



Date: April 13, 2023
To: Board of Directors
From: David Aranda, Interim General Manager
Subject: Discussion and approval of Resolution No. 2023-03, A Resolution Establishing the District's own checking account and separating from the County of Contra Costa in regard to financial transactions.

Recommendation

Approval of Resolution No. 2023-03, A Resolution Establishing the District's Own Checking Account and Separating from the County of Contra Costa in Regard to Financial Transactions.

Background

The Community Services Government Code in section 61053 outlines the process in which an independent district such as KPPCSD can separate from the respective county and "establish an alternative depository. The attached Resolution follows that Government Code and once it has been approved the Resolution will be presented to the County and the District will move forward with using and generating its own financial standing. Please note that the Resolution establishes me as the Treasurer and when a regular, not interim General Manager is selected the Resolution will need to be updated.

Below, for the benefit of the Board and our residents, is an outline, approved by the CPA firm in regard to processing monies in/out of Kensington Police Protection Community Services District.

This memo, once finalized, will become a policy of the KPPCSD in regard to the handling of monies for the District.

1. Revenue streams that are generated by property tax sharing, special assessments and taxes will continue to be received by the County and deposited in the District's County Cash account.
2. As the County places those revenues in the respective accounts the district will move that money into the District's external checking and saving accounts. Moving the money will require Board Action, however, the money will continue to be accounted for regarding the proper department it must be used for.
3. The district will generate checks for payables on a regular twice a month cycle. The process will include coding by staff to the proper expense line item and department and the sign off the

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Chief and/or The General Manager. This will generate checks in the house that will require two signatures. The accounts payable will generate a listing of the checks paid which the Board will ratify at each Board Meeting.

4. The district will be responsible for taking non-County generated revenue, i.e. Franchise Fees, and depositing those monies into the proper District Account.
5. The district will be responsible each month for reconciling revenue in and expenses out and generating the proper financial statements which will be presented to the Board the following month.
6. On a monthly basis, the General Manager will explain the district finances as they compare budget to actual.
7. Payroll will be handled in the following manner:
 - a. The Chief and General Manager will approve time as reported by each employee on the InTime app.
 - b. It is hoped that bridge software will allow the District to send the approved time reports directly to Paylocity for processing.
 - c. The District will fund the payroll and fund the taxes, retirement and insurance as needed in the same manner as accounts payable, in the District payroll checking account (separate from the accounts payable checking account).

Estimated bank activity:

KPPCSD

Monthly Bank Activity Summary

Acct	Transaction Estimate	Type
Payroll	15	EFTs (payroll & other)
Checking	61	Checks
Savings	1	Cash Deposits (not property tax, miscellaneous receipts)
Savings	1	Transfers (LAIF to/from Savings)
Savings	2	County Property Tax Deposits

Exhibit

- Resolution No. 2023-03, A Resolution Establishing the District’s Own Checking Account and Separating from the County of Contra Costa in Regard to Financial Transactions

RESOLUTION NO. 2023-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
KENSINGTON POLICE PROTECTION AND COMMUNITY
SERVICES DISTRICT TRANSFERRING TREASURER AUTHORITY
FROM CONTRA COSTA COUNTY TO THE BOARD OF
DIRECTORS OF THE KENSINGTON POLICE PROTECTION AND
COMMUNITY SERVICES DISTRICT**

The Board of Directors of the Kensington Police Protection and Community Services District (“Board of Directors”) does find as follows:

WHEREAS, California Government Code Section 61052 (a) specifies that the treasury of the principal county of the Community Services District is the depository of all the district funds of the district, meaning that Contra Costa County is currently the treasurer for the Kensington Police Protection and Community Services District; and

WHEREAS, California Government Code Section 61053 allows a board of directors of a Community Services District to adopt a resolution transferring responsibility for the district treasury to the board of directors of the district, provided that district funds are deposited as provided in Government Code Section 61053; and

WHEREAS, the Board of Directors of the District desires to transfer District funds from the treasury of Contra Costa County to a qualifying financial institution approved by the Board and to do so it must first transfer district treasury responsibility from Contra Costa County to the Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Kensington Police Protection and Community Services District, the board transfers responsibility for the District Treasury from Contra Costa County to the Board and the Board understand that Contra Costa County will continue to hold tax, assessment and other revenues in specific accounts for the District to draw off of.

BE IT ALSO RESOLVED by the Board of Directors for The Kensington Police Protection and Community Services District that the General Manager is designated the Treasurer for the District and will ensure that this process is completed by July 31, 2023.

PASSED AND ADOPTED by the Board of Directors of the Kensington Police Protection and Community Services District upon motion by Director _____, seconded by Director _____, on Thursday, the 13th day of April, 2023, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAINED:

Alexandra Aquino-Fike
President, Board of Directors

HEREBY CERTIFY the foregoing resolution was duly and regularly adopted by the Board of Directors of the Kensington Police Protection and Community Services District at the regular meeting of said Board held on Thursday, the 13th day of April, 2023.

Lynelle M. Lewis
Clerk of the Board

David Aranda
Interim General Manger