely damage the natural areas which contribute to our high quality of living.

A key goal of Kensington's community fire protection planning is to reduce the level of fire hazards throughout the community and particularly in the VHFHSZ. While it is not possible to eliminate all threats of catastrophic wildfire, fire hazards can be reduced to acceptable levels and still allow a "green" community.

Vegetation management planning in the VHFHS Zone focuses on areas where fire poses the greatest risk to life and property. Fires will continue to be a part of California urban living. By implementing vegetation management standards, Kensington residents can significantly reduce the potential a small fire will grow into a catastrophic event. An important component of reducing the community's fire risk requires vegetation management to be practiced by all property owners.

No person shall be prosecuted criminally under the provisions of Section 4 of the Kensington Fire Protection District Ordinance 95-1 until that person has received written notice of how that property violates these standards and until that person has had the reasonable opportunity to meet with District staff concerning the violation. Civil Enforcement of these guidelines as provided for in Section 5 of Ordinance 95-1, pursuant to California Health and Safety Code Section 14912 et. seq. Civil procedures for fire hazard abatement include providing the property owner with (1) written notice on how the property violates these guidelines, (2) reasonable opportunity to comply with the guidelines and (3) opportunity to be heard before the Board of Directors of the Kensington Fire Protection District.

II. FIRE HAZARD REDUCTION GUIDELINES

Many factors combine to create a fire hazard on any specific property. It is difficult to single out a specific vegetation species or configuration to declare it either fire hazardous or completely fire safe in all situations. The Fire Department has developed guidelines conforming to State Law and National Fire Protection Standards which address most situations found on private property within Kensington.

A. Hazard Zones

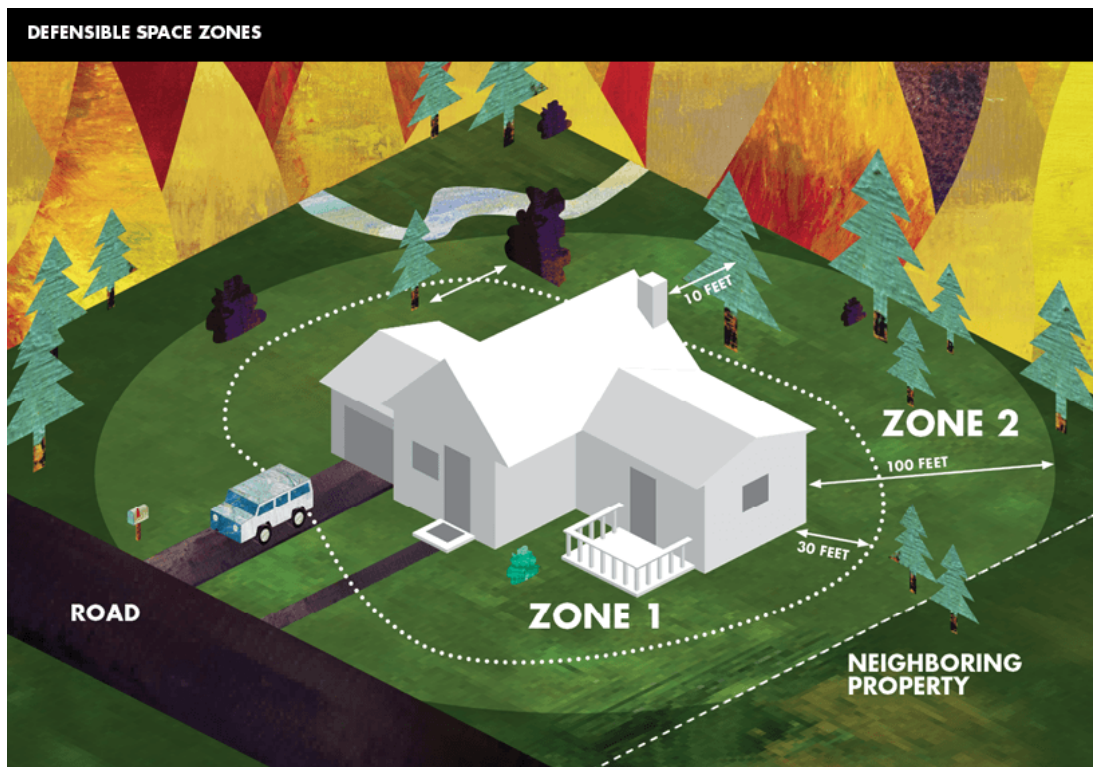
A portion of the Kensington community lies adjacent or near to large wildland areas containing steep slopes and naturally growing vegetation. Every year under certain critical weather conditions, the neighborhoods near these wildland areas are at heightened risk of seasonal wildfire sweeping into the community and burning homes. These areas at heightened risk of wildfire have been designated as Very High Fire Hazard Severity (VHFHS) Zones as designated by CAL Fire. Fire hazard reduction measures common to the entire community are required on both vacant and developed lots.

B. Defensible Space

Defensible space is essential to improve your home’s chance of surviving a wildfire. It is the buffer you create between a building on your property and the grass, trees, shrubs, or any wildland area that surround it. This space is needed to slow or stop the spread of wildfire and it helps protect your home from catching fire—either from direct flame contact or radiant heat. Defensible space is also important for the protection of the firefighters defending your home.

Defensible Space Zones

Two zones make up the required 100 feet of defensible space.



Zone 1

Zone 1 extends 30 feet from buildings, structures, decks, etc. in all portions within the community of Kensington including the designated Very High Fire Hazard Severity (VHFHS) Zones. Vacant lots in Zone 1 shall be maintained to be 10 feet wide along the property line.

- Remove all dead plants, grass and weeds (vegetation).
- Remove dead or dry leaves and pine needles from your yard, roof and rain gutters.
- Trees shall be maintained so that no portion is closer than 10 feet from any chimney opening.
- Trees, shrubs, bushes or other vegetation adjacent to or overhanging any structure shall be maintained free of dead limbs and other combustible matter such as vines and loose papery bark.
- On mature trees, limbs should be removed up to 10’ above the ground. Smaller trees should be limbed to 1/3rd of their height up to 6’ above the ground, but in no case less than 18 inches from the ground.
- Relocate wood piles to Zone 2 if applicable.
- Remove or prune flammable plants and shrubs near windows.
- Remove vegetation and items that could catch fire from around and under decks.
- Create a minimum 6-foot separation between trees, shrubs or vegetation and combustible materials.

Zone 2

Zone 2 extends from 30 feet to 100 feet out from buildings, structures, decks, etc. in only those areas within Kensington designated as the Very High Fire Hazard Severity (VHFHS) Zones. Vacant lots in Zone 2 shall be maintained to be 30 feet wide along the property line. NOTES: (1) All Zone 1 requirements shall be followed in addition to the following Zone 2 requirements. (2) The vast majority of the entire community of Kensington is in the VHFHSZ.

- Cut or mow weeds and grass shall be cleared to a maximum height of 6 inches.
- All fire hazardous vegetation except for weeds and grass shall be cleared and maintained to a height no greater than 18 inches above the ground.

C. Additional Considerations for Vegetation Management

1. The Fire Hazard Abatement Program is intended to promote community fire safety by reducing the combustible vegetation fuel mass on private properties. Clearing vegetation by heavy construction methods, such as grading, discing, trenching or dozing shall require special permits from the County. **Disposal by burning is not permitted.**
2. Any parcel where slope stability will be threatened by removal of plants may be exempt from treatment requirements or subject to alternate treatments. The property owner must submit a report documenting the probability of slope failure due to vegetation removal, prepared by a licensed civil, geotechnical or soils engineer. The report shall propose alternative treatment methods to address fire hazards. The report will be reviewed by staff. Review and acceptance by the District of alternative treatment will supersede other requirements.
3. Any parcel or lot which includes plant or animal species that are rare, endangered or of special concern may qualify for alternative plant treatment and spacing requirements. The property owner must submit a report from a qualified resource biologist or landscape architect describing the species, actions required to preserve its environmental value, and proposed alternative measures to address fire hazards. The report will be reviewed by the District. Review and acceptance by the District of alternative treatment will supersede other requirements.

D. Planting Considerations

Any plant will burn if the conditions are right. Some plants are considered to be extremely flammable while other plants are considered to have some resistance to fire. Verifiable tests of fire exposure characteristics for all specific ornamental landscaping plants are not available.

The Vegetation Management Standards for the Kensington Fire Protection District utilizes available information from the Diablo Firesafe Council at <http://diablofiresafe.org/tolerance.html> under Table 1 Plants with a Favorable Fire performance Rating in 3 or More References.

At the base of trees and shrubs, replace flammable vegetation with bark, mulch, rock, gravel or low-growing or more fire-resistant ground covers. This cover reduces the fire danger and minimizes weeds.

Avoid placing medium-sized shrubs beneath trees or taller shrubs. By breaking up the available fuel mass in ornamental landscaping, a fire will be kept at lower intensity, flame lengths will be shorter and fire will be less likely to form a continuous line or front.

E. Structural Fire Safety

The District's roofing and vegetation management standards are designed to reduce the amount of airborne burning material, limiting fire spread. Once a fire starts, it is often accelerated by wind-borne burning material.

Burning embers or brands are the main source of fire spread in mixed urban-wildland fires. The roof of a house is most vulnerable to this type of ignition followed by openings such as vents. Spark arresters with a maximum of ½ inch openings in the mesh are required over the outlet of every chimney. Class A is the top rating for fire resistive roofing, followed by Classes B and C. State and District Ordinance requires that all roofing be Class B or better, and wood shake shingle roofing materials are prohibited in new construction or replacement of more than 50% of the roof. It is recommended to cover vent openings with ¼ inch openings in the mesh to prevent flying embers from entering the structure.

III. GLOSSARY OF TERMS

The following terms are used to describe the vegetation management standards in California State Law and in the Kensington Fire Protection District's Fire Hazard Reduction Program.

Very High Fire Hazard Severity (VHFHS) Zones: Any geographic area designated per Government Code Section 51178 to contain the type and condition of vegetation, topography, weather and structure density to potentially increase the possibility of wildland conflagration fires. As a community adjacent to extensive wildland areas, the community of Kensington is made up on mostly VHFHS zones. A CAL Fire interactive map of these zones is available at <https://egis.fire.ca.gov/FHSZ/>. Fire hazard reduction standards are more extensive for properties located within VHFHS zones.

Defensible Space: A concept in landscape design for homes which provides a band of managed vegetation around a home that slows movement of fire by reducing or denying fuel and provides a space for firefighters to take a stand to protect the house.

Fire Resistant Plants: A relative term used to describe plants that are “more resistant: or “less resistant” than other plants to fire. Given enough heat, all vegetation will burn. Yet plants in fact differ in how fast they burn, how high a flame they produce and their ability to survive fire. Fire resistance is enhanced by higher amounts of moisture within twigs and foliage. Fire-resistant plants can lose this quality altogether if not properly maintained and irrigated. The Vegetation Management Standards for Kensington utilizes available information from the Diablo Firesafe Council at <http://diablofiresafe.org/tolerance.html> under Table 1 Plants with a Favorable Fire performance Rating in 3 or More References.

Fire Hazardous Vegetation: Plants which can burn easily because they generate dry undergrowth, contain flammable oils or produce significant quantities of dead or dying material. Hazardous vegetation is fuel which must be removed or strictly maintained so as not to constitute a fire hazard by igniting easily and then contributing to rapid fire spread. Seasonally dry grass, weeds, brush, and unmaintained and unirrigated trees and ornamental vegetation are examples of fire hazardous vegetation. Properly chipped, mulched and disbursed material does not constitute fire hazardous vegetation. Fire hazardous vegetation is also known as **flammable vegetation and combustible growth.**

Ornamental Landscaping: Decorative plants growing within a tended garden or yard which are appropriately irrigated, maintained and located to provide aesthetic decoration and functional utility, such as privacy screening, shade, weed suppression and erosion control. The use of fire-resistant plants and the removal of fire hazardous vegetation will enhance fire safety.

Zone 1: Extends 30 feet from buildings, structures, decks, etc. in all portions within the community of Kensington including the designated Very High Fire Hazard Severity (VHFHS) Zones. In Zone 1 vacant lots shall be maintained to be 10 feet wide along the property line.

Zone 2: Extends from 30 feet to 100 feet out from buildings, structures, decks, etc. in those areas within the community of Kensington designated as the Very High Fire Hazard Severity (VHFHS) Zones. In Zone 2 vacant lots shall be maintained to be 30 feet wide along the property line. For properties within Zone 2, all Zone 1 requirements shall be enforced in addition to Zone 2 requirements.



Fire Hazard Reduction Checklist



Zone 1 Requirements

Definition: Zone 1 extends 30 feet from buildings, structures, decks, etc. in all portions within the community of Kensington including the designated Very High Fire Hazard Severity (VHFHS) Zones

- Remove all dead plants, grass and weeds within 30 feet of buildings, structures, decks, etc.
- Remove dead or dry leaves and pine needles from your yard, roof and rain gutters
- Trees shall be maintained so that no portion is closer than 10 feet from any chimney opening
- Trees, shrubs, bushes or other vegetation adjacent to or overhanging any structure shall be maintained free of dead limbs and other combustible matter such as vines and loose papery bark
- On mature trees, limbs should be removed up to 10' above the ground. Smaller trees should be limbed to 1/3rd of their height up to 6' above the ground, but in no case less than 18" from the ground
- Relocate wood piles to Zone 2 if applicable
- Remove or prune flammable plants and shrubs near windows
- Remove vegetation and items that could catch fire from around and under decks
- Create a minimum 6-foot separation between trees, shrubs or vegetation and combustible materials
- Vacant lots in Zone 1 shall be maintained to be 10 feet wide along the property line

Zone 2 Requirements

Definition: Zone 2 extends from 30 feet to 100 feet out from buildings, structures, decks, etc. in those areas within the community of Kensington designated as the Very High Fire Hazard Severity (VHFHS) Zones. NOTE: All Zone 1 requirements shall be followed in addition to the following Zone 2 requirements

- Cut or mow weeds and grass shall be cleared to a maximum height of 6 inches
- All fire hazardous vegetation except for weeds and grass shall be cleared and maintained to a height no greater than 18 inches above the ground
- Vacant lots in Zone 2 shall be maintained to be 30 feet wide along the property line

To find out if your property is located within the Very High Fire Hazard Severity Zone, go to <https://egis.fire.ca.gov/FHSZ/> On the upper left hand side, click on the bottom icon for Address Search.



**KENSINGTON FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS MEETING MINUTES**

Agenda Item 4a

DATE/TIME: May 17, 2023, 7:00PM

LOCATION: Kensington Community Center, 59 Arlington Avenue, Kensington (and hybrid)
5 Island View Way, Sea Bright, NJ (Remote location – Director Levine)

PRESENT: Directors: President Julie Stein, Director Don Dommer, Vice President
Director Daniel Levine, Director Larry Nagel, Director Jim Watt
Staff: Board Clerk Candace Eros Diaz, GM Mary Morris-Mayorga, Fire
Chief Eric Saylor

1. CALL TO ORDER/ROLL CALL

President Stein called the meeting to order at 7:07 p.m. and confirmed the roll call. She noted there were seven (7) attendees on the Zoom call.

2. PUBLIC COMMENT (00:02:00)

There was no public comment.

3. ADOPTION OF CONSENT ITEMS (00:02:49)

President Stein proposed to approve all consent items on the agenda with a single motion.

The board did not vote to remove any consent items and there was no further board discussion.

- a. **Approval of Minutes** of the Board of Directors regular meetings of: 10/12/2022, 11/9/2022, 4/19/2023; and special meetings of: 11/29/2022, and 4/24/2023
- b. **Acceptance of Incident Activity Report** April 2023
- c. **Approval of Monthly Transmittal** 05/17/2023
- d. **Approval of Monthly Financial Reports** 04/30/2023

MOTION: M/s Nagel/Dommer: Motion to approve consent items 3a, 3b, 3c, and 3d.

VOTE:

Ayes: Levine, Dommer, Nagel, Watt, and Stein

Nays: None

Absent: None

Motion passed 5-0-0

Video Time Stamped: 00:04:19

4. FIRE CHIEF'S REPORT (00:04:36)

Fire Chief Saylor presented the report as included in the packet. President Stein asked if Chief Saylor could remind the board about their responsibilities in case of an emergency. Chief Saylor

stated the first step is for all board members to be up to date with ICS training and noted he will address this topic in next month's report.

There was no further board discussion or public comment.

5. EMERGENCY PREPAREDNESS COORDINATOR'S REPORT (00:09:42)

EPC Coordinator Johnny Valenzuela presented the report as included in the packet. He noted CPR training will take place on Saturday, June 24, 2023 and those interested should contact the El Cerrito Fire Department. He went on to review the door hanger distribution map and other upcoming events.

There was no board discussion or public comment.

President Stein requested to move the General Manager Recruitment Report agenda item 7a up ahead of item 6a.

7. NEW BUSINESS

a. GENERAL MANAGER RECRUITMENT REPORT (00:19:41)

Brent Ives presented the report as included in the packet. He noted two qualified candidates have been identified and will be presented to the board at a special meeting on Monday, May 22, 2023. He requested the board forward any interview questions by Friday, May 19, 2023 at 5:00 p.m.

There was no board discussion or public comment.

6. OLD BUSINESS

a. Report from Phase 1 Work With the KPPCSD Temporary Committee on Housing the Kensington Police Department and Status of Committee (00:27:45)

President Stein and Director Watt presented their reports as included in the packet. Director Nagel requested this presentation be given to the KPPCD board of directors.

A member of the public commented that the reason for this presentation was because there was a need for President Stein and Director Watt to report back to the KFPD board and the community. They reviewed and opined on the floor plans provided in Director Watt's report and asked if the service district board's two-by-two committee asked for additional space. Director Watt confirmed committee members did not ask for additional space.

The board discussed the item.

President Stein recommended dissolving the KPPCSD Temporary Committee on Housing the Kensington Police Department and Status of Committee. There were no objections.

There was no additional public comment.

7. NEW BUSINESS (con't)

b. PUBLIC SAFETY BUILDING PROJECT UPDATE (01:10:09)

GM Morris-Mayorga presented the report as included in the packet. She noted construction updates, current project expenses, and overall budget tracking in comparison to financial projection for the project. Director Watt asked if the current total budget includes the \$100,000 for the asbestos abatement. GM Morris-Mayorga confirmed this. He also inquired if the contractor is staying within the original plans and costs to oversee the construction of the project. GM Morris-Mayorga noted similar projects typically budget for 10% of project costs to hire a construction management firm. Director Levine asked for clarification on whether the report referred to the remaining or used contingency. GM Morris-Mayorga confirmed it was the remaining available contingency.

A member of the public commented on Director Watt's report and his slate for his election to the board.

There was no further board discussion or public comment.

8. GENERAL MANAGER'S REPORT (01:20:47)

GM Morris-Mayorga presented the report as included in the packet. She noted she is working with the City clerk to provide various training to the board, gave audit, financial forecast, and public safety building budget updates.

There was no board discussion or public comment.

9. COMMITTEE REPORTS

a. Emergency Preparedness Committee Meeting (01:24:14)

Director Nagel presented the report as included in the packet. He noted inspections began on May 1, 2023 and that an evacuation drill will take place in Spring 2024. He announced that Lt. Harms will retire on June 30, 2023 and that Peter Guerrero will no longer be on the committee and will be replaced. He also reported that David Spath is now a Director for the KPPCSD and will remain on the Emergency Preparedness Committee Meeting committee. The next meeting will be on May 25, 2023.

A member of the public noted that the Diablo Fire Safe Council intended to complete their clean-up project by the end of May 2023 and that it will precede the proposed evacuation drill for the Kensington Hilltop Elementary School.

There was no board discussion or additional public comments.

b. Finance Committee Meeting

No report was given.

c. Consolidation Liaison Temporary Committee (01:31:38)

Director Levine presented the report as included in the packet. He noted there was a Special Meeting on April 24, 2023 with a presentation by Lou Ann Texeira. He will prepare a resolution to join the KPPCSD in partnership for the KFPD board meeting on June 21, 2023.

The board discussed the agenda item. President Stein recommended there be legal review of any

proposed resolution to gain clarity on how existing contracts might be affected if the district is dissolved. Director Levine responded to President Stein's recommendation for legal review and provided his understanding of how KFPD's existing contracts might be affected. President Stein asked if LAFCO's financial analysis is independent of the services plan. Director Levine confirmed this. Director Nagel asked about the costs involved to prepare the financial analysis and whether or not KPPCSD will split costs with the KFPD. Director Levine noted the financial analysis will cost \$40,000-\$60,000 to complete and stated there was no discussion about splitting the costs between the two (2) boards. Director Watt asked whether the KFPD is able to raise concerns about any potential cost increase identified in the financial analysis. Director Levine confirmed this.

Members of the public gave thanks to both the KFPD and KPPCSD boards for the collaborative work they've completed on the matter and expressed they are in favor of consolidation. Another member of the public recommended that the KFPD request KPPCSD's accounting prior to making a decision on reorganization.

There was no additional board discussion or public comments.

d. Information Technology Temporary Committee

No report was given.

10. OUTSIDE AGENCIES REPORTS

a. Contra Costa Special Districts Association (02:03:00)

Director Nagel presented the report as included in the packet. He noted the last meeting was on Monday, May 15, 2023. The next meeting will take place in Dublin, CA on July 17, 2023 and will be a joint meeting where a state constitutional amendment will be discussed. President Stein asked if all services will be obtained by the county when the Knightsen CSD's district is dissolved. Director Levine confirmed this.

There was no additional board discussion or public comments.

11. ADJOURNMENT: President Stein adjourned the meeting at 09:17 p.m.

The next Board of Directors meeting will occur on June 21, 2023.

MINUTES PREPARED BY: Candace Eros Diaz and Mary Morris-Mayorga

These minutes were approved at the Board Meeting of the Kensington Fire Protection District on June 21, 2023.

Attest:

Secretary of the Board



EL CERRITO-KENSINGTON FIRE DEPARTMENT

10900 San Pablo Avenue • El Cerrito • CA • 94530
 (510) 215-4450 • FAX (510) 232-4917

www.el-cerrito.org

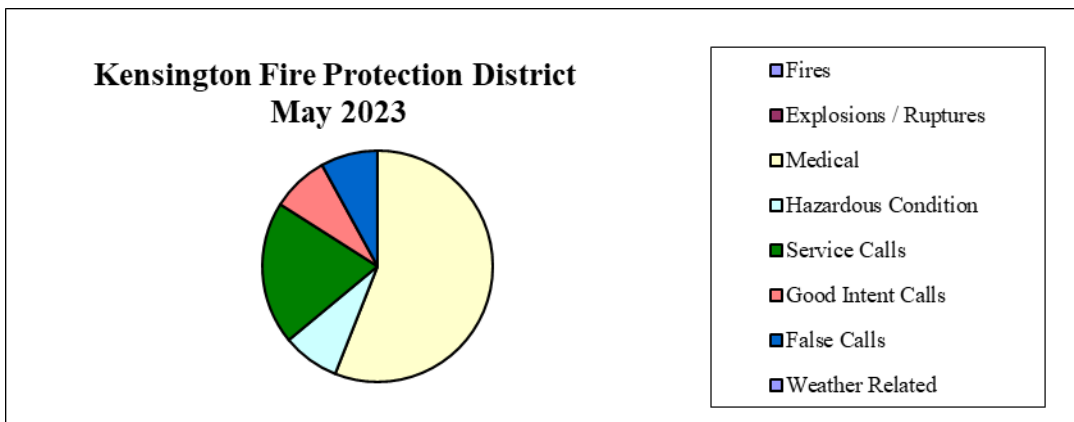


DATE: June 9, 2023
TO: Kensington Fire Protection District Board Members
FROM: Jose Castrejon: Battalion Chief
RE: Incident Activity Reports for the Month of May 2023

Twenty-five incidents occurred during the month of May in the community of Kensington. This is a decrease of one incident from the previous month. Please see the attached "Incident Log" for the dates and times, locations, and types of incidents the Fire Department responded to this past month. During this same time, Engine 155 responded to sixty-five calls for service, a decrease of one incident from the previous month. Overall, the El Cerrito-Kensington Fire Department has responded to 1,711 calls for service so far this year.

The chart below shows the seven incident response types tracked by the State and National fire incident reporting systems. The following is the number of responses for each type, the percentage of the total calls for each type, and all the responses in the community of Kensington.

			Percentages
1: Fires	<i>(Structure, Trash, Vehicles, Vegetation Fires)</i>	0	0.00%
2: Explosions / Ruptures	<i>(Over Pressure/Ruptures, Explosions, Bombs)</i>	0	0.00%
3: Medical	<i>(EMS, Vehicle Accidents, Extrication Rescue)</i>	14	56.00%
4: Hazardous Condition	<i>(Chemical Spills, Leaks, Down Power Lines)</i>	2	8.00%
5: Service Calls	<i>(Distress, Water/Smoke/Odor Problems, Public Assists)</i>	5	20.00%
6: Good Intent Calls	<i>(Cancelled En Route, Wrong Location)</i>	2	8.00%
7: False Calls	<i>(Wrong Company/Unit Dispatched)</i>	2	8.00%
8: Weather Related	<i>(Flooding, wind, lightning)</i>	0	0.00%
Totals		25	100.00%



**Kensington Incidents
May 2023**

#	incident	date	type	street	street	city	apparatus
1	0023050726	01-May-23 22:04:08	554	Purdue	AVE	Kensington	E155
2	0023050915	02-May-23 11:20:43	321	Lawson	RD	Kensington	E155
3	0023051126	02-May-23 20:18:37	321	Ardmore	RD	Kensington	E155
4	0023051162	02-May-23 22:31:27	444	Colgate	AVE	Kensington	E155
5	0023051833	04-May-23 14:35:11	321	Edgecroft	RD	Kensington	E155
6	0023052603	06-May-23 13:51:14	321	Edwin	DR	Kensington	E155
7	0023053010	07-May-23 17:36:28	321	Purdue	AVE	Kensington	E155
8	0023053441	08-May-23 16:36:54	321	Arlington	AVE	Kensington	E155
9	0023053686	09-May-23 10:16:36	321	Highland	BLVD	Kensington	E155
10	0023053812	09-May-23 15:24:46	611X	Kingston	RD	Kensington	E155
11	0023055124	12-May-23 19:20:13	321	Yale	AVE	Kensington	E155
12	0023055924	14-May-23 14:57:55	444	Beverly	CT	Kensington	E152
13	0023056460	15-May-23 20:03:45	321	Vassar	AVE	Kensington	E155
14	0023057016	17-May-23 02:34:09	321	Colusa	AVE	Kensington	E151
15	0023057441	18-May-23 03:21:52	733	Yale	AVE	Kensington	E155
16	0023057667	18-May-23 14:08:38	5000	Coventry	RD	Kensington	E155
17	0023057890	19-May-23 04:23:10	622	Columbia	AVE	Kensington	E155
18	0023059332	22-May-23 14:13:28	321	Ocean View	AVE	Kensington	E155
19	0023061475	27-May-23 21:12:09	321	Highgate	RD	Kensington	E155
20	0023061801	28-May-23 20:59:33	550	Highgate	RD	Kensington	E155
21	0023061993	29-May-23 12:10:17	744	Canon	DR	Kensington	E155
22	0023062110	29-May-23 17:23:59	5000	Vassar	AVE	Kensington	E155
23	0023062571	30-May-23 23:59:27	5000	Coventry	RD	Kensington	E155
24	0023062655	31-May-23 08:12:20	321	Yale	AVE	Kensington	E155
25	0023062681	31-May-23 09:31:26	321	Beloit	AVE	Kensington	E155

**E55 Responses
May 2023**

#	incident	date	type	street	street\ city	apparatus
1	0023050459	01-May-23 10:05:30	700	Portola	DR El Cerrito	E155
2	0023050477	01-May-23 10:53:58	5000	Potrero	AVE El Cerrito	E155
3	0023050517	01-May-23 11:38:30	554	Everett	ST El Cerrito	E155
4	0023050525	01-May-23 12:04:24	321	San Pablo	AVE El Cerrito	E155
5	0023050550	01-May-23 13:30:21	611X	Ashbury	AVE El Cerrito	E155
6	0023050587	01-May-23 15:20:04	611X	Craft	AVE El Cerrito	E155
7	0023050589	01-May-23 15:23:27	611	Craft	AVE El Cerrito	E155
8	0023050693	01-May-23 20:09:28	611	Craft	AVE El Cerrito	E155
9	0023050726	01-May-23 22:04:08	554	Purdue	AVE Kensington	E155
10	0023050829	02-May-23 07:41:08	321	Balra	DR El Cerrito	E155
11	0023050911	02-May-23 11:00:47	611M	San Pablo	AVE El Cerrito	E155
12	0023050915	02-May-23 11:20:43	321	Lawson	RD Kensington	E155
13	0023051126	02-May-23 20:18:37	321	Ardmore	RD Kensington	E155
14	0023051162	02-May-23 22:31:27	444	Colgate	AVE Kensington	E155
15	0023051232	03-May-23 04:12:51	321	Seaview	DR El Cerrito	E155
16	0023051698	04-May-23 09:38:05	550	Don Carol	DR El Cerrito	E155
17	0023051833	04-May-23 14:35:11	321	Edgecroft	RD Kensington	E155
18	0023051920	04-May-23 18:28:30	400	King	DR El Cerrito	E155
19	0023052135	05-May-23 10:59:33	5000	Gladys	AVE El Cerrito	E155
20	0023052342	05-May-23 20:10:30	522	Village	DR El Cerrito	E155
21	0023052603	06-May-23 13:51:14	321	Edwin	DR Kensington	E155
22	0023053010	07-May-23 17:36:28	321	Purdue	AVE Kensington	E155
23	0023053441	08-May-23 16:36:54	321	Arlington	AVE Kensington	E155
24	0023053686	09-May-23 10:16:36	321	Highland	BLVD Kensington	E155
25	0023053760	09-May-23 13:04:51	622	Everett	ST El Cerrito	E155
26	0023053812	09-May-23 15:24:46	611X	Kingston	RD Kensington	E155
27	0023054026	10-May-23 07:58:18	611X	Terrace	DR El Cerrito	E155
28	0023054070	10-May-23 09:57:13	321	King	CT El Cerrito	E155
29	0023055124	12-May-23 19:20:13	321	Yale	AVE Kensington	E155
30	0023055303	13-May-23 08:29:28	554	Don Carol	DR El Cerrito	E155
31	0023055894	14-May-23 13:49:33	611	Fairmount	AVE El Cerrito	E155

**E55 Responses
May 2023**

32	0023055896	14-May-23 13:50:54	321	Bonnie	DR	El Cerrito	E155
33	0023055904	14-May-23 14:17:10	611	El Cerrito	PLZ	El Cerrito	E155
34	0023055928	14-May-23 15:13:12	611	Everett	ST	El Cerrito	E155
35	0023056173	15-May-23 08:49:32	321	Everett	ST	El Cerrito	E155
36	0023056460	15-May-23 20:03:45	321	Vassar	AVE	Kensington	E155
37	0023056724	16-May-23 11:44:22	321	Colusa	AVE	El Cerrito	E155
38	0023056920	16-May-23 19:27:58	321	Arbor	DR	El Cerrito	E155
39	0023057139	17-May-23 10:53:23	411	Terrace	DR	El Cerrito	E155
40	0023057288	17-May-23 16:30:20	321	Madera	CIR	El Cerrito	E155
41	0023057289	17-May-23 16:31:27	554	Eureka	AVE	El Cerrito	E155
42	0023057419	18-May-23 00:01:10	321	Contra Costa	DR	El Cerrito	E155
43	0023057441	18-May-23 03:21:52	733	Yale	AVE	Kensington	E155
44	0023057667	18-May-23 14:08:38	5000	Coventry	RD	Kensington	E155
45	0023057890	19-May-23 04:23:10	622	Columbia	AVE	Kensington	E155
46	0023058201	19-May-23 20:23:22	321	King	DR	El Cerrito	E155
47	0023058441	20-May-23 12:48:23	321	Bonnie	DR	El Cerrito	E155
48	0023058545	20-May-23 17:35:11	321	Contra Costa	DR	El Cerrito	E155
49	0023059332	22-May-23 14:13:28	321	Ocean View	AVE	Kensington	E155
50	0023059798	23-May-23 14:46:52	321	Stockton	AVE	El Cerrito	E155
51	0023060071	24-May-23 10:35:08	651	Moeser	LN	El Cerrito	E155
52	0023060226	24-May-23 16:49:35	321	Shevlin	DR	El Cerrito	E155
53	0023060486	25-May-23 10:38:24	743	Villa Nueva	DR	El Cerrito	E155
54	0023060636	25-May-23 16:54:10	5000	Fairmount	AVE	El Cerrito	E155
55	0023061081	26-May-23 20:22:39	321	Eureka	AVE	El Cerrito	E155
56	0023061240	27-May-23 09:11:51	744	Fairmount	AVE	El Cerrito	E155
57	0023061276	27-May-23 11:49:00	611X	El Cerrito	PLZ	El Cerrito	E155
58	0023061475	27-May-23 21:12:09	321	Highgate	RD	Kensington	E155
59	0023061801	28-May-23 20:59:33	550	Highgate	RD	Kensington	E155
60	0023061968	29-May-23 11:09:18	5000	Fairmount	AVE	El Cerrito	E155
61	0023061993	29-May-23 12:10:17	744	Canon	DR	Kensington	E155
62	0023062110	29-May-23 17:23:59	5000	Vassar	AVE	Kensington	E155
63	0023062571	30-May-23 23:59:27	5000	Coventry	RD	Kensington	E155

**E55 Responses
May 2023**

64	0023062655	31-May-23 08:12:20	321	Yale	AVE	Kensington	E155
65	0023062681	31-May-23 09:31:26	321	Beloit	AVE	Kensington	E155

TO: Auditor Controller of Contra Costa County:

TRANSMITTAL - APPROVAL

Forwarded herewith are the following invoices and claims for goods and services received which have been approved for payment:

**KENSINGTON FPD
TRANSMITTAL - APPROVAL
Invoices**

PY/CY:
BATCH #.:
DATE : 6/21/2023
LOCATION #: 13
FILENAME: KENSINGTON

VEND #	VENDOR NAME	INVOICE DATE	DESCRIPTION	FUND /ORG	SUB-ACCT	TASK	OPT.	ACTIVITY /WORK AUTH.	ENCUMB (P.O.) / Invoice #	P/C	PAYMENT AMOUNT
50151	El Cerrito	6/1/2023	Fire Protection Services 06/01/2023	7840	2328						330,554.02
50180	Mack 5	5/31/2023	PSB Renovation Soft Costs	7847	2310				5489		23,580.00
50390	CWS	5/31/2023	PSB Renovation Hard Costs	7847	2310				Pmt App #7		92,085.75
50147	KFPD Revolving Fund	6/21/2023	Reimburse Revolving fund	7840	2490						96,084.35
TOTAL											542,304.12

Kensington FPD Approval

Board President

General Manager

Kensington Fire Protection District
 Checking Account Replenishment
 June 21, 2023

Transactions:

Payee	Date	Expenses	Description
PG&E	05/01/2023	\$ 427.72	Electric Service
VSP	05/02/2023	\$ 193.86	VSP Payment
Viking Shred LLC	05/04/2023	\$ 850.00	Shred Event
M Morris-Mayorga	05/05/2023	\$ 5,697.13	Payroll
Fed/State	05/05/2023	\$ 2,829.82	Payroll Tax Withholding
Heartland Payroll	05/05/2023	\$ 98.61	Payroll Processing Fee
Google	05/05/2023	\$ 324.00	Email Service
Star Network	05/08/2023	\$ 220.00	PSB Renovation - Building Permit Fees
MSC Service	05/10/2023	\$ 5.50	PSB Renovation - Service Fee
Copy Central	05/16/2023	\$ 1.98	Board Agenda
Stericycle	05/16/2023	\$ 323.55	Disposal Services
Nerd Crossing	05/17/2023	\$ 250.00	IT Services - April
Nerd Crossing	05/17/2023	\$ 250.00	IT Services - May
Copy Central	05/18/2023	\$ 286.01	Disposal Services
Delta Dental	05/18/2023	\$ 948.79	Retiree Dental
CalPERS	05/18/2023	\$ 4,365.77	Retiree Health
CalPERS	05/18/2023	\$ 4,371.47	Retiree Health
Star Network	05/22/2023	\$ 220.00	PSB Renovation - Building Permit Fees
M Morris-Mayorga	05/22/2023	\$ 5,391.18	Payroll
Fed/State	05/22/2023	\$ 2,584.72	Payroll Tax Withholding
Heartland Payroll	05/22/2023	\$ 98.61	Payroll Processing Fee
PG&E	05/23/2023	\$ 10.53	Gas Service
Comcast	05/23/2023	\$ 201.60	Internet
MSC Service	05/24/2023	\$ 5.50	PSB Renovation - Service Fee
Amazon	05/24/2023	\$ 406.10	IT Equipment
East Bay Sanitary	05/26/2023	\$ 515.52	Disposal Services
Star Network	05/30/2023	\$ 440.00	PSB Renovation - Building Permit Fees
Comcast	05/30/2023	\$ 715.65	Internet
PG&E	05/31/2023	\$ 408.38	Electric Service
EBMUD	05/31/2023	\$ 446.80	Water/Sewer
Zoom	05/08/2023	\$ 140.00	Zoom Payment
Hulu	05/19/2023	\$ 69.99	Monthly TV Subscription for Temp Facility
CrashPlan	05/22/2023	\$ 9.99	Monthly Payment for Cloud Backup
Ooma, Inc.	05/22/2023	\$ 81.29	Office Telephone
Streamline	05/31/2023	\$ 260.00	Website - April/May
James Art (Check #995208)	05/02/2023	\$ 360.13	Fire Engineer Plan Review
Altivu (Check #995209)	05/19/2023	\$ 8,766.66	Emergency Prep Coordinator
Pacific Mobile Structures (Check #995210)	05/17/2023	\$ 3,752.92	Modular Building Rent
AT&T (Check #995211)	05/23/2023	\$ 220.66	Telephone
Hansell Design (Check #995212)	05/23/2023	\$ 4,087.50	Project Management/Management Transition
BHI Management Consulting (Check #995213)	05/23/2023	\$ 1,400.00	General Manager Recruitment
Unitarian Church of Berkeley (Check #995214)	05/30/2023	\$ 2,600.00	Temp Facility Lot Rental
William J Zenoni (Check #995215)	05/24/2023	\$ 1,725.00	Operational Consultant
Maze & Associates (Check #995216)	05/24/2023	\$ 3,895.00	Accounting Services - April and SCO Report
Corovan Moving & Storage (Check #995217)	05/23/2023	\$ 872.51	Fire Station Storage
Meyers Nave (Check #995218)	05/24/2023	\$ 179.28	Legal Services - March
Contra Costa Dept of Info Tech (Check #995219)	05/30/2023	\$ 107.13	Telecommunications Services
Maze & Associates (Check #995220)	05/24/2023	\$ 3,000.00	Accounting Services - March
Altivu (Check #995221)	05/30/2023	\$ 8,766.66	Emergency Prep Coordinator
Meyers Nave (Check #995222)	05/31/2023	\$ 21,334.32	Legal Services - April
Corovan Moving & Storage (Check #995223)	05/31/2023	\$ 872.51	Fire Station Storage
BKF Engineers (Check #995225)	05/31/2023	\$ 399.00	Temp Facility Engineering
R&S Erection of Richmond (Check #995226)	05/30/2023	\$ 295.00	Temp Facility Electrical
Net Withdrawals for Replenishment		\$ 96,084.35	
		\$ -	
Replenishment Adjusted for Monthly Bills		\$ 96,084.35	

Board President _____ Date _____

General Manager _____ Date _____

**Kensington Fire Protection District
Cash and Investment Balance Sheet
As of May 31, 2023**

Current Cash and Investments

Cash Balance		Comments
Petty Cash	200.00	
KFPD Revolving Acct - Gen Fund	38,555.58	Balance as of 5/31/2023
General Fund	1,199,966.27	Balance as of 5/31/2023, Pending Reconciliations
Special Tax Fund	116,340.87	Balance as of 5/31/2023, Pending Reconciliations
Capital Fund	1,355,355.89	Balance as of 5/31/2023, Pending Reconciliations
Total Cash Balance	2,710,418.61	
Investments		
US T-Bills - 4/20/23	3,000,000.00	Balance as of 5/31/2023, Pending Reconciliations
Fed Home Lon Bk Fixed Securities - 9/27/23	3,500,000.00	Balance as of 5/31/2023, Pending Reconciliations
LAIF Balance	18,366.98	Balance as of 5/31/2023, Pending Reconciliations
Total Investments	6,518,366.98	
Total Current Cash and Investments	9,228,785.59	

Kensington Fire Protection District
Balance Sheet
As of May 31, 2023

06/16/23

Accrual Basis

	May 31, 23	May 31, 22	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Petty Cash	200.00	200.00	0.00
KFPD Revolving Acct - Gen Fund	60,686.42	147,629.28	-86,942.86
General Fund	1,199,966.27	3,010,865.94	-1,810,899.67
Special Tax Fund	116,340.87	200,816.00	-84,475.13
Capital Fund	1,355,355.89	93,612.83	1,261,743.06
Total Checking/Savings	2,732,549.45	3,453,124.05	-720,574.60
Accounts Receivable			
Accounts Receivable	4,805.80	10,699.23	-5,893.43
Advance on Taxes	2,406,187.12	120,976.28	2,285,210.84
Advance on Supplemental Taxes	86,245.26	186,873.10	-100,627.84
Total Accounts Receivable	2,497,238.18	318,548.61	2,178,689.57
Other Current Assets			
Prepaid Services - EC	0.07	0.07	0.00
Prepaid Exp.	2,587.29	1,159.00	1,428.29
Prepaid CERBT - Retiree Trust	420,105.48	420,105.48	0.00
Investments			
LAIIF Balance	18,366.98	0.00	18,366.98
US TBills - 4/20/23	3,000,000.00	0.00	3,000,000.00
Fed Home Loan Bk - 9/27/23	3,500,000.00	0.00	3,500,000.00
Capital Replacement Funds	0.00	3,309,515.03	-3,309,515.03
Fire Protect. Contract Reserves	0.00	3,021,642.67	-3,021,642.67
E/C Contract Recon Reserves	0.00	409,043.34	-409,043.34
Investments - Other	0.00	3,257.80	-3,257.80
Total Investments	6,518,366.98	6,743,458.84	-225,091.86
Total Other Current Assets	6,941,059.82	7,164,723.39	-223,663.57
Total Current Assets	12,170,847.45	10,936,396.05	1,234,451.40
Fixed Assets			
Land	5,800.00	5,800.00	0.00
Equipment	1,793,886.43	1,793,886.43	0.00
Accumulated Depreciation-Equip	-813,762.41	-711,708.78	-102,053.63
Building and Improvements	2,391,581.26	2,391,581.26	0.00
Accumulated Depreciation - Bldg	-1,276,205.07	-1,208,874.20	-67,330.87
Current Capital Outlay			
PSB Renovation Soft Costs	844,609.45	472,110.94	372,498.51
PSB Renovation Hard Cost	925,484.10	0.00	925,484.10
Temp Facility - Soft Costs	279,572.37	44,580.58	234,991.79
Temp Facilities - Hard Costs	600,096.82	4,644.00	595,452.82
Temp Facilities - Lot Rental	12,500.00	0.00	12,500.00
Temp Facilities - Modular	28,452.44	0.00	28,452.44
Temp Facilities - Admin Sublet	21,946.95	0.00	21,946.95
Temp Facilities - Relocation	34,254.56	0.00	34,254.56
Fire Engine Type I	104.40	104.40	0.00
Firefighters Qtrs/Equip	210.00	210.00	0.00
Total Current Capital Outlay	2,747,231.09	521,649.92	2,225,581.17
Total Fixed Assets	4,848,531.30	2,792,334.63	2,056,196.67
Other Assets			
Deferred Outflow of Res. - OPEB	6,527.00	6,527.00	0.00
Total Other Assets	6,527.00	6,527.00	0.00
TOTAL ASSETS	17,025,905.75	13,735,257.68	3,290,648.07

Kensington Fire Protection District
Balance Sheet
As of May 31, 2023

06/16/23

Accrual Basis

	May 31, 23	May 31, 22	\$ Change
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Due to Revolving Acct - Gen Fnd	957,858.30	59,911.32	897,946.98
Due to Other - Issued by CCC	39,144.31	24,649.05	14,495.26
Accounts Payable	1,605.34	1,605.65	-0.31
Total Accounts Payable	998,607.95	86,166.02	912,441.93
Other Current Liabilities			
PSB Renovation Loan	1,539,460.63	0.00	1,539,460.63
Wages & PR Taxes Payable	6,424.55	0.00	6,424.55
Total Other Current Liabilities	1,545,885.18	0.00	1,545,885.18
Total Current Liabilities	2,544,493.13	86,166.02	2,458,327.11
Long Term Liabilities			
EI Cerrito Reconciliation Liab.	233,481.39	301,366.04	-67,884.65
CalPERS Settlement Payable	0.00	19,993.56	-19,993.56
Postretirement Health Ben Liab	0.14	0.14	0.00
Total Long Term Liabilities	233,481.53	321,359.74	-87,878.21
Total Liabilities	2,777,974.66	407,525.76	2,370,448.90
Equity			
Fund Equity - General	3,889,496.00	3,889,496.00	0.00
Fund Equity - Capital Projects	3,213,698.00	3,213,698.00	0.00
Fund Equity - Special Revenue	109,075.00	109,075.00	0.00
Fund Equity - Gen Fixed Asset	2,212,997.01	2,212,997.01	0.00
Fund Equity	3,459,564.13	2,392,596.74	1,066,967.39
Net Income	1,363,100.95	1,509,869.17	-146,768.22
Total Equity	14,247,931.09	13,327,731.92	920,199.17
TOTAL LIABILITIES & EQUITY	17,025,905.75	13,735,257.68	3,290,648.07

06/16/23

Kensington Fire Protection District
Profit & Loss Prev Year Comparison
July 2022 through May 2023

Accrual Basis

	Jul '22 - May 23	Jul '21 - May 22	\$ Change	% Change
Ordinary Income/Expense				
Income				
Property Taxes	5,113,488.61	4,775,288.82	338,199.79	7.1%
Special Taxes	200,436.70	204,417.70	-3,981.00	-2.0%
Other Tax Income	12,079.28	12,378.26	-298.98	-2.4%
Lease Agreement	3,050.25	33,552.75	-30,502.50	-90.9%
Interest Income	37,040.85	20,294.31	16,746.54	82.5%
CERBT Reimbursement	18,088.02	40,282.11	-22,194.09	-55.1%
Miscellaneous Income	163.18	388,159.01	-387,995.83	-100.0%
Total Income	5,384,346.89	5,474,372.96	-90,026.07	-1.6%
Expense				
Vehicle Maintenance	0.00	5,501.05	-5,501.05	-100.0%
Staff				
Wages	136,803.24	119,875.75	16,927.49	14.1%
Vacation Wages	5,271.36	9,182.25	-3,910.89	-42.6%
Medical/dental ins compensation	7,000.00	10,000.00	-3,000.00	-30.0%
Payroll Taxes	10,899.66	10,226.08	673.58	6.6%
Workers Compensation/Life Ins	1,760.33	576.40	1,183.93	205.4%
Payroll Processing	2,238.52	1,788.50	450.02	25.2%
Total Staff	163,973.11	151,648.98	12,324.13	8.1%
RETIREE MEDICAL BENEFITS				
PERS Medical	48,989.18	50,708.12	-1,718.94	-3.4%
Delta Dental	10,436.69	10,436.69	0.00	0.0%
Vision Care	3,231.00	3,554.10	-323.10	-9.1%
CalPERS Settlement	0.00	10,472.88	-10,472.88	-100.0%
Total RETIREE MEDICAL BENEFITS	62,656.87	75,171.79	-12,514.92	-16.7%
OUTSIDE PROFESSIONAL SERVICES				
Operational Consultant	4,087.50	0.00	4,087.50	100.0%
Crime Insurance Policy	689.22	0.00	689.22	100.0%
Nixle Fee	0.00	3,182.70	-3,182.70	-100.0%
Long Term Financial Planner	3,162.50	26,031.25	-22,868.75	-87.9%
Emergency Prep Coordinator	96,433.26	91,666.63	4,766.63	5.2%
Accounting	30,895.00	34,045.00	-3,150.00	-9.3%
Actuarial Valuation	0.00	3,000.00	-3,000.00	-100.0%
Audit	12,500.00	16,000.00	-3,500.00	-21.9%
Bank Fee	25.00	25.00	0.00	0.0%
Contra Costa County Expenses	56,026.22	53,552.53	2,473.69	4.6%
EI Cerrito Contract Fee	3,523,192.85	3,232,047.96	291,144.89	9.0%
EI Cerrito Reconciliation(s)	112,901.35	175,128.81	-62,227.46	-35.5%
IT Services and Equipment	3,816.10	272.78	3,543.32	1,299.0%
Fire Engineer Plan Review	1,000.13	688.00	312.13	45.4%
Grant Writer/Coordinator	0.00	6,547.50	-6,547.50	-100.0%
LAFCO Fees	1,558.61	0.00	1,558.61	100.0%
Legal Fees	15,598.44	6,453.92	9,144.52	141.7%
Recruitment	22,335.00	0.00	22,335.00	100.0%
Website Development/Maintenance	2,719.88	2,707.40	12.48	0.5%
Wildland Vegetation Mgmt	2,500.00	4,000.00	-1,500.00	-37.5%
Total OUTSIDE PROFESSIONAL SERVICES	3,889,441.06	3,655,349.48	234,091.58	6.4%
COMMUNITY SERVICE ACTIVITIES				
Public Education	11,419.35	17,761.88	-6,342.53	-35.7%
Open Houses	718.88	0.00	718.88	100.0%
Community Shredder	6,929.01	5,300.36	1,628.65	30.7%
Community Sandbags	3,940.05	1,728.57	2,211.48	127.9%
Volunteer Appreciation	0.00	449.69	-449.69	-100.0%
Total COMMUNITY SERVICE ACTIVITIES	23,007.29	25,240.50	-2,233.21	-8.9%
DISTRICT ACTIVITIES				
Equipment	0.00	1,696.98	-1,696.98	-100.0%
Professional Development	595.00	3,323.58	-2,728.58	-82.1%

06/16/23

Kensington Fire Protection District
Profit & Loss Prev Year Comparison
July 2022 through May 2023

Accrual Basis

	Jul '22 - May 23	Jul '21 - May 22	\$ Change	% Change
Office				
Mtg Room Rentals	80.00	0.00	80.00	100.0%
Internet	2,668.05	0.00	2,668.05	100.0%
Office Equipment	1,189.03	0.00	1,189.03	100.0%
Office Expense	4,344.11	3,518.57	825.54	23.5%
Office Supplies	554.29	694.33	-140.04	-20.2%
Telephone	8,759.82	7,160.68	1,599.14	22.3%
Total Office	17,595.30	11,373.58	6,221.72	54.7%
Election	5,579.18	0.00	5,579.18	100.0%
Firefighter's Apparel & PPE	1,264.02	0.00	1,264.02	100.0%
Firefighters' Expenses	28,581.68	0.00	28,581.68	100.0%
Staff Appreciation	0.00	93.49	-93.49	-100.0%
Memberships	9,505.00	7,615.00	1,890.00	24.8%
Building Maintenance				
Gardening service	140.00	2,275.00	-2,135.00	-93.9%
Building alarm	-396.10	1,264.44	-1,660.54	-131.3%
Medical Waste Disposal	0.00	2,140.61	-2,140.61	-100.0%
Janitorial Service	806.24	2,012.48	-1,206.24	-59.9%
Miscellaneous Maint.	9,364.70	5,663.72	3,700.98	65.4%
Total Building Maintenance	9,914.84	13,356.25	-3,441.41	-25.8%
Building Utilities/Service				
Refuse Collection	2,169.76	0.00	2,169.76	100.0%
Gas and Electric	8,557.74	10,876.19	-2,318.45	-21.3%
Water/Sewer	2,670.22	3,256.92	-586.70	-18.0%
Building Utilities/Service - Other	419.94	0.00	419.94	100.0%
Total Building Utilities/Service	13,817.66	14,133.11	-315.45	-2.2%
Total DISTRICT ACTIVITIES	86,852.68	51,591.99	35,260.69	68.4%
Total Expense	4,225,931.01	3,964,503.79	261,427.22	6.6%
Net Ordinary Income	1,158,415.88	1,509,869.17	-351,453.29	-23.3%
Other Income/Expense				
Other Income				
Discount on US TBills	61,625.00	0.00	61,625.00	100.0%
Discount on Fixed Security	143,060.07	0.00	143,060.07	100.0%
Total Other Income	204,685.07	0.00	204,685.07	100.0%
Net Other Income	204,685.07	0.00	204,685.07	100.0%
Net Income	1,363,100.95	1,509,869.17	-146,768.22	-9.7%

Kensington Fire Protection District Profit & Loss Budget vs. Actual July 2022 through May 2023

	<u>Jul '22 - May 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Property Taxes	5,113,488.61	4,739,500.00	373,988.61	107.89%
Special Taxes	200,436.70	200,752.00	-315.30	99.84%
Other Tax Income	12,079.28	24,000.00	-11,920.72	50.33%
Lease Agreement	3,050.25	3,050.00	0.25	100.01%
Interest Income	37,040.85	20,000.00	17,040.85	185.2%
CERBT Reimbursement	18,088.02	80,000.00	-61,911.98	22.61%
Miscellaneous Income	163.18	0.00	163.18	100.0%
Total Income	<u>5,384,346.89</u>	<u>5,067,302.00</u>	<u>317,044.89</u>	<u>106.26%</u>
Expense				
Staff				
Wages	136,803.24	144,416.00	-7,612.76	94.73%
Vacation Wages	5,271.36	5,272.00	-0.64	99.99%
Medical/dental ins compensation	7,000.00	7,000.00	0.00	100.0%
Payroll Taxes	10,899.66	13,000.00	-2,100.34	83.84%
Workers Compensation/Life Ins	1,760.33	1,761.00	-0.67	99.96%
Payroll Processing	2,238.52	2,500.00	-261.48	89.54%
Total Staff	<u>163,973.11</u>	<u>173,949.00</u>	<u>-9,975.89</u>	<u>94.27%</u>
RETIREE MEDICAL BENEFITS				
PERS Medical	48,989.18	51,450.00	-2,460.82	95.22%
Delta Dental	10,436.69	11,817.00	-1,380.31	88.32%
Vision Care	3,231.00	3,877.00	-646.00	83.34%
Total RETIREE MEDICAL BENEFITS	<u>62,656.87</u>	<u>67,144.00</u>	<u>-4,487.13</u>	<u>93.32%</u>
OUTSIDE PROFESSIONAL SERVICES				
Operational Consultant	4,087.50	19,000.00	-14,912.50	21.51%
Crime Insurance Policy	689.22			
Nixle Fee	0.00	4,000.00	-4,000.00	0.0%
Long Term Financial Planner	3,162.50	5,000.00	-1,837.50	63.25%
Emergency Prep Coordinator	96,433.26	105,200.00	-8,766.74	91.67%
Accounting	30,895.00	36,000.00	-5,105.00	85.82%
Actuarial Valuation	0.00	5,600.00	-5,600.00	0.0%
Audit	12,500.00	16,000.00	-3,500.00	78.13%
Bank Fee	25.00	25.00	0.00	100.0%
Contra Costa County Expenses	56,026.22	38,000.00	18,026.22	147.44%
El Cerrito Contract Fee	3,523,192.85	3,843,483.00	-320,290.15	91.67%
El Cerrito Reconciliation(s)	112,901.35	123,165.00	-10,263.65	91.67%
IT Services and Equipment	3,816.10	15,000.00	-11,183.90	25.44%
Fire Abatement Contract	0.00	5,000.00	-5,000.00	0.0%
Fire Engineer Plan Review	1,000.13	3,000.00	-1,999.87	33.34%
Grant Writer/Coordinator	0.00	31,000.00	-31,000.00	0.0%
Risk Management Insurance	0.00	21,258.00	-21,258.00	0.0%
LAFCO Fees	1,558.61	5,000.00	-3,441.39	31.17%
Legal Fees	15,598.44	20,000.00	-4,401.56	77.99%

Kensington Fire Protection District Profit & Loss Budget vs. Actual July 2022 through May 2023

	Jul '22 - May 23	Budget	\$ Over Budget	% of Budget
Recruitment	22,335.00	38,900.00	-16,565.00	57.42%
Water System Improvements	0.00	10,000.00	-10,000.00	0.0%
Website Development/Maintenance	2,719.88	4,500.00	-1,780.12	60.44%
Wildland Vegetation Mgmt	2,500.00	7,600.00	-5,100.00	32.9%
Total OUTSIDE PROFESSIONAL SERVICES	3,889,441.06	4,356,731.00	-467,289.94	89.27%
COMMUNITY SERVICE ACTIVITIES				
Public Education	11,419.35	30,000.00	-18,580.65	38.07%
EP Coord Expense Account	0.00	1,000.00	-1,000.00	0.0%
Comm. Pharmaceutical Drop-Off	0.00	2,500.00	-2,500.00	0.0%
CERT Emerg Kits/Sheds/Prepared	0.00	4,000.00	-4,000.00	0.0%
Open Houses	718.88	1,800.00	-1,081.12	39.94%
Community Shredder	6,929.01	5,000.00	1,929.01	138.58%
Firesafe Planting Grants	0.00	25,000.00	-25,000.00	0.0%
Community Sandbags	3,940.05	1,900.00	2,040.05	207.37%
Volunteer Appreciation	0.00	500.00	-500.00	0.0%
Community Center Contribution	0.00	500.00	-500.00	0.0%
Total COMMUNITY SERVICE ACTIVITIES	23,007.29	72,200.00	-49,192.71	31.87%
DISTRICT ACTIVITIES				
Professional Development	595.00	10,000.00	-9,405.00	5.95%
Office				
Mtg Room Rentals	80.00			
Internet	2,668.05			
Office Equipment	1,189.03			
Office Expense	4,344.11	5,000.00	-655.89	86.88%
Office Supplies	554.29	2,000.00	-1,445.71	27.72%
Telephone	8,759.82	8,695.00	64.82	100.75%
Office- Other	0.00	500.00	-500.00	0.0%
Total Office	17,595.30	16,195.00	1,400.30	108.65%
Election	5,579.18	5,580.00	-0.82	99.99%
Firefighter's Apparel & PPE	1,264.02	2,000.00	-735.98	63.2%
Firefighters' Expenses	28,581.68	30,000.00	-1,418.32	95.27%
Staff Appreciation	0.00	3,000.00	-3,000.00	0.0%
Memberships	9,505.00	9,505.00	0.00	100.0%
Building Maintenance				
Gardening service	140.00	4,000.00	-3,860.00	3.5%
Building alarm	-396.10	1,500.00	-1,896.10	-26.41%
Medical Waste Disposal	0.00	7,500.00	-7,500.00	0.0%
Janitorial Service	806.24	2,000.00	-1,193.76	40.31%
Miscellaneous Maint.	9,364.70	9,000.00	364.70	104.05%
Total Building Maintenance	9,914.84	24,000.00	-14,085.16	41.31%
Building Utilities/Service				
Refuse Collection	2,169.76			
Gas and Electric	8,557.74	13,000.00	-4,442.26	65.83%
Water/Sewer	2,670.22	4,000.00	-1,329.78	66.76%

Kensington Fire Protection District Profit & Loss Budget vs. Actual July 2022 through May 2023

	<u>Jul '22 - May 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Building Utilities/Service - Other	419.94			
Total Building Utilities/Service	<u>13,817.66</u>	<u>17,000.00</u>	<u>-3,182.34</u>	<u>81.28%</u>
Total DISTRICT ACTIVITIES	<u>86,852.68</u>	<u>117,280.00</u>	<u>-30,427.32</u>	<u>74.06%</u>
Contingency				
General	0.00	25,000.00	-25,000.00	0.0%
Total Contingency	<u>0.00</u>	<u>25,000.00</u>	<u>-25,000.00</u>	<u>0.0%</u>
Total Expense	<u>4,225,931.01</u>	<u>4,812,304.00</u>	<u>-586,372.99</u>	<u>87.82%</u>
Net Ordinary Income	<u>1,158,415.88</u>	<u>254,998.00</u>	<u>903,417.88</u>	<u>454.28%</u>
Other Income/Expense				
Other Income				
Discount on US TBills	61,625.00			
Discount on Fixed Security	143,060.07			
Total Other Income	<u>204,685.07</u>			
Net Other Income	<u>204,685.07</u>	<u>0.00</u>	<u>204,685.07</u>	<u>100.0%</u>
Net Income	<u>1,363,100.95</u>	<u>254,998.00</u>	<u>1,108,102.95</u>	<u>534.55%</u>

Kensington Fire Protection District
Trial Balance
As of May 31, 2023

06/16/23
 Accrual Basis

	May 31, 23	
	Debit	Credit
Petty Cash	200.00	
KFPD Revolving Acct - Gen Fund	60,686.42	
General Fund	1,199,966.27	
Special Tax Fund	116,340.87	
Capital Fund	1,355,355.89	
Accounts Receivable	4,805.80	
Advance on Taxes	2,406,187.12	
Advance on Supplemental Taxes	86,245.26	
Prepaid Services - EC	0.07	
Prepaid Exp.	2,587.29	
Prepaid CERBT - Retiree Trust	420,105.48	
Investments:LAIF Balance	18,366.98	
Investments:US TBills - 4/20/23	3,000,000.00	
Investments:Fed Home Loan Bk - 9/27/23	3,500,000.00	
Land	5,800.00	
Equipment	1,793,886.43	
Accumulated Depreciation-Equip		813,762.41
Building and Improvements	2,391,581.26	
Accumulated Depreciation - Bldg		1,276,205.07
Current Capital Outlay:PSB Renovation Soft Costs	844,609.45	
Current Capital Outlay:PSB Renovation Hard Cost	925,484.10	
Current Capital Outlay:Temp Facilities - Soft Costs	279,572.37	
Current Capital Outlay:Temp Facilities - Hard Costs	600,096.82	
Current Capital Outlay:Temp Facilities - Lot Rental	12,500.00	
Current Capital Outlay:Temp Facilities - Modular	28,452.44	
Current Capital Outlay:Temp Facilities - Admin Sublet	21,946.95	
Current Capital Outlay:Temp Facilities - Relocation	34,254.56	
Current Capital Outlay:Fire Engine Type I	104.40	
Current Capital Outlay:Firefighters Qtrs/Equip	210.00	
Deferred Outflow of Res. - OPEB	6,527.00	
Due to Revolving Acct - Gen Fnd		957,858.30
Due to Other - Issued by CCC		39,144.31
Accounts Payable		1,605.34
PSB Renovation Loan		1,539,460.63
Wages & PR Taxes Payable		6,424.55
EI Cerrito Reconciliation Liab.		233,481.39
Postretirement Health Ben Liab		0.14
Fund Equity - General		3,889,496.00
Fund Equity - Capital Projects		3,213,698.00
Fund Equity - Special Revenue		109,075.00
Fund Equity - Gen Fixed Asset		2,212,997.01
Fund Equity		3,459,564.13
Property Taxes		5,113,488.61
Special Taxes		200,436.70
Other Tax Income		12,079.28
Lease Agreement		3,050.25
Interest Income		37,040.85
CERBT Reimbursement		18,088.02
Miscellaneous Income		163.18
Staff:Wages	136,803.24	
Staff:Vacation Wages	5,271.36	
Staff:Medical/dental ins compensation	7,000.00	
Staff:Payroll Taxes	10,899.66	
Staff:Workers Compensation/Life Ins	1,760.33	
Staff:Payroll Processing	2,238.52	
RETIREE MEDICAL BENEFITS:PERS Medical	48,989.18	
RETIREE MEDICAL BENEFITS:Delta Dental	10,436.69	
RETIREE MEDICAL BENEFITS:Vision Care	3,231.00	
OUTSIDE PROFESSIONAL SERVICES:Operational Consultant	4,087.50	
OUTSIDE PROFESSIONAL SERVICES:Crime Insurance Policy	689.22	
OUTSIDE PROFESSIONAL SERVICES:Long Term Financial Planner	3,162.50	
OUTSIDE PROFESSIONAL SERVICES:Emergency Prep Coordinator	96,433.26	
OUTSIDE PROFESSIONAL SERVICES:Accounting	30,895.00	
OUTSIDE PROFESSIONAL SERVICES:Audit	12,500.00	
OUTSIDE PROFESSIONAL SERVICES:Bank Fee	25.00	
OUTSIDE PROFESSIONAL SERVICES:Contra Costa County Expenses	56,026.22	

Kensington Fire Protection District
Trial Balance
As of May 31, 2023

06/16/23
 Accrual Basis

	May 31, 23	
	Debit	Credit
OUTSIDE PROFESSIONAL SERVICES:El Cerrito Contract Fee	3,523,192.85	
OUTSIDE PROFESSIONAL SERVICES:El Cerrito Reconciliation(s)	112,901.35	
OUTSIDE PROFESSIONAL SERVICES:IT Services and Equipment	3,816.10	
OUTSIDE PROFESSIONAL SERVICES:Fire Engineer Plan Review	1,000.13	
OUTSIDE PROFESSIONAL SERVICES:LAFCO Fees	1,558.61	
OUTSIDE PROFESSIONAL SERVICES:Legal Fees	15,598.44	
OUTSIDE PROFESSIONAL SERVICES:Recruitment	22,335.00	
OUTSIDE PROFESSIONAL SERVICES:Website Development/Maintenance	2,719.88	
OUTSIDE PROFESSIONAL SERVICES:Wildland Vegetation Mgmt	2,500.00	
COMMUNITY SERVICE ACTIVITIES:Public Education	11,419.35	
COMMUNITY SERVICE ACTIVITIES:Open Houses	718.88	
COMMUNITY SERVICE ACTIVITIES:Community Shredder	6,929.01	
COMMUNITY SERVICE ACTIVITIES:Community Sandbags	3,940.05	
DISTRICT ACTIVITIES:Professional Development	595.00	
DISTRICT ACTIVITIES:Office:Mtg Room Rentals	80.00	
DISTRICT ACTIVITIES:Office:Internet	2,668.05	
DISTRICT ACTIVITIES:Office:Office Equipment	1,189.03	
DISTRICT ACTIVITIES:Office:Office Expense	4,344.11	
DISTRICT ACTIVITIES:Office:Office Supplies	554.29	
DISTRICT ACTIVITIES:Office:Telephone	8,759.82	
DISTRICT ACTIVITIES:Election	5,579.18	
DISTRICT ACTIVITIES:Firefighter's Apparel & PPE	1,264.02	
DISTRICT ACTIVITIES:Firefighters' Expenses	28,581.68	
DISTRICT ACTIVITIES:Memberships	9,505.00	
DISTRICT ACTIVITIES:Building Maintenance:Gardening service	140.00	
DISTRICT ACTIVITIES:Building Maintenance:Building alarm		396.10
DISTRICT ACTIVITIES:Building Maintenance:Janitorial Service	806.24	
DISTRICT ACTIVITIES:Building Maintenance:Miscellaneous Maint.	9,364.70	
DISTRICT ACTIVITIES:Building Utilities/Service	419.94	
DISTRICT ACTIVITIES:Building Utilities/Service:Refuse Collection	2,169.76	
DISTRICT ACTIVITIES:Building Utilities/Service:Gas and Electric	8,557.74	
DISTRICT ACTIVITIES:Building Utilities/Service:Water/Sewer	2,670.22	
Discount on US TBills		61,625.00
Discount on Fixed Security		143,060.07
TOTAL	<u>23,342,200.34</u>	<u>23,342,200.34</u>

BHI MANAGEMENT CONSULTING

"Organizational Efficiency for Public Agencies"

To: Board of Directors - Kensington Fire Protection District

From: Brent Ives, BHI Management Consulting

Subject: May 2023 Report on GM Recruiting Efforts

Date: June 2, 2023

In January of 2023, a proposal was approved with BHI Management Consulting to begin recruiting a permanent District General Manager for the District. This report advises the Board of Directors on the status and next steps status of the recruitment effort for the permanent GM position as of the date above. Having cancelling interviews of two candidates in May, we have launched a full campaign for the position within the market.

- Coordinated Board interviewing process for two candidates. Began preparing the Board for interviews with example questions and process. One of those two dropped from consideration, process was cancelled.
- Conducted meetings with the special committee on path-forward with process. It was decided to move forward with full marketing program, seek to keep the remaining candidate. Once being informed of the situation, and further discussions with me, he has decided to remain in the candidate pool. He continues to be the most qualified among those who have applied.
- Began the full marketing program with the job announcement being placed in several job seeking sites (CSDA, CareersinGovernment, Western Cities, LinkedIn, Indeed.com) along with the District website and Nextdoor Kensington.
- To date we have had 16 responses to the campaign which will last through the middle of July. While all of those who apply get contacted back by my firm, I have personally called three of them back who seem to be best qualified to discuss the position specifics. I have had very constructive discussions with those three. I am hoping to get weekly results from this campaign and build on the number of those who highly qualify.
- I continue to make several calls and emails to circulate the position within my professional network and targeted individuals who I believe should consider the position.

In the meantime, should you have questions please feel free to contact me or let me know of any individuals whom I should contact about the position, please advise.

Thank you,

Brent H Ives June 2, 2023

Brent Ives, Principal
BHI Management Consulting
Call/Text to (209)740-6779



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 21, 2023
TO: Board of Directors
RE: Establish the Appropriations Limit of the Kensington Fire Protection District for FY2023-2024
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

Staff recommends that the Board adopt Resolution 2023-05 establishing the appropriations limit of the Kensington Fire Protection District for FY2023-2024.

Background

Article XIII B of the California State Constitution was approved by California voters in November 1979, and modified by Proposition 111 in 1990. This article, more commonly known as the Gann Limit, places limits on the amount of tax proceeds that government agencies can receive and spend each year. Each year the Board of Directors must adopt, by resolution, an appropriations limit.

The appropriations limit is different for each agency, and the limit changes each year. The limit is based on the actual appropriations that were authorized to be spent in fiscal year 1978-79 for each agency and is modified for changes in inflation and population in each subsequent year. Not all revenues are restricted by the Gann Limit, only those that are defined as “proceeds of taxes.”.

For Fiscal Year 2023-2024, the District’s appropriation limit is as follows:

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

Fiscal Impact

Property tax revenues are estimated to be \$5.3M with total revenues of \$5.8M for Fiscal Year 2023-2024 while the budgeted expenditures total \$4.9M which is well within the appropriations limit of \$5.7M.

Attachments: Resolution 2023-05 Establishing the Appropriations Limit of the Kensington Fire Protection District for FY2023-2024



RESOLUTION 2023-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON FIRE PROTECTION DISTRICT ESTABLISHING THE APPROPRIATIONS LIMIT OF THE KENSINGTON FIRE PROTECTION DISTRICT FOR FISCAL YEAR 2023-2024

WHEREAS, Article XIII B of the California Constitution establishes a limitation on spending by local government agencies, including special districts not otherwise exempted, of funds from proceeds of taxes; and

WHEREAS, each local government agency, including non-exempted special districts, must establish its appropriations limit annually by recorded vote of the governing body; and

WHEREAS, the appropriations limit for Fiscal Year 2022-2023 was established at \$5,507,566 by the Board of Directors of the Kensington Fire Protection District; and

WHEREAS, the applicable factors used to calculate the appropriations limit for Fiscal Year 2023-2024 are (1) the increase in the California per capita personal income of 4.44% as provided by the State Department of Finance; and (2) the applicable change in population from January 2022 to January 2023 of -0.36% (as shown below); and

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

WHEREAS, the information used in the determination of the calculation of the appropriations limit has been available for public inspection for at least 15 days;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Kensington Fire Protection District establishes the appropriations limit for Fiscal Year 2023-2024 as \$5,731,394.

The foregoing resolution was duly adopted at a regular meeting of the Kensington Fire Protection District on the 21st day of June 2023 by the following vote of the Board.

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

Julie Stein, President

Larry Nagel, Secretary

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2023, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2023-24. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2023-24 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2023.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

JOE SPEPHENSHAW
Director
By:

Erika Li
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2023-24 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2023-24	4.44

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2023-24 appropriation limit.

2023-24:

Per Capita Cost of Living Change = 4.44 percent
 Population Change = -0.35 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.44 + 100}{100} = 1.0444$

Population converted to a ratio: $\frac{-0.35 + 100}{100} = 0.9965$

Calculation of factor for FY 2023-24: $1.0444 \times 0.9965 = 1.0407$

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2022 to January 1, 2023 and Total Population, January 1, 2023

County City	Percent Change	--- Population Minus Exclusions ---		Total
	2022-2023	1-1-22	1-1-23	1-1-2023
Contra Costa				
Antioch	0.94	114,362	115,442	115,442
Brentwood	0.46	64,219	64,513	64,513
Clayton	-1.08	10,782	10,666	10,666
Concord	-0.84	123,102	122,074	122,074
Danville	-0.79	43,166	42,823	42,823
El Cerrito	-0.88	25,710	25,484	25,484
Hercules	1.36	25,944	26,297	26,297
Lafayette	-0.46	25,119	25,004	25,004
Martinez	-0.67	36,790	36,543	36,543
Moraga	-0.95	17,055	16,893	16,893
Oakley	1.67	44,257	44,995	44,995
Orinda	-0.52	19,326	19,225	19,225
Pinole	-1.07	18,442	18,244	18,244
Pittsburg	0.16	74,688	74,809	74,809
Pleasant Hill	-0.89	33,697	33,397	33,397
Richmond	-0.88	114,521	113,518	113,518
San Pablo	-1.02	31,625	31,301	31,301
San Ramon	-0.86	83,587	82,870	82,870
Walnut Creek	-0.51	69,603	69,245	69,245
Unincorporated	-0.85	175,719	174,226	174,310
County Total	-0.36	1,151,714	1,147,569	1,147,653

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 21, 2023
TO: Board of Directors
RE: AUTHORIZE CONTRA COSTA COUNTY TO PLACE SPECIAL TAX ON TAX ROLL AND COLLECT ON BEHALF OF KFPD
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

Staff recommends that the Board Adopt Resolution 2023-06 authorizing Contra Costa County to place the Kensington Fire Protection District’s special tax on the tax roll for Fiscal Year 2023-2024 and to collect the special tax on behalf of the Kensington Fire Protection District.

Background

The District assesses a voter-approved special tax of \$83 to support fire protection services within the Kensington Community. In order to place this special tax on the County tax roll and collect these funds, the District is required to submit a resolution to the County.

Fiscal Impact

The special tax totaling approximately \$200,000 has been included in the Fiscal Year 2023-2024 Budget.

Attachments: Resolution 2023-06 Authorizing Special Tax Placement/Collection



RESOLUTION 2023-06

RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON FIRE PROTECTION DISTRICT AUTHORIZING CONTRA COSTA COUNTY TO PLACE THE SPECIAL TAX ON THE TAX ROLL FOR FISCAL YEAR 2023-2024 AND TO COLLECT THE SPECIAL TAX ON BEHALF OF THE KENSINGTON FIRE PROTECTION DISTRICT

WHEREAS, the Kensington Fire Protection District is a special district organized under the laws of the State of California and includes within its jurisdiction all properties in the unincorporated portion of the community of Kensington; and

WHEREAS, the Kensington Fire Protection District has enacted by voter approval a special tax to support fire protection services within the community of Kensington; and

WHEREAS, as authorized by State law, Contra Costa County has historically collected the special tax for the Kensington Fire Protection District through the tax roll.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby authorizes Contra Costa County to place the Kensington Fire Protection District's special tax on the tax roll for Fiscal Year 2023-2024 and to collect the special tax on behalf of the Kensington Fire Protection District.

The foregoing resolution was duly adopted at a regular meeting of the Kensington Fire Protection District on the 21st day of June 2023 by the following vote of the Board.

AYES:
NOES:
ABSENT:
ABSTAIN:

Julie Stein, President

Larry Nagel, Secretary



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 21, 2023
TO: Board of Directors
RE: FY 2023-24 FEE SCHEDULE FOR EL CERRITO-KENSINGTON FIRE DEPARTMENT CONTRACT
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

Staff recommends that the Board approve the Fiscal Year 2023-2024 Fee Schedule for the El Cerrito-Kensington Fire Department Contract as presented and reviewed by the Finance Committee on June 6, 2023

Background

Each year the City of El Cerrito provides the fee schedule for the upcoming budget year. El Cerrito City Manager, Karen Pinkos, along with Fire Chief Eric Saylor presented this fee schedule for Fiscal Year 2023-2024 to the Finance Committee on June 6, 2023. The contract fee for KFPD will be:

Table with 2 columns: Description and Amount. Rows include FY 2023-2024 Contract Amount (unreconciled) at \$4,146,968.14, FY 2022-2023 Budget to Actual Contract Reconciliation at 77,553.80, and FY 2023-2024 Proposed Contract Fee at \$4,224,521.94.

Contract % Increase 7.90%

CM Pinkos reviewed the full fee schedule (attached) and highlighted the City's new budget system being utilized this year which can be accessed from this link: https://city-el-cerrito-ca-budget-book.cleargov.com/10315/introduction/preface

The Finance Committee asked questions and sought clarifications on several components of the fee which CM Pinkos and Fire Chief Saylor responded to. The committee then recommended this for approval by the Board of Directors.

Fiscal Impact

The new contract amount and reconciliation have been included in the budget and long-term financial forecast.

Attachments: Fiscal Year 2023-24 Fee Schedule for El Cerrito-Kensington Fire Contract

Line item	Description	Adopted FY 22-23 Budget	FTY 23-24 Budget	%	Proposed FY23-24 Fee
<i>Personnel</i>					
<i>Salaries & Wages</i>					
51110	Regular Salaries & Wages	\$ 5,778,026.00	\$ 6,204,983.22	27.75%	\$ 1,721,882.84
51120	Part-Time Permanent Salaries & Wages	\$ 51,500.00	\$ 80,000.00	27.75%	\$ 22,200.00
<i>Totals</i>		\$ 5,829,526.00	\$ 6,284,983.22		\$ 1,744,082.84
<i>Taxes & Benefits</i>					
51210	PERS	\$ 1,037,132.00	\$ 1,037,132.00	27.75%	\$ 287,804.13
51211	PERS UAL	\$ 2,323,883.00	\$ 2,323,883.00	27.75%	\$ 644,877.53
51220	FICA/MEDICARE	\$ 91,094.00	\$ 131,000.00	27.75%	\$ 36,352.50
51230	Medical Benefits	\$ 877,761.00	\$ 985,628.00	27.75%	\$ 273,511.77
51235	Life & LTD Insurance	\$ 42,726.00	\$ 42,843.00	27.75%	\$ 11,888.93
51240	Worker Comp Premiums	\$ 371,505.20	\$ 229,534.00	27.75%	\$ 63,695.69
51242	Worker Comp Pay	\$ 100,000.00	\$ 100,000.00	27.75%	\$ 27,750.00
<i>Totals</i>		\$ 4,844,101.20	\$ 4,850,020.00		\$ 1,345,880.55
<i>Personnel - Non Position Budgeting</i>					
51140	Overtime	\$ 1,155,050.00	\$ 800,000.00	27.75%	\$ 222,000.00
51145	FLSA Constant Staffing Back fill @ 1.5 (\$ 104,656.00	\$ 114,075.04	27.75%	\$ 31,655.82
51146	Fire Non-Supp OT	\$ 90,000.00	\$ 90,000.00	27.75%	\$ 24,975.00
51147	Fire OES Response	\$ 600,000.00	\$ 600,000.00	0.00%	\$ -
51155	One Time Payouts	\$ 50,000.00	\$ 50,000.00	0.00%	\$ -
51237	Allowances and Other Benefits	\$ 156,800.00	\$ 243,556.00	27.75%	\$ 67,586.79
51990	Salary Savings	\$ -	\$ -		\$ -
<i>Totals</i>		\$ 2,156,506.00	\$ 1,897,631.04		\$ 346,217.61
<i>Totals (51***)</i>		\$ 12,830,133.20	\$ 13,032,634.26		\$ 3,436,181.01
<i>Professional Services</i>					
52190	Miscellaneous Prof Svcs	\$ 299,500.00	\$ 318,200.00	33.33%	\$ 106,056.06
<i>Totals</i>		\$ 299,500.00	\$ 318,200.00		\$ 106,056.06
<i>Technical Services</i>					
52220	Medical Services	\$ 20,000.00	\$ 22,000.00	33.33%	\$ 7,332.60
52230	Other Technical Services	\$ 8,700.00	\$ 26,700.00	33.33%	\$ 8,899.11
52260	OES Equipment & Apparatus	\$ 100,000.00	\$ 100,000.00	0.00%	\$ -
<i>Totals</i>		\$ 128,700.00	\$ 148,700.00		\$ 16,231.71
<i>Purchased Professional & Technical Services Totals</i>		\$ 428,200.00	\$ 466,900.00		\$ 122,287.77
<i>Purchased Property Services</i>					
<i>Utilities</i>					
53110	Utilities-Energy	\$ 28,700.00	\$ 33,866.00	0.00%	\$ -
<i>Utilities Totals</i>		\$ 28,700.00	\$ 33,866.00		\$ -
<i>Repair & Maintenance Services</i>					
53230	Building Maint Services	\$ 25,000.00	\$ 25,000.00	33.33%	\$ 8,332.50
53240	Landscape/Park Maint Svcs	\$ 55,000.00	\$ 55,000.00	0.00%	\$ -
53250	Vehicle & Equip Maint Svc	\$ 150,000.00	\$ 150,000.00	25.00%	\$ 37,500.00

53270	Weed Abatement	\$ 100,000.00	\$ 100,000.00	0.00%	\$ -
53290	Miscellaneous R&M Svcs	\$ 120,000.00	\$ 194,000.00	33.33%	\$ 64,660.20
<i>Repair & Maintenance Services Totals</i>		\$ 450,000.00	\$ 524,000.00		\$ 110,492.70
<i>Leases & Rentals</i>					
53330	Vehic Replacement Rental Chrg	\$ 201,000.00	\$ 201,000.00	18.83%	\$ 37,848.30
<i>Leases & Rentals Totals</i>		\$ 201,000.00	\$ 201,000.00		\$ 37,848.30
<i>Other Property Services</i>		\$ -			
53910	Solid Waste Services	\$ 8,000.00	\$ 8,000.00	33.33%	\$ 2,666.40
		\$ 8,000.00	\$ 8,000.00		\$ 2,666.40
<i>Totals (53***)</i>		\$ 687,700.00	\$ 766,866.00		\$ 151,007.40
<i>Other Purchased Services</i>					
<i>Communications</i>					
54210	Telephone Expenses	\$ 18,700.00	\$ 19,635.00	20.00%	\$ 3,927.00
54220	Mobile/Wireless Expenses	\$ 12,400.00	\$ 13,020.00	20.00%	\$ 2,604.00
55230	Internet Services	\$ 15,000.00	\$ 15,750.00	33.33%	\$ 5,249.48
54240	Software Licenses & Maintenance	\$ 5,000.00	\$ 17,500.00	33.33%	\$ 5,832.75
<i>Communications Totals</i>		\$ 51,100.00	\$ 65,905.00		\$ 17,613.23
<i>Legal Notices & Advertisements</i>					
54310	Legal Notices & Advertise	\$ 2,500.00	\$ 2,500.00	25.00%	\$ 625.00
<i>Legal Notices & Advertisements Totals</i>		\$ 2,500.00	\$ 2,500.00		\$ 625.00
<i>Printing Services</i>					
54410	Printing & Binding	\$ 10,000.00	\$ 10,000.00	25.00%	\$ 2,500.00
<i>Printing Services Totals</i>		\$ 10,000.00	\$ 10,000.00		\$ 2,500.00
<i>Totals</i>					
<i>Transportation & Training</i>					
54610	Travel & Training	\$ 100,000.00	\$ 100,000.00	25.00%	\$ 25,000.00
<i>Transportation & Training Totals</i>		\$ 100,000.00	\$ 100,000.00		\$ 25,000.00
<i>Other Administrative Services</i>					
54910	Dues & Subscriptions	\$ 16,000.00	\$ 16,000.00	25.00%	\$ 4,000.00
54990	Other Administrative Svcs	\$ 9,500.00	\$ 9,500.00	25.00%	\$ 2,375.00
<i>Other Administrative Services Totals</i>		\$ 25,500.00	\$ 25,500.00		\$ 6,375.00
<i>Totals (54***)</i>		\$ 189,100.00	\$ 203,905.00		\$ 52,113.23
<i>Supplies</i>					
<i>Office Supplies</i>					
55110	General Office Supplies	\$ 6,000.00	\$ 6,000.00	25.00%	\$ 1,500.00
55120	Postage & Delivery	\$ 3,700.00	\$ 3,700.00	25.00%	\$ 925.00
55130	Postage & Delivery	\$ 1,000.00	\$ 1,000.00	25.00%	\$ 250.00
<i>Office Supplies Totals</i>		\$ 10,700.00	\$ 10,700.00		\$ 2,675.00
<i>Operating Supplies</i>					
55210	Fuel	\$ 54,600.00	\$ 60,060.00	27.00%	\$ 16,216.20
55220	Safety Supplies			30.00%	
55230	Medical Supplies	\$ 25,000.00	\$ 27,500.00	30.00%	\$ 8,250.00
55240	Clothing & Uniform Supply	\$ 75,000.00	\$ 75,000.00	33.33%	\$ 24,997.50

55250	Vehicle & Equip Supplies	\$ 18,500.00	\$ 18,500.00	25.00%	\$ 4,625.00
55290	Other Operating Supplies	\$ 10,000.00	\$ 10,000.00	25.00%	\$ 2,500.00
<i>Operating Supplies Totals</i>		\$ 183,100.00	\$ 191,060.00		\$ 56,588.70
<i>Maintenance Supplies</i>					
55520	Building Supplies	\$ 10,000.00	\$ 11,000.00	25.00%	\$ 2,750.00
<i>Maintenance Supplies Totals</i>		\$ 10,000.00	\$ 11,000.00		\$ 2,750.00
<i>Totals (55***)</i>		\$ 203,800.00	\$ 212,760.00		\$ 59,263.70
<i>Improvements-Other than Buildings</i>					
56310	Improvements, not Bldgs	\$ 20,000.00	\$ 20,000.00	0.00%	\$ -
<i>Improvements-Other than Buildings Totals</i>		\$ 20,000.00	\$ 20,000.00		\$ -
<i>Office Equipment</i>					
56410	Office Equipment <\$10K	\$ 22,000.00	\$ 10,000.00	0.00%	\$ -
<i>Office Equipment Totals</i>		\$ 22,000.00	\$ 10,000.00		\$ -
<i>Other Equipment</i>					
56710	Other Equipment <\$10K	\$ 7,100.00	\$ 7,100.00	0.00%	\$ -
<i>Other Equipment Totals</i>		\$ 7,100.00	\$ 7,100.00		\$ -
<i>Totals (56***)</i>		\$ 49,100.00	\$ 37,100.00		\$ -
Financing Costs					
<i>Licenses, Fees & Charges</i>					
58220	Licenses & Permits	\$ 2,500.00	\$ 2,500.00	25.00%	\$ 625.00
<i>Licenses, Fees & Charges Totals</i>		\$ 2,500.00	\$ 2,500.00		\$ 625.00
<i>Totals (58***)</i>		\$ 2,500.00	\$ 2,500.00		\$ 625.00
<i>Expense Totals</i>		\$ 14,390,533.20	\$ 14,722,665.26		\$ 3,821,478.10

Overhead charges (9% of Personnel) \$ 1,172,937.08 27.75% \$ 325,490.04

Kensington's Unreconciled Contract Amount \$ 4,146,968.14

Kensington's Reconciliation FY 2021-2022 Budget to Actual \$ 77,553.80

Kensington's Proposed Contract Fee FY 2022-2023 \$ 4,224,521.94



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 21, 2023
TO: Board of Directors
RE: FY 2021-2022 OPEB ACTUARIAL REPORT
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

Staff recommends that the Board accept this report as prepared by the actuary, Nicolay Consulting, and reviewed by the Finance Committee on June 6, 2023.

Background

Prior to the 1995 agreement with El Cerrito for fire protection services, the District had firefighter employees. The District provides post-retirement health benefits (medical, dental and vision) to this group of former employees who have retired from the District and to their surviving spouses and dependent children. All of the retiree's health plan premiums are paid by the District. There are currently nine participants receiving post-retirement health benefits.

This post-retirement benefit represents a liability which the District funds through an OPEB Trust which has been established with the California Employers' Retiree Benefit Trust (CERBT). This is an irrevocable trust fund that allows public employers to prefund the future cost of their retiree health insurance benefits and other post-employment benefits (OPEB) for their covered retirees.

As a participating agency of CERBT and as required for the annual audit, the OPEB Actuarial GASB 75 Report for Fiscal Year 2021-22 has been completed by Nicolay Consulting. The required information was included in the audit and provided to CERBT for their annual reporting. The District contributed funding to CERBT in 2008 so the OPEB liability is fully funded as of the date of the Actuarial Valuation.

As part of preparing for the Fiscal Year 2022-2023 audit, Nicolay had previously been retained to complete the required GASB 75 Report and provided the cost as \$3,000 which will be included in the budget.

Fiscal Impact

The District's OPEB liability is 187% funded, so no additional funding is needed. The cost of the GASB 75 Report will be included in the Fiscal Year 2023-24 Budget.

Attachments: Fiscal Year 2021-22 OPEB Actuarial GASB 75 Report

**Kensington Fire Protection District
OPEB Plan**

**Governmental Accounting Standards Board
(GASB) Statement 75
Actuarial Valuation Date: June 30, 2021
Measurement Date: June 30, 2021
Fiscal Year End: June 30, 2022**

March 23, 2023



March 23, 2023

OPEB CONSULTANTS AND ACTUARIES
231 SANSOME STREET, SUITE 300
SAN FRANCISCO, CALIFORNIA 94104
TEL: 415-512-5300
FAX: 415-512-5314

Ms. Brenda Navellier
Administrator
Kensington Fire Protection District
217 Arlington Avenue
Kensington, CA 94707

Re: Kensington Fire Protection District GASB 75 Report for FYE June 30, 2022

Dear Ms. Navellier,

Kensington Fire Protection District (the "District") has retained Nicolay Consulting Group to complete this valuation of the District's postemployment medical program (the "Plan") as of June 30, 2021 measurement date compliant under Governmental Accounting Standards Board (GASB) Statement 75.

The purpose of this valuation is to determine the value of the expected postretirement benefits for current and future retirees and the Net OPEB Liability and OPEB Benefit Cost for the fiscal year ending June 30, 2022. The amounts reported herein are not necessarily appropriate for use for a different fiscal year without adjustment.

Based on the foregoing, the cost results and actuarial exhibits presented in this report were determined on a consistent and objective basis in accordance with applicable Actuarial Standards of Practice and generally accepted actuarial procedures. We believe they fully and fairly disclose the actuarial position of the Plan based on the plan provisions, employee and plan cost data submitted.

The actuarial calculations were completed under the supervision of Sue Simon and Earlene Young. They are members of the American Academy of Actuaries who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. In our opinion, assumptions as approved by the plan sponsor are reasonably related to the experience of and expectations for the Plan.

We would be pleased to answer any questions on the material contained in this report or to provide explanation or further detail as may be appropriate.

NICOLAY CONSULTING GROUP



Earlene L Young EA, FCA, MAAA
Senior Actuary



Sue Simon ASA, MAAA, EA, FCA
Vice President & Senior Actuary

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Section I Management Summary

A) Highlights

Summary of Key Valuation Results

	2021	2020
Disclosure elements as of measurement period ending June 30:		
<u>Present Value of Future Benefits:</u>		
Active	\$0	\$0
Retiree	856,764	1,005,564
Total	\$856,764	\$1,005,564
<u>Actuarial Accrued Liability or Total OPEB Liability (TOL)</u>		
Active	\$0	\$0
Retiree	856,764	1,005,564
Total	\$856,764	\$1,005,564
Plan Fiduciary Net Position (i.e. Fair Value of Assets)	1,601,869	1,425,669
Net OPEB Liability (NOL)	(\$745,105)	(\$420,105)
Plan Fiduciary Net Position as a percentage of the TOL	187%	142%
Aggregate OPEB Expense (Exhibit 4)	(\$177,228)	(\$48,607)
Covered Payroll	N/A	N/A
Schedule of contributions for measurement period ending June 30:		
Actuarially determined contributions (Exhibit 7)	\$0	\$0
Actual contributions ⁽¹⁾	0	0
Contribution deficiency/(excess)	\$0	\$0
Employer's Share of Benefit Payments	\$101,648	\$112,644
Demographic data for measurement period ending June 30⁽²⁾:		
Number of active members	0	0
Number of retired members and beneficiaries	9	9
Inactive Participants with deferred benefits	0	0
Total Participants	9	9
Key assumptions as of the Measurement Date:		
Discount rate	6.73%	6.73%
<u>Initial Trend Rate</u>		
Pre-65	6.74%	7.00%
Post-65	5.08%	5.00%
Ultimate Rate	4.00%	5.00%
Year Ultimate Rate is Reached	2069	2029

⁽¹⁾ Includes payments to trust and amounts paid directly by the plan sponsor

⁽²⁾ Census data as of June 30, 2021 is used in the measurement of the TOL as of June 30, 2021. See Section III for additional details on the demographic data.

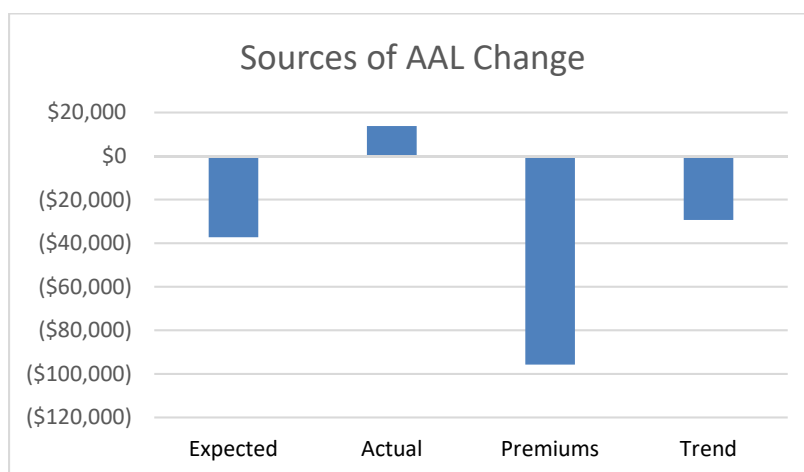
Section I Management Summary

B) Gap Analysis

The Total OPEB Liability has decreased \$148,800 from \$1,005,564 as of June 30, 2020 to \$856,764 as of June 30, 2021. A breakdown of the sources of this change in liability is shown below (thousands; amounts may not add due to rounding):

Change in TOL	Amount	Percentage
Liability Experience		
Expected Benefits Earned, Benefit Payments and Interest	(\$37)	(4%)
Actual Demographic and Other Experience*	<u>14</u>	<u>1%</u>
Total Liability Experience	(\$23)	(2%)
Changes in Assumptions		
New Premiums	(\$96)	(10%)
Change in Trend	(29)	(3%)
Other	<u>0</u>	<u>0%</u>
Total Assumption Change	(\$125)	(12%)
Changes in Benefit Terms		
Benefit Change	<u>\$0</u>	<u>0%</u>
Total Benefit Change	\$0	0%

Total Change in TOL	Amount	Percentage
Liability Experience	(\$23)	(2%)
Changes in Assumptions	(125)	(12%)
Amendments	<u>0</u>	<u>0%</u>
Total	(\$148)	(15%)

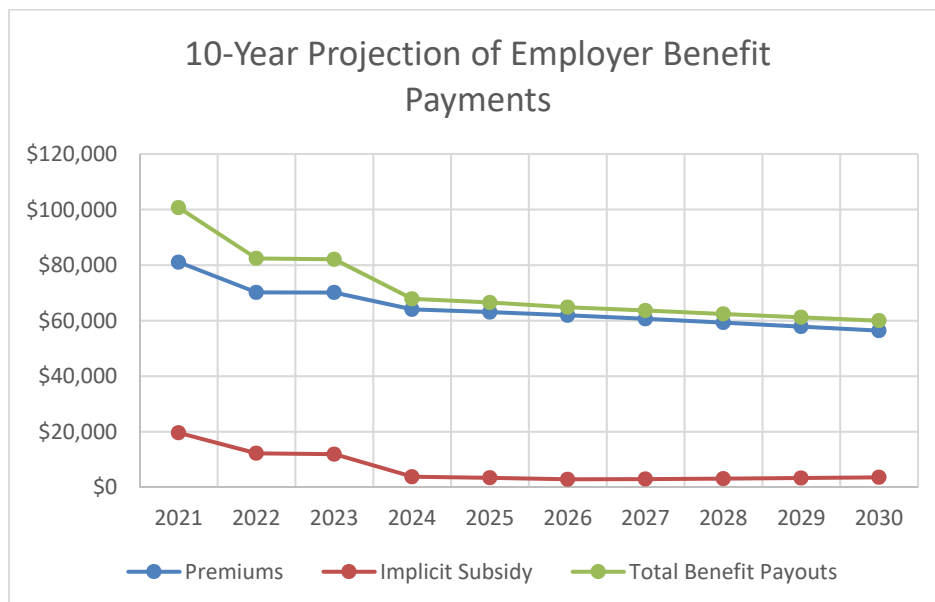


Section I Management Summary

C) 10-Year Projection of Employer's Benefit Payments

In this table we show the projected pay-as-you-go costs (employer's share of premiums), the implicit subsidy, and total expected benefit payments. The implicit subsidy reflects the shortfall of premiums versus the true cost of coverage. The shortfall exists because claims for active employees are combined with claims of retirees (who generally are older and cost more) to develop a single flat premium paid by both groups.

Plan Year Beginning 7/1	Employer's Share of Premiums	Implicit Subsidy	Total
2021	\$81,064	\$19,624	\$100,688
2022	\$70,178	\$12,244	\$82,422
2023	\$70,154	\$11,947	\$82,101
2024	\$64,064	\$3,809	\$67,873
2025	\$63,087	\$3,442	\$66,529
2026	\$61,948	\$2,901	\$64,849
2027	\$60,677	\$2,981	\$63,658
2028	\$59,299	\$3,130	\$62,429
2029	\$57,866	\$3,343	\$61,209
2030	\$56,398	\$3,617	\$60,015



Section I Management Summary

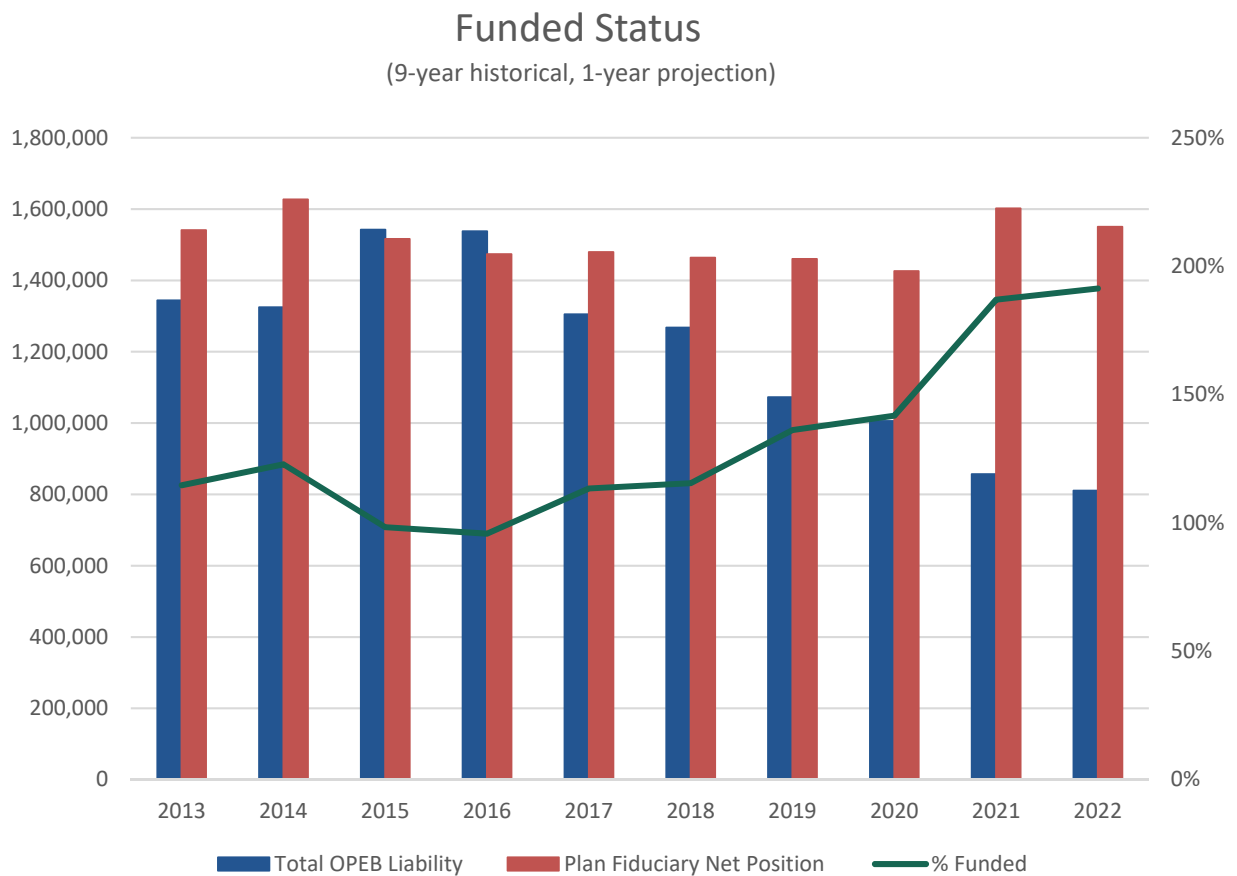
D) Breakdown of Explicit and Implicit Liabilities

	Explicit	Implicit	Total
Present Value of Future Benefits			
Actives	\$0-	\$0-	\$0
Retirees	<u>759,299</u>	<u>97,465</u>	<u>856,764</u>
Total	\$759,299	\$97,465	\$856,764
Actuarial Accrued Liability			
Actives	\$0-	\$0-	\$0
Retirees	<u>759,299</u>	<u>97,465</u>	<u>856,764</u>
Total	\$759,299	\$97,465	\$856,764
Normal Cost (BOY) 2021-22	\$0-	\$0-	\$0-

Section I Management Summary

E) Funding Progress

Below is an illustration of the funded status of the Plan for the past 9 years, and a projection of the next year looking forward:



Section II GASB 75 Exhibits

A) Schedule of Changes in Net OPEB Liability (Exhibit 1)

	2021	2020
<u>Total OPEB Liability</u>		
Service cost	\$0	\$0
Interest	64,309	68,428
Change of benefit terms	0	0
Differences between expected and actual experience	13,722	(22,395)
Changes of assumptions	(125,183)	0
Benefit payments	<u>(101,648)</u>	<u>(112,644)</u>
Net change in Total OPEB Liability	(\$148,800)	(\$66,611)
Total OPEB Liability – beginning (a)	\$1,005,564	\$1,072,175
Total OPEB Liability – ending (b)	\$856,764	\$1,005,564
<u>Plan Fiduciary Net Position</u>		
Contributions – employer	\$0	\$0
Contributions – employee	0	0
Net investment income	278,361	79,104
Benefit payments	(101,648)	(112,644)
Administrative expense	(513)	(722)
Other	<u>0</u>	<u>0</u>
Net change in Plan Fiduciary Net Position	\$176,200	(\$34,262)
Plan Fiduciary Net Position – beginning (c)	\$1,425,669	\$1,459,931
Plan Fiduciary Net Position – ending (d)	\$1,601,869	\$1,425,669
Net OPEB Liability - beginning (a) – (c)	(\$420,105)	(\$387,756)
Net OPEB Liability – ending (b) – (d)	(\$745,105)	(\$420,105)
Plan Fiduciary Net Position as a percentage of the TOL	187%	142%
Covered employee payroll	N/A	N/A
NOL as percentage of covered employee payroll	N/A	N/A

Section II GASB 75 Exhibits

B) Summary of Changes in Net OPEB Liability (Exhibit 2)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Measurement as of June 30, 2020:	\$1,005,564	\$1,425,669	(\$420,105)
Recognized Changes Resulting from:			
▪ Service cost	-	-	-
▪ Interest	64,309	-	64,309
▪ Diff. between expected and actual experience	13,722	-	13,722
▪ Changes of assumptions	(125,183)	-	(125,183)
▪ Net investment income	-	278,361	(278,361)
▪ Benefit payments	(101,648)	(101,648)	-
▪ Contributions – employer	-	-	-
▪ Contributions – employee	-	-	-
▪ Administrative expense	-	(513)	513
▪ Change of benefit terms	-	-	-
Net Changes	(\$148,800)	\$176,200	(\$325,000)
Measurement as of June 30, 2021:	\$856,764	\$1,601,869	(\$745,105)

Section II GASB 75 Exhibits

C) Derivation of Significant Actuarial Assumptions

Long-term Expected Rate of Return – As of June 30, 2021, the long-term expected rates of return for each major investment class in the Plan’s portfolio are as follows:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return ¹
Equity	43.00%	5.43%
Fixed Income	49.00%	1.63%
REITs	8.00%	5.06%

¹JPMorgan arithmetic Long Term Capital Market assumptions and expected inflation of 2.26%.

The above table shows the target asset allocation in the CERBT Strategy 2 investment policy.

Discount rate – The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Above are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

	June 30, 2021	June 30, 2020
Discount Rate	6.73%	6.73%
Bond Buyer 20-Bond GO Index	2.16%	2.21%

Section II GASB 75 Exhibits

D) Sensitivity Analysis (Exhibit 3)

Sensitivity of the Net OPEB Liability to changes in the discount rate – The following presents the District’s Net OPEB Liability if it were calculated using a discount rate that is 1% point lower (5.73%) or 1% point higher (7.73%) than the current rate:

Sensitivity of the Net OPEB Liability to changes in the Trend rate – The following presents the District’s Net OPEB Liability if it were calculated using a trend table that has rates that are 1% point lower or 1% point higher than the current set of rates:

Net OPEB Liability as of the June 30, 2021 measurement date: (\$745,105)

Sensitivity Analysis:

	NOL(A)	\$ Change	%Change
Discount Rate			
+1%	(\$813,519)	(\$68,414)	9%
Base	(\$745,105)	-	-
-1%	(\$664,645)	\$80,460	(11%)
Trend Rate			
+1%	(\$667,974)	\$77,131	(10%)
Base	(\$745,105)	-	-
-1%	(\$811,797)	(\$66,692)	9%

Section II GASB 75 Exhibits

E) Schedule of OPEB Expense (Exhibit 4)

Measurement Period Ending:	June 30, 2021	June 30, 2020
Components of OPEB Expense:		
Service Cost	\$0	\$0
Interest on the Total OPEB Liability (Exhibit 5)	64,309	68,428
Projected Earnings on OPEB Plan Investments (Exhibit 6)	(92,566)	(94,500)
Employee Contributions	0	0
Administrative Expense	513	722
Changes on Benefit Terms	0	0
Recognition of Deferred Resources Due to:		
▪ Changes of Assumptions	(125,183)	0
▪ Differences between Expected and Actual Experience	13,722	(22,395)
▪ Differences Between Projected Actual Earnings on Assets	<u>(38,023)</u>	<u>(862)</u>
Aggregate OPEB Expense	<u>(\$177,228)</u>	<u>(\$48,607)</u>

Section II GASB 75 Exhibits

F) Interest on the Total OPEB Liability (Exhibit 5)

	Amount for Period a	Portion of Period b	Interest Rate c	Interest on the Total OPEB Liability a*b*c
Beginning Total OPEB Liability	\$1,005,564	100%	6.73%	\$67,674
Service Cost	\$0	100%	6.73%	0
Benefit payments	(\$101,648)	50%	6.73%	<u>(3,365)</u>
Total Interest on the TOL				\$64,309

Section II GASB 75 Exhibits

G) Earnings on Plan Fiduciary Net Position (Exhibit 6)

Total Projected Earnings	Amount for Period a	Portion of Period b	Projected Rate of Return c	Projected Earnings a*b*c
Beginning Plan Fiduciary Net Position	\$1,425,669	100%	6.73%	\$95,948
Employer Contributions	\$0	50%	6.73%	0
Employee Contributions	\$0	50%	6.73%	0
Benefits payments	(\$101,648)	50%	6.73%	(3,365)
Administrative Expense and Other	(\$513)	50%	6.73%	(17)
Total Projected Earnings				\$92,566

Comparison of Projected and Actual Earnings On Investments

Total Projected Earnings	\$92,566
Actual Net Investment Income	<u>278,361</u>
Difference Between Projected and Actual Earnings on Assets	(\$185,795)

Section II GASB 75 Exhibits

H) Schedule of Contributions¹ (Exhibit 7)

Measurement Period Ending:	June 30, 2021	June 30, 2020
Actuarially Determined Contribution ²	\$0	\$0
Contributions to the Trust	\$0	\$0
Pay-go Payments by Employer Unreimbursed by the Trust	0	0
Active Implicit Rate Subsidy Transferred to OPEB	0	0
Total OPEB Contributions ¹	\$0	\$0
Covered-employee payroll ³	N/A	N/A
Contributions as a percentage of covered-employee payroll ³	N/A	N/A

¹ ADC and Contributions are for the measurement period July 1, 2020 to June 30, 2021.

² Employers setting a discount rate based on the assumption that assets will be sufficient to cover all future benefit payments under the plan are assumed to annually make contributions equal to the actuarially determined contribution. Annual contributions made that are substantially less than the ADC would require additional support for use of a discount rate equal to the long-term expected return on trust assets.

³ Covered-Employee Payroll represented above is based on covered-employee payroll provided by the employer. GASB 75 defines covered-employee payroll as the total payroll of employees that are provided benefits through the OPEB plan. Accordingly, if OPEB covered-employee payroll shown above is different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Section II GASB 75 Exhibits

I) Deferred Inflows/Outflows of Resources (Exhibit 8)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Unrecognized Deferred Resources due to:		
▪ Differences between expected and actual experience	\$0	\$0
▪ Changes in assumptions	0	0
▪ Net difference between projected and actual earnings	0	141,245
Contribution to OPEB plan after measurement date ¹	<u>0</u>	<u>0</u>
Total	\$0	\$141,245

¹ To be determined as of the fiscal year ending 2022

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	Recognized Deferred Outflows/(Inflows) of Resources
2023	(\$34,574)
2024	(35,433)
2025	(34,079)
2026	(37,159)
2027	-
Thereafter	<u>-</u>
Total Deferred Resources:	(\$141,245)

Section II GASB 75 Exhibits

J) Schedule of Deferred Inflows/Outflows of Resources (Exhibit 9)

Fiscal Year Established	Initial Amount	Initial Years	Years Left	Amount Recognize In FY 2022	Balances as of 06/30/22 of Deferred	
					Outflows	Inflows
Difference Between Expected and Actual Plan Experience						
2018	\$146,389	0.000	0.000	\$0	\$0	\$0
2019	(14,315)	0.000	0.000	0	0	0
2020	(167,556)	0.000	0.000	0	0	0
2021	(22,395)	0.000	0.000	0	0	0
2022	13,722	0.000	0.000	13,722	0	0
Total	(\$44,155)			\$13,722	\$0	\$0
Change in Assumptions						
2018	(\$373,443)	0.000	0.000	\$0	\$0	\$0
2019	0	0.000	0.000	0	0	0
2020	(4,722)	0.000	0.000	0	0	0
2021	0	0.000	0.000	0	0	0
2022	(125,183)	0.000	0.000	(125,183)	0	0
Total	(\$503,348)			(\$125,183)	\$0	\$0
Net Difference Between Projected and Actual Earnings On Investments						
2018	(\$17,242)	5.000	0.000	(\$3,448)	\$0	\$0
2019	4,294	5.000	1.000	859	858	0
2020	(6,761)	5.000	2.000	(1,352)	0	(2,705)
2021	15,396	5.000	3.000	3,079	9,238	0
2022	(185,795)	5.000	4.000	(37,159)	0	(148,636)
Total	(\$190,108)			(\$38,023)	\$10,096	(\$151,341)
Sub-Total						(\$141,245)
Totals:				(\$149,484)	\$0	(\$141,245)

Section II GASB 75 Exhibits

K) Reconciliation of the Net Position (Exhibit 10)

Measurement as of:	June 30, 2021	June 30, 2020
Total OPEB Liability (TOL)	\$856,764	\$1,005,564
Plan Fiduciary Net Position (PFNP)	<u>1,601,869</u>	<u>1,425,669</u>
Net OPEB Liability (NOL)	(\$745,105)	(\$420,105)
Deferred Inflows of resources (CR):		
▪ Differences between expected and actual experience	0	0
▪ Changes in assumptions	0	0
▪ Net difference between projected and actual earnings	141,245	0
Deferred Outflows of resources (DR):		
▪ Differences between expected and actual experience	0	0
▪ Changes in assumptions	0	0
▪ Net difference between projected and actual earnings	0	6,527
▪ Est. contributions post measurement date ¹	<u>0</u>	<u>0</u>
Net Position	(\$603,860)	(\$426,632)

¹ Actual post-measurement date contributions should be reported in the financial disclosures

Reconciliation of Net Position

Net Position at June 30, 2020 ¹	(\$426,632)
Aggregate OPEB Expense	(177,228)
Total OPEB Contributions	0
Difference in Post-Measurement Contributions	<u>0</u>
Net Position at June 30, 2021 ¹	(\$603,860)

¹ Difference between FY20 and FY21 Post-Measurement date Contributions

Post-Measurement Date Contributions Breakdown	7/1/20-6/30/21	7/1/19-6/30/20
Direct Contributions to the Trust	\$0	\$0
Employer Share of Retiree Premiums Unreimbursed by the Trust ¹	0	0
Administration Fees Unreimbursed by the Trust ¹	0	0
Implied Subsidy Unreimbursed by the Trust	<u>0</u>	<u>0</u>
Total Post-Measurement Date Contributions	\$0	\$0

¹ Administration fees can be included in premium costs shown.

Section III Data

A) Summary of Demographic Information

The participant data used in the valuation was provided by the District as of June 30, 2021. It is assumed that this data is representative of the population as of June 30, 2021. While the participant data was checked for reasonableness, the data was not audited. The valuation results presented in this report are dependent upon the accuracy of the participant data provided. The table below presents a summary of the basic participant information for the active and retired participants covered under the terms of the Plan.

	2021	2020
<u>Actives</u>		
Counts		
▪ Total	0	0
Averages		
▪ Age	N/A	N/A
▪ Service	N/A	N/A
<u>Retirees</u>		
Counts		
▪ Under age 65	2	3
▪ Age 65 and over	<u>7</u>	<u>6</u>
▪ Total	9	9
Averages		
▪ Age	77.8	75.8
▪ Age at Retirement	44.2	44.2
▪ Service at Retirement	0.0	0.0
Inactive Participants with deferred benefits	0	0
Total Participants	9	9
<u>Covered Dependents of Retirees</u>		
Counts		
▪ Spouses / Domestic Partners	4	4
▪ Children	<u>0</u>	<u>0</u>
▪ Total	4	4
Total Participants and Dependents	13	13

Section III Data

B) Distribution of Participants by Age and Service

Age Group	Retired* Participants	Active Participant – Years of Service						Total
		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+	
< 25	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	0	0	0	0
35 - 39	0	0	0	0	0	0	0	0
40 - 44	0	0	0	0	0	0	0	0
45 - 49	0	0	0	0	0	0	0	0
50 - 54	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	0
60 - 64	2	0	0	0	0	0	0	0
65 - 69	1	0	0	0	0	0	0	0
> 70	6	0	0	0	0	0	0	0
Total	9	0	0	0	0	0	0	0

* Retired participants include retirees, disabled participants, and surviving family members. Does not include covered dependents.

Section IV Plan Provision Summary

A) Plan Description

Eligibility and Contribution Requirements

The District has assumed responsibility for providing the entire cost of postretirement medical, dental and vision benefits to a closed group of retirees and their dependents. Retirees may enroll in any of the plans offered by the District. Retirees are currently enrolled in Blue Shield, PERS Care, and Kaiser Plans. The District also provides postretirement dental coverage through Delta Dental and postretirement vision coverage through VSP.

2019 and 2020 calendar year monthly medical premium rates for the District's plans are shown below:

		2021 CalPERS Region 1 Plans		
		EE	EE+SP	EE+Fam
Pre-Medicare Premiums	Kaiser	813.64	1,627.28	2,115.46
	PERS Care	1,294.69	2,589.38	3,366.19
	UnitedHealthCare	941.17	1,882.34	2,447.04
		2022 CalPERS Region 1 Plans		
		EE	EE+SP	EE+Fam
		857.06	1,714.12	2,228.36
		1,057.01	2,114.02	2,748.23
		1,020.28	2,040.56	2,652.73
		2021 CalPERS Region 1 Plans		
		EE	EE+SP	
Medicare Premiums	Kaiser	324.48	648.96	
	PERS Care	381.25	762.50	
	UnitedHealthCare	311.56	623.12	
		2022 CalPERS Region 1 Plans		
		EE	EE+SP	
		302.53	605.06	
		381.94	763.88	
		294.65	589.30	
Dental Premiums	\$64.41 for retiree, \$60.07 for spouse			
Vision Premiums	\$32.31 composite			

Duration of Benefits

Benefits continue for the life of the retiree and/or dependent(s).

Surviving Spouse Coverage

Surviving spouses of deceased retirees receive lifetime coverage.

Plan Provision Changes

There have been no plan amendments since the last measurement date.

Section V Actuarial Assumption, Methods, & Considerations

A) Actuarial Assumptions

Discount Rate	6.73%, based on the CERBT Strategy 2 investment policy.
Net Investment Return	6.73%, based on the CERBT Strategy 2 investment policy.
Inflation	We assumed 2.26% annual inflation.
Payroll increases	3.25% annual increases.
Administrative Expenses	The administrative expense was \$513 for the measurement period ending June 30, 2021.

Pre-Excise Tax Health Care Trend	Year	Increase in Premium Rates	
	Beginning	Pre-65	Post-65
	2022	Actual	Actual
	2023	6.74%	5.08%
	2024	6.24%	5.00%
	2025	6.03%	5.00%
	2026	5.82%	5.00%
	2027	5.61%	5.00%
	2028	5.40%	5.00%
	2029	5.19%	5.00%
	2030	5.00%	5.00%
	2031-2037	5.00%	5.00%
	2038-2050	4.75%	4.75%
	2051-2068	4.50%	4.50%
	2069 and later	4.00%	4.00%

Section V Actuarial Assumption, Methods, & Considerations

A) Actuarial Assumptions (continued)

Plan Distribution for Calculating Baseline Cost	Plan	
	United Health Care	11%
	Kaiser	22%
	PERS Care	<u>57%</u>
	Total	100%
Average Per Capita Claims Cost (Baseline Cost)	Pre-Medicare: \$765.08 per month	
	Post-Medicare: \$356.55 per month	
Health Plan Participation	We assumed that 100% of eligible participants will participate.	
Medicare Coverage	We assumed that all future retirees will be eligible for Medicare when they reach age 65.	
Morbidity Factors	CalPERS 2017 study	
Population for Curving	CalPERS 2017 study	
Age-Weighted Claims Costs (per month)	Age	Claim
	50	\$813
	55	\$971
	60	\$1,163
	65	\$359
	70	\$313
	75	\$363
	80	\$414
85	\$442	

Section V Actuarial Assumption, Methods, & Considerations

A) Actuarial Assumptions (continued)

Mortality* The mortality rates used in this valuation are those from the CalPERS 2017 experience study.

Pre-Retirement: CalPERS 2017 Mortality

Post-Retirement: CalPERS 2017 Mortality

Age	Sample Mortality Rates		Retired Employees	
	Active Employees Male	Active Employees Female	Male	Female
55	0.17%	0.12%	0.44%	0.41%
60	0.26%	0.17%	0.67%	0.48%
65	0.36%	0.23%	0.93%	0.64%
70	0.62%	0.39%	1.34%	0.93%
75	1.06%	0.62%	2.32%	1.63%
80	1.66%	0.94%	3.98%	3.01%
85	0.00%	0.00%	7.12%	5.42%
90	0.00%	0.00%	13.04%	10.09%

Disability* None

Percent Married Active employees and retirees are assumed to continue to cover their current spouse through retirement

Participation We assumed 100% of retirees will participate upon retirement.

**Source: NCG has not performed an experience study to select these assumptions. NCG has not observed materially consistent gains or consistent losses associated with these assumptions*

Assumption Changes

The average per capita claims cost was updated to reflect actual 2021 and 2022 premiums. The health care cost trend rate was updated to reflect 2022 industry survey data and used the 2022 Getzen model to project long-term trend.

There have been no other assumption changes since the last measurement date.

Section V Actuarial Assumption, Methods, & Considerations

B) Actuarial Methods

Actuarial Cost Method	<p>Entry Age Normal</p> <p>An actuarial cost method under which the Actuarial Present Value of the Projected Benefits of each individual included in the valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost.</p>
Amortization Methodology	<p>We used straight-line amortization. For assumption changes and experience gains/losses, we assumed Average Future Working Lifetime, averages over all actives and retirees (retirees are assumed to have no future working years). For asset gains and losses, we assumed 5 years.</p>
Financial and Census Data	<p>The District provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness, but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate, and knows of no further information that is essential to the preparation of the actuarial valuation.</p>
Plan Fiduciary Net Position	<p>Market value of assets as of the measurement date</p>
Measurement Date	<p>June 30, 2021</p>
Valuation Date	<p>June 30, 2021</p>
Funding Policy	<p>The District intends to contribute the full ADC to the Plan each year. Contributions would be made up of cash contributions made to the trust as well as any benefit payments (implicit and explicit) unreimbursed by the trust.</p> <p>When the Plan is fully-funded, the District's ADC is \$0, since there are only retirees in the Plan.</p>
Valuation Model	<p>Results in this report were calculated with the assistance of ProVal actuarial valuation software. ProVal model was developed in 1994 and maintained by Winklevoss Technologies (WinTech). WinTech provides valuation and projection software for both pension and other postemployment benefit plans. We utilize ProVal in accordance with its intended purpose and have not identified any material inconsistencies in ProVal's assumptions nor outputs that would affect this valuation.</p>

Section VI Glossary

A) Key Terms

Annual OPEB Expense	The amount recognized by an employer in each accounting period for contributions to a defined benefit OPEB plan on the modified accrual basis of accounting.
Deferred outflows and inflows of resources related to OPEB	Deferred outflows of resources and deferred inflows of resources related to OPEB arising from certain changes in the collective net OPEB liability or collective total OPEB liability
Covered Payroll	Annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate.
Net OPEB Liability (NOL)	The liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria of the GASB Statements.
Normal Cost or Service Cost	The portion of the Total Present Value of Future Benefits attributed to employee service during the current fiscal year by the actuarial cost method. These terms are used interchangeably.
Other Postemployment Benefits (OPEB)	Retiree health care benefits and post-employment benefits provided separately from a pension plan (excluding termination offers and benefits).
Plan Fiduciary Net Position (FNP)	Set equal to the market value of assets as of the measurement date.
Present Value of Future Benefits (PVFB)	The value, as of the valuation date, of the projected benefits payable to all members for their accrued service and their expected future service, discounted to reflect the time value (present value) of money and adjusted for the probabilities of retirement, withdrawal, death and disability.
Total OPEB Liability (TOL)	The portion of the actuarial present value of projected benefit payments that is attributed to past period of member service in conformity with the GASB Statements. The total OPEB liability is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria of the GASB Statements.



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 21, 2023
TO: Board of Directors
RE: FY 2021-22 ANNUAL AUDIT
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

Staff recommends that the Board accept the Fiscal Year 2021-2022 Annual Audit as prepared by the audit firm, MUN (Mann, Urrutia, and Nelson) CPAs, and reviewed by the Finance Committee on June 6, 2023

Background

Each year the District engages the services of a certified public accountant, currently MUN CPAs, to audit the financial statements. The District’s accounting firm, Maze & Associates, prepared the financial statements for the fiscal year ending June 30, 2022 and provided supporting financial schedules as requested by the auditors. Normally, the audit would be presented to the Board of Directors by the end of December; however, the last several years have posed staffing challenges for auditing firms which was also combined with the District’s staff transition and Public Safety Building Renovation Project activity.

Based upon the audit procedures performed, MUN CPAs has rendered their opinion that the District’s financial statements present fairly, in all material respects, the District’s financial position as of June 30, 2022, and the results of the governmental activities and the budgetary comparison information for the year then ended, in accordance with generally accepted accounting principles. This is commonly referred to as a “clean” or “unmodified” audit opinion and is the desired opinion.

Justin Williams from MUN CPAs presented it to the Finance Committee on June 6, 2023 and answered a number of questions from the Committee. The committee then recommended this for acceptance by the Board of Directors.

Fiscal Impact

The cost of the annual audit was included in the budget.

Attachments: Fiscal Year 2021-22 Annual Audit Report



**KENSINGTON FIRE
PROTECTION DISTRICT**

**ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2022**

**MANN, URRUTIA, NELSON, CPAs & ASSOCIATES, LLP
1760 CREEKSIDE OAKS DRIVE, SUITE 160
SACRAMENTO, CALIFORNIA 95833**

**KENSINGTON FIRE PROTECTION DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kensington Fire Protection District
Kensington, California

Opinion

We have audited the accompanying financial statements of the governmental activities, and each major fund of Kensington Fire Protection District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to the District's net OPEB asset, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2023, on our consideration of the Kensington Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Kensington Fire Protection District's internal control over financial reporting and compliance.

Sacramento, California
June 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

The following discussion and analysis of the section of the Kensington Fire Protection District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ending June 30, 2022. This information is presented in conjunction with the audited financial statements.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, June 30, 2022, assets of the District exceeded its liabilities by \$13,037,239 (net position). Of this amount, \$9,629,238 (unrestricted net position) may be used to meet the District's ongoing obligations to the citizens that the District serves.
- The District's total net position increased by \$1,242,991.
- At the close of the fiscal year, June 30, 2022, the District's general fund reported an ending fund balance of \$6,483,498, a decrease of \$(1,306,594) when compared with prior year.
- At the close of the fiscal year, June 30, 2022, the District's special revenue fund reported an ending fund balance of \$208,191, a decrease of \$(201,249) when compared with the prior year.
- At the close of the fiscal year, June 30, 2022, the District's capital project fund reported an ending fund balance of \$3,312,275, a decrease of \$(509,677) when compared with the prior year.
- At the end of the fiscal year, June 30, 2022, unassigned fund balance for the governmental funds was \$3,050,065.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The financial section of this report consists of four parts: Government-wide financial statements, fund financial statements, the notes to the financial statements, and required supplementary information.

The government-wide financial statements are the statement of net position and the statement of activities, which are prepared using the economic resource measurement focus and the accrual basis of accounting. These statements provide both long-term and short-term information about the District's overall financial status. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of whether cash is received or paid. The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The fund financial statements are the balance sheet and statement of revenues, expenditures and changes in fund balance, and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Fund financial statements keep track of specific sources of funding and spending for particular purposes. The District has three funds: general fund, special revenue fund, and capital project fund, which are all components of the governmental funds. The fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Changes in fund balance are reported if they will have an effect on the near-term cash flow of the District.

The notes provide additional information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements.

The required supplementary information presents the District's progress in funding its obligations to provide other post employee benefits as well as the District's budgetary comparison schedules.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

NET POSITION

The Statement of Net Position presents the financial position of the District on a full accrual basis and provides information about the nature and amount of resources and obligations at year-end. It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

The following table summarizes the Statement of Net Position for the fiscal years ending June 30, 2022 and June 30, 2021:

STATEMENT OF NET POSITION

	<u>2022</u>	<u>2021</u>
ASSETS		
Current and other assets	\$ 11,229,363	\$ 9,887,381
Capital assets	<u>2,662,896</u>	<u>2,280,680</u>
Total Assets	<u>13,892,259</u>	<u>12,168,061</u>
DEFERRED OUTFLOW OF RESOURCES		
Net OPEB asset	<u>-</u>	<u>6,527</u>
LIABILITIES		
Accounts payable and other accruals	480,294	58,980
Long-term liability	<u>233,481</u>	<u>321,360</u>
Total Liabilities	<u>713,775</u>	<u>380,340</u>
DEFERRED INFLOW OF RESOURCES		
Net OPEB asset	<u>141,245</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	2,662,896	2,280,680
Restricted	745,105	420,105
Unrestricted	<u>9,629,238</u>	<u>9,093,463</u>
Total Net Position	<u>\$ 13,037,239</u>	<u>\$ 11,794,248</u>

This table summarizes the net position of the District and reflects the net position increase of \$1,242,991 to \$13,037,239 in fiscal year 2022 from \$11,794,248 in fiscal year 2021. Net investment in capital assets increased \$382,216 reflecting the net of assets additions/disposals and depreciation on capital assets. Approximately 20% of the District's net position reflects its investment in capital assets (e.g., land, building, machinery, equipment and rolling stock). The District uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. The largest portion of the District's net position, 74%, reflects its investment in unrestricted net position. The unrestricted net position is a resource that can be used for transactions relating to the general operations of the District and increased by \$535,775 primarily due to conservative spending in anticipation of new building construction.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

CHANGES IN NET POSITION

The Statement of Net Position is a snapshot that shows assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at a specific point in time. The Statements of Activities provides information on the nature and source of these assets and liabilities represented on the Statement of Net Position. This statement shows that revenues exceeded expenses by \$1,242,991 for fiscal year 2022. Ending net position totaled \$13,037,239 as of June 30, 2022. This is a 6.07% increase over June 30, 2021.

The following table summarizes the Statement of Activities for the fiscal years ending June 30, 2022 and June 30, 2021:

STATEMENT OF ACTIVITIES

	<u>2022</u>	<u>2021</u>
REVENUES		
General Revenues		
Property taxes	\$ 4,783,334	\$ 4,525,850
Other revenues	<u>708,262</u>	<u>378,222</u>
Total Revenue	<u>5,491,596</u>	<u>4,904,072</u>
EXPENSES		
Public safety-fire protection operation	<u>4,248,605</u>	<u>4,155,699</u>
Total Expenses	<u>4,248,605</u>	<u>4,155,699</u>
Change in net position	<u>1,242,991</u>	<u>748,373</u>
Net position - beginning	<u>11,794,248</u>	<u>11,045,875</u>
Net position - ending	<u>\$ 13,037,239</u>	<u>\$ 11,794,248</u>

Total revenues increased by \$587,524 or 12% during the fiscal year 2022 compared to 2021, totaling \$5,491,596. Property tax revenue increased in fiscal year 2022 compared to 2021 by \$257,484 or 6%. Total expenditures increased by \$92,906 or 2% to \$4,248,605 in 2022.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, as of June 30, 2022 and 2021 was \$2,111,295 and \$2,280,680 respectively. The increase in capital assets is due to the purchase of a new Type III engine.

CAPITAL ASSETS

	2022	2021
Land	\$ 5,800	\$ 5,800
Building and improvements	2,391,581	2,391,581
Equipment and furniture	547,192	547,192
Rolling stock	1,246,698	1,246,698
Subtotal	4,191,271	4,191,271
Less accumulated depreciation	(2,079,976)	(1,910,591)
Total net capital assets	\$ 2,111,295	\$ 2,280,680

Additional information about the District's capital assets can be found in Note 3 in the Notes to the Basic Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total revenues were higher than budget by \$93,366, largely due to property tax revenues in excess of budget by \$140,581 which was offset by actual interest income which was below budget by \$21,077.

Total expenses were above budget by \$79,176. Items significantly below budget were \$68,240 for outside professional service fees due primarily due to Emergency Preparedness Coordinator and Grant Writing consultants starting later than anticipated and \$34,530 for building utilities and services that could not be completed during the pandemic due to related COVID19 restrictions. Items significantly exceeding budget were \$13,582 for the El Cerrito contract reconciliation, \$17,210 for insurance increase, \$16,401 for Contra Costa County Fees, and \$37,050 for a capital outlay adjustment from the prior year.

General fund: The general fund's revenue is derived from County of Contra Costa property taxes, which are used to run daily operations of the District.

Special revenue fund: The special revenue fund receives the special assessment tax voted in by the Kensington taxpayers in 1980 to be used for fire protection and prevention operations as determined by the District. The revenue received remains consistent with prior years.

Capital project fund: The capital project fund receives no tax revenue of its own, and is funded by the general fund on an as-needed basis. The District's Board of Directors votes annually on an amount to transfer and invest from the general fund to the capital project fund for long-term expected replacements.

The final budget was adopted by the Board of Directors at the September 2021 meeting. A revised version was adopted by the Board of Directors at the February 2022 meeting.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary factor affecting expenditures in the District's fiscal year 2021-22 budget is the City of El Cerrito service contract fee.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances for the Kensington Fire Protection District. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Kensington Fire Protection District, 217 Arlington Avenue, Kensington, CA 94707.

FINANCIAL STATEMENTS

**KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and investments (Note 2)	\$ 10,411,735
Accounts receivable	6,020
Advance on taxes	63,746
Prepaid expenses and other assets	2,757
Net OPEB asset (Note 6)	745,105
Capital assets (Note 3)	
Nondepreciable capital assets	557,401
Depreciable capital assets, net	<u>2,105,495</u>
TOTAL ASSETS	<u>13,892,259</u>
<u>LIABILITIES</u>	
Accounts payable and other accruals	480,294
Long-term liabilities (Note 8)	<u>233,481</u>
TOTAL LIABILITIES	<u>713,775</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Deferred inflow of resources - OPEB (Note 6)	<u>141,245</u>
<u>NET POSITION</u>	
Net investment in capital assets	2,662,896
Restricted	745,105
Unrestricted	<u>9,629,238</u>
TOTAL NET POSITION	<u>13,037,239</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u>\$ 13,892,259</u>

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
<u>Governmental Activities</u>	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities
General Government	\$ <u>4,248,605</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(4,248,605)</u>
Total Governmental Activities	\$ <u><u>4,248,605</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(4,248,605)</u></u>

General Revenues:

Taxes	\$ 5,012,364
Lease income	36,603
Investment income	14,188
Other revenue	<u>428,441</u>
Total General Revenues	<u>5,491,596</u>
Change in Net Position	1,242,991
Net Position - July 1, 2021	<u>11,794,248</u>
Net Position - June 30, 2022	<u><u>\$ 13,037,239</u></u>

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022**

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 6,800,416	\$ 208,191	\$ 3,403,128	\$ 10,411,735
Advance on supplemental taxes	63,746	-	-	63,746
Accounts receivable	6,020	-	-	6,020
Prepaid expenses and other assets	2,757	-	-	2,757
Total Assets	\$ 6,872,939	\$ 208,191	\$ 3,403,128	\$ 10,484,258
<u>LIABILITIES</u>				
Accounts payable and other accruals	\$ 383,016	\$ -	\$ 90,853	\$ 473,869
Wages payable	6,425	-	-	6,425
Total Liabilities	389,441	-	90,853	480,294
<u>FUND BALANCE</u>				
Non-spendable	2,757	-	-	2,757
Committed	409,043	208,181	3,309,515	3,926,739
Assigned	3,021,643	-	2,760	3,024,403
Unassigned	3,050,055	10	-	3,050,065
Total Fund Balance	6,483,498	208,191	3,312,275	10,003,964
Total Liabilities and Fund Balances	\$ 6,872,939	\$ 208,191	\$ 3,403,128	\$ 10,484,258

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total fund balances of governmental funds	\$	10,003,964
<p>Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of \$2,079,976.</p>		2,662,896
<p>Other long-term assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p> <p style="padding-left: 20px;">Net other post employment benefit (OPEB) asset</p>		745,105
<p>Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p> <p style="padding-left: 20px;">Long-term liabilities</p> <p style="padding-left: 20px;">Deferred inflows related to changes in the net OPEB asset</p>		(233,481) <u>(141,245)</u>
Net position of governmental activities	\$	<u><u>13,037,239</u></u>

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
<u>REVENUES</u>				
Property taxes	\$ 4,783,334	\$ -	\$ -	\$ 4,783,334
Special taxes	3,815	200,603	-	204,418
Other taxes	24,612	-	-	24,612
Other revenues	428,441	-	-	428,441
Lease income	36,603	-	-	36,603
Interest income	<u>8,923</u>	<u>359</u>	<u>4,906</u>	<u>14,188</u>
Total Revenues	<u>5,285,728</u>	<u>200,962</u>	<u>4,906</u>	<u>5,491,596</u>
<u>EXPENDITURES</u>				
Current expenditures/expenses:				
City of El Cerrito service contract	3,525,871	-	-	3,525,871
City of El Cerrito reconciliation(s)	204,642	-	-	204,642
Firefighter's apparel/expenses	9,141	-	-	9,141
Insurance	49,030	-	-	49,030
Office wages and related expenses	176,838	-	-	176,838
Contra Costa county expenses	51,401	2,211	32	53,644
Wildland vegetation management	4,000	-	-	4,000
LAFCO	2,078	-	-	2,078
Professional development	3,324	-	-	3,324
Outside professional service fees	207,020	-	-	207,020
Public education	17,762	-	-	17,762
Office expense and supplies	9,457	-	-	9,457
Building utilities/services	39,170	-	-	39,170
Memberships	7,615	-	-	7,615
Community service activities	8,697	-	-	8,697
Staff appreciation	543	-	-	543
Repairs and maintenance	5,501	-	-	5,501
Debt service - principal (CalPERS settlement)	19,994	-	-	19,994
Capital outlay	<u>37,050</u>	<u>-</u>	<u>514,551</u>	<u>551,601</u>
Total Expenditures	<u>4,379,134</u>	<u>2,211</u>	<u>514,583</u>	<u>4,895,928</u>
Excess (Deficiency) of Revenues over Expenditures	<u>906,594</u>	<u>198,751</u>	<u>(509,677)</u>	<u>595,668</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	400,000	-	-	400,000
Transfers out	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>(400,000)</u>
Total other financing sources (uses)	<u>400,000</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	<u>1,306,594</u>	<u>(201,249)</u>	<u>(509,677)</u>	<u>595,668</u>
Fund Balances - July 1, 2021	<u>5,176,904</u>	<u>409,440</u>	<u>3,821,952</u>	<u>9,408,296</u>
Fund Balances - June 30, 2022	<u>\$ 6,483,498</u>	<u>\$ 208,191</u>	<u>\$ 3,312,275</u>	<u>\$ 10,003,964</u>

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Change in fund balances - governmental funds	\$	595,668
The governmental funds report capital outlays as expenditures while governmental activities report depreciation as expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		551,601
Depreciation expense		(169,385)
Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position:		
Debt principal payments		19,994
True up of El Cerrito liability		67,885
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:		
Change in other post employment benefits (OPEB)		<u>177,228</u>
Change in net position of governmental activities	\$	<u><u>1,242,991</u></u>

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Kensington Fire Protection District (District) is a special district empowered to take all the necessary steps to provide for fire protection and prevention services including enforcement of California State (State) laws applicable to fire codes. The financial statements of the District include all funds of the District. An elected Board of Directors governs the District, and exercises powers granted by State statutes.

In August 1995, the District entered into a contract with the City of El Cerrito (City) under which the City provides fire suppression and emergency medical services for the District. The contract provides that the District will pay the City an annual fee as defined in the contract (paid on a monthly basis) that expired June 30, 2022. The annual fee that the District paid under this contract for the fiscal year ended June 30, 2022 totaled \$3,229,643. In June 2022, the District's contract with the City was subsequently renewed through June 30, 2023.

B. Basis of Presentation

The basic financial statements of the Kensington Fire District have been prepared in conformity with accounting principals generally accepted in the United States of America. The Government Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing governmental accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the District's overall government. The District's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes and other nonexchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational needs of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. A fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's funds, all of which are considered to be major governmental funds, are reported as separate columns in the fund financial statements. The District uses the following funds:

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

The *General Fund* is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

The *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.

The *Capital Project Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities and rolling stock.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported.

All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." "Measurable" means knowing or being able to reasonably estimate the amount and "available" means that revenues are collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the District considers special and other taxes to be available if they are collected within 90 days of year-end. The District considers property taxes to be available if they are collected within 60 days of year-end. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, such as vacation and sick leave, which are recognized when due.

D. Cash and Investments

Cash and investments include amounts in demand deposits as well as short-term and long-term investments with the county investment pool. Substantially all of the District's cash and investments are held by the County of Contra Costa (County) as its fiscal agent. The District's investments are reported at fair value. The fair value represents the amount the District could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. The fair value of investments is obtained by using quotations obtained from independent published sources. The District also maintains a general checking account to facilitate the processing of small transactions.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As permitted by the California Government Code, contracts and agreements, the District is permitted to invest in the County's cash and investment pool, obligations of the U.S. Treasury or its agencies; certificates of deposits; mutual funds invested in U.S. Government securities; and other permitted investments.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on quarter-end balances and is adjusted at fiscal year-end.

E. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include amounts due from county, advance on supplemental taxes, and interest receivable.

In the fund financial statements, material receivables in governmental funds include amounts due from county, advance on supplemental taxes, and interest receivable. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

F. Capital Assets

In the government-wide financial statements, capital assets are defined as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets, which include land, buildings, rolling stock (vehicles), and equipment/ furniture, are valued at historical cost, or an estimate of historical cost if actual cost is unavailable. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation is computed for financial statement purposes using the straight-line method. The estimated useful lives for these depreciated assets are as follows:

Building and improvements	15 to 40 years
Rolling stock, equipment and furniture	5 to 15 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. Property Taxes

Revenue is recognized in the fiscal year for which the tax and assessment are levied. The County levies, bills and collects property taxes and special assessments for the District. Under the County's "Teeter Plan", the County remits the entire amount levied and handles all delinquencies while retaining related interest and penalties.

Taxes are levied for each fiscal year on taxable real and personal property situated in the County. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Capital Project Fund. There are no appropriations or encumbrances in the Special Revenue Fund. All appropriations lapse at fiscal year-end.

I. Long-term Liabilities

In the government-wide financial statements, long-term liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities. In the governmental fund financial statements, issuance of new debt is recorded as other financing sources and principal payments as debt service expenditures.

J. Interfund Transactions

All interfund transactions are treated as transfers. The general fund is the main operating fund for the District. Annually, tax revenues recorded in the special revenue fund are transferred to the general fund to fund the District's operations. Transfers between governmental funds are eliminated as part of the adjustments to the government-wide presentation.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position, or balance sheet, will sometimes report a section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets or fund balance that applies to a future period(s) and so will be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position, or balance sheet, will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and assets information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity Classifications

Government-Wide Statements

Net position is the excess of all the District's assets and deferred outflows of resources over all of its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, constructions, or improvements of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "net investment in capital assets," or "restricted."

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the district's highest level of decision-making authority. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. *Intent* is expressed by (a) the District's Board or (b) a body (for example: a budget or finance committee) or (c) official to which the District's Board has delegated the authority to assign amounts to be used for specific purpose.
- e. Unassigned - Amounts representing the residual classification for the general fund, and includes all amounts not contained in the other classifications.

Further detail about the District's fund balance classification is described in Note 4.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Budgets and Budgetary Accounting

The District follows the procedures below in establishing the budgetary data reflected in the basic financial statements:

- a. At the June Board of Directors (Board) meeting, the Finance Committee submits to the Board proposed operating and capital improvement draft budgets for the fiscal year commencing the following July 1. The operating and capital improvement budgets include proposed expenditures and the means of financing them.
- b. The Draft budget is legally enacted through the adoption of a resolution by the Board.
- c. A final operating and capital improvement budget is submitted to the Board at the September Board meeting. The budget is legally enacted through the adoption of a resolution by the Board.
- d. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund. The Capital Project Fund is budgeted over the life of the project.
- e. Budgets for the General Fund, Special Revenue Fund and the Capital Project Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f. The Special Revenue Fund is only used to accumulate special tax revenues, which are then transferred to the other funds as needed.

O. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. Subsequent Events

Subsequent events have been evaluated through June 6, 2023, which is the date the financial statements were issued.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2021, the District implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement has had no material impact on the District's financial statements for the fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement has had no material impact on the District's financial statements for the fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement has had no material impact on the District's financial statements for the fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). Application of this statement has had no material impact on the District's financial statements for the fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement has had no material impact on the District's financial statements for the fiscal year ending June 30, 2022.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2022 or later and may be applicable to the District. However, the District has not determined the effects, if any, on the financial statements.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The purpose of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to leases, PPPs and SBITAs are effective for the District's fiscal year ending June 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the District's fiscal year ending June 30, 2024.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the District's fiscal year ending June 30, 2024.

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the District's fiscal year ending June 30, 2025.

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2022 consisted of the following:

Deposits	\$	97,746
Cash held by the county		3,557,699
Petty cash		<u>200</u>
Total cash		<u>3,655,645</u>
 Local Agency Investment Fund		 <u>6,756,090</u>
Total investments		<u>6,756,090</u>
Total Cash and Investments	\$	<u>10,411,735</u>

Deposits

At year-end, the carrying amount of the District's demand deposits was \$97,746 with a commercial bank which is covered by federal depository insurance.

Cash held by the County

The District's cash is included in the Contra Costa County (County) Treasurer cash and investments pool. Investments made by the Treasurer are regulated by California Government Code and by a County investment policy approved annually by the County Treasury Oversight Committee. Adherence to the statutes and policies is monitored by the County Board of Supervisors and by the Treasury Oversight Committee via monthly reports and an annual audit. Investment income earned on the District's cash is allocated quarterly to the District. Changes in fair value are included in investment income. Redeemed or sold shares are priced at book value, which includes realized investment earnings such as interest income, realized gains or losses upon sale of investments, and amortized premiums and discounts. This number may differ from the shares' fair value, which would include unrealized gains or losses based on market conditions. Additional information regarding insurance, collateralization, and custodial risk categorization of the County's cash and investments is presented in the notes of the County's basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Separately Held Investments

The County also has investments in the State Treasurer's Local Agency Investment Fund (LAIF) separately held for the District. As of June 30, 2022, the District's investment in LAIF is \$6,756,090 which is approximately 4.88% of total Contra Costa County LAIF. The total amount invested by all public agencies under the County Pool in LAIF at June 30, 2022 is \$264,033,275. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designed by State Statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different from the fair value of the District's position in the pool.

Authorized Investments of the District

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that addresses interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligation	5 years	None	None
Banker's Acceptances	180 days	10%	5%
Commercial Paper	270 days	25%	5%
Certificates of Deposit	5 years	30%	None
Collateralized Bank Deposits	5 years	None	None
Medium-Term Corporate Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
CD Placement Services	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Funds (CalTRUST)	N/A	None	None
U.S. Agency Obligations	5 years	None	None

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk in the market rate changes that could adversely affect the fair values of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for District operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2022:

	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
Local Agency Investment Fund	\$ 6,756,090	\$ -	\$ 6,756,090
	<u>\$ 6,756,090</u>	<u>\$ -</u>	<u>\$ 6,756,090</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Rating as of Fiscal Year End		
		S&P	Moody's	N/A
Local Agency Investment Fund	\$ 6,756,090			Not rated
	<u>\$ 6,756,090</u>			

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2022 there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represented 5% or more of the total District investments.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3: CAPITAL ASSETS

The District's capital asset activity during the year was as follows:

Governmental activities:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>
Capital assets not being depreciated				
Land	\$ 5,800	\$ -	\$ -	\$ 5,800
Work in progress	<u>-</u>	<u>551,601</u>	<u>-</u>	<u>551,601</u>
Total capital assets not being depreciated	<u>5,800</u>	<u>551,601</u>	<u>-</u>	<u>557,401</u>
Capital assets being depreciated				
Building and improvements	2,391,581	-	-	2,391,581
Equipment and furniture	547,192	-	-	547,192
Rolling stock equipment	<u>1,246,698</u>	<u>-</u>	<u>-</u>	<u>1,246,698</u>
Total capital assets being depreciated	<u>4,185,471</u>	<u>-</u>	<u>-</u>	<u>4,185,471</u>
Less accumulated depreciation				
Building and improvements	(1,208,878)	(67,331)	-	(1,276,209)
Equipment and furniture	(423,249)	(31,758)	-	(455,007)
Rolling stock equipment	<u>(278,464)</u>	<u>(70,296)</u>	<u>-</u>	<u>(348,760)</u>
Total accumulated depreciation	<u>(1,910,591)</u>	<u>(169,385)</u>	<u>-</u>	<u>(2,079,976)</u>
Total capital asset being depreciated, net	<u>2,274,880</u>	<u>(169,385)</u>	<u>-</u>	<u>2,105,495</u>
Total capital assets, net	<u>\$ 2,280,680</u>	<u>\$ 382,216</u>	<u>\$ -</u>	<u>\$ 2,662,896</u>

Depreciation expense totaled \$169,385 for the year ended June 30, 2022.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4: FUND BALANCE

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

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

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

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

As of June 30, 2022, fund balances were comprised of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Nonspendable				
Prepays and other assets	\$ 2,757	\$ -	\$ -	\$ 2,757
Subtotal	<u>2,757</u>	<u>-</u>	<u>-</u>	<u>2,757</u>
Committed				
Public protection	-	208,181	-	208,181
Capital projects	-	-	3,309,515	3,309,515
City of El Cerrito contract reserve	<u>409,043</u>	<u>-</u>	<u>-</u>	<u>409,043</u>
Subtotal	<u>409,043</u>	<u>208,181</u>	<u>3,309,515</u>	<u>3,926,739</u>
Assigned				
Public protection	3,021,643	-	-	3,021,643
Capital projects	<u>-</u>	<u>-</u>	<u>2,760</u>	<u>2,760</u>
Subtotal	<u>3,021,643</u>	<u>-</u>	<u>2,760</u>	<u>3,024,403</u>
Unassigned	<u>3,050,055</u>	<u>-</u>	<u>-</u>	<u>3,050,055</u>
Total Fund Balances	<u>\$ 6,483,498</u>	<u>\$ 208,181</u>	<u>\$ 3,312,275</u>	<u>\$ 10,003,954</u>

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

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: INTERFUND TRANSFERS TO/FROM OTHER FUNDS

Transfers between funds during the fiscal year ended June 30, 2022 were as follows:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfers</u>	<u>Amount</u>
Special Revenue Fund	General Fund	To clear fund to a minimum balance.	\$ <u>400,000</u>
Total Interfund Transfers			\$ <u>400,000</u>

NOTE 6: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Description of the Plan

The District provides post-retirement health benefits (medical, dental and vision) to a closed group of former employees who have retired from the District and to their surviving spouses and dependent children. The District pays 100% of the annuitants' health plan premiums. Currently, a total of 9 family units (13 individuals including 4 former employees, 5 widows and 4 spouses) are receiving post-retirement health benefits. There are no separate financial statements issued for the OPEB plan.

The District participates in the California Employer's Retiree Benefit Trust (CERBT). CERBT is an irrevocable trust fund that allows public employers to prefund the future cost of their retiree health insurance benefits and other post employment benefits (OPEB) for their covered retirees. The District elected to participate in CERBT and contributed a total of \$1,165,000 in October 2008 to CalPERS, the CERBT's administrator. The prefunding was intended to reduce and stabilize the District's annual required contribution to its OPEB plan in future years at an expected level for budgeting purposes. CalPERS issued a publicly available financial report that includes financial statements and required supplementary information for CERBT in aggregate. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

Employees Covered

As of the June 30, 2021 actuarial valuation, the following former employees were covered by the benefit terms under the Plan:

Active employees	-
Inactive employees currently receiving benefits	<u>9</u>
Total	<u>9</u>

Contributions

The contribution requirements of plan members and the District are established and may be amended by the Board. The District's policy is to fully fund the actuarially determined contribution, when required. The District makes the contributions on behalf of the participants. For the fiscal year ended June 30, 2022, there were no contributions, since the plan is fully funded and benefit payments are made from the Trust.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Asset

The District's net OPEB asset was measured as of June 30, 2021 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Funding Method	Entry Age Normal Cost, level percent pay
Discount Rate	6.73%
Inflation	2.26% annual inflation
Payroll increases	3.25% annual increases.
Net Investment Return	6.73%
Mortality Rates	The mortality rates used are those used in the most recent CalPERS valuations: <i>Pre-Retirement:</i> CalPERS 2017 Mortality pre-retirement <i>Post-Retirement:</i> CalPERS 2017 Mortality post-retirement
Healthcare Trend Rate	<i>Pre-65:</i> 6.74% <i>Post-65:</i> 5.08%
Health Plan Participation	Assumed that 100% of eligible participants will participate.
Medicare Coverage	Assumed that all retirees under 65 will be eligible for Medicare when they reach age 65.

Changes in Assumptions

The average per capita cost was updated to reflect actual 2021 and 2022 premiums. The health care cost trend rate was updated to reflect 2022 industry survey data and used the 2022 Getzen model to project long-term trend.

There have been no other assumptions changes for the measurement period June 30, 2021.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2021 was 6.73%. This discount rate was based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Long-term Expected Rate of Return

The expected long-term return on assets takes into account the time horizon of the plan, the asset allocation, and the expected long-term real rates of return by asset class. Below are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate. The expected long-term real rates of return for each major investment class in the Plan's portfolio are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.00 %	5.43 %
Fixed Income	49.00 %	1.63 %
Real Estate Investment Trusts	8.00 %	5.06 %
Total	100.00 %	

Changes in the OPEB Asset

To determine the June 30, 2021 (measurement period) net OPEB asset, the District used a roll-forward technique for the total OPEB liability. The fiduciary net position is based on the actual June 30, 2021 fiduciary net position. The following table shows the results of the roll-forward.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021	\$ 1,005,564	\$ 1,425,669	\$ (420,105)
Interest cost	64,309	-	64,309
Differences between expected and actual experience	13,722	-	13,722
Net investment income	-	278,361	(278,361)
Assumption changes	(125,183)	-	(125,183)
Benefit payments, including refunds of employee contribution	(101,648)	(101,648)	-
Administrative expenses	-	(513)	513
Net change during 2021-22	(148,800)	176,200	(325,000)
Balance at June 30, 2022	\$ 856,764	\$ 1,601,869	\$ (745,105)

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following represents the net OPEB Asset of the District if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease 5.73%	Current Discount Rate 6.73%	1% Increase 7.73%
Net OPEB Asset	\$ <u>(664,645)</u>	\$ <u>(745,105)</u>	\$ <u>(813,519)</u>

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rates

The following represents the net OPEB asset of the District if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Asset	\$ <u>(811,797)</u>	\$ <u>(745,105)</u>	\$ <u>(667,974)</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB asset and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 year straight-line recognition
All other amounts	Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB benefit of \$177,228. As of fiscal year ended June 30, 2022, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	141,245
Total	\$ 141,245

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ending June 30,	Recognized Deferred Inflows of Resources
2023	\$ (34,574)
2024	\$ (35,433)
2025	\$ (34,079)
2026	\$ (37,159)

NOTE 7: RISK MANAGEMENT

The Kensington Fire Protection District is a member of Contra Costa County Fire District's Joint Power of Authority Insurance Pool (CSAC). The District is exposed to various risks of loss related to torts, theft damages, destruction of assets, public officials' errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any recent fiscal year, and there has been no significant reduction in insurance coverage over the past three fiscal years.

The District's deductibles and maximum coverage are as follows:

Coverage Description	Deductibles	Insurance Coverage
General and Auto Liability	None	\$50,000,000
All Risk Property	\$500 (all other property) \$100,000 (flood)	\$600,000,000 (all other property) \$600,000 (flood)
	\$500 (mobile equipment)	None
	\$50,000 (terrorism)	\$750,000,000
Earthquake	2% per unit \$100,000 minimum	\$540,000,000 None
Pollution Liability	\$250,000	\$10,000,000
Boiler and Machinery	\$5,000	\$100,000,000

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: LONG TERM LIABILITIES

The District pays a true-up of expenses to the City of El Cerrito for fire protection services. The City of El Cerrito liability represents the "true-up" or reconciling costs for fire protection costs incurred from prior years. At the end of every year, these expenses are totaled by City of El Cerrito and the final true-up of expenses is provided to the District in the following year cost proposal. There is roughly a two year lag in information, so the District pays for the true-up expenses from two years ago. As of June 30, 2022, the long-term liability is \$233,481 which consists of \$123,165 related to actual reconciling costs for services performed in FY 20/21 and \$110,316 related to estimated costs for services performed in FY 21/22.

NOTE 9: CONTINGENCIES AND COMMITMENTS

The District is subject to litigation arising in the normal course of business. In the opinion of the management, there is no pending litigation which is likely to have a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

**KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE GENERAL FUND AND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund			Special Revenue Fund		
	Final Budget	Actual	Variance with Final Budget Under (Over)	Final Budget	Actual	Variance with Final Budget Under (Over)
<u>REVENUES</u>						
Property taxes	\$ 4,642,753	\$ 4,783,334	\$ (140,581)	\$ -	\$ -	\$ -
Special taxes	-	3,815	3,815	204,418	200,603	3,815
Other taxes	24,000	24,612	(612)	-	-	-
Other revenues	468,159	428,441	39,718	-	-	-
Lease income	27,450	36,603	(9,153)	-	-	-
Interest income	30,000	8,923	21,077	-	359	(359)
	<u>5,192,362</u>	<u>5,285,728</u>	<u>(93,366)</u>	<u>204,418</u>	<u>200,962</u>	<u>3,456</u>
Total Revenues						
<u>EXPENDITURES</u>						
Current expenditures/expenses:						
City of El Cerrito service contract	3,525,860	3,525,871	(11)	-	-	-
City of El Cerrito reconciliation(s)	191,060	204,642	(13,582)	-	-	-
Firefighter's apparel/ expenses	15,300	9,141	6,159	-	-	-
Insurance	31,820	49,030	(17,210)	-	-	-
Office wages and related expenses	198,559	176,838	21,721	-	-	-
Contra Costa county expenses	35,000	51,401	(16,401)	-	2,211	(2,211)
Wildland vegetation management	7,600	4,000	3,600	-	-	-
Fire abatement contract	5,000	-	5,000	-	-	-
LAFCO	4,254	2,078	2,176	-	-	-
Professional development	-	3,324	(3,324)	-	-	-
Outside professional service fees	291,850	207,020	84,830	-	-	-
Public education	28,649	17,762	10,887	-	-	-
Office expense and supplies	10,565	9,457	1,108	-	-	-
Building utilities/services	73,700	39,170	34,530	-	-	-
Memberships	8,720	7,615	1,105	-	-	-
Community service activities	14,996	8,697	6,299	-	-	-
Staff appreciation	3,000	543	2,457	-	-	-
Repairs and maintenance	-	5,501	(5,501)	-	-	-
Debt service - principal (CalPERS settlement)	12,377	19,994	(7,617)	-	-	-
Capital outlay	-	37,050	(37,050)	-	-	-
	<u>4,458,310</u>	<u>4,379,134</u>	<u>79,176</u>	<u>-</u>	<u>2,211</u>	<u>(2,211)</u>
Total Expenditures						
Subtotal - Revenues Less Expenditures	<u>734,052</u>	<u>906,594</u>	<u>(172,542)</u>	<u>204,418</u>	<u>198,751</u>	<u>5,667</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	-	400,000	400,000	-	-	-
Transfers out	-	-	-	-	(400,000)	(400,000)
	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>
Total other financing sources (uses)						
Change in Fund Balance	<u>734,052</u>	<u>1,306,594</u>	<u>572,542</u>	<u>204,418</u>	<u>(201,249)</u>	<u>(405,667)</u>
Fund Balance - July 1, 2021		<u>5,176,904</u>			<u>409,440</u>	
Fund Balance - June 30, 2022		<u>\$ 6,483,498</u>			<u>\$ 208,191</u>	

**KENSINGTON FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB ASSET AND RELATED RATIOS
For the Measurement Period Ended June 30**

	Last 10 Years*				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Interest	\$ 64,309	\$ 68,428	\$ 81,835	\$ 84,260	\$ 99,977
Difference between expected and actual experience	13,722	(22,395)	(167,556)	(14,315)	146,389
Assumption changes	(125,183)	-	(4,722)	-	(373,443)
Benefit payments, including refunds of employee contribution	<u>(101,648)</u>	<u>(112,644)</u>	<u>(105,006)</u>	<u>(106,929)</u>	<u>(105,986)</u>
Net change in total OPEB liability	(148,800)	(66,611)	(195,449)	(36,984)	(233,063)
Total OPEB liability, beginning	<u>1,005,564</u>	<u>1,072,175</u>	<u>1,267,624</u>	<u>1,304,608</u>	<u>1,537,671</u>
Total OPEB liability, ending (a)	<u>\$ 856,764</u>	<u>\$ 1,005,564</u>	<u>\$ 1,072,175</u>	<u>\$ 1,267,624</u>	<u>\$ 1,304,608</u>
Plan Fiduciary Net Position					
Net investment income	\$ 278,361	\$ 79,104	\$ 101,767	\$ 91,709	\$ 112,865
Benefit payments, including refunds of employee contributions	(101,648)	(112,644)	(105,006)	(106,929)	(105,986)
Administrative expenses	<u>(513)</u>	<u>(722)</u>	<u>(313)</u>	<u>(772)</u>	<u>(739)</u>
Net change in plan fiduciary net position	176,200	(34,262)	(3,552)	(15,992)	6,140
Plan fiduciary net position, beginning	<u>1,425,669</u>	<u>1,459,931</u>	<u>1,463,483</u>	<u>1,479,475</u>	<u>1,473,335</u>
Plan fiduciary net position, ending (b)	<u>\$ 1,601,869</u>	<u>\$ 1,425,669</u>	<u>\$ 1,459,931</u>	<u>\$ 1,463,483</u>	<u>\$ 1,479,475</u>
District's net OPEB asset, ending (a) - (b)	<u>\$ (745,105)</u>	<u>\$ (420,105)</u>	<u>\$ (387,756)</u>	<u>\$ (195,859)</u>	<u>\$ (174,867)</u>
Plan Fiduciary net position as a percentage of the total OPEB liability	187 %	142 %	136 %	115 %	113 %
Covered-employee payroll**	-	-	-	-	-
District's net OPEB asset as a percentage of covered-employee payroll**	-	-	-	-	-

Notes to Schedule:

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

**Covered employee payroll is annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate. The District provides post-retirement health benefits (medical, dental and vision) to a closed group of former employees who have retired from the District and to their surviving spouses and dependent children, thus there is no covered-employee payroll.

**KENSINGTON FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
For the Fiscal Year Ended June 30**

Last 10 Years*

	<u>2022**</u>	<u>2021**</u>	<u>2020**</u>	<u>2019**</u>	<u>2018**</u>
Actuarially Determined Contribution (ADC)	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the ADC	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll***	-	-	-	-	-
Contributions as a percentage of covered-employee payroll***	-	-	-	-	-

Notes to Schedule:

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

** The District's policy is to fully fund the actuarially determined contribution, when required. The District makes the contributions on behalf of the participants. For the fiscal year ended June 30, 2022 and prior years presented, there were no contributions, since the plan is fully funded and benefit payments are made from the Trust.

*** Covered employee payroll is annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate. The District provides post-retirement health benefits (medical, dental and vision) to a closed group of former employees who have retired from the District and to their surviving spouses and dependent children, thus there is no covered-employee payroll.

OTHER REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Kensington Fire Protection District
Kensington, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, of the Kensington Fire Protection District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Kensington Fire Protection District's basic financial statements, and have issued our report thereon dated June 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Kensington Fire Protection District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Kensington Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Kensington Fire Protection District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Kensington Fire Protection District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read "M. J. M. CPAs".

Sacramento, California
June 6, 2023

June 6, 2023

To the Board of Directors
Kensington Fire Protection District
Kensington, California

We have audited the financial statements of the governmental activities, and each major fund of Kensington Fire Protection District for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 5, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kensington Fire Protection District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by Kensington Fire Protection District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were depreciation, estimate of the net other-post employment benefit (OPEB) liability, and estimate related to the City of El Cerrito long term liability. Management's estimate for depreciation is based on the District's capitalization policy. Management's estimate for the OPEB liability is based on actuarial valuations. Management's estimate for El Cerrito long term liability is based on estimated costs for services performed. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Attachment "A" summarized misstatements identified by us during the audit which were posted to the financial statements by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 6, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Kensington Fire Protection District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Kensington Fire Protection District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedules, and the schedule of changes in the District's net OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Kensington Fire Protection District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Mann, Urrutia, Nelson, CPAs & Associates, LLP

**KENSINGTON FIRE PROTECTION DISTRICT
SUMMARY OF AUDIT ADJUSTMENTS
June 30, 2022**

<u>Description</u>	<u>Effect - Increase (Decrease)</u>				
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Revenue</u>	<u>Expenses</u>
<u>Current Year Differences</u>					
To adjust net OPEB asset as of measurement date June 30, 2021	\$ 318,473	\$ 141,245			\$ (177,228)
To record paydown of CalPERS Settlement Liability		\$ (19,994)			\$ (19,994)
Total Income Statement Effect				<u>\$ -</u>	<u>\$ (197,222)</u>
Balance Sheet Effect	<u>\$ 318,473</u>	<u>\$ 121,251</u>	<u>\$ -</u>		

KENSINGTON FIRE PROTECTION DISTRICT

MANAGEMENT REPORT
FOR THE YEAR ENDED
JUNE 30, 2022

MANN, URRUTIA, NELSON, CPAS & ASSOCIATES, LLP
1760 CREEKSIDE OAKS DRIVE, SUITE 160
SACRAMENTO, CALIFORNIA 95833

MANAGEMENT REPORT

To the Board of Directors and Management
of Kensington Fire Protection District

In planning and performing our audit of the financial statements of Kensington Fire Protection District as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Kensington Fire Protection District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kensington Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comment and suggestion regarding the matter. This letter does not affect our report dated June 6, 2023, on the financial statements of Kensington's Fire Protection District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the District's management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within Kensington Fire Protection District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Mann, Urrutia, Nelson, CPAs & Associates, LLP
Sacramento, California
June 6, 2023

**KENSINGTON FIRE PROTECTION DISTRICT
SUMMARY OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS
JUNE 30, 2022**

Accounts Receivable (Repeat Finding)

We noted during our testing of Accounts Receivable a large volume of activity dating back to at least calendar year 2001 that should be cleared from the District's general ledger. We recommend that District's management review Accounts Receivable sub-ledger for stale activity.

Management Response: The GM is working with Maze & Associates to clear any stale activity.

Accounts Payable (Repeat Finding)

We noted during our testing of Accounts Payable a large volume of activity dating back to at least calendar year 2000 that should be cleared from the District's general ledger. We recommend that District's management review Accounts Payable sub-ledger for stale activity.

Management Response: The GM is working with Maze & Associates to clear any stale activity.

Capital Assets

During our testing of the District's capital assets we identified an asset that had been disposed but was still included in the asset listing and included as part of the fixed asset general ledger balance. We recommend that management implement a process to review and update the fixed asset listing monthly.

Management Response: Maze & Associates has been directed to update the fixed asset listing for asset disposals which will then be reviewed by the General Manager.

**KENSINGTON FIRE PROTECTION DISTRICT
STATUS OF PRIOR YEAR AND RECOMMENDATIONS
JUNE 30, 2021**

Accounts Receivable

We noted during our testing of Accounts Receivable a large volume of activity dating back to at least calendar year 2001 that should be cleared from the District's general ledger. We recommend that District's management review Accounts Receivable sub-ledger for stale activity.

Status: Repeat finding in current year.

Accounts Payable

We noted during our testing of Accounts Payable a large volume of activity dating back to at least calendar year 2000 that should be cleared from the District's general ledger. We recommend that District's management review Accounts Payable sub-ledger for stale activity.

Status: Repeat finding in current year.

Capital Assets

During our testing of the District's capital assets we identified an asset that had been disposed but was still included in the asset listing and included as part of the fixed asset general ledger balance. We recommend that management implement a process to review and update the fixed asset listing monthly.

Status: Implemented in the current year.



EL CERRITO-KENSINGTON FIRE DEPARTMENT

10900 San Pablo Avenue ▪ El Cerrito ▪ CA ▪ 94530

(510) 215-4450 ▪ FAX (510) 232-4917

www.el-cerrito.org



DATE: June 16, 2023

TO: Mary Morris-Mayorga: General Manager

FROM: Eric Saylor: Fire Chief

RE: **Fire Chief's Report for the June 2023 Fire District Board Meeting**

Operations

Administration

The fire chief and the El Cerrito city manager meet with the Kensington fire protection board's finance committee to present the fiscal year 23/24 proposed budget.

ECKFD updated all the engine numbers station to align with the county renumbering.

Cert concluded another successful sale of fire extinguishers and water containers.

Operations

E51 suppressed a large encampment fire under the Ohlone greenway. The encampment had multiple propane tanks exposed to direct flame.

Training

ECKFD participated in the Golden Eagle drill, a county emergency operations center exercise sponsored by the Urban Area Security Initiative (UASI).

Citizen Engagement

ECKFD participated in the Kensington Hilltop School carnival.

ECKFD continues to work with the multiple CERT groups in the area with goal of building a sustainable structure.

CPR a classes taught by ECKFD firefighters continue at ST 52.



KENSINGTON FIRE PROTECTION DISTRICT

DATE: JUNE 21, 2023

TO: Kensington Fire Protection District Board

RE: Emergency Preparedness Coordinator Report

SUBMITTED BY: Johnny Valenzuela, Emergency Preparedness Coordinator

The following progress items will be reviewed in the KFPD Board of Directors meeting:

1. Community Event/Engagement

- 6/3/2023 KPOA Town Hall Annual Meeting
- 6/4/2023 Wildcat Firewise Launch Party

2. District Communications/ Publications

- 5/20/23 Nextdoor Special Meeting Cancellation
- 6/2/2023 Combustibility of Mulch
- 6/6/2023 Berkeley Fire Prevention Article
- Kensington Outlook Article July Edition
- Kensington Outlook Safety Scenario July Edition
- CERT Relaunch Press Release
- CERT Training Announcement

3. Initiatives/ Deliverables

- Assist community members with registration to CWS
- Add resident emails to Red Flag Warning List
- Provide Fire Prevention Materials to Wildcat Firewise for Launch Party
- Redesign Logo Station Number
- Order Drawstring bags for distribution of educational material
- Magnet Mailer One Pager Designed
- Digital assets sent to Mainstream for assembly delivery to residents.
- Delivered magnets to Mainstream office to assemble mailer package.
- Confirm shredding event for October Shred/Med with KPPCSD/Location/Truck
- Connect resident with fire prevention officers for exterior home inspection.
- Pick up preparedness literature from CWS office.
- Sourcing volunteers for future community-related events/initiatives
- Finalize CERT recruitment campaign with approval from Fire Chief
- Completion of Door Hanger Distribution assignments and assemble packets for volunteers.

April 19, 2023

Emergency Preparedness Coordinator's Report

- Development of Home Hardening Checklist
- Upload Zone 0 Presentation to KFPD Website
- Upload Combustibility of Mulch Report on KFPD Website
- Add Wildfire Home Retrofit Guide to Home Hardening library'
- National Night Out Campaign for 2023 Updated
- NNO Host Registration Form to RSVP participation sent to previous hosts
- Submit California Clean Air Day Pledge to Air Quality District

4. Meetings

- 5/17/2023 KFPD Monthly Board Meeting
- 5/25/2023 Emergency Preparedness Committee Meeting
- 6/2/2023 CalFire re: Zone Zero Clarification
- 6/5/2023 Door Hanger Subcommittee
- 6/6/2023 Purdue Block Party Overview/Planning
- 6/7/2023 Berkeleyside article and Zone Zero
- 6/8/2023 Chief Saylor's 1:1
- 6/13/2023 CERT Lamorinda EL Cerrito Fire
- 6/14/2023 CERT Program Manager



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 21, 2023
TO: Board of Directors
RE: UPDATED FINANCIAL FORECAST
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

This item is provided for review, discussion, and for staff direction as determined.

Background

In conjunction with the Public Safety Building financing, NHA Advisors developed a long-term financial analysis to determine the project feasibility and sustainability of District funds. As a part of budget preparation, the District has been working to update this long-term financial forecast internally with the assistance of Bill Zenoni, Financial Consultant. This will allow staff, the Finance Committee, and the Board to assess the short and long-term impact of financial decisions on District funds.

The draft was completed and presented to the Finance Committee on June 6, 2023 for review and discussion. Feedback from the committee has been incorporated including: removal of lease income beginning FY 2023-24 (this previously reflected the monthly \$3,050 from KPPCSD prior to PSB renovation); salaries/benefits annual adjustment increased from 3% to 4%; FY 2021-22 column adjusted to match audit now that it is final; and FY 2023-24 column adjusted to reflected updated budget.

Each component of the financial forecast contains notes on the assumed escalation factor or any anticipated changes that would impact future years. For example, property taxes are the District's major funding source and the escalation factor used has been assessed based upon historical data along with information from Contra Costa County in their budget planning. Expenditure escalations vary depending upon the nature and type.

As with any financial forecast, it is important to remain reasonably conservative; however, not to the extent that any revenue or expenditure would be significantly understated or overstated to the degree possible. By its very nature, a financial forecast is an estimate or projection based upon data which has been derived through review of historical information and evaluation of economic factors. Incorporating data using arbitrary estimates is not considered a sound financial practice, so we have avoided that here.

Fiscal Impact

The overall forecast demonstrates that the District is fiscally sound with expenditures remaining within revenues in the near term. Further out in the forecast there is an opportunity to evaluate options given the major component of expenditures, Fire Services Contract Fee, is estimated to increase at a rate higher than revenues. This will be a topic of discussion at a future Finance Committee meeting as more information becomes known relative to the exact amount of revenue increases.

Attachments: Long-Term Financial Forecast

KENSINGTON FIRE PROTECTION DISTRICT

FIVE YEAR FINANCIAL FORECAST - Summary

June 2023

	FY 2019-20 Actual	FY 2020-21 Actual	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
REVENUE										
Property Taxes	\$ 4,335,438	\$ 4,525,850	\$ 4,783,334	\$ 4,739,500	\$ 5,112,228	\$ 5,316,717	\$ 5,529,386	\$ 5,750,561	\$ 5,980,584	\$ 6,219,807
Special Taxes	200,653	200,686	204,418	200,752	200,752	201,000	201,000	201,000	201,000	201,000
Other Taxes (HOPTR)	25,220	24,687	24,612	24,000	24,000	25,000	25,000	25,000	25,000	25,000
Lease Income	36,603	36,549	36,603	3,050	3,050	3,050	-	-	-	-
Investment Income	128,365	32,087	14,188	20,000	250,000	200,979	145,108	152,875	156,868	156,061
CERBT Disbursement	23,423	-	40,282	80,000	80,000	68,000	68,000	68,000	68,000	68,000
Other Revenue	1,610	84,213	388,159	-	-	2,000	2,000	2,000	2,000	2,000
Grant Revenue	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	\$ 4,751,312	\$ 4,904,072	\$ 5,491,596	\$ 5,067,302	\$ 5,670,030	\$ 5,816,746	\$ 5,970,494	\$ 6,199,437	\$ 6,433,451	\$ 6,671,868
EXPENDITURES										
<u>Salaries and Benefits</u>										
Office Wages and Related Costs	84,428	185,137	176,838	196,052	172,266	177,606	189,810	197,403	205,299	213,511
Retiree Medical Benefits	-	-	87,859	90,600	67,144	68,000	68,000	68,000	68,000	68,000
Total Salaries and Benefits	\$ 84,428	\$ 185,137	\$ 264,697	\$ 286,652	\$ 239,410	\$ 245,606	\$ 257,810	\$ 265,403	\$ 273,299	\$ 281,511
<u>Outside Professional Services</u>										
El Cerrito Contract Fees	3,033,275	3,229,643	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	116,571	298,738	204,642	123,165	123,165	77,554	125,000	125,000	125,000	125,000
Other Outside Professional Services	399,452	280,515	271,121	348,925	361,258	313,933	301,800	309,492	322,159	330,896
Total Outside Professional Services	\$ 3,549,298	\$ 3,808,896	\$ 4,001,634	\$ 4,315,573	\$ 4,327,906	\$ 4,538,455	\$ 4,905,525	\$ 5,271,515	\$ 5,671,145	\$ 6,097,800
Community Service Activities	\$ 13,474	\$ 58,050	\$ 26,909	\$ 72,200	\$ 63,262	\$ 38,120	\$ 33,294	\$ 33,521	\$ 33,702	\$ 33,912
District Activities	\$ 13,519	\$ 15,278	\$ 27,371	\$ 61,500	\$ 60,105	\$ 23,500	\$ 29,380	\$ 24,500	\$ 30,674	\$ 25,000
Office Expenses	\$ 3,579	\$ 7,444	\$ 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	\$ 114,249	\$ 62,722	\$ 15,970	\$ 17,000	\$ 19,123	\$ 22,360	\$ 23,914	\$ 25,614	\$ 27,475	\$ 29,514
Contingency	\$ 1,768	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
TOTAL OPERATING EXPENDITURES	\$ 3,780,315	\$ 4,137,527	\$ 4,364,321	\$ 4,817,425	\$ 4,769,971	\$ 4,967,226	\$ 5,298,886	\$ 5,670,095	\$ 6,086,999	\$ 6,518,927
NET OPERATING SURPLUS/(SHORTFALL)	\$ 970,997	\$ 766,545	\$ 1,127,275	\$ 249,877	\$ 900,059	\$ 849,520	\$ 671,608	\$ 529,342	\$ 346,452	\$ 152,941
<u>Capital Expenditures - Rolling Stock Set-aside</u>										
Capital Expenditures - Rolling Stock Set-aside	\$ 70,665	\$ 566,845	\$ -	\$ -	\$ 202,800	\$ 210,912	\$ 219,348	\$ 228,122	\$ 237,247	\$ 246,737
<u>Capital Expenditures - Equip/Furniture</u>										
Capital Expenditures - Equip/Furniture			\$ 315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Capital Expenditures - Public Safety Building</u>										
Capital Expenditures - Public Safety Building			\$ 551,286	\$ 3,606,440	\$ 2,662,056	\$ 4,711,658				
<u>Debt Service</u>										
Debt Service	\$ 12,377	\$ 24,044	\$ (19,994)	\$ -	\$ -	\$ 87,912	\$ 141,570	\$ 141,525	\$ 141,478	\$ 141,428
TOTAL EXPENDITURES	\$ 3,863,357	\$ 4,728,416	\$ 4,895,928	\$ 8,423,865	\$ 7,634,827	\$ 9,977,708	\$ 5,659,805	\$ 6,039,741	\$ 6,465,724	\$ 6,907,092
CHANGE IN FUND BALANCE	\$ 887,955	\$ 175,656	\$ 595,668	\$ (3,356,563)	\$ (1,964,797)	\$ (4,160,962)	\$ 310,689	\$ 159,695	\$ (32,272)	\$ (235,224)
<u>Building Loan Drawdown</u>										
Building Loan Drawdown	-	-	-	-	1,926,120	-	-	-	-	-
FUND BALANCE (June 30)	\$ 9,232,640	\$ 9,408,296	\$ 10,003,964	\$ -	\$ 9,965,287	\$ 5,804,325	\$ 6,115,015	\$ 6,274,710	\$ 6,242,438	\$ 6,007,214

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

June 2023

	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	<i>Assumptions Fiscal Years 2025-2028</i>
REVENUE									
Property Taxes	4,783,334	4,739,500	5,112,228	5,316,717	5,529,386	5,750,561	5,980,584	6,219,807	+4%
Special Taxes	204,418	200,752	200,752	201,000	201,000	201,000	201,000	201,000	Flat
Other Taxes (HOPTR)	24,612	24,000	24,000	25,000	25,000	25,000	25,000	25,000	Flat
Lease Income	36,603	3,050	3,050	3,050	-	-	-	-	
Investment Income	14,188	20,000	250,000	200,979	145,108	152,875	156,868	156,061	2.50%
CERBT Disbursement	40,282	80,000	80,000	68,000	68,000	68,000	68,000	68,000	Match to retiree medical costs
Other Revenue	388,159	-	-	2,000	2,000	2,000	2,000	2,000	Assume flat \$2,000 per year
Grant Revenue	-	-	-	-	-	-	-	-	
TOTAL REVENUE	\$ 5,491,596	\$ 5,067,302	\$ 5,670,030	\$ 5,816,746	\$ 5,970,494	\$ 6,199,437	\$ 6,433,451	\$ 6,671,868	
EXPENDITURES									
SALARIES AND BENEFITS									
<u>Office Wages & Related</u>									
Regular Wages	139,936	144,416	144,355	148,686	154,633	160,819	167,252	173,942	4% annual increase
Vacation/Holiday/Sick Leave	9,182	23,182	4,687	5,000	10,300	10,712	11,140	11,586	4% annual increase beginning FY2025-26
Medical/Dental Insurance	13,000	12,000	6,000	6,180	6,427	6,684	6,952	7,230	4% annual increase
Payroll Taxes	11,990	13,304	12,992	13,382	13,917	14,474	15,053	15,655	4% annual increase
Workers Compensation/Life Insurance	759	650	1,760	1,813	1,886	1,961	2,039	2,121	4% annual increase
Payroll Processing	1,971	2,500	2,472	2,545	2,647	2,753	2,863	2,977	4% annual increase
Total Office Wages & Related Costs	176,838	196,052	172,266	177,606	189,810	197,403	205,299	213,511	
<u>Retiree Medical Benefits</u>									
PERS Medical	54,507	72,500	51,450	52,000	52,000	52,000	52,000	52,000	Flat
CalPERS Settlement	18,090	-	-	-	-	-	-	-	Assume \$0
Delta Dental	11,385	14,000	11,817	12,000	12,000	12,000	12,000	12,000	Flat
Vision Care	3,877	4,100	3,877	4,000	4,000	4,000	4,000	4,000	Flat
Total Retiree Medical Benefits	87,859	90,600	67,144	68,000	68,000	68,000	68,000	68,000	
TOTAL SALARIES AND BENEFITS	\$ 264,697	\$ 286,652	\$ 239,410	\$ 245,606	\$ 257,810	\$ 265,403	\$ 273,299	\$ 281,511	
<u>Outside Professional Services</u>									
Accounting	37,045	36,000	36,000	37,080	38,192	39,338	40,518	41,734	3% annual increase
Actuarial Valuation	3,000	5,600	5,600	2,800	5,600	2,800	5,600	2,800	
Audit	16,000	16,000	16,000	16,800	16,800	17,640	17,640	18,522	5% every other year
Bank Fees	37	25	25	50	50	50	50	50	Flat
Contra Costa County Expenses	53,644	38,000	38,000	39,520	41,101	42,745	44,455	46,233	4% annual increase
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	2023-24 from EC, then 8% annual increase
El Cerrito Reconciliation	204,642	123,165	123,165	77,554	125,000	125,000	125,000	125,000	
IT Services and Equipment	723	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	688	3,000	3,000	3,000	3,000	3,000	3,000	3,000	Flat
Risk Management Insurance	1,159	19,000	21,258	23,384	25,722	28,294	31,124	34,236	10% annual increase
LAFCO Fees	2,078	5,000	2,100	2,100	2,100	2,100	2,100	2,100	Flat
Legal Fees	10,595	20,000	20,000	20,600	12,000	12,360	12,731	13,113	3% annual increase (reduce after PSB)

	FY 2021-22	FY 2022-23	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
	Actual	Budget	Projected	Budget	Projected	Projected	Projected	Projected	<i>Assumptions Fiscal Years 2025-2028</i>
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	-	-	-	-	-	-	<i>Assume no additional costs</i>
Website Development/Maintenance	3,227	4,500	3,500	3,120	3,120	3,120	3,120	3,120	<i>Flat</i>
Wildland Vegetation Maintenance	4,000	7,600	7,600	7,828	8,063	8,305	8,554	8,810	<i>3% annual increase</i>
Other Outside Professional Services		-	-	-	-	-	-	-	
Emergency Preparedness Coordinator	100,000	105,200	105,200	108,356	111,607	114,955	118,404	121,956	<i>3% annual increase</i>
Grant Writer/Coordinator	6,548	50,000	31,000	15,000	15,000	15,000	15,000	15,000	
Nixle (Everbridge) Fees	3,183	4,000	4,000	4,120	4,120	4,120	4,120	4,120	<i>3% annual increase</i>
Long-Term Financial Planner	29,194	5,000	5,000	2,500	2,500	2,500	2,500	2,500	
Total Outside Professional Services	\$ 4,001,634	\$ 4,315,573	\$ 4,327,906	\$ 4,538,455	\$ 4,905,525	\$ 5,271,515	\$ 5,671,145	\$ 6,097,800	
<u>Community Service Activities</u>									
Public Education	17,762	30,000	20,000	20,000	15,000	15,000	15,000	15,000	<i>Reduce after FY 2023-24</i>
EP Coordinator Expense Account	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	<i>Flat</i>
Community Pharmaceutical Drop-Off	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	<i>Flat</i>
CERT Emergency Kits/Sheds/Prep	-	4,000	4,000	4,120	4,244	4,371	4,502	4,637	<i>3% annual increase</i>
Open Houses	-	1,800	1,800	2,000	2,000	2,000	2,000	2,000	<i>Flat</i>
Community Shredder	5,608	5,000	5,000	5,500	5,500	5,500	5,500	5,500	<i>Flat</i>
DFSC Matching Grants	-	-	-	-	-	-	-	-	
Firesafe Planting Grants	1,360	25,000	25,000	-	-	-	-	-	
Demonstration Garden	-	-	-	-	-	-	-	-	
Community Sandbags	1,729	1,900	2,962	2,000	2,000	2,000	2,000	2,000	<i>Flat</i>
Volunteer Appreciation	450	500	500	500	550	600	650	700	
Community Service - Other	-	500	500	500	500	550	550	575	
Total Community Service Activities	\$ 26,909	\$ 72,200	\$ 63,262	\$ 38,120	\$ 33,294	\$ 33,521	\$ 33,702	\$ 33,912	
<u>District Activities</u>									
Equipment	1,697	-	-	-	-	-	-	-	
Vehicle Maintenance	5,501	-	-	-	-	-	-	-	
Professional Development	3,324	10,000	10,000	5,000	5,000	5,000	5,000	5,000	
Election	-	7,500	5,600	-	5,880	-	6,174	-	<i>5% increase every other year</i>
Firefighter's Apparel & PPE	-	2,000	2,000	1,500	1,500	2,000	2,000	2,000	
Firefighter's Expenses	9,141	30,000	30,000	5,000	5,000	5,000	5,000	5,000	
Staff Appreciation	93	3,000	3,000	2,500	2,500	3,000	3,000	3,500	
Memberships	7,615	9,000	9,505	9,500	9,500	9,500	9,500	9,500	
Total District Activities	\$ 27,371	\$ 61,500	\$ 60,105	\$ 23,500	\$ 29,380	\$ 24,500	\$ 30,674	\$ 25,000	
<u>Office</u>									
Office Expenses	3,846	5,000	4,811	58,000	5,200	5,356	5,517	5,682	<i>3% annual increase</i>
Office Supplies	694	2,000	1,000	1,030	1,061	1,093	1,126	1,159	<i>3% annual increase</i>
Telephones	8,720	8,000	8,000	8,240	8,487	8,742	9,004	9,274	<i>3% annual increase</i>
Office - Other	-	500	500	515	530	546	563	580	<i>3% annual increase</i>
Office - Equipment	-	-	1,189	5,000	-	-	-	-	
Total Office	\$ 13,260	\$ 15,500	\$ 15,500	\$ 72,785	\$ 15,279	\$ 15,737	\$ 16,209	\$ 16,695	
<u>Building Maintenance</u>									
Gardening Services	2,275	4,000	500	500	2,400	2,520	2,646	2,646	<i>5% increase every other year from 2025-26</i>
Building Alarm	1,264	1,500	1,500	1,500	1,575	1,575	1,654	1,654	<i>5% increase every other year</i>
Medical Waste Disposal	2,141	7,500	7,500	2,200	2,310	2,310	2,426	2,426	<i>5% increase every other year (from 2024-25)</i>

	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
Janitorial Services	2,208	2,000	800	200	2,400	2,400	2,520	2,520
Miscellaneous Maintenance	6,592	9,000	9,365	2,000	5,000	5,000	5,250	5,250
Total Building Maintenance	\$ 14,480	\$ 24,000	\$ 19,665	\$ 6,400	\$ 13,685	\$ 13,805	\$ 14,495	\$ 14,495
Building Utilities/Service								
Gas and Electric	11,852	13,000	13,000	14,300	15,730	17,303	19,033	20,937
Water/Sewer	4,118	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
Total 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
TOTAL OPERATING EXPENDITURES	\$ 4,364,321	\$ 4,817,425	\$ 4,769,971	\$ 4,967,226	\$ 5,298,886	\$ 5,670,095	\$ 6,086,999	\$ 6,518,927
NET OPERATING SURPLUS/(SHORTFALL)	\$ 1,127,275	\$ 249,877	\$ 900,059	\$ 849,520	\$ 671,608	\$ 529,342	\$ 346,452	\$ 152,941
CAPITAL EXPENDITURES								
Rolling Stock Set-aside (Transfer from General Fund to Capital Fund)	-	-	202,800	210,912	219,348	228,122	237,247	246,737
Equipment and Furniture	315	-	-	-	-	-	-	-
PSB - Temporary Facilities	91,853	848,607	828,934	-	-	-	-	-
PSB Renovation	459,433	2,757,833	1,833,122	4,711,658	-	-	-	-
Total Capital Expenditures	\$ 551,601	\$ 3,606,440	\$ 2,864,856	\$ 4,922,570	\$ 219,348	\$ 228,122	\$ 237,247	\$ 246,737
DEBT SERVICE*	\$ (19,994)	\$ -	\$ -	\$ 87,912	\$ 141,570	\$ 141,525	\$ 141,478	\$ 141,428
TOTAL EXPENDITURES	\$ 4,895,928		\$ 7,634,827	\$ 9,977,708	\$ 5,659,805	\$ 6,039,741	\$ 6,465,724	\$ 6,907,092
CHANGE IN FUND BALANCE	\$ 595,668	\$ (3,356,563)	\$ (1,964,797)	\$ (4,160,962)	\$ 310,689	\$ 159,695	\$ (32,272)	\$ (235,224)
Building Loan Drawdown	-	-	1,926,120	-	-	-	-	-
ENDING FUND BALANCE	10,003,964		9,965,287	5,804,325	6,115,015	6,274,710	6,242,438	6,007,214

Assumptions Fiscal Years 2025-2028

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 = \$7,925,000

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

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%)

June 14, 2023

Fund Balance Projection

	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers In/ (Transfers Out)</u>	<u>Other Financing Sources</u>	<u>Change in Fund Balance</u>	<u>Beginning Fund Balance</u>	<u>Ending Fund Balance</u>	
<u>FY 2019-20</u>								
General Fund	4,518,646	3,861,169	-	82,023	739,500	4,559,548	5,299,048	
Special Tax Fund	200,653	2,188	-	-	198,465	12,340	210,805	
Capital Fund	<u>32,013</u>	<u>-</u>	<u>-</u>	<u>(82,023)</u>	<u>(50,010)</u>	<u>3,772,797</u>	<u>3,722,787</u>	
Total	4,751,312	3,863,357	-	-	887,955	8,344,685	9,232,640	
<u>FY 2020-21</u>								
General Fund	4,613,219	4,726,061	-	(9,302)	(122,144)	5,299,048	5,176,904	
Special Tax Fund	200,842	2,207	-	-	198,635	210,805	409,440	
Capital Fund	<u>14,521</u>	<u>148</u>	<u>-</u>	<u>84,792</u>	<u>99,165</u>	<u>3,722,787</u>	<u>3,821,952</u>	
Total	4,828,582	4,728,416	-	75,490	175,656	9,232,640	9,408,296	✓ ties to audited financials
<u>FY 2021-22</u>								
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	<u>4,906</u>	<u>514,583</u>	<u>-</u>	<u>-</u>	<u>(509,677)</u>	<u>3,821,952</u>	<u>3,312,275</u>	
Total	5,491,596	4,895,928	-	-	595,668	9,408,296	10,003,964	✓ ties to audited financials
<u>FY 2022-23 (Projected)</u>								
General Fund	5,469,278	4,972,771	206,143	-	702,650	6,483,498	7,186,148	
Special Tax Fund	200,752	-	(408,943)	-	(208,191)	208,191	-	
Capital Fund - PSB	<u>-</u>	<u>2,662,056</u>	<u>202,800</u>	<u>1,926,120</u>	<u>(533,136)</u>	<u>3,312,275</u>	<u>2,779,139</u>	
Total	5,670,030	7,634,827	-	1,926,120	(38,677)	10,003,964	9,965,287	
<u>FY 2023-24 (Budget)</u>								
General Fund - Operating	5,615,746	8,063,463	(9,912)	-	(2,457,629)	7,186,148	4,728,519	
General Fund - PSB	<u>-</u>	<u>2,797,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund - PSB	<u>-</u>	<u>1,914,245</u>	<u>210,912</u>	<u>-</u>	<u>(1,703,333)</u>	<u>2,779,139</u>	<u>1,075,806</u>	\$1,075,806 Reserve for Rolling Stock
Total	5,816,746	12,775,121	-	-	(4,160,962)	2,779,139	5,804,325	
<u>FY 2024-25 (Projected)</u>								
General Fund	5,769,494	5,659,805	(18,348)	-	91,341	4,728,519	4,819,861	
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund	<u>-</u>	<u>-</u>	<u>219,348</u>	<u>-</u>	<u>219,348</u>	<u>1,075,806</u>	<u>1,295,154</u>	Rolling Stock Reserve
Total	5,970,494	5,659,805	-	-	310,689	5,804,325	6,115,015	
<u>FY 2025-26 (Projected)</u>								
General Fund	5,998,437	6,039,741	(27,122)	-	(68,427)	4,819,861	4,751,434	
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund	<u>-</u>	<u>-</u>	<u>228,122</u>	<u>-</u>	<u>228,122</u>	<u>1,295,154</u>	<u>1,523,276</u>	Rolling Stock Reserve
Total	6,199,437	6,039,741	-	-	159,695	6,115,015	6,274,710	
<u>FY 2026-27 (Projected)</u>								
General Fund	6,232,451	6,465,724	(36,247)	-	(269,519)	4,751,434	4,481,915	
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund	<u>-</u>	<u>-</u>	<u>237,247</u>	<u>-</u>	<u>237,247</u>	<u>1,523,276</u>	<u>1,760,523</u>	Rolling Stock Reserve
Total	6,433,451	6,465,724	-	-	(32,272)	6,274,710	6,242,438	
<u>FY 2027-28 (Projected)</u>								
General Fund	6,470,868	6,907,092	(45,737)	-	(481,961)	4,481,915	3,999,954	
Special Tax Fund	201,000	-	(201,000)	-	-	-	-	
Capital Fund	<u>-</u>	<u>-</u>	<u>246,737</u>	<u>-</u>	<u>246,737</u>	<u>1,760,523</u>	<u>2,007,260</u>	Rolling Stock Reserve
Total	6,671,868	6,907,092	-	-	(235,224)	6,242,438	6,007,214	



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 21, 2023
TO: Board of Directors
RE: FY 2023-2024 PRELIMINARY BUDGET
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

Staff recommends that the Board takes the following action(s):

- approve Resolution 2023-07 adopting the preliminary combined revenue, operating expense, and capital improvement budget for Fiscal Year 2023-2024; and
- provide staff direction as needed for continuing and/or negotiating a contract renewal for the Emergency Preparedness Coordinator contract (expires June 30, 2023).

Background

As discussed with the Finance Committee in February, the draft budget has been developed based on the Guiding Principles which are listed on Page 3 of the budget document. An updated long-term financial forecast serves as the financial foundation of the budget with information tables incorporated into the document.

The budget document was reviewed with the Finance Committee on June 6, 2023 in conjunction with the updated financial forecast. Feedback received from that meeting has been incorporated into the budget as it is presented in the packet.

Most expenditure items are recurring so are included in the budget using appropriate escalation factors as discussed in the financial forecast. Staff is seeking Board direction on the Emergency Preparedness Coordinator contract as it currently expires on June 30, 2023. This contract was added in recent years, so has been included in the proposed budget to continue. The General Manager has authority to contract for budgeted items; however, I would like to confirm whether the Board has any feedback or additional considerations for this.

Fiscal Impact

The Fiscal Year 2023-24 Budget demonstrates there is adequate funding for District operations and capital projects.

Attachments:

1. Resolution 2023-07 Adopting The Preliminary Combined Revenue, Operating Expense, And Capital Improvement Budget For Fiscal Year 2023-2024
2. Fiscal Year 2023-24 Preliminary Budget



RESOLUTION 2023-07

RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON FIRE PROTECTION DISTRICT ADOPTING THE PRELIMINARY COMBINED REVENUE, OPERATING EXPENSE, AND CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEAR 2023-2024

WHEREAS, the Board of Directors of the Kensington Fire Protection District has approved or otherwise established the preliminary annual fee for services from the City of El Cerrito for Fiscal Year 2023-2024; and

WHEREAS, the preliminary combined budget was reviewed by the Finance Committee at the June 6, 2023 public meeting; and

WHEREAS, a final Revenue, Operating Expense and Capital Improvement Budget shall be approved by the Board of Directors of the Kensington Fire Protection District by the statutory required date of October 1, 2023;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts the Preliminary Combined Revenue, Operating Expense and Capital Improvement Budget with its associated schedules for Fiscal Year 2023-2024 which is attached to and made part of this resolution.

The foregoing resolution was duly adopted at a regular meeting of the Kensington Fire Protection District on the 21st day of June 2023 by the following vote of the Board.

AYES:

NOES:

ABSENT:

ABSTAIN:

Julie Stein, President

Larry Nagel, Secretary



Kensington Fire Protection District Fiscal Year 2023-2024 Preliminary Budget



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



Kensington Fire Protection District Fiscal Year 2023-2024 Preliminary Budget

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Budget Message

June 21, 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") Preliminary 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 65;
- 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

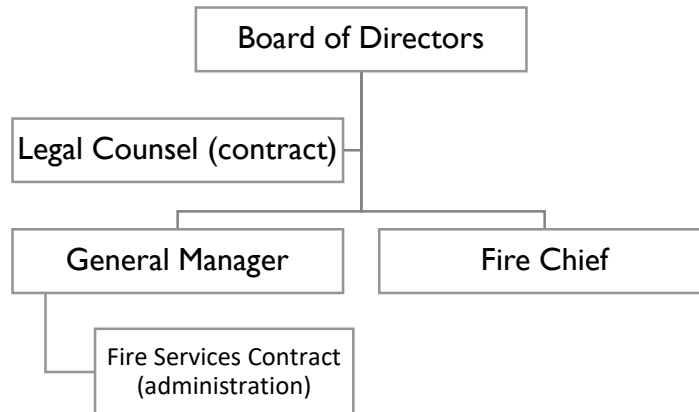
Board of Directors

	<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 Guerrero, 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

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

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

District Services (update in progress)

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

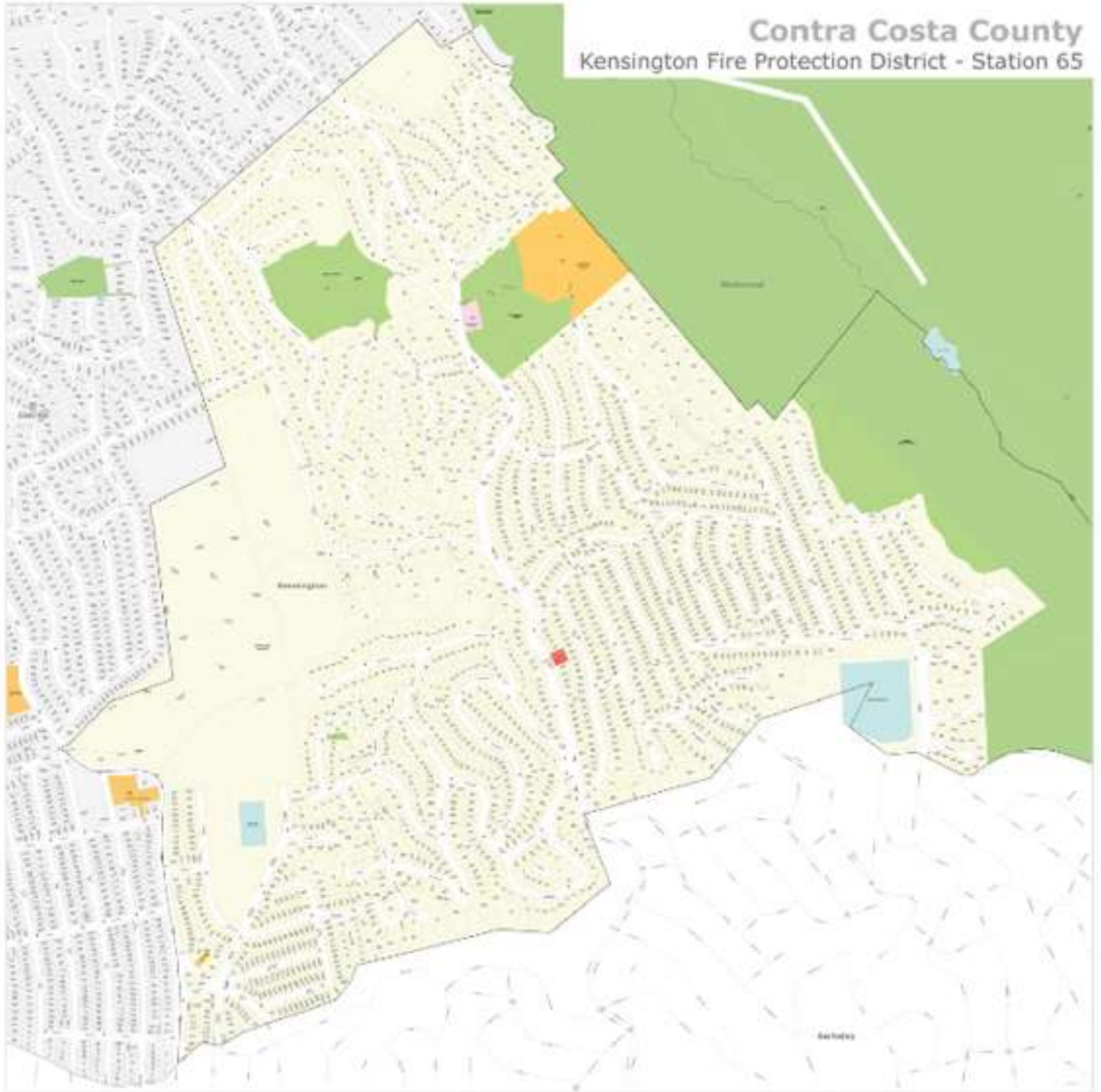
Certifications Currently Held:

- *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
<u>REVENUE</u>				
Property Taxes	4,783,334	4,739,500	5,112,228	5,316,717
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	200,979
CERBT Disbursement	40,282	80,000	80,000	68,000
Other Revenue	388,159	-	-	2,000
Grant Revenue	-	-	-	-
TOTAL REVENUE	\$ 5,491,596	\$ 5,067,302	\$ 5,670,030	\$ 5,816,746
<u>EXPENDITURES</u>				
<u>SALARIES AND BENEFITS</u>				
<u>Office Wages & 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
Total Office Wages & Related Costs	176,838	196,052	172,266	177,606
<u>Retiree Medical Benefits</u>				
PERS Medical	54,507	72,500	51,450	52,000
CalPERS Settlement	18,090	-	-	-
Delta Dental	11,385	14,000	11,817	12,000
Vision Care	3,877	4,100	3,877	4,000
Total Retiree Medical Benefits	87,859	90,600	67,144	68,000
TOTAL SALARIES AND BENEFITS	\$ 264,697	\$ 286,652	\$ 239,410	\$ 245,606
<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	16,800
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	-	-
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
Total Outside Professional Services	\$ 4,001,634	\$ 4,315,573	\$ 4,327,906	\$ 4,538,455

Budget Detail (cont'd)

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected
<u>Community Service Activities</u>			
Public Education	17,762	30,000	20,000
EP Coordinator Expense Account	-	1,000	1,000
Community Pharmaceutical Drop-Off	-	2,500	2,500
CERT Emergency Kits/Sheds/Prep	-	4,000	4,000
Open Houses	-	1,800	1,800
Community Shredder	5,608	5,000	5,000
DFSC Matching Grants	-	-	-
Firesafe Planting Grants	1,360	25,000	25,000
Demonstration Garden	-	-	-
Community Sandbags	1,729	1,900	2,962
Volunteer Appreciation	450	500	500
Community Service - Other	-	500	500
Total Community Service Activities	\$ 26,909	\$ 72,200	\$ 63,262
<u>District Activities</u>			
Equipment	1,697	-	-
Vehicle Maintenance	5,501	-	-
Professional Development	3,324	10,000	10,000
Election	-	7,500	5,600
Firefighter's Apparel & PPE	-	2,000	2,000
Firefighter's Expenses	9,141	30,000	30,000
Staff Appreciation	93	3,000	3,000
Memberships	7,615	9,000	9,505
Total District Activities	\$ 27,371	\$ 61,500	\$ 60,105
<u>Office</u>			
Office Expenses	3,846	5,000	4,811
Office Supplies	694	2,000	1,000
Telephones	8,720	8,000	8,000
Office - Other	-	500	500
Office - Equipment	-	-	1,189
Total Office	\$ 13,260	\$ 15,500	\$ 15,500
<u>Building Maintenance</u>			
Gardening Services	2,275	4,000	500
Building Alarm	1,264	1,500	1,500
Medical Waste Disposal	2,141	7,500	7,500
Janitorial Services	2,208	2,000	800
Miscellaneous Maintenance	6,592	9,000	9,365
Total Building Maintenance	\$ 14,480	\$ 24,000	\$ 19,665
<u>Building Utilities/Service</u>			
Gas and Electric	11,852	13,000	13,000
Water/Sewer	4,118	4,000	4,000
Building Utilities/Services - Other	-	-	2,123
Total Building Utilities/Service	\$ 15,970	\$ 17,000	\$ 19,123
Contingency	\$ -	\$ 25,000	\$ 25,000
TOTAL OPERATING EXPENDITURES	\$ 4,364,321	\$ 4,817,425	\$ 4,769,971
NET OPERATING SURPLUS/(SHORTFALL)	\$ 1,127,275	\$ 249,877	\$ 900,059

Budget Detail (cont'd)

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Budget
CAPITAL EXPENDITURES				
Rolling Stock Set-aside (Transfer from General Fund to Capital Projects)		-	202,800	210,912
Equipment and Furniture	315	-	-	-
PSB - Temporary Facilities	91,853	848,607	828,934	-
PSB Renovation	459,433	2,757,833	1,833,122	4,711,658
Total Capital Expenditures	\$ 551,601	\$ 3,606,440	\$ 2,864,856	\$ 4,922,570
DEBT SERVICE*	\$ (19,994)	\$ -	\$ -	\$ 87,912
TOTAL EXPENDITURES	\$ 4,895,928		\$ 7,634,827	\$ 9,977,708
CHANGE IN FUND BALANCE	\$ 595,668	\$ (3,356,563)	\$ (1,964,797)	\$ (4,160,962)
Building Loan Drawdown	-	-	1,926,120	-
ENDING FUND BALANCE	10,003,964		9,965,287	5,804,325

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

<u>PSB Renovation Cost Category</u>	<u>Original Budget</u>	<u>As Amended for COs</u>	<u>FY 2022-2023 (projected)</u>	<u>FY 2023-2024 Budget</u>
PSB Renovation Construction	\$ 5,475,000	\$ 5,746,231	\$ 1,025,484	\$ 4,720,747
Temp Fire Station Construction	740,000	590,749	590,749	-
PSB Renovation Design/Engineer	600,000	1,100,325	807,638	292,687
Temp Fire Station Design/Engineering	90,000	205,675	205,675	-
Relocation/FFE/Etc Estimate	300,000	32,510	32,510	-
Sub-Total	<u>\$ 7,205,000</u>	<u>\$ 7,675,489</u>	<u>\$ 2,662,056</u>	<u>\$ 5,013,433</u>
Project Contingency Allowance	720,000	249,511	-	249,511
Total Project Cost	<u>\$ 7,925,000</u>	<u>\$ 7,925,000</u>	<u>\$ 2,662,056</u>	<u>\$ 5,262,944</u>

Five-Year Financial Forecast

	FY 2021-22	FY 2022-23	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	Actual	Budget	Projected	Budget	Projected	Projected	Projected	Projected
REVENUE								
Property Taxes	\$ 4,783,334	\$ 4,739,500	\$ 5,112,228	\$ 5,316,717	\$ 5,529,386	\$ 5,750,561	\$ 5,980,584	\$ 6,219,807
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	200,979	145,108	152,875	156,868	156,061
CERBT Disbursement	40,282	80,000	80,000	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	-	-	-	-	-	-	-	-
TOTAL REVENUE	\$ 5,491,596	\$ 5,067,302	\$ 5,670,030	\$ 5,816,746	\$ 5,970,494	\$ 6,199,437	\$ 6,433,451	\$ 6,671,868
EXPENDITURES								
<u>Salaries and Benefits</u>								
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	67,144	68,000	68,000	68,000	68,000	68,000
Total Salaries and Benefits	\$ 264,697	\$ 286,652	\$ 239,410	\$ 245,606	\$ 257,810	\$ 265,403	\$ 273,299	\$ 281,511
<u>Outside Professional Services</u>								
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	313,933	301,800	309,492	322,159	330,896
Total Outside Professional Services	\$ 4,001,634	\$ 4,315,573	\$ 4,327,906	\$ 4,538,455	\$ 4,905,525	\$ 5,271,515	\$ 5,671,145	\$ 6,097,800
Community Service Activities	\$ 26,909	\$ 72,200	\$ 63,262	\$ 38,120	\$ 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
TOTAL OPERATING EXPENDITURES	\$ 4,364,321	\$ 4,817,425	\$ 4,769,971	\$ 4,967,226	\$ 5,298,886	\$ 5,670,095	\$ 6,086,999	\$ 6,518,927
NET OPERATING SURPLUS/(SHORTFALL)	\$ 1,127,275	\$ 249,877	\$ 900,059	\$ 849,520	\$ 671,608	\$ 529,342	\$ 346,452	\$ 152,941
Capital Expenditures - Rolling Stock Set-aside	\$ -	\$ -	\$ 202,800	\$ 210,912	\$ 219,348	\$ 228,122	\$ 237,247	\$ 246,737
Capital Expenditures - Equip/Furniture	\$ 315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures - Public Safety Building	\$ 551,286	\$ 3,606,440	\$ 2,662,056	\$ 4,711,658				
Debt Service	\$ (19,994)	\$ -	\$ -	\$ 87,912	\$ 141,570	\$ 141,525	\$ 141,478	\$ 141,428
TOTAL EXPENDITURES	\$ 4,895,928	\$ 8,423,865	\$ 7,634,827	\$ 9,977,708	\$ 5,659,805	\$ 6,039,741	\$ 6,465,724	\$ 6,907,092
CHANGE IN FUND BALANCE	\$ 595,668	\$ (3,356,563)	\$ (1,964,797)	\$ (4,160,962)	\$ 310,689	\$ 159,695	\$ (32,272)	\$ (235,224)
Building Loan Drawdown	-	-	1,926,120	-	-	-	-	-
FUND BALANCE (June 30)	\$ 10,003,964	\$ -	\$ 9,965,287	\$ 5,804,325	\$ 6,115,015	\$ 6,274,710	\$ 6,242,438	\$ 6,007,214

Fund Balance Projection

	Revenue	Expenditures	Transfers In/ (Transfers Out)	Financing Sources	Change in Fund Balance	Beginning Fund Balance	Ending Fund Balance
<u>FY 2021-22</u>							
General Fund	5,285,728	4,379,134	400,000	-	1,306,594	5,176,904	6,483,498
Special Tax Fund	200,962	2,211	(400,000)	-	(201,249)	409,440	208,191
Capital Fund	4,906	514,583	-	-	(509,677)	3,821,952	3,312,275
Total	5,491,596	4,895,928	-	-	595,668	9,408,296	10,003,964
<u>FY 2022-23 (Projected)</u>							
General Fund	5,469,278	4,972,771	206,143	-	702,650	6,483,498	7,186,148
Special Tax Fund	200,752	-	(408,943)	-	(208,191)	208,191	-
Capital Fund - PSB	-	2,662,056	202,800	1,926,120	(533,136)	3,312,275	2,779,139
Total	5,670,030	7,634,827	-	1,926,120	(38,677)	10,003,964	9,965,287
<u>FY 2023-24 (Budget)</u>							
General Fund - Operating	5,615,746	8,063,463	(9,912)	-	(2,457,629)	7,186,148	4,728,519
General Fund - PSB	-	2,797,413	-	-	-	-	-
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund - PSB	-	1,914,245	210,912	-	(1,703,333)	2,779,139	1,075,806
Total	5,816,746	12,775,121	-	-	(4,160,962)	2,779,139	5,804,325
<u>FY 2024-25 (Projected)</u>							
General Fund	5,769,494	5,659,805	(18,348)	-	91,341	4,728,519	4,819,861
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	219,348	-	219,348	1,075,806	1,295,154
Total	5,970,494	5,659,805	-	-	310,689	5,804,325	6,115,015
<u>FY 2025-26 (Projected)</u>							
General Fund	5,998,437	6,039,741	(27,122)	-	(68,427)	4,819,861	4,751,434
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	228,122	-	228,122	1,295,154	1,523,276
Total	6,199,437	6,039,741	-	-	159,695	6,115,015	6,274,710
<u>FY 2026-27 (Projected)</u>							
General Fund	6,232,451	6,465,724	(36,247)	-	(269,519)	4,751,434	4,481,915
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	237,247	-	237,247	1,523,276	1,760,523
Total	6,433,451	6,465,724	-	-	(32,272)	6,274,710	6,242,438
<u>FY 2027-28 (Projected)</u>							
General Fund	6,470,868	6,907,092	(45,737)	-	(481,961)	4,481,915	3,999,954
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	246,737	-	246,737	1,760,523	2,007,260
Total	6,671,868	6,907,092	-	-	(235,224)	6,242,438	6,007,214

Rolling Stock Reserve

Fiscal Year	Set-Asides				Outlays				Reserve				
	Command		Command Rolling Stock		Command Rolling Stock		Command Rolling Stock		Command Rolling Stock		Command Rolling Stock		
	Ending	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 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.



RESOLUTION 2023-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON FIRE PROTECTION DISTRICT ACCEPTING THE OFFER TO JOIN THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT IN PARTNERSHIP IN CONDUCTING THE FINANCIAL ANALYSIS FOR EVALUATING CONSOLIDATION OR REORGANIZATION.

WHEREAS, the Kensington Fire Protection District and the Kensington Police Protection and Community Services District serve the people of Kensington; and

WHEREAS, the concept of consolidating or reorganizing the two districts into a single combined district has been discussed over the years and is of interest to many in the community; and

WHEREAS, a consolidation or reorganization of the two independent special districts could provide operational benefits to both entities; and

WHEREAS, both governing agencies and their respective Boards of Directors desire to serve the best interests of the community; and

WHEREAS, a representative from Contra Costa LAFCO indicated directly to a joint meeting of the Boards of Directors of both districts that a detailed financial analysis must be made to evaluate the fiscal impacts and financial viability of combining the Kensington special districts, both to determine the desirability of consolidation or reorganization and as a required part of the application to LAFCO; and,

WHEREAS, the Kensington Police Protection and Community Services District passed a resolution inviting the Kensington Fire Protection District to join them in partnership to conduct said financial analysis,

NOW, THEREFORE BE IT RESOLVED, that the board of directors of Kensington Fire Protection District does hereby wishes to accept the offer to join the Kensington Police Protection and Community Services District in partnership in conducting the financial analysis for evaluating consolidation or reorganization.

The foregoing resolution was duly adopted at a special meeting of the Kensington Fire Protection District on the 21st day of June 2023 by the following vote of the Board.

AYES:

NOES:

ABSENT:

ABSTAIN:

Julie Stein, President

Larry Nagel, Secretary



Mary Morris-Mayorga <mmayorga@kensingtonfire.org>

LAFCO Special District Election Update - Run-Off Election

Lou Ann Texeira <LouAnn.Teixeira@lafco.cccounty.us>

Fri, Jun 2, 2023 at 10:43 AM

Greetings,

Upon further review of the LAFCO statutes and our local procedures for the special district selection committee, LAFCO will need to conduct a run-off election to fill the vacant Special District Alternate seat on LAFCO, since no candidate received a majority of votes cast in the election. We apologize for the inconvenience.

The *Contra Costa County Special Districts Procedures for the Special District Selection Committee* (Attachment 1) provides that "The person selected to serve shall have received a majority of the votes cast in the election. If there are more than two nominees for a single seat and no individual receives the majority of the total votes cast in the first ballot there shall be a run-off election between the two nominees who received the greatest number of votes.

The two nominees who received the greatest number of votes are Scott Pastor, Diablo Water District and Michelle Lee, San Ramon Valley Fire Protection District. In conjunction with our local procedures, we are conducting a run-off election. Attached please find the official run-off ballot (Attachment 2).

We are conducting the run-off election by email and postal mail. Your district is receiving this message and one ballot via email and will also receive the notice and ballot via postal mail.

Also attached is a list of presiding officers/voting delegates (Attachment 3). ***If your district has not yet provided the name of your presiding officer or voting delegate (must be a board member), please do so as soon as possible.***

We ask that each district complete and return its signed run-off ballot to Contra Costa LAFCO office either by email to LouAnn.Teixeira@lafco.cccounty.us **or** via postal mail to Contra Costa LAFCO, 40 Muir Road, First Floor, Martinez, CA 94553.

In order to complete the 2023 election process, we must receive completed run-off ballots from a majority of the districts (at least 21 completed ballots) no later than **5:00 pm on July 10th**. If a majority of ballots is not received by **July 10th**, a further extension of this election may be required.

This is a time sensitive matter, and we ask that you forward this information including the attachments to your presiding officer or voting delegate at your earliest convenience.

Please contact the LAFCO office if you have questions or need additional information. Thank you for your attention to this matter.

Lou Ann Texeira, Executive Officer

Contra Costa LAFCO

40 Muir Road, 1st Floor

Martinez, CA 94553

925-313-7133

LouAnn.Texeira@lafco.cccounty.us

3 attachments



Procedures for Special District Selection Committee.pdf
187K



Special District Members Election - 2023 Run-off Ballot.docx
16K



2023 Special Districts Selection Committee - 04-14-23.xlsx
16K

CONTRA COSTA COUNTY SPECIAL DISTRICTS
Procedures for the Special District Selection Committee
(Revised January 2010)

The California Government Code, specifically Section 56332, sets forth requirements for the Independent Special Districts Selection Committee (“Selection Committee”). The procedures contained herein are intended to supplement the code and provide local rules relating to the selection of special district members to the Contra Costa Local Agency Formation Commission (LAFCO).

Selection Committee Purpose

The purpose of the Selection Committee shall be to appoint the regular and/or alternate special district members to the Contra Costa LAFCO whenever a term expires or a vacancy exists for the regular or alternate special district member seats. The term of office of each LAFCO member shall be four years and until the appointment and qualification of his or her successor (Gov. Code §56334).

Selection Committee Membership

The Selection Committee shall be comprised of the presiding officer of the legislative body of each independent special district. If the presiding officer is unable to attend a Committee meeting, the district may appoint one of its other members to attend the meeting (Gov. Code §56332).

Selection Committee Meetings

The LAFCO Executive Officer shall notify all independent special districts of a vacancy or impending vacancy in the position of regular or alternate special district member and shall schedule a meeting of the Selection Committee.

To the extent possible, Selection Committee meetings shall be scheduled in conjunction with meetings of the Contra Costa Special Districts Association as a convenience to members and for efficiency.

The Executive Officer shall provide a schedule to submit nominations to all independent special districts prior to the Selection Committee meeting.

All meetings of the Selection Committee shall be open meetings and comply with all applicable provisions of the Ralph M. Brown Act.

Quorum

Each presiding officer (or appointed alternate board member) attending the Selection Committee meeting shall be required to register their attendance. Members representing a majority of the eligible districts shall constitute a quorum for the conduct of the Selection Committee business. No meeting shall be convened prior to establishing a quorum. The Committee shall act by majority vote of the quorum, or if more than a quorum is present at the meeting, by majority vote of those members present.

Nomination Procedures

Members of governing boards of independent special districts may be nominated to serve as a regular or alternate special district member of the Contra Costa LAFCO (Gov. Code §56332).

Each independent special district shall be entitled to nominate a maximum of one board member per vacancy (i.e., for each regular and each alternate seat) from any district. Districts are required to make nominations by adoption of a Board resolution.

Upon selection of a nominee, the presiding officer of the district shall provide written notification of the nomination, including a copy of the Board resolution, to the LAFCO Executive Officer.

All nominations received in sufficient time prior to a Selection Committee meeting will be copied and distributed to the presiding officer of each independent special district.

Nominations may be made from the floor at the Selection Committee meeting, but only if no prior nominations by resolution were submitted by any of the independent special districts.

Balloting Process

Each nominee will be afforded an opportunity to make a brief statement (maximum of five minutes) at the Selection Committee meeting. Following these presentations, members of the Selection Committee may discuss the appointment prior to the vote being taken.

Nominees shall be selected based on the following process:

- A ballot listing all known nominees shall be prepared and copied for the meeting. Each ballot shall have opposite the nominee's name a box to record the vote. In the event that no prior nominations by resolution are submitted, a ballot containing blank lines to vote for nominees who are put forth from the floor at the Selection Committee meeting shall be distributed at the meeting.
- Each ballot shall have a line for the name of the special district that is casting the vote and a line for the name of the voting delegate. The ballot will not be counted if the name of the special district and voting delegate are not included.
- After votes are tallied, each delegate's vote will be announced during the meeting.

Selection of LAFCO Members

The person selected to serve shall have received a majority of the votes cast in the election.

If there are more than two nominees for a single seat and no individual receives the majority of the total votes cast in the first ballot there shall be a run-off election between the two nominees who received the greatest number of votes.

If there are only two nominees for a single seat and each receives an equal number of votes, the selection to serve on LAFCO shall be done by a "straw draw" unless one of the two candidates chooses to relinquish the position.

If, as a result of an election, the Alternate Special District member on LAFCO is chosen as a Regular Special District Member, another election shall be held at a subsequent Selection Committee meeting to fill the new vacancy in the Alternate Member position.

Alternate Nominating and Balloting Process

In the event that the LAFCO Executive Officer determines that securing a quorum of Selection Committee members for a meeting is not feasible, the Executive Officer may conduct the business of the Selection Committee in writing (Gov. Code §56332).

**INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE
CONTRA COSTA LAFCO**

OFFICIAL RUN-OFF BALLOT

Election of **ALTERNATE** Special District Member - term of office on
Contra Costa LAFCO to May 2026

VOTE FOR ONE:

- Michelle Lee**
(San Ramon Valley Fire Protection District)

- Scott Pastor**
(Diablo Water District)

Name of Voting District: _____

Name of Voting Member: _____

Signature of Voting Member: _____

*Ballot must be received in the LAFCO office no later than **July 10, 2023***
*Please send via email to LouAnn.Texeira@lafco.cccounty.us **or** mail to Contra Costa LAFCO*
40 Muir Road, 1st Floor, Martinez, CA 94553



San Ramon Valley Fire Protection District

1500 Bollinger Canyon Road, San Ramon, CA 94583

Phone (925) 838-6600 | Fax (925) 838-6629

www.firedepartment.org | info@firedepartment.org



I am pleased to introduce myself, Michelle Lee, and respectfully request your vote to serve as a Special District (Alternate) Member on Contra Costa LAFCO.

Currently, I serve as President of the Board of Directors of the San Ramon Valley Fire Protection District which keeps me actively responsive to local needs and accountable to residents served. Further, as a retired military Veteran serving 36 years and life-long community volunteer, I have dedicated my life to public service and what I believe has made an impactful difference in my community. I possess broad experience with national agency formation, provisioning services, resource brokerage, zero-based reviews, and organizational structuring, restructuring and dissolution.

I remain passionate about government efficiency and effectiveness. I support common sense, balanced representation, well-organized boundaries enabling essential services fulfillment and enhancing orderly growth and resource protection. I understand the importance of developing consistency in SOI operations/activities and facilitating robust, comprehensive service reviews. I am fully committed to integrity and transparency in governance.

Finally, as a long-time resident of Contra Costa County for over twenty years, I understand the local needs and conditions of our County. I am eager for the opportunity to collaborate with you and would appreciate your vote.

Best,

Michelle R. Lee
President
San Ramon Valley Fire Protection District
MichelleLee@srvfire.ca.gov
(925) 553-9269

www.firedepartment.org

Dear General Managers and/or Board Presidents,

-

Sent on behalf of Vice President Pastor.

RE: LAFCO Special District's Alternate Position Election

-

I am pleased to be in the runoff election for the special district representative alternate seat on the Contra Costa County Local Agency Formation Commission (LAFCO). I respectfully request your vote to this commission.

Reelected to the Diablo Water District in 2022, I am the immediate Vice President, and previously served as Vice President in 2021, 2022.

I am retired from public service after serving 31 years in emergency services.

Special districts provide a unique, tailored, and critical service to the community that we serve. As a segment of local government, we must have a strong voice in our county, orderly growth, and operation. Both my professional career and elected government experience provided me with the unique ability to voice the concerns of our communities, make fair and equitable decisions, and ensure proper oversight of local government boundaries in operations.

I look forward to working with you now, and in the future, as we collectively support the future of the Contra Costa County. Please feel free to contact me directly at srpastor@diablowater.org.

Thank you for your support.

-

Thank you,

Scott Pastor

Board Vice President

srpastor@diablowater.org



P.O. Box 127

87 Carol Lane

Oakley, CA 94561

(925) 625-3798 Main Office

www.diablowater.org

www.facebook.com/diablowaterdistrict

2023 INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

DISTRICT	NAME	TITLE	ALTERNATE
ALAMO-LAFAYETTE CEMETERY DIST	Nancy J. Flood	Chair	Carolyn Thiessen, Trustee
AMBROSE REC & PARK DIST	Trina Hudson	Chair	Mae Torlakson, Vice Chair
B-B-K-U CEMETERY DIST	Patricia Bristow	Chair	Emil Geddes, Trustee
BETHEL ISLAND MID	Bruce Smith	Board President	Anthony Berzinas, Vice Pres
BYRON SANITARY DISTRICT	Danny Hamby	President	Bobby Byer, Vice President
CASTLE ROCK COUNTY WATER DISTRICT	Dan Moylan		Joe Atturio
CENTRAL CONTRA COSTA SANITARY DIST	Tad Pilecki	Board Member	Barbara Hockett, Pres
CONTRA COSTA MOSQUITO & VECTOR CONTROL	James Murray	President	Darryl Young, Vice Pres
CONTRA COSTA RESOURCE CON DIST	Walter Pease	President	
CONTRA COSTA WATER DISTRICT	Ernesto Avila	President	Antonio Martinez, Vice Pres
CROCKETT COMMUNITY SERVICES DISTRICT	Luigi Barassa	President	Jena Goodman, Vice Pres
DIABLO CSD	Kathy Urbelis	President	Matthew Cox, Vice Pres
DIABLO WATER DISTRICT	Marilyn Tiernan	President	Scott R. Pastor, Vice Pres
TOWN OF DISCOVERY BAY CSD	Michael Callahan	Vice President	Ashley Porter, President
EAST CONTRA COSTA IRRIGATION DISTRICT	Glenn Stonebarger	President	Mark Dwelley, Vice Pres
GREEN VALLEY REC & PARK DIST	Adam Glimme	President	Gina Glimme, Secretary
IRONHOUSE SANITARY DIST	Dawn Morrow	President	Chris Lauritzen, Vice Pres
KENSINGTON FIRE PROTECTION DISTRICT	Julie Stein	President	Daniel Levine, Vice Pres
KENSINGTON POLICE PROT & CSD	Alexandra Aquino-Fike	President	Sarah Gough, Vice Pres
TOWN OF KNIGHTSEN CSD	Trish Bello-Kunkel	Chair	Gilbert Somerhalder, Vice Chair
MORAGA-ORINDA FIRE DIST	John Jex	President	Mike Roemer, Vice Pres
MT. VIEW SANITARY DIST	Brian Danley	President	Dave Maggi, Vice Pres
PLEASANT HILL REC & PARK DISTRICT	Sandra Bonato	Chair	Sandy Vinson, Vice Chair
RECLAMATION DIST (RD) 799	Jim Price	President	Richard Kent, Vice Pres
RD 800	Robert Lyman	President	David Harris, Secretary
RD 830	Chad Davisson	President	Domenic Cianfichi, Secretary
RD 2024	Don Wagenet, Trustee		John Jackson, Thomas Robinson, Trustees
RD 2025	David Forkel	Chair	Clark Misner, Randall Neudeck
RD 2026*	David Forkel	Chair	Russell Ryan, Randall Neudeck
RD 2059	Rob Davies	President	William Hall
RD 2065*	Coleman Foley		Thomas Baldocchi, Sr. Thomas Baldocchi, Jr.
RD 2090*	Jake Messerli	Chair	Robert Eddings. Secretary
RD 2117*	Joyce Speckman		Sandra Speckman Kiefer Kent L. Kiefer
RD 2122	Douglas Rischbieter	President	Katherine Wadsworth, VP
RD 2137*	Ed Schmidt	James Eckman	
RODEO-HERCULES FIRE PROTECTION DIST	Steve Hill	Vice Chair	
RODEO SANITARY DISTRICT	Connie Batchelder	President	Janet Callaghan, Vice Pres
SAN RAMON VALLEY FIRE PROTECTION DIST	Michelle Lee	President	Jay Kerr, Vice Pres
STEGE SANITARY DISTRICT	Juliet Christian-Smith	President	Paul Gilbert-Snyder, VP
WEST COUNTY WASTEWATER DIST	Cheryl Sudduth	President	David Alvarado, Vice Pres
			Attachment 3



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 21, 2023
TO: Board of Directors
RE: Public Safety Building Project Update
SUBMITTED BY: Mary Morris-Mayorga, Interim General Manager

Recommended Action

For information only, no action is requested at this time.

Background Info

The project team (contractor, architect/design, and construction manager) continues to work daily on construction and project administration (e.g. review/respond to RFIs, review/respond to submittals and change orders; site visits/meetings; and review construction schedule). In progress and/or planned construction for the coming weeks includes: foundation, storm drainage, sewer later, and wall framing.

As discussed with the Finance Committee on June 6th, we are in the process of updating the project budget and will be reviewing with the committee in the coming months. An update on the project expenses and comparison with total estimated project cost is included below:

1. The following are Kensington PSB Project expenses from 2016 through 2023 (YTD).

2016 to 2020:	PSB Design Feasibility Study Expenses	\$ 289,380
2020 to 2023:	PSB Renovation – Soft Cost (Design/Eng/Permits)	\$ 844,861
	PSB Renovation – Hard Cost (General Contractor)	925,484
	PSB Renovation – Sub-Total	\$ 1,770,345
	Temp Facilities – Soft Cost (Design/Eng/Permits)	\$ 283,965
	Temp Facilities – Hard Cost (General Contractor)	595,453
	Temp Facilities – Parking Lot Rental	12,500
	Temp Facilities – Modular Rental	28,452
	Temp Facilities – Admin Sublet from KPPCSD	21,947
	Temp Facilities – Relocation Expenses (Paid)	34,255
	Temp Facilities – Sub-Total	\$ 976,572
	PSB Renovation + Temp Facilities Sub-Total	\$ 2,746,917
2016 to 2023:	Total Expenses To Date (Feasibility/Design/Const)	\$ 3,036,297

2. The prior and current PSB Project estimates are listed below. Note that the **Total Project Cost** (\$7,925,000) is used in the NHA Financial Advisors spreadsheet charts.

<u>Date of Estimate:</u>	<u>7/13/2022</u>	<u>5/31/2023</u>	<u>Notes:</u>
PSB Renovation Construction Cost:	\$ 5,475,000	\$ 5,746,231	Includes Change Orders
Temp Fire Station Construction Cost:	740,000	595,453	Complete
PSB Renovation Design/Engineer:	600,000	1,129,239	Includes Mack5 cost
Temp Fire Station Design/Engineering:	90,000	192,112	Complete
Relocation/FFE/Etc Estimate:	300,000	34,255	Complete
Sub-Total:	\$ 7,205,000	\$ 7,697,289	
<u>Project Contingency Allowance:</u>	720,000	227,711	Use For Future COs
Total Project Cost:	\$ 7,925,000	\$ 7,925,000	Financial Planning Amt.



KENSINGTON FIRE PROTECTION DISTRICT

Supporting Material for Agenda Item 9

UPDATE THE BOARD ON THE PRESIDENT'S APPOINTMENT OF TEMPORARY COMMITTEES – JUNE 2023

1. INFORMATION TECHNOLOGY (Daniel Levine and Larry Nagel)

- Project scope includes: provide policy support to Interim GM and board members for matters requiring information technology expertise including but not limited to effective execution of hybrid meetings, new applications of information technology solutions to further streamline district operations, e.g., voice recognition transcription of audio to minutes. Liaise with KFPD's information technology service provider as needed.

2. RECRUITMENT COMMITTEE FOR PERMANENT KFPD GM (Larry Nagel and Julie Stein)

- Work with BHI Consulting on the recruitment process and associated materials.
- Participate in preliminary introductions to candidates, as needed, and make recommendations for board meeting agenda items.
- Be available as needed to provide feedback to BHI Consulting

3. CONTRA COSTA COUNTY SPECIAL DISTRICT ASSN. REPRESENTATIVE (Larry Nagel)

- Project scope includes: Attend chapter meetings of the Contra Costa Special District Association whenever possible and report to the Interim GM and the board on relevant developments and items requiring board action.

4. CONSOLIDATION OR REORGANIZATION ANALYSIS (Danial Levine and Larry Nagel)

DRAFT committee charge, subject to feedback, updates, and recommended revisions by the temporary committee members, to include but not limited to:

- Report to the KFPD board on significant developments in the KPPCSD's discussions and actions related to consolidation or reorganization of KPPCSD and KFPD.
- Develop a clear statement of the proposed problem that is being addressed by consolidation or reorganization and, if applicable, consider developing alternative approaches for consideration by the KFPD board.
- Ensure the use of official and standard LAFCO terminology and methods during the course of the independent analysis and any associated outreach.
[E.g., see, Glossary of LAFCO Terms recommended by Contra Costa County LAFCO: <https://www.sdlafco.org/resources/extras/glossary-of-lafco-terms>].
- To the extent feasible, research and respond to issues and concerns raised by the KFPD board at board meetings about the analysis and related matters.
- Identify factors relevant to consolidation or reorganization that may not be considered in the LAFCO standard independent financial analysis.
- Consult with fire protection and fire safety service providers and stakeholders as needed.
- Recommend agenda items for regular or special KFPD board meetings as applicable.
- Recommend public meetings as needed, including public meetings between this committee and any related committee formed by the KPPCSD and outreach meetings with the public and stakeholders.

TEMPORARY COMMITTEES FORMED AND SUNSETTED IN CY 2023

Sunsetted committees have accomplished their objectives or the scope of work has been superseded by an updated scope.

1. PUBLIC SAFETY BUILDING (Julie Stein and Jim Watt) – SUNSETTED IN MAY 2023

- Project scope includes: Liaise with counterparts on the KPPCSD board, if applicable, and with KFPD’s interim GM and other staff, consultants, contractors, and constituents related to progress, occupancy options, and financial updates on the seismic renovation of the Public Safety Building.

2. CONSOLIDATION LIAISON (Danial Levine) – SUNSETTED IN JUNE 2023

- Project scope includes: report to the KFPD board on any significant developments in the KPPCSD board’s discussions and actions related to consolidation or unification of KPPCSD and KFPD (“consolidation”). Recommend agenda items for KFPD board meetings when applicable. For background, refer to KPPCSD board meeting action on the topic of consolidation at the December 2022 regular meeting. This liaison role (temporary committee of one board member) may be expanded to a committee of two-board members in the future.



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 21, 2023
TO: Board of Directors
RE: General Manager's Report
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Highlights of the regular business and other special projects for the district by management which are not covered in other agenda items are noted below:

1. **Governance Transition** – Staff has identified onboarding/refresher training for all Directors which is in the planning stages for the July or other meeting as time permits. This will be incorporated into a New Board Member packet for future use as well.
2. **FY2022-2023 Audit** – The FY 2021-22 Audit was the final under contract with MUN CPAs so staff is in the process of identifying a plan for the next audit. MUN CPAs has notified the District that staffing/calendar availability may be a challenge with potential increased fees for future audits. We will provide an update in the coming months.
3. **Maze & Associates Firm and Staffing Change** – Maze & Associates is splitting operations into two firms with Krisch & Company taking over the District's accounting activities. The current accountant will remain with Krisch & Company serving the District, so staff will be evaluating any future recommended change in the coming months.
4. **District Policy Updates** – It was discussed at the Finance Committee that District Policies are contained in a combined manual: Policy Handbook, Employee Handbook and Operations Manual. Some policies within this document are operational in nature; therefore, should be considered to be fluid allowing internal change to occur at the discretion of the General Manager. Staff will work on a recommended plan to separate these for Board consideration.
5. **Board/Committee Meeting Videos** – *(continuing)* While these are currently stored on the District's website and allow public access, there is an alternative method of storing these on a YouTube channel which can improve access. Staff is in the process of implementing this change.



KENSINGTON FIRE PROTECTION DISTRICT

Consolidation Report:

At their last (June 8) regular meeting, the KPPCSD voted to begin drafting an RFP for a third-party, independent firm to conduct the necessary financial analyses to determine if consolidation or reorganization would provide cost and/or service benefits to the Kensington special districts. In order to make such comparisons, an analysis of the two districts independently must be compared with a hypothetical combined district.

Preliminary inquiries were made by the KPPCSD Interim GM David Aranda and a price range of approximately \$15,000-\$50,000 was offered by various firms (from a list of firms who have done previous work with Contra Costa LAFCO and would be candidates for submitting bids to the RFP). The KPPCSD has set aside \$50,000 in their budget to pay for the analysis.

The KPPCSD again invited the KFPD to join them in partnership. Specifically, they would like our GM and/or board to weigh in on the RFP before it is submitted. They have explicitly stated that they are not asking for the KFPD to contribute financially for the analysis.

I have also been informed by President Aquino-Fike that Director Dave Spath is now the point person on the KPPCSD working on consolidation/reorganization, as Director Gough is focused on other KPPCSD responsibilities.