

Multi-Year Financial Forecast

Kensington Police Protection &
Community Services District

August 12, 2021



Kensington Police Protection & Community Services District Baseline Financial Forecast Discussion Outline

- ▶ Purpose of Baseline Financial Forecast
- ▶ Development of Baseline Financial Forecast
- ▶ Baseline Financial Forecast Results
- ▶ Baseline Financial Forecast - Observations
- ▶ Overview of Forecast Scenarios (Staff / Lease Update)

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Baseline Financial Forecast

Purpose of Baseline Financial Forecast

Develop better understanding of “baseline” budgetary funding requirements to provide a defined level of services by recognizing impacts of:

- ▶ Annual revenue and expenditure changes over a ten-year period based upon a given set of assumptions
- ▶ Significant cost drivers demanding an increasing share of discretionary revenues:
Employment costs, including CalPERS retirement; Capital and Outlay Contributions; Debt Service; Programmatic Changes

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Baseline Financial Forecast

Development of Baseline Financial Forecast

Development of Baseline Financial Forecast based on:

- ▶ FY 2021-22 Adopted Budget adjusted for:
 - ▶ Removal of one-time revenues and expenditures where necessary in future years
- ▶ Full staffing as authorized in FY 2021-22 Adopted Budget
 - ▶ General Manager; Finance Director; Office Manager; Accountant; Police Chief; 8.0 FTE Police Personnel
 - ▶ Only negotiated / approved salary increases built into model
- ▶ Impacts to future fiscal activity based on array of known or conservative assumptions (revenues and expenditures) for all years in model

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Baseline Financial Forecast

Development of Baseline Financial Forecast

Future Years Modeled exclude “one-time” impacts from FY 2021-22 :

- ▶ Revenue Impacts:
 - ▶ Grants & Donations

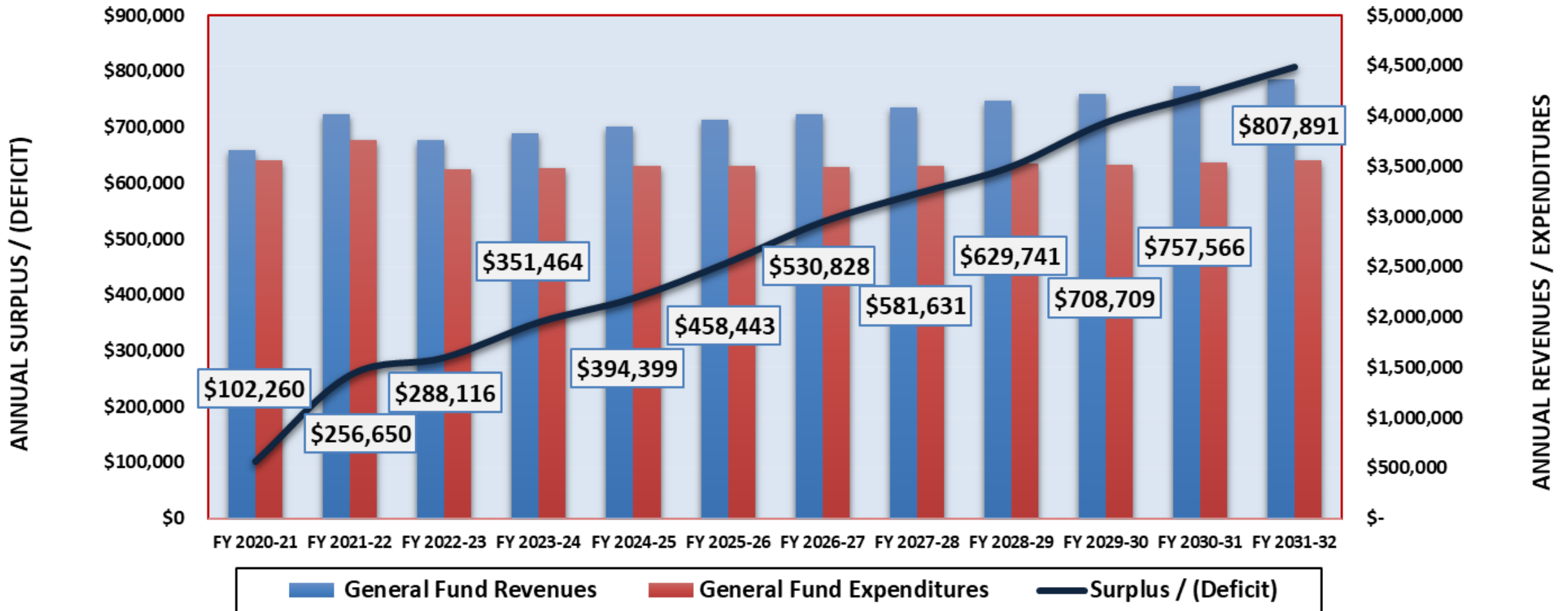
- ▶ Expenditure Impacts:
 - ▶ OPEB Trust contributions / uses of funding
 - ▶ COVID 1-Time Funding
 - ▶ Community Center Expenditures: locks, cameras, re-keying, bench, sprinkler valves
 - ▶ One-time Parks costs: Tree removal, Survey, Storm Drain, Stairs
 - ▶ PERS Unfunded Liability amortization costs treated as fixed, one-time cost in future years
 - ▶ Capital projects removed - Computer Equipment, Police Building Projects, Community Center Renovation

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Baseline Financial Forecast

Baseline Financial Forecast - Results

General Fund Revenue and Expenditures

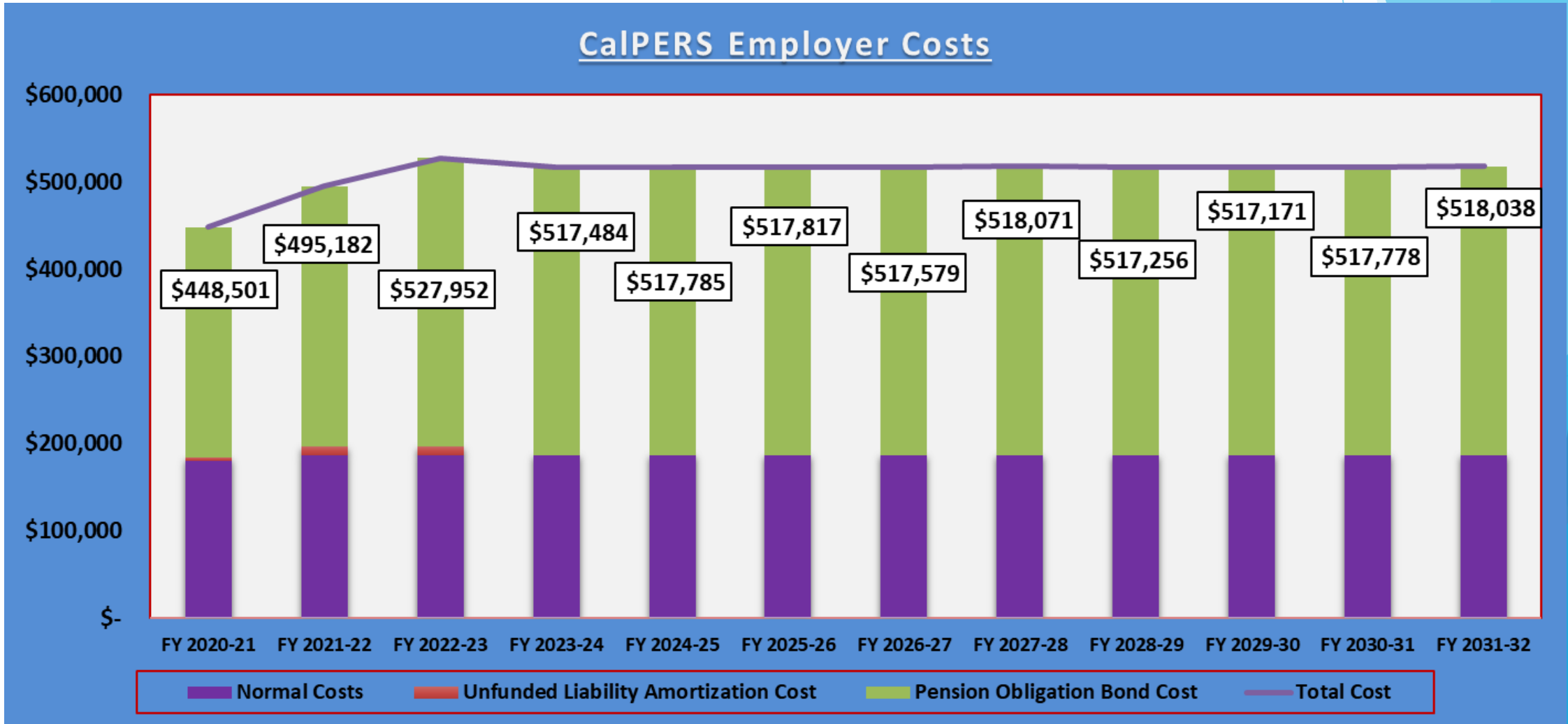


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Baseline Financial Forecast

Baseline Financial Forecast - Results

Results - Baseline Forecast - CalPERS Employer Costs:



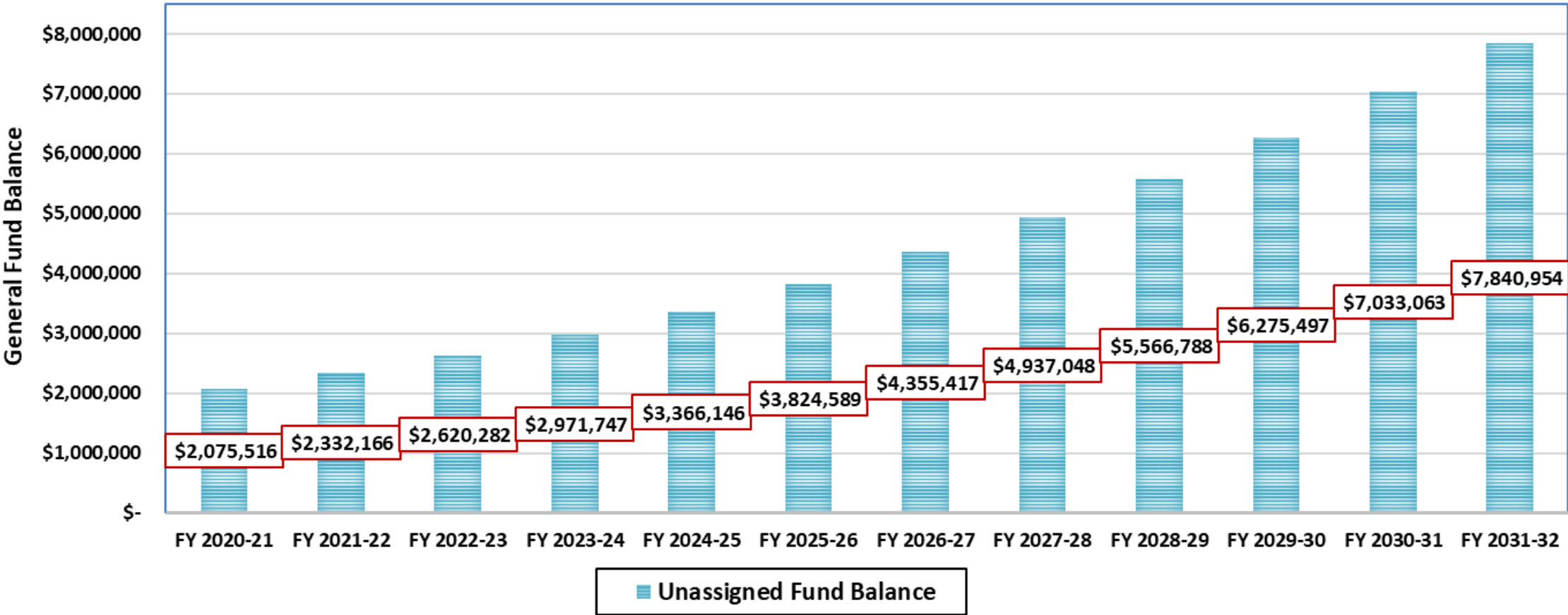
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Baseline Financial Forecast

Baseline Financial Forecast - Results

Results - *Unassigned Reserves:*

ENDING UNASSIGNED RESERVES



Kensington Police Protection & Community Services District Baseline Financial Forecast Observations

Model Results - Observations:

- Systemic annual increase in surplus based on given set of assumptions
- Capital costs only include those budgeted in FY 2021-22
- Debt service for Community Center and Police Vehicle leases in forecast through maturity only
- OPEB Trust not funded or withdrawn from after FY 2021-22 (using \$50,000 in current year)
- Aggregate cost to provide 1% of additional salary to all personnel in FY 2022-23 = \$16,891
- Increases in Lighting & Landscaping Special Tax could offset current use of other discretionary funding towards eligible expenditures

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Baseline Financial Forecast

Forecast Scenarios - Staff / Lease Updates

Kensington Police Protection and Community Services District Base Forecast and Scenarios

----- Forecasted Surplus / Deficit -----

	Base Model	Base Model - Updated Positions	Base Model - Updated Lease Schedule	Base Model - Updated Positions & Lease Schedule
FY 2021-22	\$ 256,650	\$ 83,459	\$ 256,650	\$ 83,459
FY 2022-23	288,116	122,171	261,668	95,723
FY 2023-24	351,464	192,910	325,574	167,019
FY 2024-25	394,399	243,383	360,674	209,658
FY 2025-26	458,443	315,116	409,692	266,365
FY 2026-27	530,828	395,344	482,660	347,176
FY 2027-28	581,631	454,148	534,054	406,571
FY 2028-29	629,741	510,418	581,012	461,689
FY 2029-30	708,709	597,709	660,590	549,590
FY 2030-31	757,566	655,056	708,277	605,767
FY 2031-32	807,891	714,040	759,230	665,380

Scenarios Base Model:

Accounts for FY 2021-22 Adopted Budget under given set of assumptions for all forecasted years.

Base Model - Updated Lease Schedule:

Accounts for FY 2021-22 Adopted Budget, including updated lease schedule with recent proposal received.

Base Model - Updated Positions / Lease Schedule:

Accounts for all of the above

Base Model - Updated Positions:

Accounts for FY 2021-22 Adopted Budget, including updated salary/benefits for:

- General Manager (to \$185,000 / \$18,500 Deferred Comp Contribution / \$600 Phone Allowance);
- Office Manager / Clerk of Board (full time @ \$90,000);
- Accountant (full time @ \$90,000)
- Addition of Support Services Manager (full time @ \$90,000 / \$600 Phone Allowance / \$9,348 Health Benefits)

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Baseline Financial Forecast
General Fund - Fund Balance / Reserves

Questions...