

#### KENSINGTON FIRE PROTECTION DISTRICT

**DATE:** August 27, 2024

**TO:** Finance Committee

RE: FY 2024-2025 Final Budget

**SUBMITTED BY:** Mary A. Morris-Mayorga, Consultant

#### **Recommended Action**

This item is provided for review, discussion, and for any staff direction prior to presenting to the Board of Directors.

#### **Background**

As discussed with the Finance Committee on June 10<sup>th</sup>, the preliminary budget was developed in conjunction with an updated long-term financial forecast. Staff worked with Bill Zenoni in updating and confirming the financial forecast including assumptions. Staff walked through the financial forecast first and then the budget document. In addition, the public safety building budget was reviewed with an update on projected costs at this point.

At that meeting, the committee also received a presentation of the El Cerrito fire services contract fee schedule and inquired about as well as discussed components of this which resulted in some follow-up items. The updated fee schedule was received, confirmed, and was incorporated into the budget along with submitted for approval at the Board of Directors meeting on June 19, 2024. The update resulted in a reduction of the original proposed fee.

With the final budget scheduled for adoption at the September 18<sup>th</sup> Board of Directors meeting, any updates since the approval of the preliminary budget are included for discussion and to determine if there are others to be considered or as requested by the committee.

#### **Fiscal Impact**

The Fiscal Year 2024-25 Budget demonstrates there is adequate funding for District operations and capital projects.

**Attachments:** Fiscal Year 2024-25 Final Budget Line-Item Detail (Draft)

|  | FY 2023-24   | FY 2023-24   | FY 2024-25   | FY 2025-26   | FY 2026-27                              | FY 2027-28                              | FY 2028-29   |
|--|--------------|--------------|--------------|--------------|---|---|--------------|
| BEGINNING BALANCE                        | Budget       | Projected    | Budget       | Projected    | Projected                               | Projected                               | Projected    |
| GENERAL FUND/SPECIAL REVENUE FUND        |              | ,            | 2,658,769    | 2,719,468    | 3,571,901                               | 4,292,282                               | 4,871,713    |
| GENERAL FUND/EL CERRITO CONTRACT RESERVE |              |              | 2,112,261    | 2,138,896    | 2,138,896                               | 2,138,896                               | 2,138,896    |
| CAPITAL/ROLLING STOCK FUND BALANCE       |              |              | 1,032,364    | 1,251,712    | 1,251,712                               | 1,251,712                               | 1,251,712    |
| TOTAL                                    |              |              | 5,803,394    | 6,110,076    | 6,962,509                               | 7,682,890                               | 8,262,321    |
| REVENUE                                  |              |              |              | -, -,-       | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | , | -, - ,-      |
| Property Taxes                           | 5,475,049    | 5,475,049    | 5,694,051    | 5,921,813    | 6,158,685                               | 6,405,033                               | 6,661,234    |
| Special Taxes                            | 201,000      | 201,000      | 201,000      | 201,000      | 201,000                                 | 201,000                                 | 201,000      |
| Other Taxes (HOPTR)                      | 25,000       | 25,000       | 25,000       | 25,000       | 25,000                                  | 25,000                                  | 25,000       |
| Lease Income                             | _            | -            | -            | -            | · -                                     | -                                       | -            |
| Investment Income                        | 216,110      | 216,110      | 232,136      | 244,403      | 278,500                                 | 307,316                                 | 330,493      |
| CERBT Disbursement                       | 63,500       | 63,500       | 61,000       | 61,960       | 62,939                                  | 63,938                                  | 64,957       |
| Other Revenue                            | 2,000        | 2,000        | 2,000        | 2,000        | 2,000                                   | 2,000                                   | 2,000        |
| Grant Revenue                            | -            | -            | -            | -            | -                                       | -                                       | -            |
| TOTAL REVENUE                            | \$ 5,982,658 | \$ 5,982,658 | \$ 6,215,187 | \$ 6,456,176 | \$ 6,728,125                            | \$ 7,004,286                            | \$ 7,284,684 |
|  |              |              |              |              |   |   |              |
|  |              |              |              |              |   |   |              |
| EXPENDITURES                             |              |              |              |              |   |   |              |
| SALARIES AND BENEFITS                    |              |              |              |              |   |   |              |
| Office Wages & Related                   |              |              |              |              |   |   |              |
| Regular Wages                            | 191,468      | 191,468      | 153,288      | 159,420      | 165,796                                 | 172,428                                 | 179,325      |
| Vacation                                 | 5,022        | 5,022        | 5,000        | 5,200        | 5,408                                   | 5,624                                   | 5,849        |
| Medical/Dental Insurance                 | 5,427        | 5,427        | 10,323       | 10,736       | 11,165                                  | 11,612                                  | 12,076       |
| Payroll Taxes                            | 15,032       | 15,032       | 12,109       | 12,593       | 13,097                                  | 13,621                                  | 14,166       |
| Workers Compensation/Life Insurance      | 3,100        | 3,100        | 3,224        | 3,353        | 3,487                                   | 3,627                                   | 3,772        |
| Payroll Processing                       | 2,830        | 2,830        | 2,943        | 3,061        | 3,183                                   | 3,311                                   | 3,443        |
| Total Office Wages & Related Costs       | 222,879      | 222,879      | 186,887      | 194,363      | 202,137                                 | 210,223                                 | 218,632      |
| Retiree Medical Benefits                 |              |              |              |              |   |   |              |
| PERS Medical                             | 50,500       | 50,500       | 48,000       | 48,960       | 49,939                                  | 50,938                                  | 51,957       |
| CalPERS Settlement                       | -            | -            | -            | -            | -                                       | -                                       | -            |
| Delta Dental                             | 10,000       | 10,000       | 10,000       | 10,000       | 10,000                                  | 10,000                                  | 10,000       |
| Vision Care                              | 3,000        | 3,000        | 3,000        | 3,000        | 3,000                                   | 3,000                                   | 3,000        |
| Total Retiree Medical Benefits           | 63,500       | 63,500       | 61,000       | 61,960       | 62,939                                  | 63,938                                  | 64,957       |
| TOTAL SALARIES AND BENEFITS              | \$ 286,379   | \$ 286,379   | \$ 247,887   | \$ 256,323   | \$ 265,076                              | \$ 274,161                              | \$ 283,588   |
|  |              |              |              |              |   |   |              |
| Outside Professional Services            |              |              |              |              |   |   |              |
| Accounting                               | 37,080       | 37,080       | 50,000       | 51,500       | 53,045                                  | 54,636                                  | 56,275       |
| Actuarial Valuation                      | 3,000        | 3,000        | 5,600        | 3,000        | 5,600                                   | 3,000                                   | 5,600        |
| Audit                                    | 20,500       | 20,500       | 20,500       | 20,500       | 20,500                                  | 20,500                                  | 20,500       |
| Bank Fees                                | 50           | 50           | 50           | 50           | 50                                      | 50                                      | 50           |
| Contra Costa County Expenses             | 39,520       | 39,520       | 41,101       | 42,745       | 44,455                                  | 46,233                                  | 48,082       |
| El Cerrito Contract Fees                 | 4,146,968    | 4,146,968    | 4,320,657    | 4,666,310    | 5,039,615                               | 5,442,784                               | 5,878,207    |
| El Cerrito Reconciliation                | 77,554       | 77,554       | (42,866)     | 80,000       | 80,000                                  | 80,000                                  | 80,000       |
| IT Services and Equipment                | 6,600        | 6,600        | 5,000        | 5,150        | 5,305                                   | 5,464                                   | 5,628        |
| Fire Abatement Contract                  | 5,250        | 5,250        | 5,513        | 5,513        | 5,788                                   | 5,788                                   | 6,078        |
| Fire Engineer Plan Review                | 3,000        | 3,000        | 3,000        | 3,000        | 3,000                                   | 3,000                                   | 3,000        |

|  | F            | Y 2023-24 | FY 2023-24   | FY 2024-25   | FY 2025-26   | FY 2026-27   | FY 2027-28                            | FY 2028-29  |
|--|--------------|-----------|--------------|--------------|--------------|--------------|---------------------------------------|-------------|
| BEGINNING BALANCE                      |              | Budget    | Projected    | Budget       | Projected    | Projected    | Projected                             | Projected   |
| Risk Management Insurance              |              | 21,697    | 21,697       | 23,866       | 26,253       | 28,878       | 31,766                                | 34,943      |
| LAFCO Fees                             |              | 2,100     | 2,100        | 2,100        | 2,100        | 2,100        | 2,100                                 | 2,100       |
| Legal Fees                             |              | 15,600    | 15,600       | 12,000       | 12,360       | 12,731       | 13,113                                | 13,506      |
| Operational Consultant                 |              | 20,000    | 20,000       | 71,130       | 5,000        | 5,000        | 5,000                                 | 5,000       |
| Fiscal Analysis Consultant             |              | 25,000    | 5,248        | 19,752       | , -          | ,<br>-       | , , , , , , , , , , , , , , , , , , , | ĺ .         |
| Recruitment                            |              | 14,925    | 14,925       | -            | _            | _            | _                                     |             |
| Temporary Services                     |              | - 1,5 - 5 | - 1,5-5      | 5,000        | _            | _            | _                                     |             |
| Water System Improvements              |              | 10,000    | 10,000       | -            | _            | _            | _                                     |             |
| Website Development/Maintenance        |              | 3,600     | 3,600        | 3,600        | 3,600        | 3,600        | 3,600                                 | 3,600       |
| Wildland Vegetation Maintenance        |              | 7,828     | 7,828        | 8,063        | 8,305        | 8,554        | 8,810                                 | 9,07        |
| Other Outside Professional Services    |              | 7,020     | 7,020        | 8,003        | 8,303        | 0,554        | 8,810                                 | 9,07.       |
|  |              | 107.704   | 107.704      | 110.025      | 114 262      | 117.001      | 121 222                               | 124.05      |
| Emergency Preparedness Coordinator     |              | 107,704   | 107,704      | 110,935      | 114,263      | 117,691      | 121,222                               | 124,858     |
| Grant Writer/Coordinator               |              | 15,000    | 15,000       | 15,000       | 15,000       | 15,000       | 15,000                                | 15,000      |
| Nixle (Everbridge) Fees                |              | 3,200     | 3,200        | 3,296        | 3,395        | 3,497        | 3,602                                 | 3,710       |
| Long-Term Financial Planner/Disclosure |              | 2,500     | 2,500        | 2,500        | 2,500        | 2,500        | 2,500                                 | 2,500       |
| Total Outside Professional Services    | \$           | 4,588,676 | \$ 4,568,924 | \$ 4,685,797 | \$ 5,070,543 | \$ 5,456,908 | \$ 5,868,168                          | \$ 6,317,71 |
|  |              |           |              |              |              |              |                                       |             |
| Community Service Activities           |              |           |              | 45.000       | 1= 000       |              |                                       |             |
| Public Education                       |              | 20,000    | 20,000       | 15,000       | 15,000       | 15,000       | 15,000                                | 15,00       |
| EP Coordinator Expense Account         |              | 1,000     | -            | -            |              | -            | -                                     |             |
| Community Pharmaceutical Drop-Off      |              | 2,500     | 2,500        | 2,500        | 2,500        | 2,500        | 2,500                                 | 2,50        |
| CERT Emergency Kits/Sheds/Prep         |              | 4,120     | 4,120        | 4,244        | 4,371        | 4,502        | 4,637                                 | 4,770       |
| Open Houses                            |              | 2,000     | 2,000        | 2,000        | 2,000        | 2,000        | 2,000                                 | 2,00        |
| Community Shredder                     |              | 5,500     | 5,500        | 5,500        | 5,500        | 5,500        | 5,500                                 | 5,50        |
| DFSC Matching Grants                   |              | -         | -            | -            | -            | -            | -                                     |             |
| Firesafe Planting Grants               |              | 25,000    | 10,000       | 10,000       | 10,000       | 10,000       | 10,000                                | 10,00       |
| Demonstration Garden                   |              | -         | -            | -            | -            | -            | -                                     |             |
| Community Sandbags                     |              | 3,500     | 3,500        | 3,500        | 3,500        | 3,500        | 3,500                                 | 3,50        |
| Volunteer Appreciation                 |              | 500       | 500          | 500          | 500          | 500          | 500                                   | 50          |
| Community Service - Other              |              | 500       | 500          | 500          | 500          | 500          | 500                                   | 50          |
| Total Community Service Activities     | Ś            | 64,620    | \$ 48,620    | \$ 43,744    | \$ 43,871    | \$ 44,002    | \$ 44,137                             | \$ 44,27    |
| Total Community Screen receivages      |              | 0 1,020   | 0,020        | ,            | , .5,5,1     | 1.,552       | 11,237                                | ,,_,        |
| District Activities                    |              |           |              |              |              |              |                                       |             |
| Equipment                              |              | _         | -            | -            | -            | -            | -                                     |             |
| Vehicle Maintenance                    |              | _         | _            | _            | _            | _            | _                                     |             |
| Professional Development               |              | 5,000     | 5,000        | 5,000        | 5,000        | 5,000        | 5,000                                 | 5,000       |
| Election                               |              | 5,000     | 3,000        | 3,000        | 3,000        | 6,151        | 3,000                                 | 6,459       |
|  |              | 1,500     | 1,500        | 1,500        | 1,500        |              | 1,500                                 | 1,50        |
| Firefighter's Apparel & PPE            |              |           |              |              |              | 1,500        |                                       | 5,00        |
| Firefighter's Expenses                 |              | 5,000     | 5,000        | 5,000        | 5,000        | 5,000        | 5,000                                 |             |
| Staff Appreciation                     |              | 2,500     | 2,500        | 2,500        | 2,500        | 2,500        | 2,500                                 | 2,50        |
| Memberships                            | <del>-</del> | 9,500     | 9,500        | 9,500        | 9,500        | 9,500        | 9,500                                 | 9,50        |
| Total District Activities              | \$           | 23,500    | \$ 23,500    | \$ 23,500    | \$ 23,500    | \$ 29,651    | \$ 23,500                             | \$ 29,95    |
| Off                                    |              |           |              |              |              |              |                                       |             |
| Office                                 |              | C 000     | 6.000        | 4.000        |              |              | 4.271                                 |             |
| Office Expenses                        |              | 6,000     | 6,000        | 4,000        | 4,120        | 4,244        | 4,371                                 | 4,502       |

|  | FY   | 2023-24   | ı  | FY 2023-24       |    | FY 2024-25 | FY   | / 2025-26 | F١   | / 2026-27 | F١   | / 2027-28 | FY   | 2028-29           |
|--|------|-----------|----|------------------|----|------------|------|-----------|------|-----------|------|-----------|------|-------------------|
| BEGINNING BALANCE  |      | Budget    |    | Projected        |    | Budget     |      | rojected  |      | rojected  |      | rojected  |      | rojected          |
| Office Supplies  |      | 1,200     |    | 1,200            | T  | 1,236      |      | 1,273     |      | 1,311     |      | 1,351     |      | 1,391             |
| Telephones   |      | 1,000     |    | 1,000            |    | 1,030      |      | 1,061     |      | 1,093     |      | 1,126     |      | 1,159             |
| Internet   |      | 4,000     |    | 4,000            |    | 4,120      |      | 4,244     |      | 4,371     |      | 4,502     |      | 4,637             |
| Office - Other   |      | 515       |    | ,<br>515         |    | ,<br>530   |      | 546       |      | 563       |      | 580       |      | 597               |
| Office - Equipment   |      | 2,500     |    | 2,500            |    | 500        |      | -         |      | -         |      | -         |      | -                 |
| Total Office   | \$   | 15,215    | \$ | 15,215           | \$ |            | \$   | 11,244    | \$   | 11,581    | \$   | 11,929    | \$   | 12,287            |
|  | ,    |           | _  |                  | ľ  | ,          | ,    |           | Т.   | ,,-       | т.   | ,,-       | *    | ,                 |
| Building Maintenance   |      |           |    |                  |    |            |      |           |      |           |      |           |      |                   |
| Gardening Services   |      | 500       |    | 500              |    | 2,400      |      | 2,520     |      | 2,646     |      | 2,778     |      | 2,917             |
| Building Alarm   |      | 1,500     |    | 1,500            |    | 1,500      |      | 1,575     |      | 1,654     |      | 1,736     |      | 1,823             |
| Medical Waste Disposal   |      | 2,200     |    | 2,200            |    | 2,200      |      | 2,310     |      | 2,426     |      | 2,547     |      | 2,674             |
| Janitorial Services  |      | 200       |    | 200              |    | 2,400      |      | 2,520     |      | 2,646     |      | 2,778     |      | 2,917             |
| Miscellaneous Maintenance  |      | 2,500     |    | 2,500            |    | 5,000      |      | 5,250     |      | 5,513     |      | 5,788     |      | 6,078             |
| Total Building Maintenance   | \$   | 6,900     | \$ | 6,900            | \$ |            | Ś    | 14,175    | \$   | 14,884    | Ś    | 15,628    | \$   | 16,409            |
| Total ballang Maintenance  | *    | 0,500     |    | 0,500            | ľ  | 13,500     | ,    | 1-7,173   | Υ    | 14,004    | Υ    | 13,020    |      | 10,403            |
| Building Utilities/Service   |      |           |    |                  |    |            |      |           |      |           |      |           |      |                   |
| Gas and Electric   |      | 6,300     |    | 6,300            |    | 12,000     |      | 13,200    |      | 14,520    |      | 15,972    |      | 17,569            |
| Water/Sewer  |      | 6,600     |    | 6,600            |    | 5,000      |      | 5,150     |      | 5,305     |      | 5,464     |      | 5,628             |
| Refuse Collection  |      | 3,000     |    | 3,000            |    | 3,090      |      | 3,183     |      | 3,278     |      | 3,377     |      | 3,478             |
| Building Utilities/Services - Other                                  |      | 3,940     |    | 3,940            |    | 1,000      |      | 1,030     |      | 1,061     |      | 1,093     |      | 1,126             |
| Total Building Utilities/Service                                     | \$   | 19,840    | \$ | 19,840           | \$ |            | \$   | 22,563    | \$   | 24,164    | \$   | 25,905    | \$   | 27,800            |
| Total building offittes/Service                                      | ,    | 13,640    | ,  | 13,040           | ١, | 21,030     | ۲    | 22,303    | ٦    | 24,104    | Ą    | 23,303    | ٦    | 27,800            |
| Contingency  | \$   | 20,000    | \$ | 20,000           | \$ | 20,000     | \$   | 20,000    | \$   | 20,000    | \$   | 20,000    | \$   | 20,000            |
| Contingency  |      | 20,000    | *  | 20,000           | ľ  | 20,000     | ,    | 20,000    | ~    | 20,000    | ~    | 20,000    |      | _0,000            |
| TOTAL OPERATING EXPENDITURES   | \$   | 5,025,130 | \$ | 4,989,378        | \$ | 5,066,934  | \$ ! | 5,462,219 | \$ : | 5,866,266 | \$ ( | 6,283,427 | \$ 6 | 6,752,030         |
|  |      |           |    |                  | Т  |            |      |           |      |           |      |           |      |                   |
| NET OPERATING SURPLUS/(SHORTFALL)                                    | \$   | 957,529   | \$ | 993,281          | \$ | 1,148,252  | \$   | 993,957   | \$   | 861,859   | \$   | 720,859   | \$   | 532,653           |
|  |      |           |    |                  |    |            |      |           |      |           |      |           |      |                   |
| CAPITAL EXPENDITURES   |      |           |    |                  |    |            |      |           |      |           |      |           |      |                   |
| Rolling Stock Set-aside (Transfer from General Fund to Capital Fund) |      |           |    |                  |    |            |      |           |      |           |      |           |      |                   |
| Equipment and Furniture  |      | -         |    | -                |    | -          |      | -         |      | -         |      | -         |      | -                 |
| PSB - Temporary Facilities   |      | -         |    | -                |    | -          |      | -         |      | -         |      | -         |      | -                 |
| PSB Renovation   |      | 5,881,093 |    | <u>5,881,093</u> |    | 700,000    |      | -         |      | -         |      | -         |      | -                 |
| Total Capital Expenditures   | \$   | 5,881,093 | \$ | 5,881,093        | \$ | 700,000    | \$   | -         | \$   | -         | \$   | -         | \$   | -                 |
|  |      |           |    |                  |    |            |      |           |      |           |      |           |      |                   |
| DEBT SERVICE*  | \$   | -         | \$ | -                | \$ | 141,570    | \$   | 141,525   | \$   | 141,478   | \$   | 141,428   | \$   | 141,377           |
|  |      |           |    |                  |    |            |      |           |      |           |      |           |      |                   |
| RESERVES   |      |           |    |                  |    |            |      |           |      |           |      |           |      |                   |
| Rolling Stock Set-aside (Transfer from General Fund to Capital Fund) |      | 167,489   |    | 167,489          |    | 219,348    |      | 228,122   |      | 237,247   |      | 246,737   |      | 256,607           |
| El Cerrito Contract Reserve  |      |           |    |                  |    | 26,635     |      | 234,259   |      | 186,652   |      | 201,585   |      | 217,711           |
|  |      |           |    |                  |    | -          |      | -         |      | -         |      | -         |      | -                 |
|  |      |           |    |                  |    |            |      | -         |      | -         |      | -         |      | -                 |
| Total Reserve Funding  | \$   | 167,489   | \$ | 167,489          | \$ | 245,983    | \$   | 462,381   | \$   | 423,899   | \$   | 448,322   | \$   | 474,318           |
|  |      |           |    |                  |    |            |      |           |      |           |      |           |      |                   |
| TOTAL EXPENDITURES AND RESERVES FUNDING                              | \$ 1 | 0,906,223 | \$ | 10,870,471       | \$ | 6,154,487  | \$ ( | 6,066,124 | \$ ( | 6,431,643 | \$ ( | 6,873,177 | \$ 7 | 7,367,7 <u>26</u> |

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|  | FY 2023-24     | FY 2023-24     | FY 2024-25 | FY 2025-26 | FY 2026-27 | FY 2027-28 | FY 2028-29 |
|--|----------------|----------------|------------|------------|------------|------------|------------|
| BEGINNING BALANCE                        | Budget         | Projected      | Budget     | Projected  | Projected  | Projected  | Projected  |
|  |                |                |            |            |            |            |            |
| CHANGE IN FUND BALANCE                   | \$ (4,923,564) | \$ (4,887,812) | \$ 306,682 | \$ 852,433 | \$ 720,381 | \$ 579,431 | \$ 391,276 |
|  |                |                |            |            |            |            |            |
|  | _              | -              | -          | _          | -          | -          | -          |
| ENDING FUND BALANCE                      |                |                |            |            |            |            |            |
| GENERAL FUND/SPECIAL REVENUE FUND        | 4,907,519      | 4,775,782      | 2,719,468  | 3,571,901  | 4,292,282  | 4,871,713  | 5,262,989  |
| GENERAL FUND/EL CERRITO CONTRACT RESERVE | 2,112,261      | 2,112,261      | 2,138,896  | 2,138,896  | 2,138,896  | 2,138,896  | 2,138,896  |
| CAPITAL/ROLLING STOCK FUND BALANCE       | 864,875        | 1,032,364      | 1,251,712  | 1,251,712  | 1,251,712  | 1,251,712  | 1,251,712  |
| TOTAL                                    | 7,884,655      | 7,920,407      | 6,110,076  | 6,962,509  | 7,682,890  | 8,262,321  | 8,653,597  |

| NET OPERATING SURPLUS/(SHORTFALL)                                    | General Fund Operating Surplus \$ | 1,148,252 | \$<br>993,957 | \$<br>861,859 | \$<br>720,859 | \$ | 532,653  |
|--|-----------------------------------|-----------|---------------|---------------|---------------|----|----------|
| PSB Renovation   | Capital Outlay                    | 700,000   | -             | -             | -             | l  | -        |
| Rolling Stock Set-aside (Transfer from General Fund to Capital Fund) | Rolling Stock Set-aside           | 219,348   | 228,122       | 237,247       | 246,737       | l  | 256,607  |
| El Cerrito Contract Reserve  | EC Contract Reserve               | 26,635    | 234,259       | 186,652       | 201,585       | l  | 217,711  |
| DEBT SERVICE*  | Debt Service                      | 141,570   | <br>141,525   | <br>141,478   | 141,428       | l  | 141,377  |
| Net Change in General Fund Balance                                   | Available for Appropriation \$    | 60,699    | \$<br>390,052 | \$<br>296,482 | \$<br>131,109 | \$ | (83,042) |