

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

AGENDA

A Special Meeting (Closed Session) of the Board of Directors of the Kensington Police Protection and Community Services District will be held **Thursday, January 14, 2016, at 6:30 P.M.**, at the Community Center, 59 Arlington Avenue, Kensington, California. The Board will commence its monthly Regular Meeting in open session **Thursday, January 14, 2016, at 7:30 P.M.**, at the Community Center, 59 Arlington Avenue, Kensington, California. If further Closed Session is required, the Board will return to Closed Session following the end of the Regular Meeting.

1. Call to Order/Roll Call 6:30 P.M.

2. Closed Session-Public Comment

- a. Conference with Labor Negotiators (Government Code Section 54957.6) Agency designated representative: Jonathan Holtzman, Renne Sloan Holtzman Sakai LLP. Employee organization: Kensington Police Officers Association. The Board will receive an update on contract negotiations.
- b. Public Employee Performance Evaluation (Government Code section 54957(b)) Title; Interim General Manager/Chief of Police.

3. Regular Meeting: Open Session-Call to Order/Roll Call 7:30 P.M.

The Board will return to Open Session at approximately 7:30 PM and will report out on the Closed Session if reportable action is taken.

Note: All proceedings of the open session meeting will be videotaped.

4. Public Comments Members of the public may address the Board on any issue on the Consent Calendar and items not listed on the agenda that are within the subject matter jurisdiction of the District. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of five (5) minutes per Board Policy 5030.41.

5. Board/staff comments

6. Update from Ad Hoc Committee on Governance

7. Consent Calendar

- a) Minutes of the Regular Meeting of December 10, 2015 P-4
- b) Minutes of the Special Meeting of December 14, 2015 P-16
- c) Unaudited Profit & Loss Budget Performance Report for December 2015 P-18
- d) Park Revenue & Expense Report for December 2015 P-22
- e) Board Member Reports-None this month

- f) KPD Monthly Statistics for November & December 2015 P-26
- g) Training/ Reimbursement Report- None This Month
- h) Correspondence P-32
- i) Recreational Report P-73
- j) Monthly Calendar P74
- k) General Manager's Report December 2015 P-78
- l) Revising Fees for Police Records & Services-Ord. 2015-01 2nd Reading P-76

8. Old Business

None this month.

9. New Business

- a. Director Cordova to appoint alternative member to the Ad Hoc Committee on Governance to replace Ms. Miki Tal, who recently resigned. P-80

General Manager Recommendation: Take public comment, deliberate, and consider approval of the appointment.

- b. The Board will receive a presentation from the Interim General Manager who will recognize the 2015 Kensington Police Department Citizen's Academy participants for their contributions to the community. P-83

General Manager Recommendation: Receive presentation.

- c. General Counsel presentation on legal opinion regarding the ability of the same individual to hold the position of General Manager and Chief of Police. P-84

General Manager Recommendation: Take public comment, deliberate and receive the report.

- d. The Board will receive a presentation from the Interim General Manager regarding a mid-year 2015/16 review of the budget. P-101

General Manager Recommendation: Take public comment, receive the report and provide staff direction.

- e. The Board will review proposed Resolution 2016-01 of the Kensington Police Protection and Community Services District amending Board policy governing the process for resolving public complaints regarding the General Manager/Chief of Police to provide a separate procedure for resolving complaints against the General Manager/Chief of Police, and consider placing the resolution on the February 2016 agenda for approval. P-109

General Manager Recommendation: Take public comment, deliberate, and place the Resolution on the February 2016 Board agenda for approval.

- f. The Board will review proposed Resolution 2016-02 of the Kensington Police Protection and Community Services District amending Board policy governing the preparation of the budget to ensure consistency with state law provisions governing the budget process, and consider placing the resolution on the February 2016 Board agenda for approval. P-111

General Manager Recommendation: Take public comment, deliberate, and place the Resolution on the February 2016 Board agenda for approval.

- g. Pursuant to Board Policy 4060.1, Board President Len Welsh shall appoint and publicly announce the members of the standing committees and Board Coordinators for calendar year 2016. P118

General Manager Recommendation: Take appropriate action and announce publicly.

- h. The Board will receive the Draft Actuarial Study of Retiree Health Liabilities as of July 1, 2015. The report was prepared by Total Compensation Systems, Inc. P-122

General Manager Recommendations: Take public comment, deliberate, and receive the report.

10. ADJOURNMENT: Next meeting is scheduled for February 11, 2016 at 1930 hours.

General Information-Accessible Public Meetings

NOTE: UPON REQUEST THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT WILL PROVIDE WRITTEN AGENDA MATERIALS IN APPROPRIATE ALTERNATIVE FORMATS, OR DISABILITY-RELATED MODIFICATION OR DISABILITIES TO PARTICIPATE IN PUBLIC MEETINGS. PLEASE SEND A WRITTEN REQUEST, INCLUDING YOUR NAME, MAILING ADDRESS, PHONE NUMBER AND A BRIEF DESCRIPTION OF THE REQUESTED MATERIALS AND PREFERRED ALTERNATIVE FORMAT OR AUXILIARY AID OR SERVICE AT LEAST 2 DAYS BEFORE THE MEETING. REQUESTS SHOULD BE SENT TO:

Interim General Manager Kevin. E. Hart, Kensington Police Protection & Community Services District, 217 Arlington Ave, Kensington, CA 94707. POSTED: Public Safety Building-Colusa Food-Library-Arlington Kiosk- and at www.kensingtoncalifornia.org.

Complete agenda packets are available at the Public Safety Building and the Library.

All public records that relate to an open session item of a meeting of the Kensington Police Protection & Community Services District that are distributed to a majority of the Board less than 72 hours before the meeting, excluding records that are exempt from disclosure pursuant to the California Public Records Act, will be available for inspection at the **District offices, 217 Arlington Ave, Kensington, CA 94707** at the same time that those records are distributed or made available to a majority of the Board.

The deadline for agenda items to be included in the Board packet for the regular monthly meeting is the Wednesday before the regular scheduled Thursday meeting the following week.

These are draft minutes. Once approved by the Board, the minutes will be posted on the District website, under the dropdown menu "Approved Minutes."

Meeting Minutes for 12/10/15

A Regular Meeting of the Board of Directors of the Kensington Police Protection and Community Services District was held Thursday, December 10, 2015, at 7:30 P.M., at the Community Center, Kensington, California.

ATTENDEES

<u>Elected Members</u>	<u>Speakers/Presenters</u>
Len Welsh, President	Randy Riddell, Renne Sloan Holtzman Sakai LLP
Pat Gillette, Vice President	Celia Concus
Chuck Toombs, Director	Simon Brafman
Rachelle Sherris-Watt, Director	David Bergen
Vanessa Cordova, Director	Mabry Benson
	Linda Lipscomb
	David Spath
<u>Staff Members</u>	Karl Kruger
Interim GM/COP Kevin Hart	Jim Watt
Sgt. Hui (on duty)	Kay Reed
Lynn Wolter, District Administrator	Gloria Morrison
	Marilyn Stollon
<u>Press</u>	Leonard Schwartzburd

President Welsh called the meeting to order at 7:37 P.M. President Welsh, Vice President Gillette, Director Toombs, Director Cordova, Director Sherris-Watt, Interim GM/COP Hart, and District Administrator Wolter were present.

PUBLIC COMMENTS

Simon Brafman commended the police department for the way it handled a traffic situation that had occurred in front of his home. He noted that the two officers who had responded to the call had been Master Sergeant Hull and Officer Armanino.

Mabry Benson said that, last June, IGM/COP Hart had presented a 100-Day Plan and that it contained laudable goals. She said that, since July, IGM/COP Hart had reported on many mundane things but that there had been no mention of the plan. She said the Board had not been requesting follow-ups regarding the plan. She commented that this was another failure of the Board to oversee the operations of the District and that this suggested that the Board didn't care if the goals stated in the plan ever happened. She concluded by saying that she had hoped that the past turmoil would have yielded more.

Jim Watt thanked IGM/COP Hart and the police department because, on the prior night, he had received his certificate of completion for the Citizens' Academy. He said it had been interesting, and he encouraged others to take the course.

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Jim Watt said there were some conflicts that needed to be resolved with respect to the IGM/COP contract. He reminded the Board that, in the contract, it said that IGM/COP Hart would not engage in any other activities as part of his role in Kensington. He noted that IGM/COP Hart served as a paid member of the City Council for Dublin. He said the Board should be considering whether IGM/COP Hart should be serving in the two positions.

Marilyn Stollon said that her career was in vocational research. As such, she said she had conducted a labor market survey to see if there were other areas, in this and other western states, that had a combined GM/COP position. She said that her survey focused on job openings in California and that her survey conclusions revealed that there were no current or recent openings for such a combined GM/COP position in California or the surrounding states. She said that separate openings also were examined and that she had contacted a number of search firms and town managers. She said that a search executive and the Fairfax town manager had cited conflict of interest as a reason not to combine the positions. She added that the search professional had not seen a GM/COP opening in twenty years and that another town manager had said she'd not ever seen the positions combined. Ms. Stollon noted that she had spoken with the town manager of Colma who said that he'd had experience with working under a person holding this combined position in Sutter Creek, that there had been ongoing problems with this arrangement, and that it had had to be abandoned there. She said the Colma town manager had said it had been hard for the TM (Town Manager)/COP to serve two masters: the police department and the council – the COP wanted what's best for his men, the officers resented the TM role, and the TM had to deal with fiscal and management concerns. She said that different management styles and skillsets were required for the two positions, that the two positions were incompatible, and that the scope of work was too large for one person to do effectively. She that other combined positions did not appear to be problematic, with respect to conflict of interest, and that each of these was accountable to a higher supervisory level. She cited recent problems in Broadmoor and Kensington as reasons for this combined position model not to be emulated. She concluded by saying that another structure should be considered, such as a part-time General Manger who would work two to three days a week or combining the GM position with another current District position, and by saying that, in the over 100 locations she surveyed, the COP was always a separate position. Ms. Stollon handed copies of her comments to the Directors and to staff. A copy of this document is included in the January 14, 2016 Board Packet, under Correspondence in the Consent Calendar.

Celia Concus said that, at the prior Board meeting, she had raised the issue that she thought GM/COP Hart should include the word "interim" in his title. She said she had asked the Board to instruct GM/COP Hart to use this word and said this was the appropriate way to identify the position. She said that, during the prior month, she had not heard from anyone on the Board giving IGM/COP Hart such instruction. President Welsh asked Randy Riddle if there was anything improper with the way in which the GM/COP had been characterizing himself. Mr. Riddle responded that the GM/COP's duties were his duties and that there was nothing improper about the title used to date – specifically there was nothing in the Government Code or in the contract. IGM/COP Hart added that, if it was important to the members of the community, he would use the term "interim."

Linda Lipscomb said that what Mr. Riddle had said was important – there was no legal basis for adding the term – and said that adding the term "interim" was ridiculous and disrespectful. She said that the individual was serving in the capacity of GMCOP, that he was the Chief of Police and General Manager, and that she objected to the term "interim". President Welsh responded that it was "done."

BOARD COMMENTS

Director Cordova said that, just because it was legal, it wasn't good policy not to use the term "interim". She said it had been a remarkable year, that she and Director Sherris-Watt had been seated a year ago, and that it had gone by quickly. She wished everyone a happy holiday season.

Vice President Gillette said she was beginning her last year on the Board. She thanked the current and prior Boards for serving the community and said it has been an honor to serve. She thanked IGM/COP

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Hart for his service. She noted that, despite his duties on the Dublin City Council - which all had known about at the time the Board had entered into the contract with him, he had been serving the community well. She also thanked Jim Watt for his professional capabilities and community service; District Administrator Wolter for her valuable work and contributions to the community as a highly-skilled professional; the police officers, who are doing their best to serve the community; Leonard Schwartzburd for trying to see both sides of an issue, and members of the public who have expressed respectful opinions. She said the community had a lot of challenges ahead and encouraged the community to come together in a manner that used to exist in the community. She said she loved Kensington and that she didn't like the divisiveness and the suspicion of bad intent being expressed on Kensington Next Door. She said this was unhealthy and wasn't good for Kensington. She added that people had approached her about being Board President for the coming year and that she had declined, mostly in the spirit of conciliation. She said the community needed to move forward and come together. She wished everyone happy holidays. President Welsh thanked Vice President Gillette for her thoughtful comments and said that he thought she would make a good president.

Director Sherris-Watt reported that the Park Buildings Committee had met on November 17th and had reviewed seismic and ADA studies. She reviewed items completed on the Committee's to-do list, which included getting Community Center's roof and gutters cleaned and repaired. She also reported that a new bulletin board had been installed just outside the main door of the Community Center. She announced that the next Committee meeting would be held December 16th, at 7:00 PM, at which time the Committee would be considering possible green technology and the ADA specialist might be able to attend.

Director Sherris-Watt said there were open issues that had been captured in the minutes from the prior month's meeting and that these were still on the radar screen: the Richmond investigation, PDF formatting for the website; possible rescinding of the 2009 ordinance; and possible employee structure. She noted that, at the prior month's meeting, Jim Watt had asked about goals and objectives and announced that she had placed this item on the evening's agenda.

Director Sherris-Watt also commented on IGM/COP Hart's serving on the Dublin City Council and said that, during the interview process, Mr. Hart had been given verbal and written permission to continue serving in this capacity. President Welsh reiterated that, although not contained in the contract, Mr. Hart had been given verbal permission to continue serving on the Dublin City Council, that the Board had understood this from the outset, and that the Board had discussed this as having been an asset. President Welsh thanked Director Sherris-Watt for clarifying this matter.

Director Toombs said it was important to call the Chief by his actual title: Interim General Manager/Chief of Police. He said this was not intended to diminish IGM/COP Hart's role, as he said IGM/COP Hart was doing a terrific job and had earned his stars. IGM/COP Hart suggested that, for purposes of verbal communications, he be called Chief and that, for written communications, he would use Interim GM/COP.

Director Toombs also referred to a conversation he'd had with a member of the public about the community's traffic problem and noted, this was not just a Board issue; it was a community issue. He said the community needed to develop a plan to address how people would drive the streets and that everyone was susceptible to a citation if found to be in violation of the law.

Director Toombs referred to some of the loose ends to which Director Sherris-Watt had referred and said there were others: the five-year plan, how the District would handle corrected minutes, investigations initiated by IGM/COP Hart, and action minutes. He said he had circled several items in the minutes and said these needed to be addressed quickly.

Director Toombs thanked Vice President Gillette for her service and said he was sorry she would not be serving as president. He thanked everyone for coming out on the cold and rainy night.

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President Welsh reported that the Board had finally received its opinion from legal counsel about the combined position of General Manager/Chief of Police but that the opinion had been received too late to be included in the evening's agenda. He announced there would be a Closed Session Meeting on Monday, December 14th, at which the Board would vote on whether to release the opinion. He said the meeting would begin at 6:00 P.M. and would be held in the Conference Room of the Community Center. It was concluded that IGM/COP Hart would not need to attend the meeting but that District Administrator Wolter would.

President Welsh said it had been a hard year but that lots of progress had been made and said he looked forward to more progress being made in the upcoming year. He said he had confidence that the community could get over its differences. He also said that, when he listened to what was going on in the rest of the world, he was thankful to live here.

STAFF COMMENTS

GM/COP Hart reported:

- Issues raised by Directors Sherris-Watt and Toombs were on his radar screen.
- He would be speaking with Randy Riddle the following day to discuss the minutes.
- Zero Tolerance would be on the January or February agenda.
- The Citizens' Academy graduation had occurred the prior night and said he would like to thank those who had attended at the January meeting.
- That the police department was part of a consortium that participated in Richmond's records server; that the system had gone down during a system upgrade; that, as such, Kensington's – and other participating agencies' records – couldn't currently be retrieved; that there had been a meeting of the consortium's participating agencies the prior day; and that the system was being repaired.
- WestNet funds distributions had not yet occurred, as negotiations about the disbursements were continuing. He explained these funds had resulted from asset forfeitures during the time WestNet had been active and Kensington officers had participated in the agency. He said the participating Chiefs had previously decided they would wait to make disbursements until all the cases had been adjudicated, which could take five to ten years. He said Chief Magnus of Richmond, the main signer of the account, would be leaving his office soon; therefore, he and Chief Magnus had been working recently to get funds distributed soon and to then await adjudication of the remaining two to three cases. He said there was a significant amount of money in the account.
- 2016 would be a busy year and would include departmental and operational policies.

Director Cordova said that one of the items not yet mentioned was the mid-year review of the budget that would need to occur in January.

Vice President Gillette said it would be helpful to have a running list of things needing to be done.

District Administrator Wolter said she wanted to apologize, in advance of the Directors getting to the Consent Calendar, for an error in the minutes: she had failed to include the title "Director" following Vanessa Cordova's name in the attendee section. She reported that she had submitted a proposal to SDRMA for Safety Allowance Funds to cover the cost of a special desk ordered for an employee with a back problem and that the District had been awarded \$1,000 to help cover the cost of this purchase. She said that the District had received a report from PG&E citing that the District had earned a rating of "good" for its energy use at the Community Center, and she passed the report on to Director Sherris-Watt. Director Toombs noted there was a cut-and-paste error in the box at the top of the first page of the Minutes: the date October 8th appeared, instead of November 12th. District Administrator apologized for this as well.

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CONSENT CALENDAR

Director Toombs asked to pull Item b, the Unaudited Profit and Loss Report.

Marilyn Stollon said that District Administrator Wolter had failed to make a change to the minutes that Ms. Stollon had asked to be made, after the minutes had been posted. District Administrator Wolter responded that, once the minutes were posted, she could not change them: Only the Board had the authority to do so. And she noted that the written version of Ms. Stollon's November Board meeting comments had been included in the December Board Packet, under correspondence. Ms. Stollon said the summary of her comments misrepresented an important part of what she had said: District Administrator Wolter had used the word "several" instead of the word "eight" in reference to the number of times members of the public had requested that the Board place separating the GM/COP position on the agenda. She said this distinction was important because this was a major issue for the Board. She said the issue of the GM/COP position hadn't been discussed in many years. President Welsh responded that the Board would consider a motion to make the amendment.

Director Toombs commended staff on its variance report and said that most of his questions had been answered by it. But, he said, he would like to see the variance report information appear as footnotes on the P&L Report itself. Director Toombs questioned the difference between the Levy Tax amount year-to-date (lower) and the amount budgeted for the year (higher). District Administrator responded that the District would receive a "true-up" in January. Director Toombs questioned why the Franchise Fee revenue, year-to-date, was lower than what had been budgeted. District Administrator Wolter responded that this was due to a timing difference. He also questioned why the budgeted amount for Solid Waste expenses was so much lower than the actual amount year-to-date. District Administrator Wolter said this likely was due to an amount allocated for legal expenses when the budget was set and said she would research the issue and provide the answer at the December meeting, or sooner if Director Toombs so wished. Board consensus was that the variance report information should appear, in footnote format, on the P&L Report.

Karl Kruger thanked management and staff for the variance report and said he was happy about it.

MOTION: President Welsh moved, and Director Cordova seconded, to approved the minutes, as amended, to reflect that Ms. Stollon said she had asked the Board to address the GM/COP position "eight" times, instead of "several" times.

Motion passed: 5 – 0.

AYES: Welsh, Gillette, Toombs, Sherris-Watt, Cordova NOES: 0 ABSENT:

Leonard Schwartzburd asked Director Toombs to address the issue of how to reflect changes to minutes. He said the Board hadn't determined what technical means it would use. There was discussion about using a hyperlink at the bottom of the minutes appearing in the Board Packet that would take people to any amended minutes. Director Cordova said that KMAC minutes appeared in that entity's packets in draft form and then, after a given meeting, the draft minutes were dropped and the approved minutes replaced them. Randy Riddle said the Board Packet couldn't be changed, but a reference could be added about where to look for amended minutes. President Welsh asked if part of an original Board Packet could "go away". Mr. Riddle responded that it couldn't and said a solution would be to have a separate drop-down menu called "Approved Minutes". Mr. Riddle said he and IGM/COP Hart would be meeting in the upcoming week to develop a solution. He said that, at the beginning of each set of draft minutes, there could be a statement indicating where to find final minutes. Dr. Schwartzburd said that what would satisfy him would be the equivalent of a post-it note next to the statement attributed to him in the February minutes saying that the statement had been amended and where one would go to find the amendment. Director Toombs suggested that the Board defer to legal counsel for a solution to the issue and said the Board was working to find a solution to satisfy Dr. Schwartzburd's complaint. Dr. Schwartzburd responded that there did appear to be a serious attempt to do this. Dr. Schwartzburd reiterated that the minutes in question were the ones for February, which appeared in the March Board Packet.

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MOTION: Vice President Gillette moved, and President Welsh seconded, to adopt the Consent Calendar.

Motion passed: 5 – 0.

AYES: Welsh, Gillette, Toombs, Sherris-Watt, Cordova NOES: 0 ABSENT:

OLD BUSINESS

- 5a. The Board received a presentation from the General Manager and considered taking action on revising the community rental fees and other charges for use of the District facilities.

IGM/COP Hart introduced the item and said that this item had appeared on the Board's November agenda. He said the fees hadn't been increased in many years and the goal was to put money back into the Community Center while, at the same time, being reasonable and comparable with other similar venues. He said staff had prepared a breakdown of various fees for both residents and non-residents. He said he also hoped to upgrade the Community Center in order to increase the number of rentals. He noted the proposed addition of things such as a fee for alcohol permits. He noted that the District had been losing money on the Community Center, relative to what it cost to operate it, and encouraged the Board to increase the fees to a conservative amount equal to rates being charged by other communities.

Director Sherris-Watt said the Board had tabled this item at the prior month's meeting and said there had been some confusion in trying to follow the comparisons. She said that, for this reason, she had prepared her own rental comparison chart that included information for the Boy Scout's Camp Herms, which, she said, has a full commercial kitchen.

Director Toombs asked for clarification about the \$125 hourly rate for residents and asked if this would be the proposed hourly rate, with a four-hour minimum. IGM/COP Hart responded in the affirmative. Vice President asked if the hourly rate for all the Community Center's spaces would come to between \$250 and \$300. IGM/COP Hart responded in the affirmative. Director Sherris-Watt described the proposal as a mix-and-match. Vice President Gillette asked if those serving alcohol needed to have insurance and if there was a cleaning deposit. IGM/COP Hart responded in the affirmative to both questions. IGM/COP Hart clarified that the proposed rates would not affect any of the K-Groups – that K-Group use would need to come back to the Board in the future because so many people had keys to the building, and this needed to be controlled.

Director Cordova said it was her understanding that people couldn't cook in the kitchen because it wasn't recognized as a standard commercial kitchen. IGM/COP Hart responded that he would look into this.

IGM/COP Hart said that, if the Board so chose, he would bring back a resolution to the Board at the January meeting and that the proposed fees had been based on comparisons and CPI.

He reported that the District received at least half a dozen requests a week to rent/reserve picnic tables, that other jurisdictions rented these, and that making it possible to reserve them, for a fee, would eliminate the problem of having to stake them out at 6:00 AM. Director Sherris-Watt responded that she thought the fees for picnic tables were too high. IGM/COP Hart noted that he'd like to add more barbeques and picnic tables to the recently cleared area behind the Community Center. Director Sherris-Watt asked if, from a fire standpoint, it was okay to use the barbeques. IGM/COP Hart responded that it was.

Director Cordova said she had mixed feelings about increasing fees for the Community Center; although she recognized the desire to increase revenue, the building lacked the ambiance of other locations; and she she wanted people to think they'd be getting good value. IGM/COP Hart responded that the District had been behind for a number of years, that there had been beautiful events at the

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Community Center in recent months, and that he didn't anticipate a drop in use or revenue. Director Cordova asked what marketing efforts might be made. IGM/COP Hart responded that, although marketing hadn't yet been addressed, the District had already received multiple requests for 2016. She suggested showing photos of events alongside the fee schedule. Director Sherris-Watt suggested that all component parts, combined, be available for a slightly lower fee than the component parts added together.

Director Toombs recommended that IGM/COP Hart return next meeting with a resolution and said he thought the rates needed to be increased. President Welsh said he agreed and thanked IGM/COP Hart for doing all the homework.

Gloria Morrison said she was upset that youth groups were going to be charged these rates. Directors Toombs and Sherris-Watt clarified that the proposed rates did not apply to youth groups or to K-groups. Ms. Morrison responded positively. Director Sherris-Watt noted that the Arlington Community Church did not charge Boy Scout troops any fees.

Kay Reed questioned how this would be operationalized; if one were to rent the main room, would everything else be locked. She recommended talking to the County to find out the status of the kitchen – she said the kitchen likely was a "warming" kitchen because it didn't have a fire suppression system, which would be required for a "heating" kitchen. She said she thought a packaged deal was a good idea. She added that the K-groups should be approached about paying a fee for service to help with the maintenance.

MOTION: President Welsh moved, and Vice President Gillette seconded, that IGM/COP Hart bring back a resolution next month, with the caveat that IGM/COP Hart confirm the status of the kitchen.

Motion passed: 5 – 0.

AYES: Welsh, Gillette, Toombs, Sherris-Watt, Cordova NOES: 0 ABSENT:

AD HOC COMMITTEE REPORT

David Spath reported that he was the temporary chairman of the Committee and there would be an election in January to select another temporary chairman. He said the Committee was working well on a number of issues and reported there would be a community forum on January 23rd at which the Committee intended to:

- Report on the statutes and regulations that govern Kensington, with respect to police services.
- Describe the police services, as they are now.
- Review finances and staffing.
- Gather public input on police services.

He reported that the group had prepared a draft agenda for the forum and a survey, that the Committee would next meet on December 15th to discuss the survey, and that it was developing work plans and guidelines regarding:

- Contracting
- Splitting the GM/COP position
- Consolidating

Dr. Spath said that members of the Committee had met with a representative of the Sheriff's Department to discuss:

- What would be the Sheriff's Department role if Kensington, as an unincorporated area, stopped providing its police services. He said the Sheriff's Department provides a modicum – less than what's currently provided – of service to unincorporated areas.

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- Contracts it has with other Contra Costa communities – Danville, Lafayette and Orinda. He reported that Oakley and San Ramon had contracts but were moving, or had moved, to start their own police departments.

IGM/COP Hart reported that he had been contacted by Contra Costa Sheriff Livingston who had received a written request from someone, on behalf of the Ad Hoc Committee, for a proposal for law enforcement services. President Welsh said this seemed to have gone a bit far. Dr. Spath said he believed the intent was to determine what it would cost if the Sheriff were to provide the same level of service as currently provided to Kensington residents but that the approach regarding a proposal had been inappropriate and that he would have a discussion with the Committee member who had sent the letter. Dr. Spath discussed using Survey Monkey as a means of surveying the community, independent of the District. He thanked members of the public, especially Celia Concus and Mabry Benson, who had been attending the Committee's meetings, Jim Watt for his input with respect to the survey, and Marilyn Stollon.

Vice President Gillette asked about Committee member attendance. Dr. Spath reported that it had been good. She asked about the subcommittees, and Dr. Spath responded that they would be working simultaneously. Dr. Spath said the Committee would be compiling findings of facts – pros and cons – and reported that he would provide a timeline at the next meeting.

Leonard Schwartzburd asked if a written report would be made available to the community. Dr. Spath responded in the affirmative.

Discussion ensued about the survey, and concerns were expressed that the community be well notified, in advance, by way of multiple media; that individuals could respond only once; and that hard copy surveys could be made available. Director Toombs clarified that this would not be a survey done of a select population by a statistician; it would be open to the entire community. Dr. Spath added that, if funds were needed for this purpose, he would let the Board know.

President Welsh and Vice President Gillette thanked Dr. Spath and the Committee.

NEW BUSINESS

6a. The Board received a presentation from Vice President Gillette regarding the timeframe for the results and fact-finding report of the Ad Hoc Committee on Governance Options.

Vice President Gillette provided the background, noting that there had been Kensington Next Door posts that the Board majority wanted to postpone the findings of the Ad Hoc Committee until November. She said she had spoken up previously and had said she wanted the findings to be prepared expeditiously. She said that, based on the report just given by Dr. Spath, she proposed taking the item off the agenda and that she looked forward to Dr. Spath's January report.

Celia Concus asked about the Board's December 14th Closed Session meeting and whether the Board would be releasing Randy Riddle's opinion to the Community. President Welsh responded that, if the Board voted to release the document, it would be posted on the website. Ms. Concus and President Welsh noted that the opinion would affect the Ad Hoc Committee's work.

6b. The Board considered approving Resolution 2015-08 of the Kensington Police Protection and Community Services District authorizing an increase in Police Services Fees.

IGM/COP Hart introduced the item. He said that, at its last meeting, the Board had reviewed his recommendation to increase the fees for certain police services. He summarized some of the fees and said they hadn't been increased for many years and that the fees were standard and were comparable to those of other agencies.

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President Welsh asked that the words "For Clearance Letters" be added, for clarification, after the word "Non-resident" on the list of proposed fees.

Director Cordova questioned the fee for police reports and said the fee might be unfair to victims of crimes. IGM/COP Hart responded that this had been the fee for many years; there was no proposed increase for this fee. Leonard Schwartzburd said he didn't think \$20 plus \$0.15 per page for a police report was right for someone who was the victim of a crime. IGM/COP Hart responded that this was the "going" rate. President Welsh asked how many police reports were requested per week. IGM/COP Hart responded there were usually between five and ten reports per week. Director Cordova asked how many pages there were in an average report. IGM/COP Hart said a homicide report could run 400 – 500 pages, but the average was five to seven pages. Dr. Schwartzburd said it was unjust for a victim of a crime, living in a community and paying taxes to support the police department, should have to pay for a police report.

The Board noted it was 9:45 PM.

**MOTION: Vice President Gillette moved, and President Welsh seconded, that the Board extend the meeting past 10:00 PM.
Motion passed: 5 – 0**

AYES: Welsh, Gillette, Toombs, Sherris-Watt, Cordova NOES: 0 ABSENT:

Marilyn Stollon asked about electronic copies and whether charges would apply to these. She noted that she had received PRA requested information from another entity at no cost. Director Sherris-Watt clarified that the fees under discussion did not relate to PRA requests. IGM/COP Hart clarified that these were fees for police related documents.

Director Cordova asked what was the length of an average home burglary report. IGM/COP Hart responded, between six and ten pages. Director Cordova suggested that the first five pages be provided for free. Dr. Schwartzburd said the fee might discourage people from reporting crimes. Director Toombs responded that these were fees that other jurisdictions charged their residents, that the District needed to cover its costs, that residents were complaining about the District's deficits, and that this was one way to help deal with those and make the District more self-sufficient. IGM/COP Hart noted there was no cost to report a crime: There was a cost to get a copy of the report. He added that many of the requests came from insurance companies and that most individuals did not ask for copies of a police report.

Director Cordova asked if the citation sign-off fee could be reduced, as a kindness. IGM/COP Hart responded that could be changed, if part of the Board's motion.

**MOTION: President Welsh moved, and Vice President Gillette seconded, that the Board accept the document as proposed.
Motion passed 5 – 0.**

AYES: Welsh, Gillette, Toombs, Sherris-Watt, Cordova NOES: 0 ABSENT:

6c. The Board reviewed and discussed, for possible action, its Goals and Objectives for 2016.

President Welsh said that Director Sherris-Watt had requested that this item be placed on the agenda.

Director Sherris-Watt introduced the item by saying that the past year had been governance through controlled chaos and that this had been desirous of no one. She said she wanted a matrix of defined items and that she wanted the Board to establish Goals and Objectives. She noted that some of these

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would involve employees and that those discussions would be done in private. She said she wanted to develop a list of priorities after a discussion with the Board and the community.

Director Toombs responded that some of the items listed had already been taken care of or were already in progress. He cited that there were already an emergency committee and emergency procedures in place. He said the Board only needed to name a member to the committee. Director Sherris-Watt said there had been no on-boarding process for newly elected members. She said the Board needed to communicate to its members and to the community at large that emergency procedures were in place.

Vice President Gillette thanked Director Sherris-Watt for preparing the document and said this would be a valuable exercise. She noted that the document appeared to be a mixture of goals and action items and that they needed to be separated out. She suggested forming an ad hoc committee of the Board to establish both goals and an action plan. Director Sherris-Watt responded that her preference would be for the Board to find time in January to have a goal-setting session and said Chief Hart had offered to assist with this. IGM/COP Hart responded that he would like to set a date for such a session and noted that the Board had voted to fund it. Director Sherris-Watt said she hoped the Board could find a date to do this, as a workshop, and said she would like to see this on the January agenda. IGM//COP Hart said it would be important for all five directors to be present and that it would be a publicized meeting. He clarified that it would be a goals and objectives and team-building workshop. Director Toombs asked if it could be done on a Saturday morning. IGM/COP Hart responded in the affirmative.

Director Cordova said she wanted to look at this strategically – she wanted to see the goals organized by the structure already in place and suggested that the lead for each propose his/her own goals and objectives. She noted this had been the way in which the Finance Committee had operated during the year. President Welsh responded that this sounded logical and noted that committee assignments would occur in January.

Director Toombs said he liked the idea of a January team workshop, with a top-down and the Board setting the goals and objectives. He said he wanted the Board to be nimble and quick. Vice President Gillett agreed. President Welsh suggested that committee assignments should be made first. Director Toombs said he thought the goals and objectives should be set first and then given to the appropriate committees. Vice President Gillette agreed with Director Toombs and said she thought the committee assignments were disconnected from the goals and objectives. Director Sherris-Watt said she wanted this done early in the year to convey to the community that the Board wanted to get the work done. Vice President Gillette asked to clarify that these were Board goals and objectives. Director Sherris-Watt confirmed this.

President Welsh asked if a motion was needed. IGM/COP Hart responded that he thought he had direction to set a workshop for sometime after the Board's January Board meeting. Director Cordova responded that was right. IGM/COP Hart said that there would be some prep work to do before that and that this would be a facilitated workshop. President Welsh asked who would facilitate it. IGM/COP Hart responded that it would be done by a professional facilitator. Director Toombs added that the Board had approved the budget for this. Vice President Gillette asked that the date be set as soon as possible. IGM/COP Hart responded he would do his best, suggested that the 23rd might work well for everyone, and said that he would get emails out to everyone the following day.

- 6d. Pursuant to KPPCSD Board Policy 5010.60, the Board elected a President and a Vice President for the calendar year 2016. In addition, Board Policy 4060.1 states the President shall appoint and publicly announce the members of the standing committee and Board Coordinators for calendar year 2016 no later than the Board's regular meeting in January 2016.

President Welsh asked for nominations for President.

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Vice President Gillette nominated, and Director Toombs seconded the nomination of, President Welsh for the position of President.

Director Sherris-Watt nominated Director Cordova for the position of President. Director Cordova declined the nomination.

President Welsh, Vice President Gillette, and Director Toombs voted in the affirmative. Director Cordova voted in the negative, and Director Sherris-Watt abstained.

President Welsh recommended that a roll call vote be taken, but before that was done, Vice President Gillette asked the one Director who had voted "no" and the other who had abstained what their alternative was.

Randy Riddle interjected that, normally, there would be public comment on an agenda item requiring Board action.

Linda Lipscomb thanked President Welsh and the other Directors for their service and said she hoped President Welsh would accept the nomination. She said she wanted to add a footnote to goals and objectives. She said that, when she served on the Board, the Board worked for about two years re-writing the Policy & Procedures Manual, and she asked Director Sherris-Watt, as the Chair of the Policy and Procedure Committee, if this had ever happened and if this was on the list of goals and objectives. Director Sherris-Watt responded that it was part of the goals and objectives, that she had asked President Welsh for the names of her committee members several times over the past year, and that she had never received the information. President Welsh responded that he'd not received those requests. Linda Lipscomb asked that this be included in the goals and objectives. IGM/COP Hart noted that staff would be bringing back some of the policies that needed to be updated for purposes of compliance with current statutes and others that had been worked on by the prior Board. Linda Lipscomb added that legal counsel had vetted the work the prior Board had done and said this needed to be presented to the Board and to the public. Director Sherris-Watt said she had attended meetings prior to being seated and that, at these meetings, the Policy and Procedures had been discussed without action having been taken. Director Sherris-Watt said she looked forward to this being addressed in 2016.

Ms. Lipscomb said that she also wanted to ask Director Sherris-Watt what was the basis for her abstention, noting that, usually, one abstained when one lacked information or had a conflict or some personal reason. Vice President Gillette added that, in the interest of transparency, she wanted to know, too. Director Sherris-Watt responded that, while she had respect for President Welsh's service, she said that he had lacked leadership in providing any on-boarding for in-coming Directors, that he had left them without any information about the ongoing Reno investigation, and that his lack of leadership for new Board members left Kensington open to liability. She said she and Director Cordova had been contacted by the press without prior knowledge of the situation and this was gross negligence. She said that, while she had a pleasant opinion of President Welsh and he was devoted to the community, he failed in his leadership during the prior year. She said it was out of kindness that she felt that abstaining was better than voting no.

Rob Fermin asked what would happen next, procedurally – could President Welsh vote for himself. IGM/COP Hart responded that the individual could vote for himself and that three votes would be sufficient for the individual to be elected.

Leonard Schwartzburd asked if an individual was legally obligated to explain why they had abstained. Director Toombs responded that the Policy and Procedures Manual required this. Director Cordova asked Mr. Riddle to confirm that, per Robert's Rules of Order, an abstention was effectively a vote in the affirmative for the majority of votes cast. Mr. Riddle responded that, per the Policy Manual, it would be counted as being absent and that members should, generally, vote unless they have a conflict. But, he said, the Manual did not make voting mandatory: Rather, the Manual says members should vote. Director Cordova noted that a member could change a vote, if a vote were to be re-cast. President Welsh said he had asked for a roll call and that hadn't been done yet.

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Celia Concus said it had been the position of the Board that the Policy and Procedures Manual were not to govern but only to advise.

The vote was taken for the nomination of President Welsh. The roll call vote was:

Director Cordova – No.
Vice President Gillette – Yes
President Welsh – Yes
Director Toombs – Yes
Director Sherris-Watt – No

President Welsh asked for nominations for Vice President. Vice President Gillette nominated Director Sherris-Watt. President Welsh seconded the nomination.

There were no public comments.

President Welsh said that, although Director Sherris-Watt had made misguided criticisms, she had done a fantastic job in the short time she had been on the Board; that she had shown good leadership with respect to the Park Building Committee. He noted that communication hadn't been as good as possible and that, despite her objections to himself, he thought she'd be a good Vice President. Vice President Gillette added that it would be important to have someone, who would be continuing to serve on the Board in the coming years, take on an officer role.

A roll call vote was taken for Vice President.

Director Cordova – No
Vice President Gillette – Yes
President Welsh – Yes
Director Toombs – Yes
Director Sherris-Watt – Abstain

The meeting was adjourned at 10:20 PM

Len Welsh
KPPCSD Board President

Lynn Wolter
District Administrator

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Meeting Minutes for 12/14/15

A Special Meeting (Closed Session) of the Board of Directors of the Kensington Police Protection and Community Services District was held Monday, December 14, 2015, at **6:00 P.M.**, at the Community Center, 59 Arlington Avenue, Kensington, California.

ATTENDEES

<u>Elected Members</u>	<u>Speakers/Presenters</u>
Len Welsh, President	Randy Riddle, Renne Sloan
Rachelle Sherris-Watt, Vice President	
Patricia Gillette, Director	
Chuck Toombs, Director	
Vanessa Cordova, Director	
<u>Staff Members</u>	
Lynn Wolter, District Administrator	
<u>Press</u>	

President Welsh called the meeting to order at 6:01 P.M. and took roll call. President Welsh, Vice President Sherris-Watt, Director Gillette, Director Toombs, Director Cordova, and District Administrator Wolter were present.

PUBLIC COMMENTS

None

BOARD MEMBER COMMENTS

None

STAFF COMMENTS

None

The Board entered into Closed Session at 6:02 P.M.

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Closed Session Agenda

Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to paragraphs (2) and (3) of subdivision (d) of Section 54956.9: (One potential case)

The Board entered into Open Session at 6:14 P.M.

President Welsh took roll call. President Welsh, Vice President Sherris-Watt, Director Cordova, Director Gillette, and Director Toombs were present.

President Welsh reported that, during Closed Session, the Board had voted unanimously to release the legal opinion it had received that said there was no legal restriction to combining the positions of General Manager and Chief of Police. He also reported that the opinion would be posted on the District's website the following day.

MOTION: Director Gillette moved, and President Welsh seconded, that the meeting be adjourned.

Motion passed: 5 – 0.

AYES: Welsh, Toombs, Gillette, Cordova, Sherris-Watt NOES: 0 ABSENT:

The meeting was adjourned at 6:16 P.M.

Len Welsh
KPPCSD Board President

Lynn Wolter
District Administrator

KPPCSD
Unaudited Profit & Loss Budget Performance
 December 2015

	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
400 · Police Activities Revenue					
401 · Levy Tax	89,522.48	0.00	1,532,957.02	1,527,750.00	1,527,750.00
402 · Special Tax-Police	0.00	0.00	681,690.00	680,000.00	680,000.00
403 · Misc Tax-Police	0.00	0.00	0.00	0.00	0.00
404 · Measure G Supplemental Tax Rev	0.00	0.00	514,175.88	514,177.50	514,177.50
410 · Police Fees/Service Charges	120.00	125.00	1,235.00	750.00	1,500.00
411 · Kensington Hilltop Srvc's Reimb	0.00	0.00	9,450.00	9,450.00	18,900.00
412 · Special Assignment Revenue	0.00	0.00	11,912.79	0.00	0.00
413 · West County Crossing Guard Reim	0.00	0.00	12,528.56	3,610.00	10,830.00
414 · POST Reimbursement	0.00	0.00	2,185.52	0.00	0.00
415 · Grants-Police	12,364.38	0.00	60,597.15	0.00	0.00
416 · Interest-Police	0.00	0.00	583.32	400.00	1,600.00
418 · Misc Police Income	767.46	1,666.67	5,633.28	10,000.02	20,000.00
419 · Supplemental W/C Reimb (4850)	4,298.56	0.00	24,894.57	17,194.24	17,194.24
Total 400 · Police Activities Revenue	107,072.88	1,791.67	2,857,843.09	2,763,331.76	2,791,951.74
420 · Park/Rec Activities Revenue					
424 · Special Tax-L&L	0.00	0.00	35,190.86	33,000.00	33,000.00
427 · Community Center Revenue	1,900.00	8,700.00	12,343.00	20,600.00	33,000.00
435 · Grants-Park/Rec	0.00	0.00	0.00	5,000.00	5,000.00
438 · Misc Park/Rec Rev	0.00	50.00	80.00	250.00	500.00
Total 420 · Park/Rec Activities Revenue	1,900.00	8,750.00	47,613.86	58,850.00	71,500.00
440 · District Activities Revenue					
448 · Franchise Fees	0.00	0.00	8,478.33	16,266.67	48,800.00
449 · District Revenue	0.00	0.00	1,147.00	0.00	0.00
456 · Interest-District	0.00	0.00	0.00	0.00	0.00
458 · Misc District Revenue	0.00	0.00	829.00	0.00	0.00
Total 440 · District Activities Revenue	0.00	0.00	10,454.33	16,266.67	48,800.00
Total Income	108,972.88	10,541.67	2,915,911.28	2,838,448.43	2,912,251.74
Expense					
500 · Police Sal & Ben					
502 · Salary - Officers	76,374.12	81,702.83	465,538.65	490,216.98	980,434.00

KPPCSD
Unaudited Profit & Loss Budget Performance

December 2015

	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
504 · Compensated Absences	0.00	0.00	15,863.82	17,100.00	20,000.00
506 · Overtime	5,257.06	5,000.00	48,904.04	30,000.00	60,000.00
508 · Salary - Non-Sworn	8,822.18	6,825.00	49,436.57	40,950.00	81,900.00
516 · Uniform Allowance	608.98	850.00	4,164.91	5,100.00	10,200.00
518 · Safety Equipment	250.00	0.00	445.96	250.00	3,250.00
521-A · Medical/Vision/Dental-Active	29,415.68	12,496.33	95,945.11	74,977.98	149,956.00
521-R · Medical/Vision/Dental-Retired	24,491.59	13,957.83	93,399.27	83,746.98	167,494.00
521-T · Medical/Vision/Dental-Trust	0.00	0.00	0.00	31,642.00	31,642.00
522 · Insurance - Police	441.00	245.00	2,818.50	2,720.00	5,240.00
523 · Social Security/Medicare	1,328.91	1,389.00	8,021.01	8,334.00	16,668.00
524 · Social Security - District	587.98	423.17	3,322.13	2,539.02	5,078.00
527 · PERS - District Portion	13,795.03	32,285.08	283,354.75	193,710.48	387,421.00
528 · PERS - Officers Portion	6,017.20	7,032.25	38,751.95	42,193.50	84,387.00
530 · Workers Comp	0.00	6,000.00	43,966.71	38,000.00	50,000.00
Total 500 · Police Sal & Ben	167,389.73	168,206.49	1,153,933.38	1,061,480.94	2,053,670.00
550 · Other Police Expenses					
552 · Expendable Police Supplies	16.85	141.67	1,367.78	850.02	1,700.00
553 · Range/Ammunition Supplies	0.00	2,000.00	0.00	2,500.00	5,000.00
560 · Crossing Guard	1,022.81	900.00	4,211.57	4,300.00	10,830.00
562 · Vehicle Operation	775.98	3,000.00	8,089.77	27,700.00	50,000.00
564 · Communications (RPD)	8,686.25	0.00	52,990.09	78,035.00	156,070.00
566 · Radio Maintenance	181.69	20,000.00	908.45	20,720.00	21,750.00
568 · Prisoner/Case Exp./Booking	423.61	0.00	3,977.48	2,500.00	6,400.00
570 · Training	1,155.56	900.00	3,488.16	5,000.00	10,000.00
572 · Recruiting	1,300.00	541.67	4,290.53	3,250.02	6,500.00
574 · Reserve Officers	38.00	337.50	174.50	2,025.00	4,050.00
576 · Misc. Dues, Meals & Travel	1,250.00	0.00	1,690.00	2,900.00	3,140.00
580 · Utilities - Police	2,119.08	1,500.00	4,868.65	5,900.00	10,000.00
581 · Bldg Repairs/Maint.	137.58	416.67	4,602.59	2,500.02	5,000.00
582 · Expendable Office Supplies	543.07	500.00	3,103.14	3,000.00	6,000.00
588 · Telephone(+Rich. Line)	757.45	750.00	3,129.45	4,350.00	8,904.00
590 · Housekeeping	290.04	333.33	2,216.89	1,999.98	4,000.00
592 · Publications	1,950.00	1,950.00	2,158.32	2,200.00	2,500.00
594 · Community Policing	275.70	100.00	4,144.34	2,300.00	4,000.00
596 · WEST-NET/CAL I.D.	0.00	0.00	5,508.00	5,925.00	5,925.00
599 · Police Taxes Administration	874.93	0.00	2,607.54	1,750.00	3,500.00

19

KPPCSD

Unaudited Profit & Loss Budget Performance

December 2015

	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
Total 550 · Other Police Expenses	21,798.60	33,370.84	113,527.25	179,705.04	325,269.00
600 · Park/Rec Sal & Ben					
601 · Park & Rec Administrator	661.20	650.00	4,146.00	3,900.00	7,800.00
602 · Custodian	1,750.00	1,900.00	10,500.00	11,400.00	22,750.00
623 · Social Security/Medicare - Dist	0.00	49.75	0.00	298.50	597.00
Total 600 · Park/Rec Sal & Ben	2,411.20	2,599.75	14,646.00	15,598.50	31,147.00
635 · Park/Recreation Expenses					
640 · Community Center Expenses					
642 · Utilities-Community Center	559.72	540.00	2,581.06	2,860.00	5,616.00
643 · Janitorial Supplies	0.00	0.00	825.15	800.00	800.00
646 · Community Center Repairs	0.00	250.00	1,107.43	1,500.00	3,000.00
Total 640 · Community Center Expenses	559.72	790.00	4,513.64	5,160.00	9,416.00
660 · Annex Expenses					
662 · Utilities - Annex	0.00		493.43	499.98	1,000.00
666 · Annex Repairs	0.00	83.33	0.00	499.98	1,000.00
668 · Misc Annex Expenses	0.00	83.33	0.00	499.98	1,000.00
Total 660 · Annex Expenses	0.00	166.66	493.43	999.96	2,000.00
670 · Gardening Supplies	0.00	83.33	0.00	499.98	1,000.00
672 · Kensington Park O&M	-689.16	6,525.00	26,927.64	39,150.00	78,300.00
674 · Park Construction Exp	0.00	0.00	0.00	5,000.00	5,000.00
678 · Misc Park/Rec Expense	0.00	83.33	170.00	499.98	1,000.00
Total 635 · Park/Recreation Expenses	-129.44	7,648.32	32,104.71	51,309.92	96,716.00
800 · District Expenses					
810 · Computer Maintenance	2,556.77	148.00	16,771.77	12,718.00	24,288.00
820 · Cannon Copier Contract	387.63	400.00	2,348.73	3,300.00	5,700.00
830 · Legal (District/Personnel)	0.00	8,300.00	47,678.30	49,800.00	99,530.00
835 · Consulting	0.00	2,500.00	20,713.04	10,000.00	15,000.00
840 · Accounting	1,260.00	2,000.00	23,592.00	12,000.00	34,000.00
850 · Insurance	0.00	0.00	27,480.79	30,000.00	30,000.00
860 · Election	0.00	0.00	0.00	0.00	0.00
865 · Police Bldg. Lease	0.00	0.00	0.00	1.00	1.00

KPPCSD Unaudited Profit & Loss Budget Performance

December 2015

	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
870 · County Expenditures	6,445.00	4,500.00	8,383.54	7,500.00	22,300.00
890 · Waste/Recycle	0.00	4,000.00	1,212.28	21,600.00	25,000.00
898 · Misc. Expenses	143.62	1,275.00	13,590.77	7,650.00	15,300.00
899 · Depreciation Expense	0.00	0.00	0.00	0.00	0.00
Total 800 · District Expenses	10,793.02	23,123.00	161,771.22	154,569.00	271,119.00
950 · Capital Outlay					
962 · Patrol Cars	0.00	0.00	0.00	30,000.00	30,000.00
963 · Patrol Car Accessories	0.00	0.00	0.00	3,000.00	3,000.00
965 · Weapons / Radios	0.00	10,000.00	0.00	10,000.00	10,000.00
967 · Station Equipment	0.00	0.00	5,000.00	7,000.00	7,000.00
968 · Office Furn/Eq	-75.00	0.00	1,001.00	6,000.00	6,000.00
972 · Park Buildings Improvement	0.00	2,000.00	13,658.25	12,500.00	25,000.00
Total 950 · Capital Outlay	-75.00	12,000.00	19,659.25	68,500.00	81,000.00
Total Expense	202,188.11	246,948.40	1,495,641.81	1,531,163.40	2,858,921.00
Net Ordinary Income	-93,215.23	-236,406.73	1,420,269.47	1,307,285.03	53,330.74
Other Income/Expense					
Other Expense					
700 · Bond Issue Expenses					
701 · Bond Proceeds	0.00	0.00	-177,746.56	0.00	0.00
710 · Bond Admin.	4,197.28	0.00	8,999.40	0.00	0.00
715 · Bond Interest Income	0.00	0.00	-75.24	0.00	0.00
720 · Bond Principal	0.00	0.00	125,718.06	0.00	0.00
730 · Bond Interest	0.00	0.00	17,992.40	0.00	0.00
Total 700 · Bond Issue Expenses	4,197.28	0.00	-25,111.94	0.00	0.00
995 · Loss/(Gain) - Asset Disposition	0.00	0.00	0.00	0.00	0.00
Total Other Expense	4,197.28	0.00	-25,111.94	0.00	0.00
Net Other Income	-4,197.28	0.00	25,111.94	0.00	0.00
Net Income	-97,412.51	-236,406.73	1,445,381.41	1,307,285.03	53,330.74

KPPCSD
Transaction Detail By Account
July through December 2015

Date	Num	Name	Memo	Split	Amount
420 · Park/Rec Activities Revenue					
424 · Special Tax-L&L					
10/01/2015	JV07...	CCC Taxes-LLD	SP ASSESS ...	146 · Advance...	35,190.86
Total 424 · Special Tax-L&L					35,190.86
427 · Community Center Revenue					
07/16/2015	1189		CC Rental 6-...	112 · General ...	412.50
07/16/2015	4434		CC Rental 7-...	112 · General ...	300.00
07/16/2015	1350		CC Rental 7-...	112 · General ...	450.00
07/16/2015	1393		CC Rental 7-...	112 · General ...	300.00
07/16/2015	1036		CC Rental 7-...	112 · General ...	600.00
07/16/2015	006		Alanon Mtg J...	112 · General ...	90.00
08/04/2015	264		CC Rental P...	112 · General ...	700.00
08/04/2015	3751		CC Rental P...	112 · General ...	900.00
09/01/2015	208		CC Rental 8-...	112 · General ...	375.00
09/01/2015	224		CC Rental 8-...	112 · General ...	400.00
09/01/2015	3126		CC Rental 8-...	112 · General ...	375.00
09/01/2015	009		Wake Up to ...	112 · General ...	90.00
10/13/2015	1013		CC Rental 1...	112 · General ...	1,550.00
10/13/2015	1159		East Bay Coll...	112 · General ...	598.00
10/13/2015	10857		CC Rental Fe...	112 · General ...	375.00
10/13/2015	2889		CC Rental Fe...	112 · General ...	300.00
10/30/2015	16724	Micahel Collier	Reimburse...	112 · General ...	-75.00
11/16/2015	13		Wake Up to ...	112 · General ...	90.00
11/16/2015	2263		Michael Colli...	112 · General ...	1,000.00
11/16/2015	712		Kris Luna CC...	112 · General ...	400.00
11/16/2015	1979		Robin Green...	112 · General ...	412.50
11/16/2015	223		George Ferg...	112 · General ...	800.00
12/03/2015	1043		CC Rental P...	112 · General ...	300.00
12/03/2015	5927...		CC Rental P...	112 · General ...	800.00
12/03/2015	3014		CC Renal Py...	112 · General ...	800.00
Total 427 · Community Center Revenue					12,343.00

Transaction Detail By Account

July through December 2015

Date	Num	Name	Memo	Split	Amount
438 · Misc Park/Rec Rev					
08/04/2015	4445		Tennis Court ...	112 · General ...	40.00
11/16/2015	4645		Tennis Court ...	112 · General ...	40.00
Total 438 · Misc Park/Rec Rev					80.00
Total 420 · Park/Rec Activities Revenue					47,613.86
TOTAL					47,613.86

KPPCSD

Transaction Detail By Account

July through December 2015

Date	Num	Name	Memo	Split	Amount
600 · Park/Rec Sal & Ben					
601 · Park & Rec Administrator					
07/15/2015		Di Napoli, Andrea		112 · General ...	395.10
07/30/2015		Di Napoli, Andrea		112 · General ...	388.20
08/14/2015		Di Napoli, Andrea		112 · General ...	314.10
08/28/2015		Di Napoli, Andrea		112 · General ...	385.80
09/15/2015		Di Napoli, Andrea		112 · General ...	330.90
09/30/2015		Di Napoli, Andrea		112 · General ...	402.60
10/15/2015		Di Napoli, Andrea		112 · General ...	211.50
10/30/2015		Di Napoli, Andrea		112 · General ...	344.70
11/13/2015		Di Napoli, Andrea		112 · General ...	354.30
11/30/2015		Di Napoli, Andrea		112 · General ...	357.60
12/15/2015		Di Napoli, Andrea		112 · General ...	424.50
12/29/2015		Di Napoli, Andrea		112 · General ...	236.70
Total 601 · Park & Rec Administrator					4,146.00
602 · Custodian					
07/15/2015	16466	William Driscoll	7/1 - 7/15/15 ...	112 · General ...	875.00
07/30/2015	16503	William Driscoll	7/16 - 7/31/1 ...	112 · General ...	875.00
08/14/2015	16539	William Driscoll	8/1 - 8/15/15 ...	112 · General ...	875.00
08/28/2015	16576	William Driscoll	8/16 - 8/31/1 ...	112 · General ...	875.00
09/15/2015	16601	William Driscoll	9/1 - 9/15/15 ...	112 · General ...	875.00
09/30/2015	16642	William Driscoll	9/15 - 9/30/1 ...	112 · General ...	875.00
10/15/2015	16665	William Driscoll	10/1 - 10/15/...	112 · General ...	875.00
10/30/2015	16697	William Driscoll	10/16 - 10/31...	112 · General ...	875.00
11/13/2015	16761	William Driscoll	11/1 - 11/15/...	112 · General ...	875.00
11/30/2015	16777	William Driscoll	11/16 - 11/30...	112 · General ...	875.00

24

Transaction Detail By Account

July through December 2015

Date	Num	Name	Memo	Split	Amount
12/15/2015	16806	William Driscoll	12/1 - 12/15/...	112 · General ...	875.00
12/30/2015	16838	William Driscoll	12/16 - 12/31...	112 · General ...	875.00
Total 602 · Custodian					10,500.00
Total 600 · Park/Rec Sal & Ben					14,646.00
TOTAL					14,646.00

25

The KPD statistical data for this month's report covers the time period from November and December 2015. Parts of these data points were gathered by hand, as a system-wide computer crash has made it difficult to retrieve data. Work is in progress to retrieve all data and fully restore the Records management System (RMS).

Team 1 Statistics

Team 2 Statistics

Traffic Stops	58
Moving Citations	52
Parking Citations	22
Vacation	
Security Checks	68
Field Interviews	0
Traffic Collision	
Reports	11
Cases	18
Arrests	4
Calls for Service	219

BRIEFING/TRAINING:

SERGEANT'S SUMMARY:

This month we noticed an increase in parking complaints. The most common complaints we receive are vehicles blocking driveways, blocking fire hydrants, parking in stalls with time limits, blocking sidewalks, parking the wrong way, and 72 hour violations (parked in the same place without moving for 72 hours).

More often than not when we respond to these sorts of calls we find the violator lives in Kensington and it was a neighbor who called in the complaint. Although we try to be understanding and reasonable when dealing with such complaints we simply do not have the resources to track down each vehicle's owner and ask them to correct the problem. Please be aware of signage and parking laws, and take care to park your vehicle legally.

SIGNIFICANT EVENTS:

2015-3826 On 11/1/15, an officer responded to the 00 Blk of Kingston Road for a reported theft from a vehicle.

- 2015-3828 On 11/1/15, an officer responded to Rugby Avenue at Yale Avenue for a reported hit and run vehicle collision.

2015-3829 On 11/1/15, an officer responded to the 600 Blk of Wellesley Avenue for a reported theft of vehicle license plates.

2015-3834 On 11/1/15, an officer responded to the 00 Blk of Ardmore Road for a reported theft from a locked vehicle.

2015-3843 On 11/2/15, an officer responded to the 500 Blk of Coventry Road for a reported vandalism, cut resident's tree in front of their home.

- 2015-3871 On 11/6/15, an officer responded to the 200 Blk of Stanford Avenue for a reported theft of two trash cans.
- 2015-3885 On 11/8/15, an officer responded to the 300 Blk of Ocean View Avenue and arrested a subject for public intoxication and theft of services.
- 2015-3946 On 11/11/15, an officer responded to the 600 Blk of Wellesley Avenue for a reported theft from an unlocked vehicle.
- 2015-3959 On 11/11/15, an officer responded to the corner of Arlington Avenue and Oberlin Avenue for a reported hit and run vehicle collision with a retaining wall. The driver was located and paid for the damage.
- 2015-3963 On 11/13/15, an officer responded to the 200 Blk of Arlington Avenue for a reported identity theft.
- 2015-3978 On 11/15/15, an officer responded to the 200 Blk of Yale Avenue for a reported hit and run vehicle collision.
- 2015-4002 On 11/17/15, an officer responded to the 00 Blk of Arlington Avenue and arrested a subject for being under the influence of a controlled substance.
- 2015-4028 On 11/20/15, an officer arrested a subject in the 300 Blk of Berkeley Park Blvd. for a no bail warrant out of Santa Clara county.

2015-4089 On 11/25/15, an officer responded to the corner of Cowper Avenue and Highland Blvd for a reported suspicious person. A male subject out of Antioch/Texas with numerous prior arrests was contacted. The subject was arrested for being under the influence of a controlled substance, possession of a controlled substance, drug paraphernalia, and possession of prohibited weapons. The subject also took a dog without the owner's permission but they declined to make a theft report. The dog was returned unharmed.

2015-4108 On 11/27/15, an officer responded to the 200 Blk of Trinity Avenue for a reported vandalism/attempted burglary.

2015-10037 On 12/1/15, an officer responded to the 200 Blk of Los Altos Drive for a reported theft from a vehicle.

2015-10143 On 12/8/15, an officer responded to the 300 Blk of Berkeley Park Blvd. for a reported theft of packages from the front porch area.

2015-10146 On 12/9/15, an officer responded to the 800 Blk of Coventry Road for a reported Residential Burglary.

2015-10150 On 12/10/15, an officer responded to the 100 Blk of Arlington Avenue for a reported theft from a vehicle.

2015-10185 On 12/13/15, an officer responded to the 00 Blk of Anson Way for a reported theft from a vehicle and an attempted auto theft.

2015-10195 On 12/15/15, an officer responded to the 00 Blk of Highgate Avenue for a reported identity theft.

2015-10197 On 12/15/15, an officer responded to the 00 Blk of Lawson Drive for a reported Commercial Burglary.

2015-10230 On 12/18/15, an officer responded to the 200 Blk of Arlington Avenue for a reported identity theft.

- 2015-10275 On 12/21/15, an officer responded to the 500 Blk of Coventry Road for a reported attempted auto theft.

2015-10294 On 12/23/15, an officer responded to the 300 Blk of Yale Avenue for a reported theft.

- 2015-10295 On 12/23/15, an officer responded to the 00 Blk of Eureka Avenue for a reported hit and run vehicle collision.

- 2015-10351 On 12/31/15, an officer responded to the 00 Blk of Franciscan Way for a reported Stalking.

KPD Monthly Crime Statistics

November 2015

Part 1 Crimes	Reported	Open/ Pending	Suspended	Closed	Arrest
Homicide	0	0	0	0	0
Rape	0	0	0	0	0
Robbery	0	0	0	0	0
Assault	0	0	0	0	0
Residential Burglary	0	0	0	0	0
Larceny Theft	6	6	0	0	0
Vehicle Theft	0	0	0	0	0
Arson	0	0	0	0	0
Part 1 Totals	<u>6</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Crimes					
Other misdemeanor	4	1	0	3	3
Identity Theft	3	3	0	0	0
Fraud	4	4	0	0	0
Forgeries	0	0	0	0	0
Restraining Order Violations/ Stalking/ Criminal Threats	1	0	0	1	1
Sex Crimes (other)	0	0	0	0	0
Assault/ Battery (other)	1	0	0	1	0
Vandalism	0	0	0	0	0
Drugs	0	0	0	0	0
Warrant	1	0	0	1	1
Hit and Run Felony	0	0	0	0	0
Hit and Run Misdemeanor	3	2	0	1	0
Other Misdemeanor Traffic	0	0	0	0	0
Other Crime Totals	<u>17</u>	<u>10</u>	<u>0</u>	<u>7</u>	<u>5</u>
All Crime Totals	<u>23</u>	<u>16</u>	<u>0</u>	<u>7</u>	<u>5</u>
Traffic Accidents (Non Injury)	7				
Traffic Accidents (Injury)	0				

KPD Monthly Crime Statistics

December 2015

Part 1 Crimes	Reported	Open/ Pending	Suspended	Closed	Arrest
Homicide	0	0	0	0	0
Rape	0	0	0	0	0
Robbery	0	0	0	0	0
Assault	0	0	0	0	0
Residential Burglary	2	2	0	0	0
Larceny Theft	6	6	0	0	0
Vehicle Theft	0	0	0	0	0
Arson	0	0	0	0	0
Part 1 Totals	<u>8</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Crimes					
Other misdemeanor	2	2	0	0	0
Identity Theft	2	2	0	0	0
Fraud	0	0	0	0	0
Forgeries	0	0	0	0	0
Restraining Order Violations/ Stalking/ Criminal Threats	1	0	0	1	0
Sex Crimes (other)	0	0	0	0	0
Assault/ Battery (other)	0	0	0	0	0
Vandalism	0	0	0	0	0
Drugs	1	0	0	0	0
Warrant	0	0	0	1	1
Hit and Run Felony	0	0	0	0	0
Hit and Run Misdemeanor	1	0	0	1	0
Other Misdemeanor Traffic	0	0	0	0	0
Other Crime Totals	<u>7</u>	<u>4</u>	<u>0</u>	<u>3</u>	<u>1</u>
All Crime Totals	<u>15</u>	<u>12</u>	<u>0</u>	<u>3</u>	<u>1</u>

Traffic Accidents (Non Injury)	4
Traffic Accidents (Injury)	0

KPD Crime Statistics

YTD 2015

Part 1 Crimes	Reported	Open/ Pending	Suspended	Closed	Arrest
Homicide	0	0	0	0	0
Rape	0	0	0	0	0
Robbery	0	0	0	0	0
Assault	3	0	1	2	1
Residential Burglary	20	16	1	3	0
Larceny Theft	68	50	18	0	0
Vehicle Theft	16	9	2	5	0
Arson	0	0	0	0	0
Part 1 Totals	<u>107</u>	<u>75</u>	<u>22</u>	<u>10</u>	<u>1</u>
Other Crimes					
Other misdemeanor	19	4	4	11	11
Identity Theft	36	28	7	1	0
Fraud	10	10	0	0	0
Forgeries	0	0	0	0	0
Restraining Order Violations/ Stalking/ Criminal Threats	5	0	0	5	2
Sex Crimes (other)	0	0	0	0	0
Assault/ Battery (other)	4	0	1	3	0
Vandalism	17	8	6	3	0
Drugs	3	0	0	2	2
Warrant	6	0	0	7	7
Hit and Run Felony	0	0	0	0	0
Hit and Run Misdemeanor	18	10	5	3	0
Other Misdemeanor Traffic	3	0	0	3	3
Other Crime Totals	<u>121</u>	<u>60</u>	<u>23</u>	<u>38</u>	<u>25</u>
All Crime Totals	<u>228</u>	<u>135</u>	<u>45</u>	<u>48</u>	<u>26</u>
Traffic Accidents (Non Injury)	50				
Traffic Accidents (Injury)	3				

* 2011 case

POLICE DEPARTMENT
OFFICE OF THE CHIEF OF POLICE



January 8, 2016

West Contra Costa County Consortium Chiefs of Police,

This is to inform you that the Richmond Police Department recently suffered a significant hardware and software failure. As a result, we were unable to recover a significant amount of information captured and stored by both our Computer Aided Dispatch and Records Management systems (CAD & RMS) spanning a time period covering more than a year, until recently. This failure not only impacted the Richmond Police Department, but also the consortium member agencies for which the Richmond Police Department provides CAD and RMS services. This group includes the San Pablo, Hercules, El Cerrito, Pinole and Kensington Police Departments.

The initial phase of restoration work restored all feared lost electronic data except for the records covering the time period November 9 – 28, 2015. Regrettably, we have come to learn that these electronic records are irretrievable.

This unfortunate setback means that all of the affected police agencies will be delayed in retrieving crime reports related to many of these records, but especially those created during November 9 – 28, 2015. This is an unfortunate reality of the digital world. In the immediate aftermath of this mishap, we've put into place additional system backups and redundancies to guard against future failures of a similar nature. Concurrently, while we are working diligently to re-enter recovered data, we've also initiated an internal investigation to find all of the facts associated with this failure so that we can make informed decisions moving forward.

It is our desire to do all we can in order to provide the best possible service to the public, and to our partners.

Please accept our deepest apologies for all of the unwanted inconveniences this causes. Thank you for your patience and understanding.

Yours in public service,

Allwyn Brown
Interim Chief of Police

Lynn Wolter

From: Mstollon <mstollon@sonic.net>
Sent: Monday, January 04, 2016 10:31 AM
To: Len Welsh; Vanessa Cordova; Rachelle Sherris-Watt; Chuck Toombs; Pat Gillette; tpee@bayareanewsgroup.com; Kevin Hart; Lynn Wolter
Subject: January Agenda item, executive search firm for Kensington

Dear Board Members:

I would like to make a second request that an item be added to the agenda, if not already, to begin the process of the selection of an executive search firm, as Mr. Hart's contract will be ending in February. From my experience in executive search years ago, I know that it takes 3-6 months or more ...to find suitable candidates for a permanent position at this level.

I urge the board to get going in the preliminary phase at minimum, we can not wait for the adhoc for everything important that pertains to the community. A search firm can be selected and the parameters of the position discussed as the community and board moves along.

If you do not see a need for putting this on the agenda, can you explain to the public why not ? Or is the board intending to just vote Mr. Hart into a combined position as we get backed into a deadline?

Sincerely,
Marilyn Stollon

Pls include in the record

Lynn Wolter

From: Mstollon <mstollon@sonic.net>
Sent: Friday, January 01, 2016 5:59 PM
To: Rachelle Sherris-Watt; Pat Gillette; Len Welsh; Chuck Toombs; Kevin Hart; Vanessa Cordova; Lynn Wolter
Subject: Photo , letter to the board

Board Members,

Can you provide a reason why Vanessa's photo is no longer on the website? Is it due to the previous threats against her? Advice of the investigators? Or is there some other reason? This has been raised on ND and a reason for the altered photo would be appreciated by many people.

On the second matter pertaining to the recent re -investigation/audit, I would like to ask if any board members current or previous were interviewed .

I , for one did not find anything new or enlightening in the audit, it confirms for many that policies and procedures were not followed,a long standing pattern that includes the Board and the Chiefs.

Lastly, the interim chief reports that you will now follow procedures, and that future outside investigations will include the same amount of non disclosure to the board. In other words, nothing has changed in this set up as it stands.

Again, this makes it so clear why a separate GM is necessary, as any town would have the GM interface with the board and provide supervision and direction to the chief.

I am hopeful that 2016 will bring Kensington into the 21st century with a more efficient and modern approach to governance that is standard in other towns.

Best,
Marilyn Stollon

Please include in the record.
Sent from my iPad

Marty Knight
P.O. Box 303
Mi Wuk Village, California 95346
209/586-4863
martyknight33@gmail.com

December 30, 2015

Mr. Len Welsh
Commissioner and President
Kensington Police Protection and Community Service District
217 Arlington Avenue
Kensington, California 94708

Dear Commissioner Welsh:

On November 16, 2015, I sent a letter to you, your fellow Kensington Police and Community Service District colleagues, and Kensington Police personnel including Chief Hart, Sergeant Hui, and Officer Wilkens; please see the attached copy of the letter for your reference. My November 16, 2015 letter outlined the long history of non-action by the Kensington Police Department regarding the removal of the abandoned auto or autos on public property in front of 285 Colgate Avenue.

Since I wrote the November 16, 2015 letter, the abandoned vehicle remains in place and has not been moved or towed. This, despite the fact that for months I have engaged in ongoing and exhaustive communications with the Kensington Police Department including Chief Hart, Sergeant Hui, and Officer Wilkens. The current "status quo" appears to be that the Kensington Police Department has been advised by Contra Costa County regarding the legal protocol about how to tow the abandoned vehicle, but has not taken the necessary actions to do so. Why?

Joe Losado is the Principal Building Inspector and Manager of Code Enforcement for Contra Costa County. His phone numbers are: 674-7708 (office) and 383-8303 (cell). Mr. Losado explained to me, and Sergeant Hui, what specifically needs to be done in order to tow the abandoned vehicle.

Two things especially concern me regarding the abandoned auto or autos at 285 Colgate. First, I have been pursuing results for months with no tangible results. Second, while I was able to acquire a legal explanation from Mr. Losado as discussed below, *at no time was I provided with an explanation by the Kensington Police Department about why the vehicle had not been towed.* I find this disingenuous. When, if ever, does the Kensington Police Department plan to honestly explain what course of action they will take?

According to Mr. Losado, all cities within Contra Costa County *except Kensington*, participate in the Abandoned Vehicle Abatement Program or AVAP. This gives cities the authority to tow abandoned autos on public property. To acquire this towing authority, the Kensington Police Protection and Community Service District must follow the abandoned vehicle service authority guidelines and formulate the appropriate ordinance, as have all other cities in the County. The protocol for developing this ordinance and towing authority may be reviewed by studying any other city in the County and/or by review of California Vehicle Code section 22710. The California Highway Patrol also has an abandoned vehicle program handbook as reference. Once towing authority has been acquired, pursuant to

265

California Vehicle Code section 22710, *funding is available to County cities, including Kensington.*

It is my strong hope Kensington will expeditiously acquire towing authority. This would be a service to all of Kensington, as I suspect others have had or will have similar abandon auto issues.

I am compromised in my ability to communicate in person with you and the Kensington Police Department since I live in the Sierra Nevada Mountains. I would appreciate the opportunity to discuss this matter with you by phone at your earliest convenience. Please notify me by email or phone (as above) about when I can talk to you.

Sincerely,

Marty Knight

cc: Chuck Toombs, Rachelle Sherris-Watt, Vannesa Cordova, Patricia Gillette, Chief Hart, Sergeant Hui, Officer Wilkens, Sylvia Rhodes, Steve Holmes, Anthony Knight, Ned Waring

Kevin Hart

From: Jim Watt <jandiwatt@sbcglobal.net>
Sent: Sunday, January 10, 2016 8:10 PM
To: Kevin Hart
Subject: Fwd: Compensation study
Attachments: Binder1.pdf

Dear Mr. Hart,

Just a reminder that I would like you to include the following transmittal message and the attached January 2016 compensation study in the January agenda packet.

Thank you.

Jim Watt

----- Forwarded Message -----

Subject: Compensation study

Date: Tue, 5 Jan 2016 20:31:00 -0800

From: Jim Watt <jandiwatt@sbcglobal.net>

To: Len Welsh <lwelsh@kensingtoncalifornia.org>, Len Welsh <lenwelsh@gmail.com>, Chuck <ctoombs@kensingtoncalifornia.org>, Pat Gillette <pgillette@kensingtoncalifornia.org>, Vanessa Cordova <vcordova@kensingtoncalifornia.org>, Rachelle Sherris-Watt <rsherriswatt@kensingtoncalifornia.org>, Kevin Hart <khart@kensingtoncalifornia.org>, David Spath <dpspath106@gmail.com>

Dear Board members, IGM/COP Hart and David Spath,

On December 18, 2015 I sent all of you a copy of a compensation study I compiled showing how Kensington's compares to 5 similar communities. So far, I have only heard back from Dave Spath who provided a number of interesting suggestions and comments. After reviewing Dave's comments, plus new information I received, I decided to go back and make further changes to to this compensation study. Attached is the revised study now dated January 2016.

While the changes provide greater clarity and accuracy, they do not alter the study's conclusions. The report continues to show that Kensington provides a better compensation package (salary plus benefits) for its officers than most of the other communities, and that our overall cost per officer is significantly above these other communities. The primary driver behind this discrepancy are the generous pensions and medical benefits.

Most of you know that I am very concerned about CalPERS ability to consistently deliver a 7.5% return on their/our assets, and the consequences to the taxpayer if they fail. It is very important that those of you who have been put in the role of making prudent and difficult decisions on behalf of the Kensington taxpayer understand the very great exposure the District has in terms of its obligations for pension and health care. The choices are not easy, but the attached

study shows that other communities have already implemented much more favorable MOU terms than Kensington. If Kensington hopes to maintain a locally controlled police force, then the Board, the IGM/COP and the officers need to recognize that major changes in MOU terms and department structure are needed.

Please include the attached January 2016 compensation study in the January Board agenda. Thank you.

Jim Watt

Kensington's Police Officer's Compensation Versus Other Similar Communities

December 2015
Prepared by Jim Watt

Background

In June 2013, Koff & Associates prepared a report for the KPPCSD "District", which evaluated how Kensington's compensation for officers and sergeants compared to 12 other agencies. The Report concluded that Kensington's salaries were about 10% below those offered by other agencies, while total compensation (to include benefits) was about 3% below. While the Koff methodology "appears" reasonable, the following factors contributed to misleading and/or questionable conclusions:

- The choice of Koff's comparable communities did not reflect Kensington's small, isolated, affluent characteristics, coupled with a very low crime rate.
- In comparing Kensington's salaries to other agencies, no adjustment was made to reflect the fact that most other agencies require their officers to contribute to their CalPERS pension, whereas the District picks up what would normally be the officer's 9% share.
- In evaluating total compensation (salary and benefits), Koff attempted to account for the different formulas used by agencies to determine eligibility for pension (Kensington's is 3% @ age 50). However, Koff made no adjustments for both active and retiree medical benefits – Kensington offers a plan that provides medical, dental and vision coverage to its retirees and dependents, while most other agencies provide greatly reduced retiree medical benefits.

This report attempts to correct these deficiencies by using a different base of comparable communities, adjusting salaries for employee PERS contributions and using actual total compensation packages as reported by each agency.

Methodology

Table 1 in the findings to this study provides more details on the factors used to select comparable communities. This search turned up the following five communities that were used for evaluation purposes: Moraga, Clayton, Tiburon, Belvedere and Ross. Many other similar communities (for example; Orinda, Alamo, Larkspur) were not used because they either contract out for police services or have formed a joint police protection district with nearby communities.

This report also relies on budget data obtained from each town/city for their estimated police department expenditures for 2015-16, and the MOU's that apply to the 2015-16 timeframe. Because the budgets for police departments include both sworn (officer) and

non-sworn (staff) personnel, this report also evaluated data compiled for calendar year 2014 by the Contra Costa Times, that breaksdown each officer's salary and benefit costs. Finally, either the town manager or the finance director was personally contacted at the comparable communities to get clarity on various line items and a better understanding on how they approach their employee costs.

Summary of Findings

The data contained in the attached tables indicates that Kensington's officers (to include both sergeants and officers) receive compensation that is equal to, and often better than, similar officers at comparable agencies. While most of this difference can be explained by different MOU terms it also appears that many Kensington officers have served the community for a long time and thus reached the top of their pay grade and receive extra compensation for POST advancement. Additionally, Kensington has a high percentage of officers with the rank of sergeant and above.

However, it is largely the MOU terms that have driven down police costs at these other communities, and will do so to an even greater extent in future years. What comes across loud and clear is that for some time these other towns/cities have been proactively working on ways to cut costs using some very creative approaches – see analysis for Table 5. By comparison, the District has extracted no such concessions from Kensington officers other than what is mandated by the 2013 PEPR law. Here are some of the principal differences between Kensington and these other communities.

- ❖ **Salaries** – Kensington's salaries are actually better than other communities after adjusting for the 9% employee pension contribution paid for by the District.
- ❖ **Pensions** – Kensington's 3% annual vesting rate with retirement benefits offered at 50 years (termed 3%@50), is often referred to as the "Cadillac" plan, because it is the best plan available. Other agencies offer either 3%@55, or 2% @ 50, resulting in tremendous long term cost savings because of the delay in pension obligations or the lower vesting rate.
- ❖ **Employee Pension Contribution** – All other agencies require the employee to contribute to his/her pension. Some of them did this without corresponding salary increases.
- ❖ **Medical Coverage** – Only Kensington and Moraga provide vision coverage in addition to medical and dental.
- ❖ **Medical Costs** – Kensington pays employee and dependent coverage at the rate of the Kaiser HMO plan. Other agencies include dollar limits and/or coverage for only the employee, or the employee + 1.
- ❖ **Retired Medical** – Kensington pays the Kaiser HMO rate for the employee and dependents for life. Most other agencies put significant limitations on these payments including just the PEMCHA minimum of \$122/month. If Kensington had these restricted medical benefits it would save over \$100,000 annually in total retiree medical costs.
- ❖ **Other Issues** – While this report did not attempt to compare staffing levels, both Belvedere and Ross operate with less officers than Kensington, while the larger

towns of Moraga and Clayton have police expenditures per household that are half that of Kensington. Likewise, the towns of Belvedere, Ross and Clayton, all pay their police chiefs less in salary and benefits than Kensington, and in the case of Belvedere, the city splits the police chief's costs with Tiburon. Also, several of these cities/towns have reduced their annual employee compensation by paying off their CalPERS pension side fund, thereby saving 7.5% interest on the remaining balance. As of 6/30/15 Kensington's side fund stood at \$273,773, so one year's interest is \$20,500.

Attached to this report as Exhibit A is a historical analysis prepared 6 months ago comparing the increase in the District's revenues and expenditures from 2006 to 2015. During this period revenues increased 19% (helped by the 2010 Measure G special police tax), while expenditures increased 77%; meaning expenditures are out-pacing revenues by more than a 4 to 1 margin. Included in the expenditure category were medical costs (code 521), which increased from \$175,000 to \$367,000, or 110%. While all costs are important, this is clearly the one that should be of major concern.

For a variety of reasons, not entirely police related, the District's reserve account (the unassigned fund balance) has dropped by \$500,000 since 2006, and currently stands at about \$1.1 million. While there are clearly enough reserves to meet normal emergencies, the additional costs to upgrade the Community Center will likely drop these reserves below \$1.0 million. Of major concern would be a new MOU with terms that will drive up costs further or an economic recession with impacts on CalPERS ability to hit their annual 7.5% investment target. This should be a major concern given that CalPERS returned only 2.4% in FYE 2015, and in the first 5 months of FYE 2016 CalPERS investments are a negative 1.4%.

All these factors, and more, should be taken into account in any MOU negotiations. Hopefully this report will provide you with a better understanding of how Kensington police are compensated relative to other peer agencies, and provide some useful ideas to bring Kensington into conformance with the compensation packages offered by these other agencies in order to protect the taxpayer in this uncertain economic climate.

In June 2013, a Total Compensation Study was prepared by Koff & Associates for Hanson Bridgett LLP and the KPPCSD. Presumably this information was to provide the KPPCSD and their attorneys with some guidance on as pending MOU negotiations with the KPOA. While the methodology appears sound, Koff used a number of questionable cities/towns for comparison to Kensington. In any comparison study, the comparative data must be as similar as possible to the subject being studied, otherwise one is comparing apples to oranges. Koff, in consultation with the District, selected 12 communities, of which 8 were cities, many with far larger police services than Kensington and/or significantly different demographics and often much higher incidents of violent crime.

The 5 comparison communities listed below in Table 1 have very similar demographics and have comparable geographic features in terms of their topography, internal access and the demographic composition of adjacent communities. The reader may wonder why the following communities were not considered: Orinda, Lafayette, Alamo, Danville, Los Altos Hills, Portola Valley, Woodside, Milbrae, Corte Madera, Larkspur and San Anselmo. The reason is because these communities all contract out for their police services or have a joint powers agreement with adjacent communities.

The search for comparison communities suggest that it is much more common to find small, affluent urban Bay Area communities that outsource or combine their police services than communities like Kensington and the other five listed above that choose to operate their own police department. And, as discussed Table 2, the five comparison communities all offer a much broader array of overall community services than Kensington with a far larger administrative support staff. This results in some economies of scale not afforded Kensington where overall police costs are about 90% of the total KPPCSD budget.

The 2014 Crime statistics for these communities show very low incidence of violent crime and very low rates of property theft. Indeed, these communities are among the safest in state. The six communities listed below have violent crime rates that are 10% of the statewide average and property crimes that are 1/2 the state average.

Table 1
2015 Demographic/Geographic and Crime Profile

2015 Demographics	Kensington	Moraga	Clayton	Tiburon	Belvedere	Ross
Population	5,202	16,500	11,200	9,100	2,100	2,500
% white	77%	76%	85%	87%	93%	93%
Median Age	51	47	47	50	55	46
Those over 25 age with BA Degree or above	75%	75%	48%	76%	79%	76%
Total Households	2,241	5,725	4,131	3,874	966	872
Median Hsld Income	\$127,000	\$119,000	\$108,000	\$121,000	\$169,000	\$152,000
Persons per Hsld	2.3	2.6	2.7	2.4	2.2	2.9
Not in Labor Force	37%	44%	35%	44%	52%	45%
Occupation-White collar	87%	86%	75%	83%	94%	86%
Median House Value	\$872,000	\$1,000,000+	\$632,000	\$1,000,000+	\$1,000,000+	\$1,000,000+
Multi Family-2 or more units	5%	14%	6%	29%	12%	5%
Area in Square Miles	1.0	9.4	4.0	4.4	2.4	1.6
2014 Crime Statistics						
# of violent crimes	2	8	4	1	1	4
# of Property crimes	46	150	111	107	36	21

Source: Nielson site Reports, FBI statistics

42

The following table compares Kensington's current salary for officers and sergeants against five other similar communities. Kensington's lowest and highest steps were used for comparison to similar rated steps at the other communities. Since Moraga has three different salary categories (Basic, Intermediate and Advanced) we used the Intermediate for comparison. These are 2015 salaries and do not reflect any pending salary adjustments for Kensington officers/sergeants. The Total Base Salary has been adjusted to a Net Salary to reflect the obligation in all other communities for officers/sergeants to contribute a percentage of their salary towards their pension. Kensington officers/sergeants do not make a contribution as the District currently picks up their entire obligation.

The data shows that based on Total Salary Kensington's officers are paid about 7% below the average of the other five communities, and sergeant's salaries are about 2% below. However, when adjusted for employee's pension contributions, Kensington's officers net salaries are in line with these other communities and Kensington's sergeant's salaries are 6.3% greater than the average of other communities.

Table 2
2015 Base Salary Comparison

Total Monthly Base Salary	Moraga					5 Town Avg.	% Kensington is Higher(Lower)	Mid Point	
	Kensington	Intermediate	Clayton	Tiburon	Belvedere				Ross
Officer									
	Step 1	5,356	6,234	4,845	6,301	5,948	5,904	5,846	(8.2%)
	Step 5	6,641	7,577	5,890	7,659	7,229	6,835	7,038	(6.3%)
Sergeant									
	Step 1	6,835	7,148	5,693	7,547	6,990	6,966	6,869	(0.1%)
	Step 5	7,614	8,275	6,591	8,736	8,092	8,065	7,952	(3.9%)
Employee PERS Contribution		0%	10%	3%	12%	9%	6%	na	na
Adjusted Net Base Salary									
Officer									
	Step 1	5,356	5,611	4,700	5,545	5,413	5,550	5,364	(0.1%)
	Step 4	6,641	6,819	5,713	7,640	6,578	6,425	6,635	0.1%
Sergeant									
	Step 1	6,835	6,433	5,522	6,641	6,361	6,548	6,310	8.3%
	Step 4	7,614	7,448	6,393	7,688	7,364	7,581	7,295	4.2%

Source: Community MOU's for 2015

Table 3 below compares Kensington to the other five communities on several financial yard sticks. Because the other communities provide more services than Kensington (like public works, planning and recreation departments) and administrative staff (Town Manager, Finance and Human Resources departments), they all have significantly larger budgets than Kensington. The expenditures for these communities are augmented by a larger share of property tax revenues and in most cases a sales tax revenue and fees for services. However, all of these communities operate a police department with 7 to 13 sworn officers including the chief. Kensington, of course, has 10 officers, and since Kensington has a smaller geographic area to patrol than the other 5 communities (see Table 1), this suggests that some reduction in staffing is worth considering.

In terms of **total fire and police expenditures**, which include salaries, benefits, and other directly related expenses, Table 3 indicates all these communities either have set up joint fire districts (or in the case of Belvedere they participate in adjacent fire districts) with nearby communities. On the police side, while Kensington's **Police expend. Per Households** are twice the cost of Moraga and Clayton, they are below two of the more affluent Bay Area communities-Belvedere and Ross. While the size of a town will impact per household costs (larger size typically brings down per household cost) it is noteworthy that Tiburon, with 73% more households than Kensington, has lower per household police costs. The explanation for this can be found in the detailed MOU comparison analysis which follows.

The police detail in Table 3 highlights some of the major differences by community. Here is the breakdown by line item.
Salaries: Based on the officer count shown below, Kensington's Average Salary per officer is slightly above the other communities. This is, in part, due to the fact that Kensington has a higher percent of officers in senior positions and because most of Kensington's officers are at the top of their "step" pay grade.
Overtime: Kensington is generally average. Moraga, on the other hand, appears to use overtime in lieu of hiring more officers.
PERS-Pension: Kensington is well above the norm. As explained later, this is because Kensington's labor contract is much more favorable than the other communities and because several of the other communities have paid off their "side fund", whereas Kensington's "side fund" will add \$197,000 to this year's PERS costs. Since the side fund carries an interest of 7.5%, it would be advantageous to pay any remaining balance off as soon as possible.
Medical-Active: Moraga appears to have the best cost control over these costs. Costs are largely driven by how many officers have dependent coverage.
OPED Retired-Medical: Kensington is paying much more than the other communities.
Dispatch and Vehicle Maintenance: Not clear how Belvedere and Ross pay so little.
Salaries and Benefits: Includes all police department personnel since most communities do not break out the costs and benefits of just sworn officers. This comparison shows that Kensington is paying significantly more, on average, than the other communities.

Table 3
2015-16 Est. Total Expenditures with Police Detail

General Financial Comparisons	Kensington					Moraga		Clayton		Tiburon		Belvedere		Ross	
	\$2.84	\$7.33	\$4.10	\$10.07	\$7.04	\$6.38									
Total 15/16 General Fund Expend. (mil)															
Fire Expenditures (mil)	contract out														
Police Expenditures (mil)	\$2.37	\$2.44	\$2.12	\$3.08	\$1.70	\$1.49									
Police Expend. Per Household	\$1,058	\$426	\$513	\$795	\$1,759	\$1,709									
Police Detail-Major items															
Salaries	\$995,000	\$984,000	\$906,000	\$1,238,000	\$625,000	\$763,000									
Avg. per officer	\$99,500	\$89,500	\$82,400	\$95,200	\$89,300 *	\$95,400									
Overtime	\$45,000	\$200,000	\$75,000	\$85,000	\$50,000	\$30,000									
PERS-Pension	\$479,000	\$125,000	\$392,000	\$276,000	\$143,000	\$202,000									
Medical-Active	\$150,000	\$123,000	\$174,000	\$314,000	\$141,000	\$173,000									
Medical-Retired OPEB	\$167,000	\$0	\$4,000	\$110,000	\$21,000	\$43,000									
Total Salaries & Benefits (mil)	\$2.05	\$1.57	\$1.63	\$2.45	\$1.17 *	\$1.33									
Services-Dispatch	\$156,000	\$169,000	\$241,000	\$175,000	\$77,000	\$31,000									
Fuel and Vehicle Maintenance	\$50,000	\$56,000	\$49,500	\$57,000	\$19,000	\$27,000									
Sworn Police Personnel-Rank															
Chief	1	1	1	1	1	1									
Sergeants and above	4	2	3	5	2	2									
Officers	5	8	7	7	4	5									
total Sworn	10	11	11	13	7	8									
Avg. cost as a % of Salaries & Benefits	\$205,000	\$142,700	\$148,000	\$188,000	\$167,000 *	\$166,000									

*Belvedere currently shares the cost for its police chief, with the town of Tiburon for a total fully loaded annual cost to the city of Belvedere of \$93,660.

Source: Community Budgets FYE 2015-16.

44

Table 4 below provides a slightly different look at police expenditures than Table 3. Table 3 looked at the estimated expenditures for the entire police department including the chief, the administrative staff and part time helpers. Table 4, on the other hand, looks at the actual salaries and benefits of just the full time officers and sergeants in the police department. This gives a better comparison on the different aspects of compensation between departments by officer rank. The main categories are discussed below.

Salaries. - The average combined base salary of Kensington's sergeants and officers is about 6% higher than the average of the other 5 communities; \$91,500 vs. \$86,400. Kensington sergeants fare slightly better than officers compared to the other communities. As mentioned before, this is probably because almost all Kensington police are at the top of their pay grade.

Overtime - Kensington is below the average of the other communities on overtime, and especially Moraga which seems to use overtime instead of hiring an extra police officer.

Pension - Kensington's pension costs are 150% above the average for the other 5 communities, with no other community even close. While some of this is because Kensington's pensions include the payment of the employee's 9% share, the primary reason is that the other communities have implemented much less favorable employee pension benefits, as explained later.

Medical - Kensington's medical costs (medical, dental, vision, life & disability) are slightly below other communities, possibly because 4 of Kensington's employees only have single coverage. **Since this Compensation Data does not include retiree medical costs, it is missing a big component of compensation which will be discussed in Table 5.**

Overall Compensation - The average total compensation for Kensington's sergeants and officers is \$163,500 versus \$153,300 for the other communities, or 6.7% more. Only Belvedere ranks slightly higher, but Belvedere does this with 3 fewer officers. This suggests that Kensington's salaries and benefits compare very

Table 4
2014 Compensation Data

Calendar Year 2014 Compensation Data	Kensington	2014 Compensation Data					
		5 Town/City Avg.	Town of Moraga	City of Clayton	Town of Tiburon	City of Belvedere	Town of Ross
# of Sergeants/Officers	3 Sgt/6 Off.		1 Sgt./8 Off.	3 Sgt./4 Off.	5 Sgt./5 Off.	2 Sgt./4 Sgt.	2 Sgt./4 Off.
Sergeants & Officers							
Avg Base Salary	\$91,500	\$86,400	\$91,900	\$70,300	\$94,500	\$90,000	\$85,500
Avg. Overtime	\$7,100	\$13,100	\$24,000	\$15,200	\$10,100	\$11,100	\$5,000
Avg Pension (incl. EE)	\$51,900	\$20,800	\$18,300	\$35,200	\$19,000	\$21,300	\$27,500
Avg. Medical	\$16,500	\$18,200	\$12,400	\$16,600	\$14,300	\$22,800	\$24,800
Total Avg. Compensation	\$163,500	\$153,300	\$154,400	\$147,100	\$146,900	\$166,100	\$151,900
Sergeants only							
Avg. Base Salary	\$103,200	\$95,900	\$106,200	\$73,600	\$104,300	\$100,000	\$95,200
Avg. Overtime	\$9,300	\$10,000	\$14,000	\$10,200	\$13,500	\$8,200	\$4,000
Avg. Pension (incl. EE)	\$58,100	\$26,200	\$21,900	\$40,600	\$21,600	\$24,000	\$22,900
Avg. Medical	\$16,900	\$22,400	\$15,200	\$20,100	\$19,800	\$25,800	\$31,000
Total Avg Compensation	\$179,800	\$165,400	\$162,700	\$148,300	\$168,400	\$183,100	\$164,400
Officers Only							
Avg. Base Salary	\$85,700	\$82,300	\$90,100	\$68,000	\$87,900	\$84,900	\$80,600
Avg. Overtime	\$6,000	\$14,400	\$25,300	\$19,000	\$7,800	\$14,500	\$5,500
Avg. Pension (incl. EE)	\$48,900	\$22,400	\$17,900	\$31,100	\$17,200	\$19,900	\$25,700
Avg. Medical	\$16,300	\$16,700	\$12,000	\$14,000	\$10,700	\$21,300	\$25,700
Total Avg Compensation	\$155,300	\$147,000	\$153,300	\$146,000	\$132,500	\$157,500	\$145,700

Source: Contra Costa Times Public Employee Salaries Database 2014

Note: Pensions include amounts paid by Employers and any payments made by employer on behalf of Employees-shown as EE in database.

The #'s of Sergeants and Officers shown above may be different from that shown in Table 3 because not all Sergeants/Officers shown in the database appeared to have worked the entire 2014 year and were excluded to not distort the averages

45

Table 5 which follows, compares major MOU terms for Kensington against those of the other communities, except for the salary terms recapped in Table 2. In all cases, Kensington's terms for sworn officers are more favorable for the officers (less favorable for the District) than comparable communities. Here are some of the principal economic advantages these other communities have:

Moraga – The pension rate for Moraga's officers is 2%@50. The officers also contribute 10% of pay to their pension, which will rise to 11% by 2016. The Town and officers have also agreed to enter into a pension cost sharing agreement pursuant to government code Section 20516(f). Such a step would be ground breaking. Moraga does not pay any retiree medical except those mandated by PEMHCA. They provide no incentive or longevity pay.

Clayton – Clayton has a 3 Tier pension plan. The Tier 1 pension rate for employees hired before 7/2010 is 3%@55, and starting in 2015 these employees will contribute 3% to their pension, rising to 9% in 2017. In return they receive a 4% annual pay increase. Tier 2 employees, hired after 7/2010 have a rate of 2%@50 and share 50/50 in pension contributions. Tier 3 are "new" employees with rates governed by PEPPRA. There is a maximum medical payment for active employees, while retirees receive the PEMHCA minimum – a very large savings. They recently hired a former Contra Costa Sheriff as police chief, at a salary of just \$115,000 and no medical because he was not in CalPERS.

Tiburon – "Classic" employees have a pension rate of 3%@55 and contribute 12% towards their pensions – the highest fixed employee pension contribution rate. Medical excludes vision and is at the employee + 1 rate. Retired employees hired before 9/2010 receive a percent of the Kaiser single rate based upon years of service at Tiburon, starting with 15 years. If hired after 9/2010, they receive no retiree medical benefit.

Belvedere – Classic pensions are 2%@50 and these classic employees contribute 9% of their pension costs. Actives get medical and dental coverage, while retirees receive the PEMHCA minimum. They also share the Chief's costs with Tiburon resulting in a salary cost of \$74,000 and a fully loaded cost for the police chief of only \$94,000/year. To retain employees, the City provides a longevity salary increase of .5% each year for 10 years, or a 5% total increase. The Town also operates with a police staff (including the part-time chief) of 8 employees and therefore use a lot of solo coverage, while relying on Tiburon backup.

Ross – The pension rate is 3%@55 with a 6% employee contribution. Active employees receive medical/dental at the CalPERS minimum or Kaiser rate. Retirees only receive the PEMHCA minimum. With a staff (including the chief) of just 7 full-time and 1 part-time, officers working from 7:00 pm to 7:00 am receive a 5% salary differential as they usually work solo. The Town of Ross also operates a very large, and profitable, recreational program for children and adults.

**Table 5
Comparison of Major MOU Terms, Excluding Salary**

MOU Terms	Kensington	Moraga	Clayton	Tiburon	Belvedere	Ross
Pension						
PERS Annual Vesting Rate and Eligibility	Classic: 3% @50 New: 2.7% @57	Classic 2% @ 50/2.7%@55 New: 2.7% @ 57	Tier I-before 7/1/10 3% @ 55 Employee pays 3% share	Classic: 3% @ 55 New: 2.7% @ 57	Classic: 2% @ 50 New 2.7% @ 57	Classic: 3% @55 New 2% @ 57
PERS Contribution Rate by Employee	0%	10% as of 7/1/15; 11% as of 7/1/16 Agree to finalize a 50/50 sharing with "classic" members "New" pay 50% of normal cost	Tier II-after 7/1/10 2% @ 50 and 50/50 contribution New: Tier III-after 1/1/13 2.7% @ 57 and 50/50 contribution Tier I-Classie Employee Contribution 7/1/15-3% 7/1/16-6% 7/1/17-9%	Classic: 9% employee plus 3% employer New: 50% of Normal cost	Classic: 9% New: 50% of Normal Cost	Classic: 6% New: 50% of Normal Cost
Future Salary Increases	na	3.25% on 7/1/16 with PERS Employee contributions shown above	7/1/16-3.5% 7/1/17-3.5% Subject to Employee PERS Contributions	On 7/1/16 3% inc. 7/1/17 C.P.I not to exceed 3%	Longevity pay increase of .5% increase for each year after year 2	MOU ends 6/30/2015
Medical-Active Benefits Covered	Medical/Dental/Vision Employees and elig. Dependents	Medical/Dental/Vision	Medical/Dental Employee and Dependents-see below	Medical/Dental	Medical/Dental Employee and dependents	Medical/Dental Employee and dependents
Persons Coverage	Employees and elig. Dependents	Employees and elig. Dependents	Maximum by employer Employee only \$768/mo, Employee +1 \$1356/mo, Employee+2 \$1745/mo \$250/mo in deferred compensation plan	Employee decides	Employee and dependents	Employee and dependents
Paid by Employer	Kaiser HMOPlan	Kaiser HMO-Gold Employee & dependents	Maximum by employer Employee only \$768/mo, Employee +1 \$1356/mo, Employee+2 \$1745/mo \$250/mo in deferred compensation plan	Kaiser 2 party rate less CalPERS PHEMCA Dental paid at employee family premium	Kaiser or CalPERS Health Insurance Rate PlusDelta Dental	CalPERS minimum Kaiser Rate
IF Spousal Coverage		\$600/mo in cash		\$400/mo to Deferred compensation plan	\$175/mo to \$250/mo	not stated

46

Table 5
Comparison of Major MOU Terms, Excluding Salary

MOU Terms	Kensington	Moraga	Clayton	Tiburon	Belvedere	Ross
Medical/Retired				Before 9/19/2001 Kaiser single rate 5 yr-50% Paid 20 yr-75% Paid 25 yr-100% Paid		
Coverage Persons covered	Kaiser HMO Plan Medical/Dental/Vision for employee and dependents	Silent-No Medical	Employee decides with reimbursement per below		Kaiser PERS Choice Employee Decides	Medical Employee only
Paid by Employer	At Kaiser HMO		PHEMCA minimum \$103/mo	New: CalPERS PHEMCA minimum After: 1st 5 yr-\$125/mo 2nd 5 yr-\$150/mo 3rd 5 yr-\$175/mo 4th 5 yr-\$200/mo	CalPERS PHEMCA minimum	CalPERS PHEMCA minimum 2014-\$119/mo
Longevity Pay	\$100 per years of service starting in 10th year; i.e. 10 years=\$1000	None	None		1% at 2 yrs .5% each year thereafter to max of 5.0%	5 yrs-2.5% 10 yrs-2.5%
Post Incentive Pay	% of Salary Intermediate 5% Advanced 2.5% Supervisory NA	None	1,200/yr. Int 2,160/yr Adv NA -Sup	\$150/mo Int \$200/mo Adv \$200/mo Sup	2.5% of Salary Int 5.0% of Salary Adv NA Sup	\$125/mo Int \$250/mo Adv AA-\$125 BA-\$250
Shift differential						
Graveyard	None	3%	4%	\$125/mo	5%	7pm to 7am
Swing		None	2.50%	None	None	5%
Tuition Refunds per year all officers	\$500 total	Education 3% for BA, Book/tuition reimbursement		\$1,200/yr for tuition, books	2.5% of salary for AA degree	
# of Paid Holidays	13	13	10	12	11	None
Holiday for Birthday	Yes	No	+3 days floating	No	+3 days floating	12
Sick Leave Accrual and Payment	8 to 10 hrs per mo. Depending on schedule	7.4 hrs/mo	8 hr/mo capped at 240 hr.	8 hr/mo if 15 yrs of service & retirement from town will receive 50% of annual sick leave up to 480 hrs.	8 hrs /mo to a max of 1040 hours	pay 50% of unused sick leave up to 660 hours
Vacation						
Minimum	13 days +1 day per year to 26 days	21 days + 1 day per year	14 days	1st 5 yr-12 days 2nd 5 yr-18 days 5 yr-24 days	1yr-10 days 3 yr-12 days 10 yr-15 days up to 225 days	2 1-4 yrs-11 days 3- 5-9 yrs-15 days 10-14 yrs-20 days 15+yrs-25 days
Maximum			25 days at 9 years	Not more than 280 hours	Not Mentioned	250 hours cap
Vacation pay at termination	All at current rate of pay	Not Mentioned	Max cap of 300 hrs.			
Clothing Allowance	\$800/yr	\$1,050/yr	\$900/yr	To be supplied by town	\$200/yr	\$1,000/yr
Amt. of Life Ins. Policy	\$100,000	\$100,000	\$50,000	\$15,000	\$100,000	None

47

KPPCSD FINANCIAL ANALYSIS
9-Year Trend in Revenues and Expenditures
FYE 2006 versus FYE 2015

EXHIBIT A
PREPARED 6/2015

The tables following show changes in key Revenue and Expenditure sources between actual FYE 2006 and budget FYE 2015. This comparison suggests that without the revenue gains provided by the passage of Measure G, the increases from other taxable sources have averaged 2.7% per year since 2006. By comparison, the District's medical costs have risen by almost 9% annually, pension costs by over 5% and salaries by 3.4%. If Measure G, that provides about \$500,000 annually in revenue, had not passed in 2010 the District would be BANKRUPT today.

The larger revenue sources have restrictions due to Prop 13 and COLA's, and the smaller sources like those from the school district and franchise fees are either limited in duration or have restricted uses. By comparison, the costs of the largest expenditure items show no sign of slowing their relentless gains. While these trends have major budget implications, the issues they represent must be dealt with by providing new ways to deliver police services. **There is nothing in the proposed 2015/2016 budget, or by way of Board directed policy changes, to suggest that these problems will be addressed.**

REVENUES - FYE	<u>2006</u>	<u>2015</u>	<u>Proposed 2016</u>
<u>All Taxes</u>	\$ 1,709,000	\$ 2,665,000	\$ 2,689,000
% Change from 2006		55.9%	
Compounded Annual Increase		5.1%	
 <u>All Taxes-Except Measure G</u>	 \$ 1,709,000	 \$ 2,165,000	 \$ 2,187,000
% Change from 2006		26.6%	
Compounded Annual Increase		2.7%	
.....			
EXPENDITURES - FYE			
<u>Salary, comp, overtime</u>	\$ 769,000	\$ 1,035,000	\$ 1,049,000
% Change from 2006		34.6%	
Compounded Annual Increase		3.4%	
 <u>Medical - active, retired, trust</u>	 \$ 175,000	 \$ 367,000	 \$ 349,000
% Change from 2006		109.7%	
Compounded Annual Increase		8.6%	
 <u>PERS - District, Officers</u>	 \$ 293,000	 \$ 468,000	 \$ 476,000
% Change from 2006		59.7%	
Compounded Annual Increase		5.3%	
 RATIO OF SALARY TO BENEFITS			
Salary %	62.0%	55.0%	
Benefits %	38.0%	45.0%	

SEE DETAILED CHANGES ON REVERSE SIDE

EXHIBIT A
CONTINUED

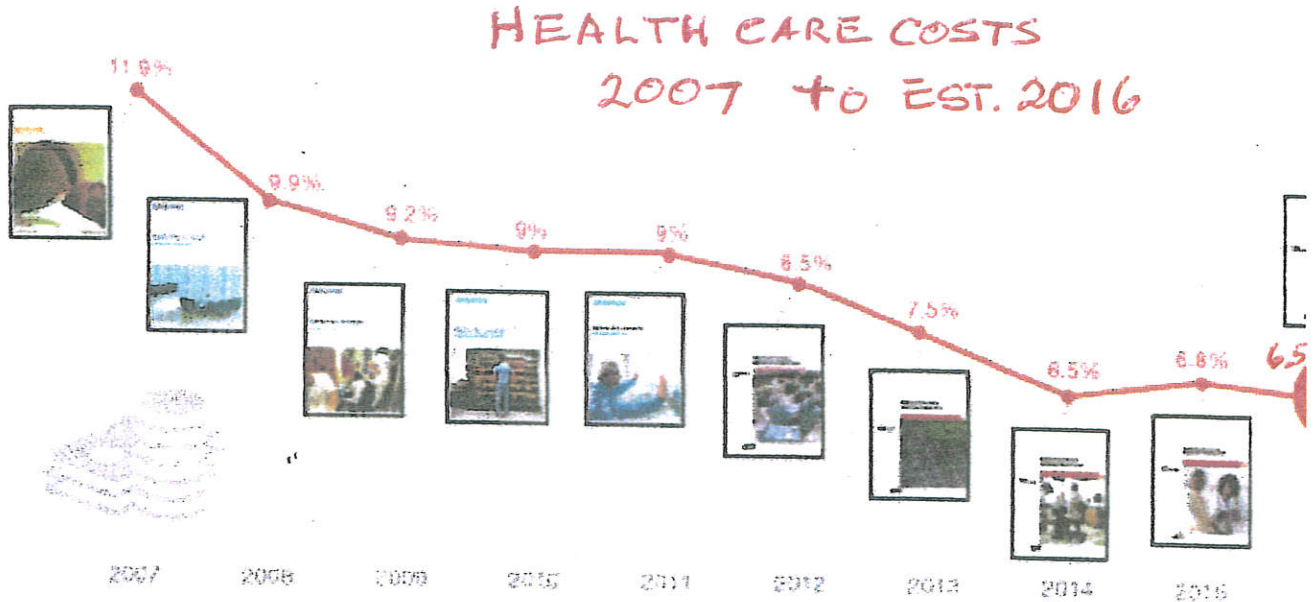
DETAILED CHANGES

CODE INCOME	REVENUES - FYE	<u>2006</u>	<u>2015</u>	<u>Proposed 2016</u>
401	Property tax, HO tax	\$ 1,029,000	\$ 1,481,000	\$ 1,506,000
402/404	Special taxes	\$ 680,000	\$ 1,184,000	\$ 1,183,000
415	COPS Grant	\$ 100,000	\$ 106,000	\$ -
	All Other	\$ 21,000	\$ 113,000	\$ 65,000
	Total Income	\$ 1,830,000	\$ 2,884,000	\$ 2,754,000
	Park - Rents, donations, grants	\$ 229,000	\$ 71,000	\$ 67,000
	District - Franchise Fees	\$ 20,000	\$ 25,000	\$ 49,000
	Grand Total - Less interest -	\$ 2,079,000	\$ 2,980,000	\$ 2,870,000
	Add back COPS Grant -	\$ -	\$ -	\$ 100,000
	ADJUSTED GRAND TOTAL -	\$ 2,079,000	\$ 2,980,000	\$ 2,970,000
	% Increase from 2006		43.3%	
	Compounded Annual Increase		4.1%	
	Measure G Income	\$ -	\$ 502,000	\$ 502,000
	Adj. total income, less Measure G	\$ 2,079,000	\$ 2,478,000	\$ 2,472,000
	% Increase from 2006		19.2%	
	Compounded Annual Increase		2.0%	

CODE	EXPENDITURES - FYE	<u>2006</u>	<u>2015</u>	<u>Proposed 2016</u>
	<u>Police Salary & Benefits</u>			
502	Salary	\$ 731,000	\$ 981,000	\$ 995,000
504/506	Comp, overtime	\$ 38,000	\$ 54,000	\$ 54,000
521A	Medical-Active	↓	\$ 174,000	\$ 150,000
521R	Medical- Retired	\$ 175,000	\$ 135,000	\$ 184,000
521T	Medical-Trust	↑	\$ 58,000	\$ 15,000
527	PERS - District	\$ 227,000	\$ 379,000	\$ 390,000
528	PERS - Officers	\$ 66,000	\$ 89,000	\$ 86,000
	All Other	\$ 115,000	\$ 186,000	\$ 173,000
	Total Salary & Benefits	\$ 1,352,000	\$ 2,056,000	\$ 2,047,000
	<u>Police Expenses</u>			
564/566	Communications, Radio	\$ 36,000	\$ 177,000	\$ 178,000
	All Other	\$ 171,000	\$ 155,000	\$ 153,000
	Total Police Expenses	\$ 207,000	\$ 332,000	\$ 331,000
	<u>Recreational Expenses</u>			
	Total -	\$ 101,000	\$ 120,000	\$ 121,000
	<u>District Expenses</u>			
	Total -	\$ 103,000	\$ 416,000	\$ 313,000
	GRAND TOTAL -	\$ 1,763,000	\$ 2,924,000	\$ 2,812,000
	Exclude COPS	\$ (109,000)	\$ -	\$ -
	Adjusted Grand Total	\$ 1,654,000	\$ 2,924,000	\$ 2,812,000
	% Increase from 2006		76.9%	
	Compounded Annual Increase in Total Expenditures		6.5%	

49

Healthcare spending growth rate for 2016 is 6.5%
 HRI's projected medical cost trend over the years



Source: PwC Health Research Institute medical cost trends 2007 - 2016

**TABLE FROM 2011 ACTUARIAL
 OF HEALTH BENEFITS FOR TOWN
 OF TIBURON**

TREND RATE ASSUMPTIONS

**Table 4-1
 Annual Medical Premium
 Trend Rate Assumption**

Year Beginning	Trend Rate Assumption
January 1, 2012	7.6 %
January 1, 2013	7.3 %
January 1, 2014	7.0 %
January 1, 2015	6.7 %
January 1, 2016	6.4 %
January 1, 2017	6.1 %
January 1, 2018	5.8 %
January 1, 2019 & thereafter	5.5 %

Discount Rate

DISCOUNT RATE

Valuation results were computed at a 4.00% discount rate. 4.00% is a reasonable long-term assumption of the Town's expected return on its investments.

ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 3% per year.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 5% per year. This is based on assumed long-term return on plan assets or employer assets, as appropriate. We used the "Building Block Method" as described in ASOP 27 Paragraph 3.6.2. Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

TREND: We assumed 4% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 3% per year. This assumption applies only to the extent that either or both of the normal cost and/or UAAL amortization use the level percentage of payroll method. For purposes of applying the level percentage of payroll method, payroll increase must not assume any increases in staff or merit increases.

ACTUARIAL ASSET VALUATION: There were no plan assets at the time of the valuation.

Kevin Hart

From: Len Welsh <lenwelsh@gmail.com>
Sent: Friday, December 18, 2015 5:51 PM
To: Marilyn Stollon
Cc: Pat Gillette GMail; Vanessa Cordova; Rachelle Sherris-Watt; Kevin Hart
Subject: Re: Agenda item for January

Marilyn, I do intend to put it on the agenda, but only for the purpose of having Randy explain his reasoning to those who either don't understand or don't agree. I agree with Pat, however, that discussion of the policy issue awaits being brought to us by the ad hoc committee after its fact finding is completed. That is what we agreed upon and I intend to stick with that approach unless the board chooses a different course.

On Fri, Dec 18, 2015 at 2:25 PM, Marilyn Stollon <mstollon@sonic.net> wrote:
Pat,

Yes, in my last email with Len, he said he was waiting for the PLG opinion before putting it on the agenda in January, and that is why there was the pressure to have them complete it. I also recall that Chuck said at a board meeting there would be no hire of anyone until the gmcpo split was decided.

While a legal opinion, and 2 at that, speak to "legality" it does not speak to good governance, due process and other issues. Cost factors can clearly be worked out as it has been demonstrated in other districts and towns.

I do not think the adhoc is doing much in the way of substantive research right now. When they get to gmcpo, I will present my research as Dave S requested. They do not even have subcommittee members yet, so no point in going now.

I am sorry but I do not really understand the board procedures, I just see this as an agenda item for open discussion, not for decision, is that possible? If not, then I can understand the reticence to put it on the agenda.

I repeat, I am only seeking public input as a means for a dialogue at this time. Right now it is a one way dialogue, me to you and the board.

What I am truly hoping for is a win-win for Kensington, a move to better and improved governance as this is not working and has not worked for many years. Unless you get away from a system for awhile you just can't see how dysfunctional it is. When I worked at a hospital for many years, outside mgmt consultants said the facility was dysfunctional, not one of the long time professionals agreed; it wasn't until I was off on medical leave for 6-8 weeks that I could see how dysfunctional systems had been in place for so long, how hard it was for anyone to change, to even accept change and acknowledge the problems. I left after that, a pivotal moment to change careers...and a clean sweep of staff occurred not long afterwards, removing dead wood, staff problems, with a complete overhaul of the mgmt system.

Change did not come willingly, but it came... So it will with Kensington ...I believe.

Marilyn
Include in the record please.

On Dec 18, 2015, at 11:34 AM, patricia gillette wrote:

Marilyn, speaking for myself only, the splitting of the GM/COP position is something we have asked the ad hoc committee to fact find on (and btw, we didn't have the ad hoc committee formed in April 2015 nor did we have a time table for their report). As I have said before, and will say again to you, I for one want to have that fact finding done before we make any decisions. So there is no reason to put this on the agenda as a decision item. Why don't you go to the ad hoc committee meetings, if you haven't been, and express your opinions to them? I am sure it would be helpful to them for you to share your views.

Len may decide differently on this issue, but that is my opinion.

On Thu, Dec 17, 2015 at 2:10 PM, Marilyn Stollon <mstollon@sonic.net> wrote:

Dear Board Members:

I would like to request that 2 items be placed on the January agenda:

That the board begin to discuss Mr. Hart's interim contract, and begin the process of selecting an executive search firm and establishing a committee.

The issue of whether the GMCOP position is split also needs to be on the agenda, now that we have PLG's legal opinion. Is it 10 times now??

I believe that it is wise to begin the process now, to put this on the agenda & not at the last minute, these things take time.

Also it is my understanding that per the law, the interim position has to be advertised, and that Mr. Hart can not just be voted in to the job, as it is a public sector interim job.

In the April 2015 board meeting, P.Gillette in a response to D.Bergen said she and Rachelle Sherris Watt "anticipated a combined position of a period of 6 months". No discussion to date on this, but it is in the record. Maybe the time has come to follow up on these items discussed a board meetings.

Also there was discussion earlier on in January, I believe about having a citizens panel, experts from the community to find the right person for the job. But the search committee was never convened. There are specialty public sector search firms that do this, a few are noted in my survey.

Sincerely,

Marilyn Stollon

Memorandum

From : Marilyn Stollon

To : Patricia Gillette

CC: board members

December 17, 2015

Dear Pat:

In response to your email to me regarding my letter, posted on ND, I respond with the following:

I addressed you and Rachelle because both of you were on the recruiting committee and identified the candidates. This was during the time that there was little, if any transparency on the board, and at a time when the new directors were not always in the information loop, and not always informed. As you requested, I am listing my " specific complaints".

1. At the board meeting where the announcement of Mr. Hart's hire was made, Len Welsh was asked by a resident, if Mr. Hart would resign his Dublin job, Len said we will see ,and we have heard nothing since, why? Because there is no follow up and follow through of the details, it gets delegated nowhere. Mr. Hart's job would be a plus, if it did not interfere, but it is too much responsibility in view of Kensington's ongoing issues.
2. My letter reflects what Interim Chief /GM Hart has not done, following policy and procedures, i.e.travel and conference requests and costs for public review at a board meeting, he is allocated 30 hours in his contract. Where is he now in terms of hours, do you know? Do you have an accounting of that?
3. If ICOPGM Hart is able to perform his job so well, why hasn't the citation issue with Alameda County been taken care of expeditiously, instead of game playing, as the community is widely commenting on.
4. Why hasn't the car rental and usage report of the car that Celia Concus requested been provided to the public , now going on 2-3 months of deep investigation no doubt. Driving 98 miles a day to where in a 1 mile town??
5. What has occurred with the Audit into Barrow's censure by Harmon for the Reno affair? No updates, just buried in administrative rigamarole.
6. I wrote Mr. Hart that one of his officers was recently observed sitting in his car in Berkeley off of Colusa Avenue, mid morning, why? Lunch break? Is he able to make rounds and check on the whereabouts of his men? Another resident said she saw a police car by Costco?? Some of us do not think that Mr. Hart has control of his officers, and needs to get out from behind his desk to see what is going on, spot checks etc. It is one of the reasons stated by an investigator of a

small town in Colorado, when the small police force in Colorado had major problems and was disbanded , the chief did not know what his men were doing .

7. Now, to make this clear, if all of the board members who are managing jobs and 'more than one set of responsibilities" so well, (C.Toombs, P.Gillette, L .Welsh) and being a model for the community, how come we had a Hart " benefits debacle" that would shame any knowledgeable HR person, and you didn't even have the foresight to request clarification, get a consultant in pension benefits, but just relied on your legal training to try to create a contract that in reality required expertise in Calpers benefits.

8. If you prepared for meetings and did the research, this would have been avoided. It is clear many of you wing it. And now you, Rachelle and others are back pedaling and talking about verbal agreements with ICOPGM Hart....why wasn't this contract nailed down properly? You are all too busy with multiple responsibilities to pay attention, in my view.

Lastly, I am profoundly disappointed that Mr. Hart, who appeared to be a man of integrity is clearly not part of the solution, and is now embedded as part of the problem.

Sincerely,

Marilyn Stollon
Please include in the record.

55

Lynn Wolter

From: Rachelle Sherris-Watt <sherwatt@outlook.com>
Sent: Saturday, December 12, 2015 1:05 PM
To: Lynn Wolter
Subject: FW: KPPCSD Policy Committee

Ms. Lipscomb has requested that this be included in the Board packet.

From: lindalipscomb@hotmail.com
To: rsherriswatt@kensingtoncalifornia.org
CC: lwelsh@kensingtoncalifornia.org; pgillette@kensingtoncalifornia.org; ctoombs@kensingtoncalifornia.org; vcordova@kensingtoncalifornia.org; khart@kensingtoncalifornia.org
Subject: KPPCSD Policy Committee
Date: Fri, 11 Dec 2015 09:44:10 -0800

Dear Director Sherris-Watt:

I was really surprised to hear that you had not moved forward with the policy committee because President Len Welsh did not give you committee members. The way that could easily have been handled is for you to have used your opportunity at any Board meeting to state during your board comment period that you were seeking members for your committee. You could also approach other Directors and ask if they would be on your committee and then announce at a Board meeting that Director so and so had agreed to be on your committee. You also could simply ask for an item to be on the agenda as to getting members for the committee. We (Tony Lloyd and I) got our committee members from asking the public at a meeting for volunteers. We also regularly announced to the public when our committee met, and what stage we were at with the work. Various members of the public were adamant that we finish the revision, and we stuck to the work. It seems, perhaps for naught.

It particularly troubled me that you criticized Board Pres. Welsh for his alleged lack of leadership when you exhibited little leadership of the committee which was under your charge. I trust that the warm relationship which you described as having developed between you and Len Welsh will allow you to go forward productively as Vice President of the Board. I also request that you make this letter a part of the Board Packet for the next regular KPPCSD meeting.

Very truly yours, Linda Lipscomb

Linda Lipscomb, Millstein & Assoc. 264 Arlington Ave., Kensington, CA 94707 (510) 295-8168

57

Lynn Wolter

From: Jan Behrsin <jbehrsin@gmail.com>
Sent: Tuesday, December 08, 2015 8:16 AM
To: Chuck Toombs; Len Welsh; Rachelle Sherris-Watt; Vanessa Cordova; Pat Gillette
Cc: Lynn Wolter; 'Kevin PADIAN'; 'Randy Riddle'
Subject: REQUEST THAT THIS LETTER BE ENTERED INTO THE RECORD OF KPPCSD DECEMBER 10, 2015 BOARD MEETING

Dear KPPCSD Board:

I am writing once again regarding the matters about which I wrote to you November 12, 2015. My November 12, 2015 letter is below.

Since writing that letter to you, I received an e-mail from Board President Welsh that even prior to November 12, 2015, the Board had requested the community's attorneys, PLG, to provide a legal opinion whether the position of legally required District General Manager and the discretionary position of Chief of Police may legally be held by the same person. I followed up to Mr. Welsh's assurance of the pendency of the PLG opinion to ask the status and Mr. Welsh replied that it was still pending. Thus, the PLG has apparently been working on this legal opinion for at least one month.

In the meantime, the adhoc committee has been preparing a community survey asking residents "whether" *they wish* for the positions to be combined.

I have stated previously, that it would appear that if the community's lawyers opine that the positions may not be legally combined, then it would see, irrelevant what the community's "wish" may be. I am troubled that the Board appears impotent to direct and require that the PLG – whose services are paid for by the community-- perform the services that the Board has requested of it.

I have also written (as have other constituents) about what appear to be irregularities in Interim GM/COP Hart's employment agreement. These irregularities include (1) that contrary to the fact that District Interim GM/COP Hart's contract states that he is to hold no other remunerative position and is to dedicate his entire effort to the position of GM/COP while holding the position of the District's Interim GM/COP, he apparently holds an additional remunerative position, and (2) that contrary to his "Interim" title under his contract of employment with the District, he apparently does not use the "Interim" designation in official business for the District.

Board member Gillette has written that the community should not be looking for conspiracies to explain the Board's actions and inactions. I failed to find that the posted agenda of the December 10 2015 KPPCSD Board meeting has addressed any of these three issues which have been brought to the Board's attention by constituents. I request that the Board publicly address these outstanding issues at the December 10, 2015 Board meeting.

Thank you for your consideration.

Respectfully,
A. Jan Behrsin, resident

From: Jan Behrsin [mailto:jbehrsin@gmail.com]
Sent: Thursday, November 12, 2015 3:31 PM
To: Charles Toombs; Len Welsh, President; Rsherriswatt@kensingtoncalifornia.org; vcordova@kensingtoncalifornia.org; Vice President Pat Gillette
Cc: 'Lynn Wolter'; 'Kevin Hart'
Subject: REQUEST THAT THIS LETTER BE ENTERED INTO THE RECORD OF TONIGHT'S KPPCSD NOVEMBER 12, 2015 BOARD MEETING

Dear KPPCSD Board:

The last that I recall, Mr. Toombs' agenda for the adhoc committee to report out on the question of whether the COP position should be separate from the GM position had the report coming just prior to the November 2016 election. I do not know if this has been revised. This important question must be addressed sooner without delay.

According to the Interim COP/GM contract posted on line at the KPPCSD website, Interim COP/GM's contract

"shall be in full force and effect June 8, 2015 or upon Hart passing the District's full hiring process, which includes a background check and all required testing, whichever is later, and March 1, 2016."

Thus, the Interim COP/GM's contract expires approximately 100 days from today.

The contract goes on to provide:

"By mutual agreement of the parties, the term of this Agreement may be extended until June 1, 2016."

If there is the possibility that the District will have a new permanent COP and or the legally required General Manager in as little as 100 days from today, it seems the Board would want to know (as would Mr Hart) long before the expiration of the next 100 days, whether the community will have two positions--COP and General Manager-- so that the Board knows on what basis to start advertising and begin interviewing candidates for the permanent COP and/or General Manager position(s).

My recollection is that Mr. Toombs set a time just before the November 2016 election for the adhoc committee to report out on this question of separation of positions. In terms of timing, we see that just won't do.

A threshold undertaking, it seems to me, is to obtain advice of our legal counsel whether despite the California Government Code mandating that a District have a General Manager to hire, fire, supervise all District employees, and despite the COP being a District employee, it is legally permissible without creating an impermissible conflict of interest, for the employee to be supervised by and accountable to himself in the role of "supervisor," i.e. General Manager.

It seems to me that even if legally permissible to combine the two positions, our community's sad history over the past 7 or so years, demonstrates that the Board is either unwilling or incapable of supervising the COP, and having the COP, wearing the GM hat, supervise himself, has not proven to be a workable construct. This construct, where the "supervisor" and "supervisee" positions are held by the same person, does not do justice to the system of checks and balances the legislature had in mind in enacting the Government Code provisions mandating that each District have a General Manager to hire, fire, supervise, and discipline all District employees-- including the employee who is the COP. Note that there is no legal requirement that each District have a COP.

Unless the establishment of the adhoc committee as well as the designation of the position of COP/GM as "interim" are a sham intended to delay and deceive the community until the November 2016 election, there is a lot of immediate work that needs to be done -- NOW-- to get the legal issues resolved and to assess the will of the community on whether, if legally permissible, the GM and COP positions shall be separate or consolidated.

Respectfully submitted for your consideration,

Marilyn Stollon
December 6, 2015

LABOR MARKET SURVEY
General Manager / Chief of Police Combined Positions

Overview:

A labor market survey was performed to determine if there are any current or recently advertised positions for a combined position for General or Town Manager and Chief of Police, in small town settings in CA or the western states. Efforts were made to contact those who could provide additional information on the chain of command, or potential problems inherent in such a position.

Specialized recruiting sites and public sector websites were reviewed to obtain an overall count of how many positions typically exist. Some jobs were reposted on various sites and a rough estimate was made of the total advertised positions over a few weeks.

A salary review was not included in this survey, but where salaries were posted that information was noted.

Duties / Changes & Challenges in the Field

<http://www.cacitymanagers.org/professional-standards/>

From the City Management Foundation Website: Early City Managers were recruited from the ranks of civil engineers engaged in the development of the country's infrastructure, building bridges, highways, dams and aqueducts...

Today's City Managers generally hold undergraduate degrees in business, political science, and or public administration. An increasing number also hold master's degrees in business or public administration.

The three highly experienced city managers profiled on the site are from Millbrae (Raines), Beverly Hills (Kolin) and Vista (Geldert), CA. All three in interviews discussed the changes in the field with requirements and demands by the public "for government to be open, available, responsive and transparent", (J. Kolin) for fiscal responsibility with all 3 acknowledging issues with "pension costs". Raines said "pension reform issue is tied to fiscal sustainability"(M.Raines)and Geldert said, "Cities need to live within their means and to establish healthy reserves to weather the uncertain times. Bargaining unit packages need to be reassessed, pension reform is an absolute must, and health benefits need to be reviewed for affordability."(R.Geldert)

*The term is also referred to as town manager, and duties vary depending on size of the town, city and complexity of services.

I. Review of Job Openings / Specialized websites

I reviewed recently advertised openings during November, December which I identified using internet sources to identify those recruiting firms and other websites that post or that specialize in recruiting or posting jobs in the public sector for management and law enforcement executive positions. (nothing relevant was identified using indeed, craigslist etc.)

I reviewed approximately 100 job listings from the contacts listed below and checked them to identify small towns etc. and to determine who they were accountable to. No combined positions were identified for gm/cop.

1. Western City, Monthly Magazine <http://www.westerncity.com/>

Western City, a monthly magazine of the League of CA cities for job opportunities has over 50 openings in the public sector for separate director and city /town manager positions.

Only one position had a combined title of Public Works Director and City Engineer. The director worked under the assistant city manager.

There were openings for stand alone positions i.e. town manager, city administrator/manager, throughout CA, but none were combined. Examples of small town openings and the posted salary are as follows: Blythe, small city in So.CA., Calistoga, (\$165-182k), Portola Valley, (\$199k), town manager, Nipomo, pop 4400, (\$135k)

Additionally, there were 10 City Administrator or Manager positions; under the "Other" Category, there were 8 openings under Management; there were no combined positions advertised.

There were also 2 police chief openings, both were described as being accountable to a city manager. The examples with salary are listed as follows: Police chief , Bishop, pop 3800, \$113,400 and Watsonville, pop 50,000, \$123-165k.

2. Police Executive Research Forum <http://www.policeforum.org/career-opportunities>

Ten chief of police positions were posted nation wide on this site, none were combined positions.

3. IACLEA, International Association of Campus Law Enforcement Administrators, www.iaclea.org

This site posts jobs on college or university campuses. There were two combined positions: one for an Assistant VP and Chief of Police for George Mason University; the position oversees the Deputy Chief of Police and the Assistant VP/COP is accountable to the Vice President of the university.

The second position is for Executive Director of Public Safety / Chief of Police, at Springfield College, this combined position reports to the Sr. Vice President of Administration and Finance.

4. KRW Associates , a recruiting firm

<http://www.krw-associates.com/>

They search and fill positions in the public sector for executive level positions primarily in Colorado, but also in CA and other states. They are advertising currently for executive jobs including assistant town manager, chief of police, and city manager.

Of the 26 recently filled positions posted on their website, none were combined positions. Ex. Wellington, Co, asst town manager, Delta, Co, city manager and a chief of police, 2 separate positions.

5. Peckham and McKenney, <http://www.peckhamandmckenney.com/>

866-912-1919, Joyce

They have extensive experience in recruiting police chief and upper management positions in the western states, I spoke with Joyce who has worked in recruiting for 20 years who said that she has not seen a combined position come up in all that time, "due to the conflict of interest".

Joyce said that the city manager generally hires the chief of police. When asked about part time jobs, she said she has seen a few over the years and that retired individuals typically are interested in that position. They do not come up too often, however.

They are recruiting for a city manager position in Calistoga, pop 5200, town mgr \$165-182k, and for a town manager for Portola Valley (\$199k). Calistoga has a COP, Portola Valley contracts out police services.

6. Municipal Management Association of Northern California & the ICMA (international city county mgmt assn, for job listings)

<http://mmanc.org/jobs.aspx>

They have around 75+ openings posted including several repeats from the recruiters. Other openings for COP are in Galt and Arvin, small towns and neither are combined.

II. COMBINED POSITIONS, non public safety

While occasionally there are combined jobs, there have been none identified on the GM/COP level, and if there is a combined job, it is accountable to a higher level position or the split GM town manager function is split with a non public safety position.

Examples:

1.Cloverdale

City Manager / City Clerk (4 day position, 32 hrs)
The City Clerk maintains records, conducts elections, Brown Act Compliance, PRAs, information service, admin support to City Council

2. Sebastopol

City Manager / City Attorney (4 days, 10 hrs)

3. Corte Madera

Town Manager / Engineer

Town Clerk / Asst Town Mgr

Fire Captain / Paramedic; Fire Engineer / Paramedic

They are part of the Central Marin Police Authority for combined police services to several towns.

These positions report to the City Manager

Pinole

Development Services Director / City Engineer

Belvedere

City Clerk / Mgmt Analyst

Piedmont

City Clerk / IS Manager

Payroll / HR Technician

Ft Bragg

Finance Director / City Treasurer

III. EXISTING COMBINED POSITIONS - One currently

Broadmoor-- is a census designated place, , pop @ 4,000, has 288 acres and is and has lost property to Daly City as property owners opt to join Daly City, which currently encircles the town. They have a \$ 2 million budget and reported they have to be fiscally prudent to manage, per an article in 2013. A police commission is comprised of primarily former law enforcement, manages the town and oversees the chief, they have unique structure. The commission per its website, "hears appeals in certain personnel matters". More recently LAFCO has prepared a report with recommendations focusing on some of the problems in Broadmoor.

**The PD is currently being sued by one of its commissioners for trumped up charges and harassment, its police chief left, and this town is not a model for good governance / nor transparency.

IV. CONTACTS WITH TOWN MANAGERS

No responses to date from: Cotati, city council, mayor, city manager, COP
Cloverdale, Sebastopol, Ft. Bragg , Brisbane, same set up with council, mayor, city manager and COP.

1. Fairfax, CA , Garrett Toy, Town Manager / PWD

I was in contact with Mr. Toy regarding his opinion of combining a position since his job was now combined due to budget issues. He said:

“As the Town Manager, I currently act as the Public Works Director, but I'm not a licensed engineer. The Town contracts out for a Town Engineer as needed. We do this to save money. Corte Madera has combined the Town Engineer/Town Manager since the person has a PE license.

In general, I've seen combo police/fire chief and I've seen retired police chiefs be appointed Town Managers, but not a combo COP/TM (general manager).

The Town Manager reports to the Town Council (board) and then the chief (of police) to the Town Manager. ... Due to the functions of the PD and town administration, I don't think a combo position would work very well because of the potential for conflicts between policing and Council policy.”

2. *Burlingame City Manager, Lisa Goldman

“On occasion, a Chief of Police or Fire Chief will serve as Acting or Interim City Manager or vice versa, but I'm not aware of any permanent combined public safety / city management positions. I don't know if it's a conflict of interest per se, but it seems to me that it would be hard for one person to do both jobs effectively.” They have a chief of police.

3. Colma, Town Manager, Sean Rabe (formerly CM of Sutter Creek)

*Colma smallest city, 1400 residents, 2 miles, has a huge tax base with shopping centers, car dealerships and a cardroom. Colma has a city manager, and a chief of police.

I contacted Sean Rabe, the current town manager of Colma regarding his views on a combined GMCOP position on Dec 1. He responded with “I actually do have significant first-hand experience with the dual role of Chief of Police and City Manager. The City where I previously worked had such an arrangement for about nine years -- I was hired as the Asst. City Manager, working under a joint CM/ COP. I was then appointed to the CM role in that same city (Sutter Creek) when the CM resigned. A nearby city to Sutter Creek (lone) had the same dual role for a short amount of time as well. “

During our conversation, Mr. Rabe said that initially he was a newspaper reporter and looking from the “outside in” he did not see any problems, after he got his degrees he was hired as an assistant town manager. He said that the COP and TM were separate for many years, but when the TM resigned, Sutter Creek combined the position for budgetary reasons. It was combined for a total of 9-10 years, and he came on as assistant town manager after approximately 8 years of the position being combined. After about a 1.5 years after he started as an assistant town manager, the COP/TM resigned when major management problems developed and the position was split again.

*Mr. Rabe said that in a combined position he observed that it is hard for the COP/GM to “serve 2 masters”, the police dept and the council . As a COP / TM, he said, it is hard for the person to separate the COP and GM roles, because the COP wants “what is best for his men”, and on the other hand the officers ultimately “resent” the GM role, yet the GM needs to deal with fiscal, budget and management demands and concerns.

*Most importantly, he said there are clearly different skill sets required for each job, and that the COP is set up as a” paramilitary style of leadership” , i.e. law and order skills sets which is not the same nor compatible with a city manager where the focus is on “finance, management, HR related issues”. He said that in Colma he is the ultimate “appeal person” and staff can ,if need be work their way up the grievance process. This, he said is a “system of checks and balances” , and you need to have someone at the top who is “ not invested in the issues” in order to resolve HR problems.

In Sutter Creek, due to staff changes, increasing management duties, the PD staff became resentful of the time the GM spent on town management issues (in the grand jury rpt). The job was too large for one person to do well, he said.

A Grand Jury investigation in 2010 reviewed areas of concern including finance, administration, police dept , with the recommendation that the GMCOP position be separated, which was done by the council prior to the report being released . There were allegations of financial improprieties, not consulting with the full council, poor recordkeeping, not following auditors recommendations, policy and procedures manuals were out of date & not being followed, problems in the PD, morale, complaints etc.

After the position was split, Mr. Rabe became town manager and was in charge of public works, HR, community development, GPA sewer district, a job he held for several years which in itself was very large in terms of responsibilities. When I asked him about being a public works director and possible conflict of interest in terms of grievances, he said that because it was a small dept of 3 and the members were unionized there was less of a chance of HR problems, although he said it was “not a good situation” , but that budget and size of the PW dept dictated that.

He added that combining the GMCOP position in Sutter Creek was a budgetary decision, but that it was “not a good long term solution” due to the inherent problems as I indicated.

He added that lone, a town near Sutter Creek had the same situation occur with a combined position, and the police officers resented not having the full attention of the chief to promote their issues. The position which was combined for a short time was split after problems emerged.

V. TOWNS WITH PART TIME GMS

*Pt Arena & Muir Beach, both have part time GMs, with shortened days and staff up in hours as needed. Muir Beach has a town manager, and on its website, it states that a secretary and a GM position can be combined.

Pt. Arena has a new part time town manager, Richard Shoemaker, who reports that he has no prior experience as a town manager, although he has other supervisor, city council member etc. experience. He said the job takes more part time hours than one would think. And there are other part time positions available.

VI. ADDITIONAL ADVERTISED POSITIONS

1. California Police Chiefs Association

<http://www.californiapolicechiefs.org/job-opportunities-classifieds>

They are advertising for 7 police chief positions. A COP for example for SJ Evergreen College reports to the Vice Chancellor of Administrative Services, and for Alamitos, a small town in Southern CA, the chief of police reports to the city manager.

2. Other Public Sector Career Sites

-ABAG, no appropriate advertised openings in the member jurisdictions
-Calopps.org, no appropriate openings
-CA State Association of Counties, same openings as above, no combined cop/gm positions advertised.

3. Additional Executive Recruiting Firms

Koff & Assoc, no appropriate openings at the mgmt level
<http://koffassociates.com/category/opportunities/>

Ralph Andersen & Associates, retained search firm
http://www.ralphandersen.com/career_opportunities.html
They are advertising for several general manager, town manager, city manager positions, and 3 chief of police, positions that were actually advertised on the other sites. This firm, coincidentally was contracted by Kensington to fill our combined position, for which Harman was hired.

Bob Murray & Associates
http://www.bobmurrayassoc.com/current_searches.asp
They had one opening for city manager, no combined jobs, they also are now providing services for finding interim chief positions.

VII. CONCLUSIONS

A labor market survey was performed to determine if there are other combined positions for GM/COP in the state, and surrounding western states, and if they were identified how they functioned. Focus was on job openings in CA since the CA general code would be applicable.

However, a review of the labor market using a variety of resources did not yield any current or recent openings for a GM/COP.

I reviewed specialized public sector websites, and websites for executive search firms that specialize in these positions. Over 100 advertised openings over a period of 4-5 weeks were reviewed, and as a result of this labor market survey, I have determined that there are no current or recent openings for a combined general manager / chief of police position in CA or surrounding states.

Job openings for non combined positions were also reviewed (GM or COP) on all of these websites to review the chain of command and a number of town managers and executive search firms were contacted.

*Conflict of interest was cited by both a specialty recruiter, Joyce and a city manager in Fairfax, Garrett Toy as the primary reason that this type of position is not found in a combined public safety and executive position. The executive search recruiter had never seen a GMCOP opening in 20 years.

Another town manager in Burlingame, Lisa Goldman said she was not aware of any combined permanent positions, that at times the COP acted as interim manager, and thought it would be hard for one person to do both jobs effectively.

Lastly, a town manager in Colma, Sean Rabe with experience working under a combined GMCOP position in Sutter Creek pointed out the ongoing poor governance problems with this arrangement, why it had to be abandoned in Sutter Creek, prior to the recommendation of the grand jury investigation, as well as the town, Lone nearby that had also combined the position. Mr. Rabe observed that it was hard for the COP/TM to "serve 2 masters", the police dept and council. It is hard for the person to separate the COP and TM roles, because the COP wants "what is best for his men", and on the other hand the officers ultimately "resent the TM role", yet the TM needs to deal with fiscal, budget and management concerns.

He cited the major difference in management styles required for the two positions, an impossible dual allegiance to the police dept and council, and the scope of the job being too large for one person to be effective. *Most importantly, he said there are clearly different skill sets required for each job, and that the COP is set up as a "paramilitary style of leadership", i.e. law and order skills sets which is not the same nor compatible with a city manager where the focus is on "finance, management, HR related issues". This in combination with a realization that it was not good public policy to continue this, he said the position was separated and the town is currently on a better track.

On the otherhand, per the survey, there are combined positions that do not appear to be problematic for conflict of interest, where a professional may have 2 specialized areas of responsibility / duties such as fire and emt, or town clerk and asst town mgr, or engineer and town manager, or assistant vp and chief of police on a college campus. However, in all cases referred to above, they are accountable to a higher supervisory level.

In a few local cities/towns, three city manager positions are combined but it is with city attorney, city clerk, or town engineer and there is no conflict of interest. They are Cloverdale, Sebastapol, and Corte Madera. In Muir Woods the position can be combined with secretary.

In conclusion, there are few, if any currently combined positions other than Broadmoor and Kensington, and considering the current, recent and past publicized problems with Broadmoor , it does not appear to be model of governance that can be promoted or emulated.

In conclusion, a more common approach identified in the examples in this research survey for smaller towns in CA, is to have a town manager who works part time, 3-4 days a week, or combine that position to create a full time or ¾ time position with city clerk, (admin secretary/district secretary such as Ms. Wolter's position), or attorney etc. The Chief of Police position, in this survey is always a separate position when there is a stand alone department.

Marilyn Stollon, BA _____
Vocational Research Consultant / Employment Counselor

Marty Knight
P.O.Box 303
Mi Wuk Village, California 95346
Home Phone: 209/586-4863
Email: martyknight33@gmail.com

November 16, 2015

Mr. Len Welsh
Commissioner and President
Kensington Police Protection and Community Service District
217 Arlington Avenue
Kensington, California 94708

Dear Commissioner Welsh:

My name is Marty Knight. I have owned 284 Colgate Avenue since 1980. I lived there till 1998 when I moved to Tuolumne County, and subsequently rented out the property. In the near future my wife and I plan to move back to 284 Colgate.

I am writing this letter because of my concern about the abandoned vehicles across the street from my home. There have been abandoned vehicles in the median strip between the sidewalk and street curb in front of 285 Colgate for years. These vehicles are apparently inoperative. They have vegetation growing around and under them. They are a visual offense to the neighborhood, and likely have a negative effect on property values. The resident of 285 Colgate is obdurate and has been unresponsive to requests to remove the vehicles.

Using the Geographical Information System (GIS) mapping tool on the Contra Costa County website, I found the Assessor's Parcel Number (APN) for 285 Colgate Avenue, number 570-203-012. The parcel mapping layer and aerial photo of APN 570-203-012, and adjacent parcels, clearly shows the parcels along Colgate, on both sides of the street, do not include the sidewalks and median planting strips. The median strip is within the domain of *public property* and is not included within the private property boundaries.

I have researched the applicable law pertaining to abandoned vehicles, and have spoken with the appropriate County and City officials.

The applicable enforcement code for abandoned vehicles on the median strip of Colgate Avenue is Contra Costa County Title 4, Subsection 4 H/S, Division 430-2-004. Pursuant to this code, and because the median strip lies within public property, the appropriate enforcement authority is the Kensington Police Department. Specifically, it is illegal for a vehicle to be parked on public property for more than 72 hours without evidence of it being moved.

I have been in communication with the Kensington Police Department for months regarding the abandoned vehicles. I gave Chief Hart and Sergeant Hui all the above information and applicable law

including a copy of the above referenced code and the County officials and their phone numbers with whom I had consulted.

Chief Hart told me he would delegate this matter to Sergeant Hui. Sergeant Hui told me he would assign the matter to Officer Wilkens.

I would like to have this matter resolved without further delay. I do not understand why the Kensington Police Department has not taken the appropriate enforcement action. The status quo is unresolved, protracted, and unclear. In Chief Hart's most recent email, he wrote simply: "I am trying to work with the county to find some kind of resolution for you."

I would welcome your input and assistance and hope you can facilitate a timely resolution.

Sincerely,

Marty Knight

cc: Chuck Toombs, Rachelle Sherris-Watt, Vannesa Cordova, Patricia Gillette, Chief Hart, Sergeant Hui, Officer Wilkens, Sylvia Rhodes, Steve Holmes, Anthony Knight

Marty Knight
P.O. Box 303
Mi Wuk Village, California 95346
(H): 209/586-4863
martyknight33@gmail.com

Monday, September 7, 2015

Mi Wuk Village, California

Chief Kevin Hart
Kensington Police Department
217 Arlington Avenue
Kensington, California 94707

Dear Chief Hart:

My name is Marty Knight. This past weekend I was in Kensington, and attempted unsuccessfully to meet with you. (It is my belief that a personal face to face meeting if possible is always better than other modes of communication.) However, I apologize for my intermittent availability, and I understand you have your own busy schedule and responsibilities. Therefore, I have decided to write this letter.

I own 284 Colgate Avenue, which I purchased in 1980. Since 1998, I have rented the house and have lived in Tuolumne County. It is my intention, in the near future, to significantly upgrade the house and live there part time with my wife Ann.

The reason for this letter concerns the house directly across from 284 Colgate. It is easily recognizable by the two cars parked in the grass strip between the sidewalk and the street. Historically, and for years, there has only been one car in this area. Now there are two. As is immediately apparent upon looking at the cars, they are non-operative and have been in their present location for a long time. Weeds are growing under and around the cars. The larger car has no plates and miscellaneous items in it including a gas can. The smaller car, a silver BMW, bears a 2010 registration tag.

These cars are a huge eyesore and blight on the neighborhood.

Perhaps a brief history of the house with the cars might be helpful. When I moved into my house, the house across the street was occupied by a couple with two boys. The house was always maintained in immaculate condition with fresh paint and trimmed foliage. The husband was very friendly and I considered him a friend. He left sometime in the 80's after divorcing his wife. Initially, the mother and two sons continued to live in the house. After the husband left, the house slowly deteriorated to its present condition. The scrubs and bushes became overgrown, the paint peeled, and the grass medium strip was covered with long uncut weeds and grass.

After the father left, I only saw the mother very rarely, coming and going to work. I believe she was a teacher. I never saw either of the two sons. Then for years, I never saw anyone coming or going from the house. I learned from my neighbor in the brick house, on the same side of the street and next to (north of) the house in question, that the older of the two boys currently lives in the house, alone. Apparently he does not leave the house or come outside, and lives alone in a dark basement. I was also told he raises reptiles in the basement including snakes. (I realize this sounds a bit bizarre, but given my

71

knowledge of the family history, and information from neighbors, it appears possible or probable.) I have no information that the occupant is openly confrontational or dangerous.

It is my belief that the boy, now an adult, who lives in the house is mentally unstable. For unknown reasons, perhaps just plain spite, he has placed the abandon cars where they are.

Some years ago neighbors got together and complained about the car. The one car that was on the median strip at the time was removed, but quickly replaced by an equally ugly and non-functioning vehicle. Over the years, neighbors have expressed their dismay and disgust with the cars to me and each other, but seem to have become stymied and resigned to the staus quo.

I don't believe there is anything that can be done about the unsightly appearance of the house, but I sincerely hope there is a legal remedy regarding the cars.

Are there laws pertaining to ugly abandoned vehicles in plain view parked next to the street? If so, I would like to request they be vigorously enforced.

Thank you for your anticipated assistance with this matter.

Sincerely,

Marty Knight

Office Report prepared by Marty Westby, Administrator
Kensington Community Council Board Meeting
January 11, 2016

KASEP:

Winter KASEP Online Registration was held in December 2015 and classes started Monday, January 4, 2016. KCC offered 53 classes of which 47 filled. Enrollment is comprised of roughly 230 Hilltop students enrolling in our classes, filling 380 seats per week. Seats filled count is down by approximately 50 seats compared to Winter 2015. The reduction is a result of tenured teacher retirement, Lynn Crook, our sewing instructor, and other teachers moving on in their lives (Pokemon, Jose Rodriguez, Workshop for Young Engineers, Lance Akiyama and Digital Photography, Mike Conner, Singing, Sarah Torney).

New, started September 2015, KCC escorts students to Neighborhood School after student's KASEP classes are over. In addition, students now walk down to KASEP classes straight from Hilltop school independently when school is dismissed. During the first two weeks of a session, KCC staff direct younger students to their KASEP classes and help them find a buddy to facilitate getting to KASEP classes.

In Winter session 2016, KCC staff will make 10 trips a week up to NS (3:40pm and 5:00pm each day, M-F). To-date, we will escort roughly 115 students up the hill to NS over the course of a week.

KCC Classes and Events:

Jazzercise (daily, Monday through Friday), Body Sculpting (Tuesday and Thursday) and Acrylic Artists (Wednesday) continue as class offerings for adults. Times and schedules of classes are listed in the monthly Outlook.

KCC Summer Camp

KCC Summer Camp 2016 is work in progress. KCC staff are finalizing the schedule of themed weeks, securing specialty teachers and reserving field trips. Summer Camp Brochures will be sent home the end of February to Hilltop students and made available for viewing online by February 22nd. Online camp registration is scheduled for Tuesday, March 1st. KCC Summer Camp is for children entering first grade up to 6th grade as of FALL 2016. Camp hours are from 9:00am – 5:00pm with extended care made available for families needing early morning or late afternoon coverage.

KCC Administrative:

KCC Annual K-Group meeting is scheduled for Monday, January 11th at 7:30pm in Building E. Hilltop parents groups, Kensington GM, Kevin Hart, Kensington Fire Board President, Don Dommer as well as the various K-groups have been invited to attend.

KCC Office will be closed Monday, January 18th in observance of Martin Luther King holiday.

January 2016

January 2016							February 2016						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29					
31													

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Dec 27	28	29	30	31	Jan 1, 16	2
3	4 7:00pm **Cub Scouts** (CCM)	5 7:30pm *Boy Scouts (CCM)	6 7:00am AA (CCM) 7:00pm Citizen's Academy (CCM)	7 7:00pm Ad Hoc Mtg (CCM) 7:15pm EBC (CC1)	8	9 6:00pm CC Rental (CCM)
10	11 7:00pm **Cub Scouts** (CCM)	12 7:30pm *Boy Scouts (CCM)	13 7:00am AA (CCM) 7:00pm *KFD Mtg (CC3) 7:00pm Citizen's Academy (CCM)	14 Andrea Out of Office - Andrea Di Napoli 6:00pm KPPCSD Mtg (CCM)	15	16
17	18 7:00pm **Cub Scouts** (CCM)	19 7:30pm *Boy Scouts (CCM)	20 7:00am AA (CCM) 7:00pm Park Bldg Committee (CC3) 7:00pm Citizen's	21 7:15pm EBC (CC1)	22	23 10:00am ad hoc 1:00pm Auction (CCM)
24 11:00am Kensington Nursery School Potluck (CCM)	25 7:00pm **Cub Scouts** (CCM) 7:30pm *KIC (CC3)	26 7:30pm *Boy Scouts (CCM) 7:30pm *KMAC (CC3)	27 7:00am AA (CCM) 7:00pm Citizen's Academy (CCM)	28	29	30 6:00pm Hilltop 6th Grade Dance (CCM)
31	Feb 1	2	3	4	5	6

February 2016

February 2016							March 2016						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
7	1	2	3	4	5	6	6	7	8	9	10	11	12
14	8	9	10	11	12	13	13	14	15	16	17	18	19
21	15	16	17	18	19	20	20	21	22	23	24	25	26
28	22	23	24	25	26	27	27	28	29	30	31		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 31	Feb 1 7:00pm **Cub Scouts** (CCM) 7:00pm KCC Mtg. (CC3)	2 7:30pm *Boy Scouts (CCM)	3 7:00am AA (CCM) 7:00pm Citizen's Academy (CCM)	4 7:00pm Ad Hoc Mtg (CCM) 7:15pm EBC (CC1)	5	6 1:00pm CC Rental (CCM)
7	8 7:00pm **Cub Scouts** (CCM)	9 7:30pm *Boy Scouts (CCM)	10 7:00am AA (CCM) 7:00pm *KFED Mtg. (CC3) 7:00pm Citizen's Academy (CCM)	11 6:00pm KPPCSD Mtg (CCM)	12	13 9:30am Compost Class (CC3)
14	15 7:00pm **Cub Scouts** (CCM)	16 7:30pm *Boy Scouts (CCM)	17 7:00am AA (CCM) 7:00pm Citizen's Academy (CCM)	18 7:15pm EBC (CC1)	19	20
21	22 7:00pm **Cub Scouts** (CCM) 7:30pm *KIC (CC3)	23 7:30pm *Boy Scouts (CCM) 7:30pm *KMAC (CC3)	24 7:00am AA (CCM) 7:00pm Park Bldg Committee (CC3) 7:00pm Citizen's Academy (CCM)	25	26	27 8:00am Tentative Rental (CCM)
28	29 7:00pm **Cub Scouts** (CCM)	Mar 1	2	3	4	5

15

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

REVISING FEES FOR CERTAIN POLICE RECORDS AND SERVICES

ORDINANCE 2015-01

WHEREAS, Section 61621 of the Government Code authorizes the Board of Directors to prescribe revise and collect rates or other charges for the services, including police services, which it provides; and

WHEREAS, fees for these services were codified and established by Ordinance 88-02 and revised by Ordinance 93-02, Ordinance 98-01, Ordinance 01-02; and

WHEREAS, the Board of Directors now wishes to revise the fees that the District charges for certain police records and services.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Kensington Police Protection and Community Services District as follows:

SECTION I – FEES

The fees for the following services shall be as follows:

LiveScan	\$85.00
Finger Printing	\$50.00 ink
Vehicle Release	\$150.00
Police Reports	\$20.00 + .15c per page
Accident Reports	\$20.00 + .15c per page
Clearance Letters – Residents	\$30.00
Clearance Letters – Non-Resident	\$40.00
Photographs	\$30.00 + fee to develop/media device
Electronic Records	\$50.00
VIN Verification	\$50.00
Vehicle Inspection	\$15.00
Citation Sign-off	\$20.00

SECTION II - REPEAL OF ORDINANCE 2001-02

Ordinance No. 2001-02 is repealed as of the effective date of this ordinance.

SECTION III - EFFECTIVE DATE

This ordinance shall be in full force and effect thirty (30) days after its adoption.

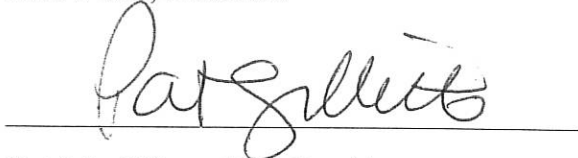
PASSED AND ADOPTED by the Board of Directors of the Kensington Police Protection and Community Services District at a regular meeting thereof held on the 10th day of December 2015, by the following vote, to wit:

Ayes: 5



Len Welsh, President

Noes:



Patricia Gillette, Vice President

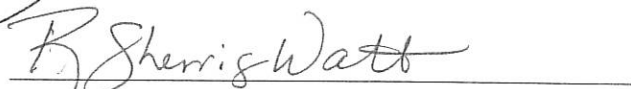
Absent:



Chuck Toombs, Director

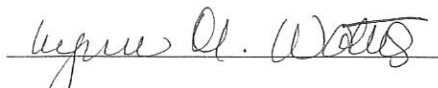


Vanessa Cordova, Director



Rachelle Sherris-Watt, Director

Attest:



Lynn Wolter,

District Administrator

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

General Manager December 2015 Report

General

The 2015 Kensington Police Protection and Community Services District Citizen's Academy graduated on December 9th. Graduates will be recognized at the January 14, 2016, meeting of the Board of Directors.

During December:

- I took seven days of sick leave to recover from knee replacement surgery.
- Attended, along with Sergeant Hui and Corporal Stegman a one day Legislative Legal Update on new 2016 laws. The course was held at CHP HQ in Sacramento
- Attended the Finance Committee on December 17, 2015
- Met with a sub-group of the Ad Hoc Committee on Governance to discuss components of the police department.

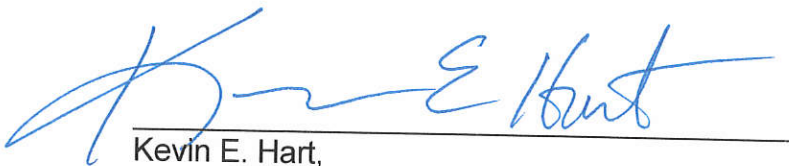
During the past six months, either members of the KPD or I worked on the following projects. This is a partial list, with some being completed and some ongoing.

- Begun to automate and purge the property & evidence room
- Inventoried of police equipment & vehicles
- Reviewed and updated Operation orders-Employees are now reviewing on line
- Consolidated and reviewed Background files
- Consolidated and updated Personnel files
- Consolidated Disciplinary IA files
- Consolidated medical files of employees
- Worked on 100 Day Plan. Final report pending
- Attended CSDA training
- Conducted open door meetings with 70+community members
- Presentations to K-Groups
- Attended monthly meetings with other county police chiefs
- Met with Sheriff Livingston
- Attended to fuel reduction issues in park
- Oversaw contractor for fuel reduction
- Toured of parks and other facilities
- Resolved personnel matters
- Reviewed & maintained budget, expenditures and revenue
- Sought out grants for District
- Attended Finance committee meetings
- Attended Parks Building committee meetings
- Hosted a meet IGM/COP/community lunch
- Cleaned up police station
- Worked with our Workers Comp provider to maximize employee participation

- Prepared for monthly agendas and reports
- Developed/updated citizen police academy curriculum
- Conducted meet and & confer with POA union
- Attended annual Contra Costa County Police Chiefs' conference/training

Shasta Pumping Plant replacement Update- EBMUD's contractor has completed the temporary tank that will serve the area while the new tank is being built. Demolition of the old tank in progress. Demolition is expected to be completed in February 2016. Standard work hours are Monday-Friday 7:00am to 6:00pm. For more information about this project go to www.ebmud.com. Select construction project and scroll down to Kensington.

Work continues on improving the website to make it easier for the community to use and become ADA compliant.



Kevin E. Hart,
General Manager

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

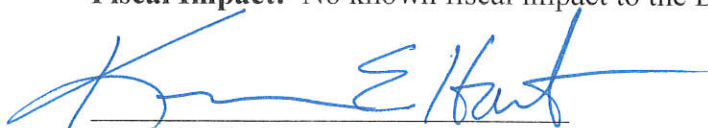
Date: January 14, 2016
TO: KPPCSD Board
FROM: Kevin E. Hart, General Manager
Subject: **Item 9a-Vacancy & Appointment to the Ad -Hoc Committee on Governance**

Ms. Miki Tal advised Director Cordova that she decided to resign from the Ad-Hoc Committee on Governance, effective January 2, 2016.

Director Cordova to appoint Mrs. Mabry Benson as her replacement on the Committee.

Mrs. Benson's originally submitted application is attached for reference.

Fiscal Impact: No known fiscal impact to the District at this time.



Kevin E. Hart
Interim General Manager

80

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
217 Arlington Avenue
Kensington, CA 94707
(510) 526-4141

APPLICATION FOR AD HOC COMMITTEE ON
POSSIBLE ALTERNATIVES TO CURRENT GENERAL MANAGER/CHIEF OF POLICE POSITION
AND OTHER ISSUES RELATED TO DISTRICT STRUCTURE

You may attach additional sheets as necessary to respond.

1. Name: Mabby Benson

2. Address: _____

3. Length of Residence in Kensington: not relevant

4. Check one: not relevant own home _____ rent home _____ other _____

5. Home phone: _____

6. Business Phone: _____

7. Email address: _____

8. Employment: (Please feel free to attach a resume)

Occupation: retired chemist

Name and Address of present employer (or last, if retired): US Dept Agric, Albany

9. References: what kind do you want

(i) _____

(ii) _____

10. Education and Training:

MS Chemistry. Worked 33 yr as chemist - evaluating

11. Reason(s) for applying: evidence, 22 yr as a genealogist - also

To do something evaluating evidence

constructive towards Continued on next page

getting KPP SCD finances in order

12. Experience and abilities. Considering your previous experience and activities in business, labor, professional, social, or other organizations; indicate your most important experiences and abilities, which qualify you for appointment:

see #10. served as President, Program Organizer, Treasurer, Newsletter Editor for local Quilt Guild. Twice chaired committee to organize biannual quilt exposition.

13. Previous Experience. If you have had public service experience on a commission, board, or task force, please indicate the public agency and explain the duties:

none

14. Conflict of Interest: Please describe any possible personal or professional areas that may present a conflict of interest, or the appearance of conflict of interest, for serving on this committee:

none

To: Kensington Police Protection and Community Services District Board Members:

I request that you consider my application. I am aware that this committee will require a commitment of my time, that I will be expected to regularly attend all of its meetings, and I feel that I will be able to devote the time necessary to perform the duties of this committee. I am also aware that my name and address may be made public as an applicant for this body, and that this application is a public record. I am also aware that by law, interviews regarding my appointment, reappointment, or dismissal must be held in public and that the District Board cannot exercise any discretion in this matter. I am further aware that I may be required to file an annual FPPC Form 700-Statement of Economic Interest.

Signature: Mabeey Simon

Date Signed: 29 July 2015

Please return to the District Secretary at address above.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Date: January 14, 2016
TO: KPPCSD Board
FROM: Kevin E. Hart, Interim General Manager
Subject: **Item 9b-2015 Citizen's Academy Recognition**

The 2015 KPD Citizen's Academy began on October 7th and concluded on December 9th, and it consisted of 9 sessions. The subjects covered were the following:

- Ethics/ Professional Standards
- Community Policing
- Crime Prevention/ Patrol Procedures
- Investigative Procedures/ Crime Scene Investigation
- Emergency Management/ Disaster Preparedness
- Criminal Laws/ Laws of Arrest/ Legal Issues
- Officer Safety Issues/ Use of Force
- Evidence and DNA Processing
- Traffic Enforcement Procedures
- Communications: 911/ Records

A special thanks to our KPD officers and members of outside agencies who contributed as well:

- Officers Doug Wilson, Juan Ramos, Stephanie Wilkins, Sgt's Keith Barrow Kevin Hui
- El Cerrito Fire Battalion Chief David Gibson
- Contra Costa County Deputy District Attorney Chris Sansoe
- Contra Costa County Criminalist Marte Curtis

Congratulations to all of our participating residents:

Bill Benson	Mabry Benson	S.D.*
David Garfin	Susan Garfin	Gretchen Gillfillan
Katie Gluck	Peter Liddell	Jim Watt

* Resident did not wish to be identified and/or recognized.

Fiscal Impact: Included within budget under Community Policing.


Kevin E. Hart
Interim General Manager

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Date: January 14, 2016

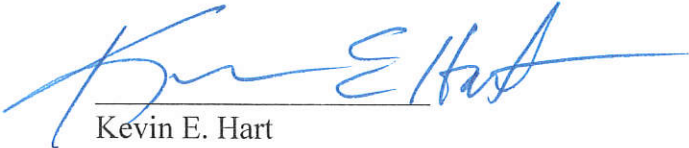
TO: KPPCSD Board

FROM: Kevin E. Hart, Interim General Manager

Subject: **Item 9c-General Counsel-General Manager/Chief of Police position**

General Counsel Randy Riddle will present his legal opinion regarding the ability of the same individual to hold the positions of General Manager and Chief of Police.

General Manager Recommendation: Take public comment, deliberate, and receive the report.




Kevin E. Hart

Interim General Manager

84

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Date: December 15, 2015, 
From: Kevin E. Hart,
Interim General Manager/Chief of Police
To: The Kensington Community
Subject: **Release of Privileged and Confidential Attorney-Client Communication**

At a Special Meeting held on December 14, 2015, the Kensington Police Protection and Community Services District Board of Directors voted to release an attorney-client privilege letter, written by Randy Riddle and Teresa Stricker of the Public Law Group.

Please see the attached letter for your reference.





Renne Sloan Holtzman Sakai
Public Law Group

1220 Seventh Street Suite 300
Berkeley, CA 94710
(510) 995-5800

Memorandum

PRIVILEGED AND CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

To: Board of Directors, Kensington Police Protection and Community Services District

From: Randy Riddle 
Teresa L. Stricker 

Date: December 8, 2015

Re: Legality of Dual General Manager/Chief of Police Position

You have asked whether it is unlawful for the Kensington Police Protection and Community Services District ("District") to appoint a single person to serve as both its General Manager and Chief of Police. In connection with this request, we have been provided with the attached April 2, 2015 opinion addressing the same issue provided by the District's prior counsel.

This memorandum provides our analysis and conclusion on this question along with our thoughts about the conclusions the District's prior counsel reached.

I. SUMMARY ANSWER

In our opinion, there is no legal prohibition against one person serving the dual role as the District's General Manager and Chief of Police.

First, we conclude that the Community Service District Law ("CSD Law"), the enabling law governing the District, does not limit the District from assigning its General Manager the additional title and duties of Chief of Police.

Second, we conclude that having a single person serve as both the General Manager and Chief of Police would not violate the doctrine of incompatible offices. That doctrine is not applicable because, in our view, the Chief of Police position is not a separate public office within the meaning of the doctrine. Moreover, in our view, the General Manager and Chief of Police positions are not incompatible.

Our conclusion is consistent with the District's prior counsel's opinion that there is no legal restriction on the District's ability to appoint one individual to the dual role of General Manager/Chief of Police. While not entirely free from doubt, in our view, it is highly unlikely



Board of Directors, Kensington Police Protection and Community Services District
December 8, 2015
Page 2

that a court would reach a different conclusion notwithstanding the supervisory responsibility for all District staff the CSD Law imposes on the General Manager. And our conclusion is not altered by state statutes that preclude cities and counties – but not community service districts – from assigning their general managers as their police chiefs or sheriffs, or the fact that the District appears to be the only community service district that has assigned its General Manager as its Chief of Police.

II. BACKGROUND

As we understand it, the agency that is now the District was originally formed in 1947 as a police protection district. In 1954, the District became a community services district for the purpose of providing police protection services. In 1955, the District began providing other services as well.

In 1994, to highlight that the District's primary purpose is to provide police protection services, the Board of Directors changed the agency's name from the Kensington Community Services District to the Kensington Police Protection and Community Services District. (District Resolution 93-07.)

It is our understanding that since the 1950s, the District has had one individual serve as both its General Manager and Chief of Police. The General Manager/Chief of Police serves at the pleasure of the Board of Directors.

According to District's current job description for the General Manager/Chief of Police, with respect to the Police Department, the General Manager/Chief of Police (1) is "the chief executive officer of the department and the final departmental authority in all matters of policy, operations and discipline," (2) "is responsible for planning, directing, coordinating, controlling, training and staffing all activities of the department," "for enforcement of rules and regulations within the department," and for the preparation of required reports, (3) "sets objectives for the department, makes plans, develops procedures and organizes and re-organizes, provides for staff and equipment, adopts rules and regulations for the administration of the department, sets policy, coordinates efforts and relationships, reports on departmental accomplishments, maintains public and employee relationships, develops the budget, directs departmental training activities, controls personnel files," investigates "citizen complaints regarding actions of officers, performs performance evaluations," and "provides direction to the department," and (4) conducts investigations, prepares reports, and testifies in court.



Board of Directors, Kensington Police Protection and Community Services District
December 8, 2015
Page 3

III. ANALYSIS

A. **The Community Services District Law Does Not Preclude the District from Combining Its General Manager and Chief of Police Positions**

The CSD law does not prevent the District from appointing one person to fulfill the combined roles of General Manager and Chief of Police.

The CSD Law explicitly requires the District to appoint a general manager who serves at the pleasure of the Board of Directors. (Gov. Code § 61050.) The CSD Law makes the District's General Manager responsible for (1) "[t]he implementation of the policies established by the board of directors for the operation of the district," (2) "[t]he appointment, supervision, discipline, and dismissal of the district's employees, consistent with the employee relations system established by the board of directors," (3) "[t]he supervision of the district's facilities and services," and (4) "[t]he supervision of the district's finances." (*Id.* § 61051.)

The CSD Law further authorizes the District to provide for police protection services "by establishing and operating a police department that employs peace officers" who meet the state's qualifications for all peace officers. (Gov. Code § 61100(i).) But even where a community service district provides police protection services, the CSD Law does not require the district to appoint a chief of police. And although state statutes require *cities* to appoint a police chief and *counties* to appoint a sheriff, those statutes have no application to community service districts. (See Gov. Code § 2400 [counties]; §§ 3501, 3605 [general law cities].)

Further, none of the provisions of the CSD Law expressly limit a community service district's general manager from simultaneously serving as the district's police chief or performing any district police duties himself or herself, so long as the general manager meets the state's peace officer qualifications and fulfills his or her statutory duties as general manager. And no judicial or Attorney General opinion has construed the CSD Law to impose such limits on a community service district's general manager. Accordingly, we conclude that the CSD Law does not limit the District's General Manager from also serving as the District's Chief of Police.

Finally, the CSD Law expressly permits a community service district to appoint its general manager to also serve as its treasurer, should the district's board of directors choose to appoint a treasurer rather than have the county treasurer serve as the district's treasurer. (Gov. Code § 61050.) This legislative grant of flexibility to community service districts to satisfy their staffing needs within their often considerable budgetary constraints by appointing their general managers to dual positions reinforces the conclusion that the CSD Law was not intended to prohibit the District's General Manager from simultaneously serving as its Chief of Police.



Board of Directors, Kensington Police Protection and Community Services District
December 8, 2015
Page 4

B. The Incompatible Offices Doctrine Does Not Preclude a Single Individual from Serving as the District's General Manager and Chief of Police.

Section 1099 of the Government Code codified the common law doctrine of incompatible offices. (Gov. Code § 1099(f).) That doctrine precludes a person from holding simultaneously two public offices if the performance of the duties of either office could have an adverse effect on the other. (74 Ops.Cal.Atty.Gen. 82 (1991), 1991 WL 495459 at p. *1.) Under the doctrine, a public officer who accepts a second public office automatically vacates the first office if the two are incompatible. (Gov. Code § 1099(b); *People ex rel. Chapman v. Rapsey* (1940) 16 Cal.2d 636, 644.)

In our view, while the question is not free from doubt, the doctrine of incompatible offices does not preclude one person from serving as both the General Manager and Chief of Police for the District for two independent reasons. First, because the position of Chief of Police is not a public office within the meaning of the doctrine, the doctrine does not apply. Second, even if the doctrine applied, we conclude that the General Manager and Chief of Police positions are not incompatible within the meaning of the doctrine.

1. Because the Chief of Police Position Is Not a "Public Office" within the Meaning of the Doctrine, the Doctrine Does Not Apply.

The doctrine of incompatible offices applies where both positions are "public offices" within the meaning of the statute. If one or both of the positions is a position of employment, and not a public office, the doctrine does not apply. (Gov. Code § 1099 (c).) Because, in our view, the Chief of Police position is not a separate public office, the doctrine does not bar the General Manager from serving simultaneously as the Police Chief.

For purposes of the doctrine, "a public office is a position in government, (1) which is created or authorized by the Constitution or by law; (2) the tenure of which is continuing and permanent, not occasional or temporary, (3) in which the incumbent performs a public function for the public benefit and exercises some of the sovereign powers of the state." (68 Ops.Cal.Atty.Gen. 337 (1985) 1985 WL 167494 at p *5.) A public office may be created under local legislation. (See e.g. 82 Ops.Cal.Atty.Gen. 201 (1999) [fire chief position established under city charter and city administrator position established under by city ordinance are both public offices].)

The question of whether a public employee exercises sufficient sovereign powers to constitute a public office within the meaning of the doctrine of incompatibility is not always straightforward. As one court has explained:

If specific statutory and independent duties are imposed upon an appointee in relation to the exercise of the police powers of the

PRIVILEGED AND CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

89



Board of Directors, Kensington Police Protection and Community Services District
December 8, 2015
Page 5

State, if the appointee is invested with independent power in the disposition of public property or with the power to incur financial obligations upon the part of the county or State, if he is empowered to act in those multitudinous cases involving business or political dealings between individuals and the public, wherein the latter must necessarily act through an official agency, then such functions are a part of the sovereignty of the State.

(*Schaefer v. Superior Court* (1952) 113 Cal.App.2d 428, 432-433.) But not every public employee with the duty or power to exercise some part of a sovereign's powers is an officer within the meaning of the doctrine of incompatible offices. (See *Neigel v. Superior Court* (1977) 72 Cal.App. 3d 373 [police officer does not hold a public office]; 78 Ops.Cal.Atty.Gen. 362 (1995) [sheriff's deputy chief does not hold a public office]; 74 Ops.Cal.Atty.Gen. 82 (1991) [city fire division chief does not hold a public office]; 82 Ops.Cal.Atty.Gen. 83 (1999) [city's community development director does not hold a public office].)

Neigel v. Superior Court (1977) 72 Cal.App.3d 373, is instructive. There, the court considered whether a city police officer held a public office within the meaning of the incompatible offices provision incorporated into the city's charter. Although the police officer had the duty and power to exercise a part of a sovereign's governmental powers, the court concluded that the officer did not hold a public office because (1) the officer's duties were not prescribed by the charter, (2) he was not "clothed with policy-making authority," and (3) he did not serve for a term or at the pleasure of the appointing authority. (*Id.* at p. 378.)

In reaching this conclusion, the court expressly rejected the argument that because police officers are public officers for some purposes, they are also public officers for purposes of the incompatibility of office doctrine:

The city relies on cases holding that a policeman falls within the category of a public officer because he is entrusted with the duty and power to exercise a part of the sovereign governmental powers of the entity for which he is acting. (*Logan v. Shields*, 190 Cal. 661, 664-665; *Estrada v. Indemnity Ins. Co.*, 158 Cal.App.2d 129, 134-135; *Brown v. Boyd*, 33 Cal.App.2d 416, 422; *Noble v. City of Palo Alto*, 89 Cal.App. 47, 52.) However, the fact that policemen have been held to be public officers for certain purposes does not lead inevitably to the conclusion that they are 'officers' for all purposes. (*Davis v. Kendrick*, 52 Cal.2d 517, 519.) The meaning of the words 'officer' or 'official' varies with the conditions and circumstances in which they are used. (*Davis v. Kendrick, supra*, 52 Cal.2d 517, 519; *Pockman v. Leonard*, 39 Cal.2d 676, 683, app.

Board of Directors, Kensington Police Protection and Community Services District
December 8, 2015
Page 6

dism., 345 U.S. 962; *Martin v. Riley*, 20 Cal.2d 28, 34; *Estrada v. Indemnity Ins. Co.*, *supra*, 158 Cal.App.2d 129, 134.)

(*Id.* at p. 378.)

In reliance on *Neigel*, the Attorney General concluded that even where a city's municipal code granted its community development director the sovereign power to issue code enforcement citations, the community development director did not hold a public office for purposes of the incompatibility of offices doctrine. (82 Ops.Cal.Atty.Gen. 83 (1999).) The Attorney General reasoned:

The director's formal job description indicates that he exercises managerial functions for the city under the supervision and direction of the city manager. Such managerial functions and supervision are indicative of an employment relationship rather than the holding of a public office. (78 Ops.Cal.Atty.Gen., *supra*, at 368, 1995 WL 767221.) Moreover, the director holds a civil service classification with the city as did the police officer in *Neigel v. Superior Court*, *supra*, 72 Cal.App.3d at 373. He does not serve a definite "term" or at the pleasure of the appointing authority, and his policy-making authority is limited by the conditions of his job description and his subordination to the city manager,

(82 Ops.Cal.Atty.Gen. 83, 1999 WL 236160 at p. *3.)

Here, although there is no question that the District's General Manager is a public office within the meaning of the incompatibility of offices doctrine, we conclude that the Chief of Police position is not a separate public office.

First, just as the city charter at issue in *Neigel* did not prescribe police officer's duties, the CSD Law does not mention – much less require the appointment of, or prescribe the duties for – a community services district police chief.

Second, as we understand it, the District itself has never adopted legislation establishing the Chief of Police position as a separate public office. To the contrary, the Board has expanded the duties and title of the General Manager office to include police chief functions.

Third, like the police officer position in *Neigel*, the District's Chief of Police position is not "clothed with policy-making authority." Any policy-making authority exercised by the General Manager/Chief of Police is attributable to the duties the CSD Law imposes on the District's General Manager, not the additional police chief duties that Board has chosen to incorporate into the General Manager's position.

PRIVILEGED AND CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

al

Board of Directors, Kensington Police Protection and Community Services District
December 8, 2015
Page 7

The Chief of Police position, like the community development director position examined by the Attorney General, is merely a managerial position that would report to and be supervised by the General Manager had the District had not combined those two positions. (See Gov. Code § 61051.) And, in our view, the fact that the General Manager/Chief of Police serves at the pleasure of the Board of Directors does not transform the Chief of Police position into a separate public office. Indeed, the CSD Law expressly requires the General Manager to serve at the Board's pleasure. (*Ibid.*)

Finally, the Attorney General's opinion in 68 Ops.Cal.Atty Gen. 7 (1984) does not alter our conclusion that the District's Chief of Police position is not a separate public office within the meaning of the incompatibility doctrine. In that opinion, the Attorney General concluded that the a deputy sheriff held a public office within the meaning of the doctrine based on state statutes creating the public office of county sheriff and based on the deputy sheriff's position as a peace officer. (1984 WL 162108 at p. *1.)

For two reasons, in our view, this Attorney General's opinion is inapposite. First, unlike the sheriff position before the Attorney General, there is no state or local law creating the community service district's chief of police position or prescribing the duties for that position. Second, relying on *Neigel*, the Attorney General concluded that peace officers are public officers within the meaning of the doctrine of incompatibility. (*Ibid.*) But as discussed above, the *Neigel* court reached the opposite conclusion, holding that the peace officer did *not* hold a public office for purposes of the doctrine. Indeed, 11 years later, the Attorney General reconsidered the same issue and concluded that a sheriff's deputy chief is not a public office within the meaning of the doctrine. (78 Cal.Atty.Gen 362 (1995).)

Because the District's General Manager/Chief of Police position constitutes only one public office, we conclude that the doctrine of incompatibility does not apply.

2. The General Manager and Chief of Police Positions are Not Incompatible.

Even if Chief of Police position were a separate public office within the meaning of the incompatible offices doctrine, we conclude that the General Manager and Chief of Police positions are not incompatible under the doctrine.

"Offices are incompatible, in the absence of statutes suggesting a contrary result, if there is any significant clash of duties or loyalties between the offices, if the dual office holding would be improper for reasons of public policy, or if either officer exercises a supervisory, auditory, or removal power over the other." (Gov. Code § 1099 (a); 73 Ops.Cal.Atty.Gen. 183, 183-184 (1990); *People ex rel Chapman v. Rapsey* (1940) 16 Cal.2d 636, 641-642.)

92

Board of Directors, Kensington Police Protection and Community Services District
December 8, 2015
Page 8

Here, in our view there is no potential for a clash of duties or divided loyalties between the General Manager and Chief of Police. As noted above, the Chief of Police is a managerial position – a department head – who would report to, and be supervised by, the General Manager had the Board not combined those two positions. (Gov. Code § 61051.) With these roles combined, rather than supervising a Chief of Police, the General Manager is responsible for performing the police chief duties himself or herself. We see no public policy reason to conclude that the two roles are incompatible.

Moreover, in our view, neither position has supervisory, auditory or removal power over the other. As explained previously, the General Manager/Chief of Police reports directly to the Board of Directors. The fact that the CSD Law would give the General Manager supervisory and removal power over the Chief of Police had that position not been combined with the General Manager position does not mean that the General Manager/Chief of Police has supervisory or removal power over himself or herself. Rather, as explained above, the General Manager/Chief of Police serves at the pleasure of the Board.

C. Our Opinion Is Consistent with Prior Counsel's View that the District May Lawfully Appoint One Person as its General Manager/Chief of Police.

Our conclusion is consistent with the District's prior council's opinion that there is no legal restriction on the District's ability to appoint one individual to the dual role of General Manager/Chief of Police.

The District's prior counsel cautioned that a court may reach a different conclusion. Counsel advised that a court may conclude that the General Manager's supervisory authority for all District employees under the CSD Law makes the Chief of Police position incompatible should the court determine that the Chief of Police position is a separate public office. Counsel further cautioned that because it appears that the District is the only community service district to assign its General Manager the additional role as Chief of Police – and because state statutes that are *not* applicable to community service districts preclude general managers of cities and counties from simultaneously serving as a city police chief or county sheriff, the District may be more susceptible to legal challenge.

While of course not entirely free from doubt, for the reasons addressed above, in our opinion, it is highly unlikely that a court would conclude that the District may not assign its General Manager the additional Chief of Police title and duties, notwithstanding the unique staffing approach the District has taken.

Memorandum

ATTORNEY-CLIENT PRIVILEGED & CONFIDENTIAL

TO: Kensington Police Protection & Community Services District Board of Directors
FROM: Catherine J. Groves and David S. Gehrig
DATE: April 2, 2015
RE: Compatibility of Roles: General Manager and Chief of Police

I. ISSUE

Is it unlawful for the Kensington Police Protection & Community Services District ("KPPCSD" or "the District") to have one person simultaneously fill the role of General Manager and Chief of Police?¹

II. BRIEF ANSWER

No. There is no express prohibition against one individual fulfilling the duties of General Manager and Chief of Police for a community services district. The Community Services District Law (Cal. Gov't Code §§ 61000 *et seq.*, "the CSD Law" or "the Law"), does not prohibit one individual from holding the dual roles of General Manager and Chief of Police. Additionally, the doctrine of incompatible offices does not prohibit one individual from holding the dual roles of General Manager and Chief of Police for a community services district because the General Manager and Chief of Police are not two separate public offices, but rather a single public office (General Manager) with a second title and additional duties for the Chief of Police.

However, because there is no precedent directly on point, and because KPPCSD appears to be the only community services district with a dual role for its General Manager and Chief of Police, a legal argument could be made that the KPPCSD's arrangement does violate the doctrine of incompatible offices. While we don't believe such an argument would be legally correct, it is possible that a court could take a different view.

III. SUMMARY OF FACTS

We offer the following summary of facts based on only a cursory review of historic agency documents. The agency that is now the KPPCSD was initially formed as a police protection district in 1947. In 1954, the agency was reformed as a community services district, but still for the purpose of providing police protection services. The authority to provide park and recreation services was added in 1955. In 1994, and pursuant to Resolution 93-07, the name of the

¹ As special counsel to KPPCSD, we have not previously been asked to address this legal question.

ATTORNEY-CLIENT PRIVILEGED & CONFIDENTIAL

Memorandum To:

Kensington Police Protection & Community Services District Board of Directors

April 2, 2015

Page 2

agency was changed from Kensington Community Services District to Kensington Police Protection and Community Services District in order to indicate that the primary purpose of the District was to provide police protection services. It is our understanding that KPPCSD has had one individual serve as General Manager with the dual title of Chief of Police since the 1950s. Additionally, we understand that the District has a written job description for General Manager which includes both the duties of General Manager and Chief of Police in a combined list of duties.

Our investigation indicates that there are up to twelve community services districts in California that also provide police services. Of these, it appears that only KPPCSD employs a single individual as both the General Manager and Chief of Police. The results of our investigation are summarized below:

	COMMUNITY SERVICES DISTRICTS	NUMBER OF TITLES FOR GENERAL MANAGER AND CHIEF OF POLICE ROLE	NUMBER OF INDIVIDUALS PERFORMING BOTH ROLES
1.	Kensington Police Protection and CSD	Two (General Manager and Chief of Police)	One
2.	Broadmoor Police Protection District	One (Chief of Police); note that Broadmoor is not a community services district	One
3.	Stallion Springs CSD	Two (Chief of Police and General Manager)	Two
4.	Bear Valley CSD	Two (Chief of Police and General Manager)	Two
5.	Lake Shastina CSD	Two (Chief of Police and General Manager)	Two
6.	Capistrano Bay CSD	One (General Manager)	One (General Manager, who is not a police officer, has management responsibility over two Patrol Officers; there is no chief)
7.	Diablo CSD	One (General Manager)	One (police services are provided to District pursuant to an agreement with Contra Costa County Sheriff's

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ATTORNEY-CLIENT PRIVILEGED & CONFIDENTIAL

Memorandum To:

Kensington Police Protection & Community Services District Board of Directors

April 2, 2015

Page 3

			Department)
8.	Mountain House CSD	One (General Manager)	One (police services are provided to the District pursuant to an agreement with San Joaquin County Sheriff's Department)
9.	Pauma Valley CSD	Two (Administrator and Security Captain)	Two
10.	Santa Lucia CSD	Two (General Manager and Director of Security)	Two
11.	Southern Coachella Valley CSD	Zero (four directors only)	Administration and law enforcement are contracted out
12.	Surfside Colony CSD	Zero (five directors only)	(not clear if police services are provided)
13.	Saddle Creek CSD	One (General Manager)	One (not clear if police services are provided)

Interestingly, KPPCSD is the only agency that describes itself as a "Police Protection and Community Services District." All of the other agencies listed above either call themselves a community services district, or in the case of Broadmoor a police protection district. Also, and perhaps of most relevance, of those agencies that have both a General Manager and a Chief of Police title, only KPPCSD has a single individual serving both roles. The closest arrangement from another agency is with the Capistrano Community Services District, which has the General Manager provide administrative services as well as management responsibility over two Patrol Officers.

IV. ANALYSIS

1. Community Services District Law

The CSD Law does not prohibit one individual from holding the dual roles of General Manager and Chief of Police. The CSD Law expressly requires the board of a community services district to appoint a General Manager. (Cal. Gov't Code § 61050.) Section 61051 of the Law establishes the roles and responsibilities of the General Manager. While section 61100(i) allows a community services district to provide police services to its constituents, it does not require a District to create a Chief of Police position. Additionally, there is no indication in the legislative history or any legal authority interpreting these provisions that one individual cannot hold the

ATTORNEY-CLIENT PRIVILEGED & CONFIDENTIAL

Memorandum To:

Kensington Police Protection & Community Services District Board of Directors

April 2, 2015

Page 4

roles of both the General Manager and Chief of Police for a community services District. Thus, neither the CSD Law nor the legal authority interpreting the CSD Law prohibits one individual from serving as both the General Manager and Chief of Police of a community services district.

Moreover, the Law expressly allows a District to have a single individual serve as both the General Manager and Treasurer. (Cal. Gov't Code § 61050.) This would appear to indicate a general legislative intent to grant community services districts, which are often thinly staffed and budget-constrained, additional flexibility to satisfy their staffing needs.

2. Incompatible Offices Doctrine

The doctrine of incompatible offices must also be considered in evaluating whether one individual may serve as both the General Manager and Chief of Police of a community services district. The common law doctrine, which has been codified in Cal. Gov't Code § 1099, applies when one individual holds two public offices resulting in a conflict between potentially overlapping public duties.

A. Basic prohibition

The seminal case, *People ex rel. Chapman v. Rapsey* (1940) 16 Cal.2d 636, outlines the common law doctrine of incompatible offices which has since been codified in Cal. Gov't Code § 1099². Section 1099(a) provides that "[a] public officer... shall not simultaneously hold two public offices that are incompatible." Section 1099 states that offices are incompatible when:

[A]ny of the following circumstances are present, unless simultaneous holding of the particular offices is compelled or expressly authorized by law:

- (1) Either of the offices may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over the other office or body.
- (2) Based on the powers and jurisdiction of the offices, there is a possibility of a significant clash of duties or loyalties between the offices.
- (3) Public policy considerations make it improper for one person to hold both offices.

If the performance of the duties of either office could have an adverse effect on the other, the doctrine precludes acceptance of the second office. Once a second, incompatible public office is accepted, such acceptance constitutes an automatic resignation from the first office. (Cal. Gov't Code § 1099(b).) The doctrine of incompatible offices does not apply if one of the

² When codifying the common law doctrine, the legislature included the following legislative note: "SEC. 2. Nothing in this act is intended to expand or contract the common law rule prohibiting an individual from holding incompatible public offices. It is intended that courts interpreting this act shall be guided by judicial and administrative precedent concerning incompatible public offices developed under the common law." (Stats 2005 ch. 254.)

ATTORNEY-CLIENT PRIVILEGED & CONFIDENTIAL

Memorandum To:

Kensington Police Protection & Community Services District Board of Directors

April 2, 2015

Page 5

positions is merely employment and not a public office. (Cal. Gov't Code § 1099(c); See also 58 Ops.Cal.Atty.Gen. 109, 111 (1991).)

In applying this doctrine, courts typically first determine whether the positions are public offices and, second, whether the offices are incompatible. (See *Rapsey, supra*; 90 Ops.Cal.Atty.Gen. 24 (2007); 56 Ops.Cal.Atty.Gen. 556, 557 (1973); 40 Ops.Cal.Atty.Gen. 238, 239 (1962).)

B. Two Public Offices

Based on *Rapsey*, the Attorney General has set forth the following elements for determining whether an employment position is a "public office":

[A] public office is a position in government (1) which is created or authorized by the Constitution or some law; (2) the tenure of which is continuing and permanent, not occasional or temporary; (3) in which the incumbent performs a public function for the public benefit and exercises some of the sovereign powers of the state. (68 Ops.Cal.Atty.Gen. 337, 342 (1985).)

Here, the General Manager position is a public office because it was statutorily created by the CSD Law and has authority to implement board policies, appoint, supervise, discipline and dismiss employees, and supervise the District's facilities, services, and finances.

The Chief of Police position does not rise to the level of a public office because the CSD Law does not expressly require (or allude to) the creation of an office of the Chief of Police. Government Code section 61100(i) allows community services districts to "provide police protection and law enforcement services by establishing and operating a police department that employs peace officers pursuant to Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code." Chapter 4.5 of the Penal Code establishes the definition of the term "peace officer," but does not require the creation of a public office of the Chief of Police.³ Moreover, there does not appear to be any provision in the Penal Code nor any cases or California Attorney General opinions that expressly require the creation of an office of the Police Chief. While the enabling legislation of other local governmental entities, such as counties and cities, contain express provisions requiring the creation of a public office of Sheriff or Police

³ We note that courts have previously concluded that a police officer falls within the category of a public officer because the individual is entrusted with the duty and power to exercise a part of the sovereign governmental powers of the entity for which the individual is acting. (*Logan v. Shields* (1923) 190 Cal. 661, 664-665; *Noble v. City of Palo Alto* (1928) 89 Cal.App. 47, 52; *Brown v. Boyd* (1939) 33 Cal.App.2d 416, 422; *Estrada v. Indemnity Ins. Co.* (1958) 158 Cal.App.2d 129, 134-135; *People v. Woods* (1970) 7 Cal.App.3d 382, 387.) However, these cases do not analyze the doctrine of incompatible offices and their facts are distinguishable from those at hand. Additionally, other cases, such as *Nigel v. Superior Court* (1977) 72 Cal.App.3d 373, when applying the doctrine of incompatible offices, have concluded that peace officers are not public officers. In the words of the court, "the fact that policemen have been held to be public officers for certain purposes does not lead inevitably to the conclusion that they are 'officers' for all purposes.... The meaning of the words 'officer' or 'official' varies with the conditions and circumstances in which they are used." (*Nigel* at 378)

900

ATTORNEY-CLIENT PRIVILEGED & CONFIDENTIAL

Memorandum To:

Kensington Police Protection & Community Services District Board of Directors

April 2, 2015

Page 6

Chief, the enabling legislation for community services districts contains no such provision.⁴ (See Cal. Gov't Code §§ 24000 and 36501.)

In other instances, the California Attorney General has found that a public office may be created pursuant to a local agency's own legislative action, such as a city charter, city code or a resolution. (See 82 Ops.Cal.Atty.Gen. 201 (1999), 66 Ops.Cal.Atty.Gen. 176 (1983), and 76 Ops.Cal.Atty.Gen. 38 (1993). For instance, in 82 Ops.Cal.Atty.Gen. 201, the Attorney General concluded that it was a violation of the incompatible offices doctrine for the same individual to serve as both the City Administrator and Fire Chief, where the city charter established the position of Fire Chief and the city code established the position of City Administrator. This opinion can be distinguished from KPPCSD's General Manager/Chief of Police position in that there is no District ordinance or resolution establishing the position of Chief of Police.

Accordingly, we conclude that the Chief of Police position is not a separate public office under the common law doctrine of incompatible offices, but rather is merely a title and set of duties that are included within the duties of the General Manager public office. Necessarily, because only one of the titles is a public office, these two separate titles and combined role do not create incompatible offices. KPPCSD's current combined role of General Manager/Chief of Police does not violate any statutory laws or the common law doctrine of incompatible offices.

C. Conflict Between Offices

While the above analysis demonstrates that the doctrine of incompatible offices does not apply to the facts at hand because the role of Chief of Police is not statutorily created and, therefore, is not a public office for purposes of the doctrine, for the sake of argument we will nevertheless address whether the performance of both jobs by a single individual would give rise to a conflict.

As described above, Cal. Gov't Code § 1099 provides that offices are incompatible when one of the offices can assert authority over the other office, there is a significant clash of duties or loyalties between the offices, or public policy considerations make it improper for one person to hold both offices. Essentially, the incompatible offices doctrine seeks to prevent one individual from having divided loyalties. (68 Ops.Cal.Atty.Gen. 337, 339 (1985).) The Attorney General does note, however, that occasional conflicts of interest which are "inevitable" when performing dual responsibilities do not necessarily cause offices to be incompatible. (74 Ops.Cal.Atty.Gen. 82, 85 [noting that the position of fire division chief and city council member are not incompatible even though there is some overlap, including issues of budgetary priorities, and employment decisions against the chief's superiors].)

⁴ Note that the California Attorney General concluded that one individual could not serve as both a county supervisor and deputy sheriff in the same county. (68 Ops.Cal.Atty.Gen. 7, 8 (1984).) However, the opinion relied on a number of statutory provisions that created the office of a county sheriff, set forth the sheriff's duties, and the board of supervisors' control over the sheriff, which provisions do not exist in the CSD Law. Moreover, the county supervisor is an elected position, which creates a very different legal relationship with employees of the agency than KPPCSD's General Manager has with the Chief of Police position.

ATTORNEY-CLIENT PRIVILEGED & CONFIDENTIAL

Memorandum To:

Kensington Police Protection & Community Services District Board of Directors

April 2, 2015

Page 7

Here, we do not perceive an actual clash of duties or loyalties because the roles of the General Manager and Chief of Police are distinct, and just two titles which both report directly to the KPPCSD Board of Directors. On the other hand, under the CSD Law, the General Manager is responsible for "the appointment, supervision, discipline, and dismissal of [all of] the district's employees." (Government Code section 61051(b).) This alone could cause a court to find that there is a conflict between the two positions, since Government Code section 1099 defines a conflict between public offices as existing when "either of the offices may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over the other office or body."

V. CONCLUSION

The CSD Law does not prohibit one individual from holding the dual roles of General Manager and Chief of Police for the District. Moreover, the doctrine of incompatible offices also does not prohibit one individual from serving the dual roles of General Manager and Chief of Police, primarily because only the General Manager position is a public office. The Chief of Police position is not a public office, but only a title and set of duties that are incorporated into the General Manager position. While there is no case law or Attorney General opinion directly on point to confirm this conclusion, we nonetheless conclude that it is lawful for the KPPCSD to have a single individual serve as both the General Manager and Chief of Police.

However, our conclusion comes with several caveats and cautions. First, the law regarding incompatible offices is sufficiently vague to allow for an argument (unpersuasive in our view) that the two positions are both public offices that are incompatible with each other. If a court were to determine that the General Manager and Chief of Police positions were both public offices, it is not only possible but likely that the court would find the two offices to be incompatible based on the fact that the General Manager has supervisory authority over all other employees of the District. Second, it appears that KPPCSD's current arrangement is unique among community services districts as we were not able to find another community services district that has a single individual serving as both a General Manager and the Chief of Police. This makes KPPCSD more visible and possibly more susceptible to challenge. Finally, it is well established that a Chief of Police for a city and the Sheriff for a county are both considered public offices, based on statutes particular to those types of agencies. While the legal analysis is different for cities and counties, the fact nonetheless makes KPPCSD's arrangement unique.

Based on the foregoing, and in light of public sentiment within Kensington, the District may desire to revisit its policy decision to have one individual fulfill both the role of General Manager and Chief of Police, even though a change is not legally required.

100

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Date: January 14, 2016
TO: KPPCSD Board
FROM: Kevin E. Hart, Interim General Manager
Subject: **Item 9d-2015/16 Mid-Year fiscal review of the budget**

The Board will receive a presentation from the Interim General Manager regarding a mid-year 2015/16 review of the budget.

General Manager Recommendation: Take public comment, receive the report and provide staff direction.



Kevin E. Hart
Interim General Manager

101

Unaudited Profit & Loss Budget Performance

December 2015

	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
400 · Police Activities Revenue					
401 · Levy Tax	89,522.48	0.00	1,532,957.02	1,527,750.00	1,527,750.00
402 · Special Tax-Police	0.00	0.00	681,690.00	680,000.00	680,000.00
403 · Misc Tax-Police	0.00	0.00	0.00	0.00	0.00
404 · Measure G Supplemental Tax Rev	0.00	0.00	514,175.88	514,177.50	514,177.50
410 · Police Fees/Service Charges	120.00	125.00	1,235.00	750.00	1,500.00
411 · Kensington Hilltop Svcs Reimb	0.00	0.00	9,450.00	9,450.00	18,900.00
412 · Special Assignment Revenue	0.00	0.00	11,912.79	0.00	0.00
413 · West County Crossing Guard Reim	0.00	0.00	12,528.56	3,610.00	10,830.00
414 · POST Reimbursement	0.00	0.00	2,185.52	0.00	0.00
415 · Grants-Police	12,364.38	0.00	60,597.15	0.00	0.00
416 · Interest-Police	0.00	0.00	583.32	400.00	1,600.00
418 · Misc Police Income	767.46	1,666.67	5,633.28	10,000.02	20,000.00
419 · Supplemental W/C Reimb (4850)	4,298.56	0.00	24,894.57	17,194.24	17,194.24
Total 400 · Police Activities Revenue	107,072.88	1,791.67	2,857,843.09	2,763,331.76	2,791,951.74
420 · Park/Rec Activities Revenue					
424 · Special Tax-L&L	0.00	0.00	35,190.86	33,000.00	33,000.00
427 · Community Center Revenue	1,900.00	8,700.00	12,343.00	20,600.00	33,000.00
435 · Grants-Park/Rec	0.00	0.00	0.00	5,000.00	5,000.00
438 · Misc Park/Rec Rev	0.00	50.00	80.00	250.00	500.00
Total 420 · Park/Rec Activities Revenue	1,900.00	8,750.00	47,613.86	58,850.00	71,500.00
440 · District Activities Revenue					
448 · Franchise Fees	0.00	0.00	8,478.33	16,266.67	48,800.00
449 · District Revenue	0.00	0.00	1,147.00	0.00	0.00
456 · Interest-District	0.00	0.00	0.00	0.00	0.00
458 · Misc District Revenue	0.00	0.00	829.00	0.00	0.00
Total 440 · District Activities Revenue	0.00	0.00	10,454.33	16,266.67	48,800.00
Total Income	108,972.88	10,541.67	2,915,911.28	2,838,448.43	2,912,251.74

Account 401 – Levy Tax

The \$89,522 is the difference between the \$1,383,583 that had been entered, based on the advance from the County on 7/10/15, and the \$1,473,105 received on 12/3/15, \$1,473,105.82; the amount for the current fiscal year. This is the adjustment discussed at last month's meeting. The total Levy Tax received YTD exceeds the amount budgeted by \$5,200. There may be another adjustment later in the year.

Account 415 Grants – Police

A COPS funding deposit, in the amount of \$12,364 was made. YTD is \$60,597. Agencies are not permitted to budget COPS funding.

102

Unaudited Profit & Loss Budget Performance

December 2015

Expense	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
500 · Police Sal & Ben					
502 · Salary - Officers	76,374.12	81,702.83	465,538.65	490,216.98	980,434.00
504 · Compensated Absences	0.00	0.00	15,863.82	17,100.00	20,000.00
506 · Overtime	5,257.06	5,000.00	48,904.04	30,000.00	60,000.00
508 · Salary - Non-Sworn	8,822.18	6,825.00	49,436.57	40,950.00	81,900.00
516 · Uniform Allowance	608.98	850.00	4,164.91	5,100.00	10,200.00
518 · Safety Equipment	250.00	0.00	445.96	250.00	3,250.00
521-A · Medical/Vision/Dental-Active	29,415.68	12,496.33	95,945.11	74,977.98	149,956.00
521-R · Medical/Vision/Dental-Retired	24,491.59	13,957.83	93,399.27	83,746.98	167,494.00
521-T · Medical/Vision/Dental-Trust	0.00	0.00	0.00	31,642.00	31,642.00
522 · Insurance - Police	441.00	245.00	2,818.50	2,720.00	5,240.00
523 · Social Security/Medicare	1,328.91	1,389.00	8,021.01	8,334.00	16,668.00
524 · Social Security - District	587.98	423.17	3,322.13	2,539.02	5,078.00
527 · PERS - District Portion	13,795.03	32,285.08	283,354.75	193,710.48	387,421.00
528 · PERS - Officers Portion	6,017.20	7,032.25	38,751.95	42,193.50	84,387.00
530 · Workers Comp	0.00	6,000.00	43,966.71	38,000.00	50,000.00
Total 500 · Police Sal & Ben	167,389.73	168,206.49	1,153,933.38	1,061,480.94	2,053,670.00

Accounts 502 – Police Salaries, 504 – Compensated Absences, and 506 - Overtime

YTD, Accounts 502, 504 and 506, combined, equal \$7,000 less than the total amount budgeted YTD for these three accounts. Accounts 508 & 601 Non-Sworn and Park & Rec.

For December and for the past few months, non-sworn staff has been assigned more tasks in part because three officers have been out or on light duty. Thus, hourly wages, YTD, for these two accounts are \$53,582 and the amount budgeted is \$44,850; a difference of \$8,732.

Account 521 Medical/Vision/Dental

CalPERS medical premiums for the following month are due on the 10th of the month. Thus, the YTD amount is \$30,620 greater than the \$158,725 budgeted, YTD.

Account 527 & 528 PERS District and Officers Portions

The District recently hired a PEPR employee. The contribution rates associated with his hire are lower than what had been budgeted. Also, GM/COP Hart contributes 6% of his salary to CalPERS, thereby further reducing the District's budgeted contribution amount. Additionally, the District prepaid the annual amount Unfunded Accrued Liability amount due to CalPERS, which saved the District \$7,300. Therefore, the YTD amounts for these two accounts, combined, are \$86,200 lower than had been budgeted YTD.

103

Unaudited Profit & Loss Budget Performance

December 2015

	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
550 · Other Police Expenses					
552 · Expendable Police Supplies	16.85	141.67	1,367.78	850.02	1,700.00
553 · Range/Ammunition Supplies	0.00	2,000.00	0.00	2,500.00	5,000.00
560 · Crossing Guard	1,022.81	900.00	4,211.57	4,300.00	10,830.00
562 · Vehicle Operation	775.98	3,000.00	8,089.77	27,700.00	50,000.00
564 · Communications (RPD)	8,686.25	0.00	52,990.09	78,035.00	156,070.00
566 · Radio Maintenance	181.69	20,000.00	908.45	20,720.00	21,750.00
568 · Prisoner/Case Exp./Booking	423.61	0.00	3,977.48	2,500.00	6,400.00
570 · Training	1,155.56	900.00	3,488.16	5,000.00	10,000.00
572 · Recruiting	1,300.00	541.67	4,290.53	3,250.02	6,500.00
574 · Reserve Officers	38.00	337.50	174.50	2,025.00	4,050.00
576 · Misc. Dues, Meals & Travel	1,250.00	0.00	1,690.00	2,900.00	3,140.00
580 · Utilities - Police	2,119.08	1,500.00	4,868.65	5,900.00	10,000.00
581 · Bldg Repairs/Maint.	137.58	416.67	4,602.59	2,500.02	5,000.00
582 · Expendable Office Supplies	543.07	500.00	3,103.14	3,000.00	6,000.00
588 · Telephone(+Rich. Line)	757.45	750.00	3,129.45	4,350.00	8,904.00
590 · Housekeeping	290.04	333.33	2,216.89	1,999.98	4,000.00
592 · Publications	1,950.00	1,950.00	2,158.32	2,200.00	2,500.00
594 · Community Policing	275.70	100.00	4,144.34	2,300.00	4,000.00
596 · WEST-NET/CAL I.D.	0.00	0.00	5,508.00	5,925.00	5,925.00
599 · Police Taxes Administration	874.93	0.00	2,607.54	1,750.00	3,500.00
Total 550 · Other Police Expenses	21,798.60	33,370.84	113,527.25	179,705.04	325,269.00

Account 562 – Vehicle Operation

YTD expenses are almost \$20,000 less than the YTD budgeted amount. This is due, in part, to relatively low gas prices.

Account 564 Communications (RPD)

On a monthly basis, the allocation, for budgeting purposes, is quarterly. The payments are made monthly. The YTD amount is \$25,000 less than the YTD budgeted amount because of timing. This difference will resolve itself over the course of the year.

Account 566 Radio Maintenance

The annual payment of about \$20,000 will be due 1/30/16. This will bring the YTD amount close to the amount budgeted for the year.

Account 581 Building Repairs and Maintenance

The YTD amount includes the office painting (\$2,770) done in September. I don't anticipate any more material expenses for this account.

Account 594 Community Policing

The YTD amount is close to the amount budgeted for the year. I don't anticipate any more material expenses for the account.

104

Unaudited Profit & Loss Budget Performance

December 2015

	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
600 · Park/Rec Sal & Ben					
601 · Park & Rec Administrator	661.20	650.00	4,146.00	3,900.00	7,800.00
602 · Custodian	1,750.00	1,900.00	10,500.00	11,400.00	22,750.00
623 · Social Security/Medicare - Dist	0.00	49.75	0.00	298.50	597.00
Total 600 · Park/Rec Sal & Ben	2,411.20	2,599.75	14,646.00	15,598.50	31,147.00
635 · Park/Recreation Expenses					
640 · Community Center Expenses					
642 · Utilities-Community Center	559.72	540.00	2,581.06	2,860.00	5,616.00
643 · Janitorial Supplies	0.00	0.00	825.15	800.00	800.00
646 · Community Center Repairs	0.00	250.00	1,107.43	1,500.00	3,000.00
Total 640 · Community Center Expenses	559.72	790.00	4,513.64	5,160.00	9,416.00
660 · Annex Expenses					
662 · Utilities - Annex	0.00		493.43		
666 · Annex Repairs	0.00	83.33	0.00	499.98	1,000.00
668 · Misc Annex Expenses	0.00	83.33	0.00	499.98	1,000.00
Total 660 · Annex Expenses	0.00	166.66	493.43	999.96	2,000.00
670 · Gardening Supplies	0.00	83.33	0.00	499.98	1,000.00
672 · Kensington Park O&M	-689.16	6,525.00	26,927.64	39,150.00	78,300.00
674 · Park Construction Exp	0.00	0.00	0.00	5,000.00	5,000.00
678 · Misc Park/Rec Expense	0.00	83.33	170.00	499.98	1,000.00
Total 635 · Park/Recreation Expenses	-129.44	7,648.32	32,104.71	51,309.92	96,716.00

Account 672 Kensington Park O&M
The YTD amount is \$12,200 less than the amount budgeted YTD.

105

Unaudited Profit & Loss Budget Performance

December 2015

	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
800 - District Expenses					
810 - Computer Maintenance	2,556.77	148.00	16,771.77	12,718.00	24,288.00
820 - Cannon Copier Contract	387.63	400.00	2,348.73	3,300.00	5,700.00
830 - Legal (District/Personnel)	0.00	8,300.00	47,678.30	49,800.00	99,530.00
835 - Consulting	0.00	2,500.00	20,713.04	10,000.00	15,000.00
840 - Accounting	1,260.00	2,000.00	23,592.00	12,000.00	34,000.00
850 - Insurance	0.00	0.00	27,480.79	30,000.00	30,000.00
860 - Election	0.00	0.00	0.00	0.00	0.00
865 - Police Bldg. Lease	0.00	0.00	0.00	1.00	1.00
870 - County Expenditures	6,445.00	4,500.00	8,383.54	7,500.00	22,300.00
890 - Waste/Recycle	0.00	4,000.00	1,212.28	21,600.00	25,000.00
898 - Misc. Expenses	143.62	1,275.00	13,590.77	7,650.00	15,300.00
899 - Depreciation Expense	0.00	0.00	0.00	0.00	0.00
Total 800 - District Expenses	10,793.02	23,123.00	161,771.22	154,569.00	271,119.00

Account 810 Computer Maintenance

The YTD amount is \$4,000 greater than the amount budgeted YTD. This includes the \$8,000 annual payment to Aries. Monthly expenses for the balance of the year should result in the annual amount coming within budget.

Account 835 Consulting

The YTD amount exceeds the amount budgeted YTD by \$10,700. Most of this is for Adam Benson's MOU analyses.

Account 840 Accounting

The YTD amount exceeds the YTD budgeted amount by \$11,500. This is a timing issue, and I expect the annual total to come within budget.

Account 898 Miscellaneous Expenses

The YTD amount exceeds the YTD budgeted amount by about \$6,000. This reflects the one-time CSDA dues amount of \$5,700 and three District members attending the CSDA conference in Monterey at a cost of approximately \$4,000.

106

KPPCSD
 Unaudited Profit & Loss Budget Performance
 December 2015

	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
950 · Capital Outlay					
962 · Patrol Cars	0.00	0.00	0.00	30,000.00	30,000.00
963 · Patrol Car Accessories	0.00	0.00	0.00	3,000.00	3,000.00
965 · Weapons / Radios	0.00	10,000.00	0.00	10,000.00	10,000.00
967 · Station Equipment	0.00	0.00	5,000.00	7,000.00	7,000.00
968 · Office Furn/Equip	-75.00	0.00	1,001.00	6,000.00	6,000.00
972 · Park Buildings Improvement	0.00	2,000.00	13,658.25	12,500.00	25,000.00
Total 950 · Capital Outlay	-75.00	12,000.00	19,659.25	68,500.00	81,000.00

Accounts 962 & 963 Patrol Cars and Accessories

The Chief's car has been ordered, but the invoice has not yet been received. The budgeted amount is \$33,000.

Account 965 Weapons/Radios

New weapons have been budgeted at \$10,000 but they have not yet been ordered.

Account 967 Station Equipment

A new phone system has been installed. A \$5,000 deposit has been made. The contract total is about \$8,000. Thus, the annual amount will exceed the budgeted amount by about \$1,000.

Account 968 Office Furn/Equip

A new microphone system has been budgeted but not yet purchased. Thus, the YTD total is \$5,000 less than the YTD total.

107

KPPCSD
Unaudited Profit & Loss Budget Performance
 December 2015

	Dec 15	Budget	Jul - Dec 15	YTD Budget	Annual Budget
Total Expense	202,188.11	246,948.40	1,495,641.81	1,531,163.40	2,858,921.00
Net Ordinary Income	-93,215.23	-236,406.73	1,420,269.47	1,307,285.03	53,330.74
Other Income/Expense					
Other Expense					
700 · Bond Issue Expenses					
701 · Bond Proceeds	0.00	0.00	-177,746.56	0.00	0.00
710 · Bond Admin.	4,197.28	0.00	8,999.40	0.00	0.00
715 · Bond Interest Income	0.00	0.00	-75.24	0.00	0.00
720 · Bond Principal	0.00	0.00	125,718.06	0.00	0.00
730 · Bond Interest	0.00	0.00	17,992.40	0.00	0.00
Total 700 · Bond Issue Expenses	4,197.28	0.00	-25,111.94	0.00	0.00
995 · Loss/(Gain) - Asset Disposition	0.00	0.00	0.00	0.00	0.00
Total Other Expense	4,197.28	0.00	-25,111.94	0.00	0.00
Net Other Income	-4,197.28	0.00	25,111.94	0.00	0.00
Net Income	-97,412.51	-236,406.73	1,445,381.41	1,307,285.03	53,330.74

Bottom line: YTD Net Income exceeds the YTD budgeted amount by about \$140,000.

108

RESOLUTION NO. 2016-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT AMENDING BOARD POLICY GOVERNING THE PROCESS FOR RESOLVING PUBLIC COMPLAINTS BY ADDING POLICY NUMBER 1030.50 TO PROVIDE A SEPARATE PROCEDURE FOR RESOLVING COMPLAINTS AGAINST THE GENERAL MANGER/ CHIEF OF POLICE

The Board of Directors of the Kensington Police Protection and Community Services District) hereafter referred to as the "Board of Directors) does resolve as follows;

WHEREAS, Policy Number 1030 (Public Complaints; ("Policy") establishes the process for resolving public complaints filed with the District; and

WHEREAS, This Policy includes some provisions requiring that the General Manager/ Chief of Police to be involved in resolving public complaints; and

WHEREAS, This Policy does not specifically address how complaints against the General Manger/ Chief of Police are to be resolved; and

WHEREAS, the Board of Directors wishes to amend KPPCSD Policy Number 1030 to provide a separate process for resolving complaints against the General Manger/ Chief of Police;.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Kensington Police Protection and Community Services District that Policy Number 1030 is hereby amended by adding Policy Number 1030.50 thereto to provide as follows:

1030.50 If a member of the public has a complaint about the General Manager/Chief of Police, the individual shall submit that complaint, in writing, to the Board President. The Board President or a board member designated by the President shall determine the appropriate process for resolving the complaint and shall advise the complaining party of that process.

PASSED AND ADOPTED by the Board of Directors of the Kensington Police Protection and Community Services District at a regular meeting thereof held on the _____ day of _____ 2016, by the following vote, to wit:

109

Ayes:

Len Welsh, President

Noes:

Rachelle Sherris-Watt, Vice President

Absent:

Chuck Toombs, Director

Vanessa Cordova, Director

Patricia Gillette, Director

Attest:

Lynn Wolter,
District Administrator

RESOLUTION NO. 2016-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT AMENDING BOARD POLICY NUMBER 3020 GOVERNING PREPARATION OF THE BUDGET TO ENSURE CONSISTENCY WITH STATE LAW PROVISIONS GOVERNING THE BUDGET PROCESS

The Board of Directors of the Kensington Police Protection and Community Services District) hereafter referred to as the “Board of Directors) does resolve as follows;

WHEREAS, Section 61110 of the Government Code establishes the general process for the KPPCSD to prepare and adopt its annual budget; and

WHEREAS, KPPCSD Policy Number 3020 sets forth the District’s policy for preparing its budget, and is not entirely consistent with Section 61110 of the Government Code; and

WHEREAS, the Board of Directors wishes to amend KPPCSD Policy Number 3020 to ensure it is fully consistent with Section 61110 of the Government Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Kensington Police Protection and Community Services District that KPPCSD Policy Number 3020 is hereby amended as follows:

Budget Preparation

POLICY NUMBER: 3020

- 3020.1 A preliminary annual budget proposal shall be prepared by the General Manager no later than May1.
- 3020.2 Prior to review by the Board of Directors, the Board's Finance Committee shall meet with the General Manager and review his preliminary annual budget proposal.
- 3020.3 The proposed preliminary annual budget as reviewed and amended by the Finance Committee shall be reviewed by the Board at its regular meeting in May.
- 3020.4 The proposed preliminary annual budget as amended by the Board during its review shall be adopted at its regular meeting in June. Any exceptions to this date must be approved by Board action, but in no event shall the preliminary annual budget be adopted later than June July 1.
- 3020.5 The final annual budget shall be adopted no later than September 1. The General Manager shall publish the public notice required by Government Code section 61110(c).

111

PASSED AND ADOPTED by the Board of Directors of the Kensington Police Protection and Community Services District at a regular meeting thereof held on the _____ day of _____ 2016, by the following vote, to wit:

Ayes:

Len Welsh, President

Noes:

Rachelle Sherris-Watt, Vice President

Absent:

Chuck Toombs, Director

Vanessa Cordova, Director

Patricia Gillette, Director

Attest:

Lynn Wolter,

District Administrator

112

Government Code Section 61110

(a) On or before July 1 of each year or, for districts using two one-year budgets or a biennial budget, every other year, the board of directors may adopt a preliminary budget that conforms to generally accepted accounting and budgeting procedures for special districts.

(b) The board of directors may divide the preliminary budget into categories, including, but not limited to, the following:

- (1) Maintenance and operation.
- (2) Services and supplies.
- (3) Employee compensation.
- (4) Capital outlay.
- (5) Interest and redemption for indebtedness.
- (6) Designated reserve for capital outlay.
- (7) Designated reserve for contingencies.

(c) On or before July 1 of each year or, for districts using two one-year budgets or a biennial budget, every other year, the board of directors shall publish a notice stating all of the following:

(1) Either that it has adopted a preliminary budget or that the general manager has prepared a proposed final budget which is available for inspection at a time and place within the district specified in the notice.

(2) The date, time, and place when the board of directors will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

(d) The board of directors shall publish the notice at least two weeks before the hearing in at least one newspaper of general circulation in the district pursuant to Section 6061.

(e) At the time and place specified for the hearing, any person may appear and be heard regarding any item in the budget or regarding the addition of other items. The hearing on the budget may be continued from time to time.

(f) On or before September 1 of each year or, for districts using two one-year budgets or a biennial budget, every other year, the board of directors shall adopt a final budget that conforms to generally accepted accounting and budgeting procedures for special districts. The general manager shall forward a copy of the final budget to the auditor of each county in which the district is located.

(Repealed and added by Stats. 2005, Ch. 249, Sec. 3. Effective January 1, 2006.)

**KENSINGTON POLICE PROTECTION AND
COMMUNITY SERVICES DISTRICT**

POLICY MANUAL

POLICY TITLE: Budget Preparation
POLICY NUMBER: 3020

- 3020.1 An annual budget proposal shall be prepared by the General Manager.
- 3020.2 Prior to review by the Board of Directors, the Board's Finance Committee shall meet with the General Manager and review his annual budget proposal.
- 3020.3 The proposed annual budget as reviewed and amended by the Finance Committee shall be reviewed by the Board at its regular meeting in May.
- 3020.4 The proposed annual budget as amended by the Board during its review shall be adopted at its regular meeting in June. Any exceptions to this date must be approved by Board action.

DRAFT

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

AMENDING KPPCSD POLICY NUMBER 3020 GOVERNING PREPARATION OF THE BUDGET TO ENSURE CONSISTENCY WITH STATE LAW PROVISIONS GOVERNING THE BUDGET PROCESS

WHEREAS, Section 61110 of the Government Code establishes the general process for the KPPCSD to prepare and adopt its annual budget; and

WHEREAS, KPPCSD Policy Number 3020 sets forth the District's policy for preparing its budget, and is not entirely consistent with Section 61110 of the Government Code; and

WHEREAS, the Board of Directors wishes to amend KPPCSD Policy Number 3020 to ensure it is fully consistent with Section 61110 of the Government Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Kensington Police Protection and Community Services District that KPPCSD Policy Number 3020 is hereby amended as follows:

Budget Preparation

POLICY NUMBER: 3020

- 3020.1 An preliminary annual budget proposal shall be prepared by the General Manager no later than April 15.
- 3020.2 Prior to review by the Board of Directors, the Board's Finance Committee shall meet with the General Manager and review his preliminary annual budget proposal.
- 3020.3 The proposed preliminary annual budget as reviewed and amended by the Finance Committee shall be reviewed by the Board at its regular meeting in May.
- 3020.4 The proposed preliminary annual budget as amended by the Board during its review shall be adopted at its regular meeting in June. Any exceptions to this date must be approved by Board action, but in no event shall the preliminary annual budget be adopted later than June July 1.
- 3020.5 The final annual budget shall be adopted no later than September 1. The General Manager shall publish the public notice required by Government Code section 61110(c).

115

DRAFT

PASSED AND ADOPTED by the Board of Directors of the Kensington Police Protection and Community Services District at a regular meeting thereof held on the _____ day of _____ 2016, by the following vote, to wit:

Ayes:

Len Welsh, President

Noes:

Rachelle Sherris-Watt, Vice President

Absent:

Chuck Toombs, Director

Vanessa Cordova, Director

Patricia Gillette, Director

Attest:

Lynn Wolter,

District Administrator

116

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

POLICY MANUAL

POLICY TITLE: Adoption/Amendment of Policies
POLICY NUMBER: 1010

1010.10 Consideration by the Board of Directors to adopt a new policy or to amend an existing policy may be initiated by any Director, or by the General Manager. The proposed adoption or amendment is initiated by submitting a written draft of the proposed adoption or amendment to each Director and the General Manager through the District office, and requesting that the item be included for consideration on the agenda of the appropriate regular meeting of the Board of Directors.

1010.20 Adoption of a new policy or amendment of an existing policy shall be accomplished at a regular meeting of the Board of Directors and shall require a 4/5 affirmative vote of the entire Board of Directors.

1010.30 Before considering adopting or amending any policy, Directors shall have the opportunity to review the proposed adoption or amendment at the regular Board of Directors meeting prior to the meeting at which consideration for adoption or amendment is to be given. Copies of the proposed policy adoption or amendment shall be included in the agenda information packet for any meeting of consideration. The agenda information packets with said copies shall be made available to each Director for review at least three (3) days prior to any meeting of consideration.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Date: January 14, 2016
TO: KPPCSD Board
FROM: Kevin E. Hart, Interim General Manager
Subject: **Item 9g-Board Committee & Coordinators for calendar year 2016**

Pursuant to Bboard Policy 4060.1, Board President Len Welsh shall appoint and publicly announce the members of the standing committees and Board Coordinators for the calendar year 2016.

Attached to this memo you will find a copy of the KPPCSD Board Policy 4060.1-6 for reference.

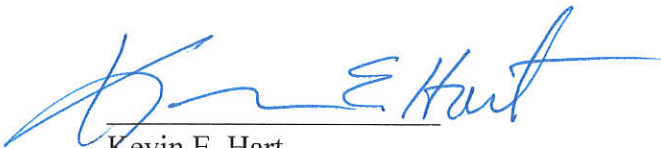
Standing Committees of the Board

- a. Emergency preparedness Committee
- b. Solid Waste Committee
- c. Finance Committee

Board Coordinator appointment positions

- a. Solid Waste Committee
- b. Community outreach
- c. Public Safety Building
- d. Intergovernmental/External Issues
- e. Finance and Administration
- f. Parks Building
- g. Policies and Procedures Manual

General Manager Recommendation: Take appropriate action and announce publicly



Kevin E. Hart
Interim General Manager

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

POLICY MANUAL

POLICY TITLE: Committees and Coordinators of the Board of Directors
POLICY NUMBER: 4060

4060.1 Standing Committees and Coordinators

The Board President shall appoint and publicly announce the members of the standing committees and Board Coordinators for the ensuing year no later than the Board's regular meeting in January.

4060.1.1 Board committees that are legislative bodies as defined by the Brown Act must meet the open meeting requirements of the Brown Act. If any language of this District policy conflicts with the Brown Act, the requirements of the Brown Act take precedence. For more information about what constitutes a legislative body as defined by the Brown Act (see California Government Code Sections 54950 through 54963).

4060.1.2 Committees of the Board of Directors shall consist of:

- A. Members of the Board.
- B. Members of the Kensington community where deemed appropriate by a majority vote of the Board.

4060.1.3 Coordinators shall be Board Members.

4060.2 The Board's standing committees may be assigned to review District functions, activities, and/or operations pertaining to their designated concerns, as specified below. Said assignment may be made by the Board president, a majority vote of the Board, or on the initiative of the committee. Any recommendations resulting from said review should be submitted to the Board via a written or oral report.

4060.3 Standing Committees of the Board

Emergency Preparedness Committee;
Solid Waste Committee;
Finance Committee:

- 4060.3.1 The Board's standing Emergency Preparedness Committee shall be concerned with the development of a community emergency preparedness plan in cooperation with Kensington Fire Protection District.
- 4060.3.2 The Board's standing Solid Waste Committee shall be concerned with the implementation of the solid waste/recycling contract and ensuring that it meets State and Local mandates.
- 4060.3.3 The Board's standing Finance Committee shall be concerned with the financial management of the District, including recommendations on the annual budget and major expenditures, investment policies, long-range planning, and comments and commendations regarding the annual audit and certified public accountant.
- 4060.4 The Board's Coordinators may be assigned to review District functions, activities, and/or operations pertaining to their designated concerns, as specified below. Said assignment may be made by the Board President or a majority vote of the Board, or on his or her own initiative. Any recommendations resulting from such review should be submitted to the Board via a written or oral report.

4060.5 **Board Coordinators**

Finance and Administration;
 Intergovernmental/External Issues;
 District Policies and Procedures;
 Public Safety Building
 Park Planning and Recreation; and
 Park Funding
 Community Outreach

- 4060.5.1 The Board Coordinator for Finance and Administration shall be concerned with the financial management of the District and serve as chair of the standing Finance Committee.
- 4060.5.2 The Board Coordinator for Intergovernmental/External Issues shall be concerned with new laws and legislation affecting the District and liaison with other governmental and legislative bodies.
- 4060.5.3 The Board Coordinator for District Policies and Procedures shall be responsible for developing and proposing updates to the District's Policy Manual and for proposing and reviewing policies for usage of the Kensington Park.
- 4060.5.4 The Board Coordinator for the Public Safety Building shall be responsible for negotiating and overseeing the long-term lease agreement with the Kensington Fire District.

120

- 4060.5.5 The Board Coordinator for Park Planning and Recreation shall be concerned with monitoring the maintenance of the Park property, coordinating with other organizations responsible for recreational activities in the Park, and developing plans for future development of the park property.
- 4060.5.6 The Board Coordinator for Park Funding shall be concerned with coordinating fund-raising programs for further development of the park.
- 4060.5.7 The Board Coordinator for Community Outreach shall work with the General Manager to promote community awareness.

4060.6 Ad Hoc Committees

The Board President shall appoint ad hoc committees as may be deemed necessary or advisable by himself/herself or the Board. The duties of an ad hoc committee shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

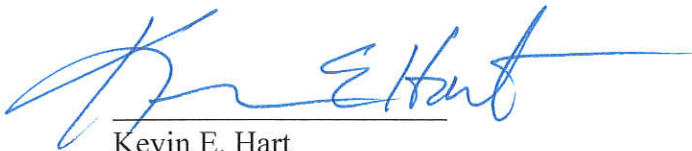
Date: January 14, 2016
TO: KPPCSD Board
FROM: Kevin E. Hart, Interim General Manager
Subject: **Item 9h-Actuarial Study of Retiree Health Liabilities**

The Board will receive a presentation regarding the Draft Actuarial Study of Retiree Health Liabilities report, dated October 21, 2015. The report was prepared by Geoffrey Kischuk, of Total Compensation Systems, Inc.

This report was reviewed and discussed by members of the Finance Committee on December 17, 2015. The Finance Committee recommended moving the Actuarial Report onto the Board for adoption in order to meet its legal requirements for the next two years and asking Adam Benson to prepare two alternative scenarios with a 5% medical cost trend and a 6% discount rate.

The motion passed 8-1

General Manager Recommendation: Take public comment, deliberate, and receive the report.



Kevin E. Hart
Interim General Manager

Total Compensation Systems, Inc.

**Kensington Police Protection & Community
Services District
Actuarial Study of
Retiree Health Liabilities
As of July 1, 2015**

*Prepared by:
Total Compensation Systems, Inc.*

Date: October 21, 2015

Total Compensation Systems, Inc.

Table of Contents

PART I: EXECUTIVE SUMMARY	1
<u>A. INTRODUCTION</u>	1
<u>B. GENERAL FINDINGS</u>	2
<u>C. DESCRIPTION OF RETIREE BENEFITS</u>	2
<u>D. RECOMMENDATIONS</u>	3
PART II: BACKGROUND	5
<u>A. SUMMARY</u>	5
<u>B. ACTUARIAL ACCRUAL</u>	5
PART III: LIABILITIES AND COSTS FOR RETIREE BENEFITS	7
<u>A. INTRODUCTION</u>	7
<u>B. MEDICARE</u>	7
<u>C. LIABILITY FOR RETIREE BENEFITS</u>	7
<u>D. COST TO PREFUND RETIREE BENEFITS</u>	8
<u>1. Normal Cost</u>	8
<u>2. Amortization of Unfunded Actuarial Accrued Liability (UAAL)</u>	9
<u>3. Annual Required Contributions (ARC)</u>	9
<u>4. Other Components of Annual OPEB Cost (AOC)</u>	10
PART IV: "PAY AS YOU GO" FUNDING OF RETIREE BENEFITS	11
PART V: RECOMMENDATIONS FOR FUTURE VALUATIONS	12
PART VI: APPENDICES	13
<u>APPENDIX A: MATERIALS USED FOR THIS STUDY</u>	13
<u>APPENDIX B: EFFECT OF ASSUMPTIONS USED IN CALCULATIONS</u>	14
<u>APPENDIX C: ACTUARIAL ASSUMPTIONS AND METHODS</u>	15
<u>APPENDIX D: DISTRIBUTION OF ELIGIBLE PARTICIPANTS BY AGE</u>	20
<u>APPENDIX E: CALCULATION OF GASB 43/45 ACCOUNTING ENTRIES</u>	21
<u>APPENDIX F: GLOSSARY OF RETIREE HEALTH VALUATION TERMS</u>	23

124

Total Compensation Systems, Inc.

Kensington Police Protection & Community Services District Actuarial Study of Retiree Health Liabilities

PART I: EXECUTIVE SUMMARY

A. Introduction

Kensington Police Protection & Community Services District engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program as of July 1, 2015 (the valuation date). The numbers in this report are based on the assumption that they will first be used to determine accounting entries for the fiscal year ending June 30, 2015. If the report will first be used for a different fiscal year, the numbers will need to be adjusted accordingly.

This report does not reflect any cash benefits paid unless the retiree is required to provide proof that the cash benefits are used to reimburse the retiree's cost of health benefits. Costs and liabilities attributable to cash benefits paid to retirees are reportable under Governmental Accounting Standards Board (GASB) Standards 25/27.

This actuarial study is intended to serve the following purposes:

- To provide information to enable Kensington Police Protection & Community Services District to manage the costs and liabilities associated with its retiree health benefits.
- To provide information to enable Kensington Police Protection & Community Services District to communicate the financial implications of retiree health benefits to internal financial staff, the Board, employee groups and other affected parties.
- To provide information needed to comply with Governmental Accounting Standards Board Accounting Standards 43 and 45 related to "other postemployment benefits" (OPEB's).

Because this report was prepared in compliance with GASB 43 and 45, as appropriate, Kensington Police Protection & Community Services District should not use this report for any other purpose without discussion with TCS. This means that any discussions with employee groups, governing Boards, etc. should be restricted to the implications of GASB 43 and 45 compliance.

This actuarial report includes several estimates for Kensington Police Protection & Community Services District's retiree health program. In addition to the tables included in this report, we also performed cash flow adequacy tests as required under Actuarial Standard of Practice 6 (ASOP 6). Our cash flow adequacy testing covers a twenty-year period. We would be happy to make this cash flow adequacy test available to Kensington Police Protection & Community Services District in spreadsheet format upon request.

We calculated the following estimates separately for active employees and retirees. We estimated the following:

- the total liability created. (The actuarial present value of total projected benefits or APVTPB)
- the ten year "pay-as-you-go" cost to provide these benefits.
- the "actuarial accrued liability (AAL)." (The AAL is the portion of the APVTPB

Total Compensation Systems, Inc.

attributable to employees' service prior to the valuation date.)

- the amount necessary to amortize the UAAL over a period of 24 years.
- the annual contribution required to fund retiree benefits over the working lifetime of eligible employees (the "normal cost").
- The Annual Required Contribution (ARC) which is the basis of calculating the annual OPEB cost and net OPEB obligation under GASB 43 and 45.

We summarized the data used to perform this study in Appendix A. No effort was made to verify this information beyond brief tests for reasonableness and consistency.

All cost and liability figures contained in this study are estimates of future results. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. Normal costs and liabilities could easily vary by 10 - 20% or more from estimates contained in this report.

B. General Findings

We estimate the "pay-as-you-go" cost of providing retiree health benefits in the year beginning July 1, 2015 to be \$187,551 (see Section IV.A.). The "pay-as-you-go" cost is the cost of benefits for current retirees.

For current employees, the value of benefits "accrued" in the year beginning July 1, 2015 (the normal cost) is \$53,559. This normal cost would increase each year based on covered payroll. Had Kensington Police Protection & Community Services District begun accruing retiree health benefits when each current employee and retiree was hired, a substantial liability would have accumulated. We estimate the amount that would have accumulated to be \$2,364,703. This amount is called the "actuarial accrued liability" (AAL). The remaining unamortized balance of the initial unfunded AAL (UAAL) is \$2,626,517. This leaves a "residual" AAL of *negative* \$261,814.

Kensington Police Protection & Community Services District has established a GASB 43 trust for future OPEB benefits. The actuarial value of plan assets at June 30, 2015 was \$630,782. This leaves a residual unfunded actuarial accrued liability (UAAL) of *negative* \$892,596. We calculated the annual cost to amortize the residual unfunded actuarial accrued liability using a 7% discount rate. We used an open 24 year amortization period. The current year cost to amortize the residual unfunded actuarial accrued liability is *negative* \$59,362.

Combining the normal cost with both the initial and residual UAAL amortization costs produces an annual required contribution (ARC) of \$173,677. The ARC is used as the basis for determining expenses and liabilities under GASB 43/45. The ARC is used in lieu of (rather than in addition to) the "pay-as-you-go" cost.

We based all of the above estimates on employees as of June, 2015. Over time, liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

C. Description of Retiree Benefits

Following is a description of the current retiree benefit plan:

Total Compensation Systems, Inc.

	<u>All Employees</u>
Benefit types provided	Medical, dental and vision
Duration of Benefits	Lifetime
Required Service	5 years
Minimum Age	50
Dependent Coverage	Yes
District Contribution %	100%
District Cap	Kaiser plan for medical

D. Recommendations

It is outside the scope of this report to make specific recommendations of actions Kensington Police Protection & Community Services District should take to manage the substantial liability created by the current retiree health program. Total Compensation Systems, Inc. can assist in identifying and evaluating options once this report has been studied. The following recommendations are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of Kensington Police Protection & Community Services District's practices, it is possible that Kensington Police Protection & Community Services District is already complying with some or all of our recommendations.

- We recommend that Kensington Police Protection & Community Services District inventory all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Kensington Police Protection & Community Services District should determine whether the benefit is material and subject to GASB 43 and/or 45.
- We recommend that Kensington Police Protection & Community Services District conduct a study whenever events or contemplated actions significantly affect present or future liabilities, but no less frequently than every two years, as required under GASB 43/45.
- We recommend that the District communicate the magnitude of these costs to employees and include employees in discussions of options to control the costs.
- Under GASB 45, it is important to isolate the cost of retiree health benefits. Kensington Police Protection & Community Services District should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – *even on a retiree-pay-all basis* – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, Kensington Police Protection & Community Services District should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- Kensington Police Protection & Community Services District should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.

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- Several assumptions were made in estimating costs and liabilities under Kensington Police Protection & Community Services District's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Appendices B and C for a list of assumptions and concerns.) For example, Kensington Police Protection & Community Services District should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for Kensington Police Protection & Community Services District to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

Respectfully submitted,

Geoffrey L. Kischuk, FSA, MAAA, FCA
Consultant
Total Compensation Systems, Inc.
(805) 496-1700

Total Compensation Systems, Inc.

PART II: BACKGROUND

A. Summary

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in 2004 Accounting Standards 43 and 45 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees).

B. Actuarial Accrual

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method.”

Under most actuarial cost methods, there are two components of actuarial cost - a “normal cost” and amortization of something called the “unfunded actuarial accrued liability.” Both accounting standards and actuarial standards usually address these two components separately (though alternative terminology is sometimes used).

The normal cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. This report will not discuss differences between actuarial cost methods or their application. Instead, following is a description of a commonly used, generally accepted actuarial cost method permitted under GASB 43 and 45. This actuarial cost method is called the “entry age normal” method.

Under the entry age normal cost method, the actuary determines the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. This amount is the normal cost. Under GASB 43 and 45, normal cost can be expressed either as a level dollar amount or a level percentage of payroll.

The normal cost is determined using several key assumptions:

- The current *cost of retiree health benefits* (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the normal cost.
- The “*trend*” rate at which retiree health benefits are expected to increase over time. A higher trend rate increases the normal cost. A “cap” on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing normal costs.
- *Mortality rates* varying by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce normal costs, the mortality assumption is not likely to vary from employer to employer.
- *Employment termination rates* have the same effect as mortality inasmuch as higher termination rates reduce normal costs. Employment termination can vary considerably between public agencies.
- The *service requirement* reflects years of service required to earn full or partial retiree benefits.

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While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase normal costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets. For example, employer funds earning money market rates in the county treasury are likely to earn far less than an irrevocable trust containing a diversified asset portfolio including stocks, bonds, etc. A higher discount rate can dramatically lower normal costs. GASB 43 and 45 require the interest assumption to reflect likely *long term* investment return.

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. The actuary selects the assumptions which - taken together - will yield reasonable results. It's not necessary (or even possible) to predict individual assumptions with complete accuracy.

If all actuarial assumptions are exactly met and an employer expensed the normal cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the actuarial accrued liability or AAL. The excess of AAL over the **actuarial value of plan assets** is called the *unfunded* actuarial accrued liability (or UAAL). Under GASB 43 and 45, in order for assets to count toward offsetting the AAL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

The actuarial accrued liability (AAL) can arise in several ways. At inception of GASB 43 and 45, there is usually a substantial UAAL. Some portion of this amount can be established as the "transition obligation" subject to certain constraints. UAAL can also increase as the result of operation of a retiree health plan - e.g., as a result of plan changes or changes in actuarial assumptions. Finally, AAL can arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience.

Under GASB 43 and 45, employers have several options on how the UAAL can be amortized as follows:

- The employer can select an amortization period of 1 to 30 years. (For certain situations that result in a reduction of the AAL, the amortization period must be at least 10 years.)
- The employer may apply the same amortization period to the total combined UAAL or can apply different periods to different components of the UAAL.
- The employer may elect a "closed" or "open" amortization period.
- The employer may choose to amortize on a level dollar or level percentage of payroll method.

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PART III: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefits (APVPB) separately for each employee. We determined eligibility for retiree benefits based on information supplied by Kensington Police Protection & Community Services District. We then selected assumptions for the factors discussed in the above Section that, based on plan experience and our training and experience, represent our best prediction of future plan experience. For each employee, we applied the appropriate factors based on the employee's age, sex and length of service.

We summarized actuarial assumptions used for this study in Appendix C.

B. Medicare

The extent of Medicare coverage can affect projections of retiree health costs. The method of coordinating Medicare benefits with the retiree health plan's benefits can have a substantial impact on retiree health costs. We will be happy to provide more information about Medicare integration methods if requested.

C. Liability for Retiree Benefits.

For each employee, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent Kensington Police Protection & Community Services District uses contribution caps, the influence of the trend factor is further reduced.

We multiplied each year's projected cost by the probability that premium will be paid; i.e. based on the probability that the employee is living, has not terminated employment and has retired. The probability that premium will be paid is zero if the employee is not eligible. The employee is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's premium cost and the probability that premium will be paid equals the expected cost for that year. We discounted the expected cost for each year to the valuation date July 1, 2015 at 7% interest.

Finally, we multiplied the above discounted expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan.

For any current retirees, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 1.0000).

We added the APVPB for all employees to get the actuarial present value of total projected benefits (APVTPB). The APVTPB is the estimated present value of all future retiree health benefits for all **current** employees and retirees. The APVTPB is the amount on July 1, 2015 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last current employee or retiree dies or reaches the maximum eligibility age.

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Actuarial Present Value of Total Projected Benefits at July 1, 2015

<i>Police Officers</i>	
Active: Pre-65	\$652,823
Post-65	\$341,482
Subtotal	\$994,305
Retiree: Pre-65	\$782,782
Post-65	\$1,102,546
Subtotal	\$1,885,328
Grand Total	\$2,879,633
Subtotal Pre-65	\$1,435,605
Subtotal Post-65	\$1,444,028

The APVTPB should be accrued over the working lifetime of employees. At any time much of it has not been "earned" by employees. The APVTPB is used to develop expense and liability figures. To do so, the APVTFB is divided into two parts: the portions attributable to service rendered prior to the valuation date (the past service liability or actuarial accrued liability under GASB 43 and 45) and to service after the valuation date but prior to retirement (the future service liability).

The past service and future service liabilities are each funded in a different way. We will start with the future service liability which is funded by the normal cost.

D. Cost to Prefund Retiree Benefits

1. Normal Cost

The average hire age for eligible employees is 32. To accrue the liability by retirement, the District would accrue the retiree liability over a period of about 23 years (assuming an average retirement age of 55). We applied an "entry age normal" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated normal cost.

Normal Cost Year Beginning July 1, 2015

<i>Police Officers</i>	
# of Employees	9
Per Capita Normal Cost	
Pre-65 Benefit	\$3,984
Post-65 Benefit	\$1,967
First Year Normal Cost	
Pre-65 Benefit	\$35,856
Post-65 Benefit	\$17,703
Total	\$53,559

Accruing retiree health benefit costs using normal costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. This normal cost would increase each year based on covered payroll.

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2. Amortization of Unfunded Actuarial Accrued Liability (UAAL)

If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the normal cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the actuarial accrued liability (AAL). We calculated the AAL as the APVTPB minus the present value of future normal costs.

The initial UAAL was amortized using level percent, closed 30 year amortization. The District can amortize the remaining or residual UAAL over many years. The table below shows the annual amount necessary to amortize the UAAL over a period of 24 years at 7% interest. (Thirty years is the longest amortization period allowable under GASB 43 and 45.) GASB 43 and 45 allow amortizing the UAAL using either payments that stay the same as a dollar amount, or payments that are a flat percentage of covered payroll over time. The figures below reflect level percent, open 24 year amortization.

Actuarial Accrued Liability as of July 1, 2015	
	<i>Police Officers</i>
Active: Pre-65	\$308,094
Post-65	\$171,281
Subtotal	\$479,375
Retiree: Pre-65	\$782,782
Post-65	\$1,102,546
Subtotal	\$1,885,328
Subtot Pre-65	\$1,090,876
Subtot Post-65	\$1,273,827
Grand Total	\$2,364,703
Unamortized Initial UAAL	\$2,626,517
Plan assets at 6/30/15	\$630,782
Residual UAAL	(\$892,596)
Residual UAAL Amortization at 7% over 24 Years	(\$59,362)

3. Annual Required Contributions (ARC)

If the District determines retiree health plan expenses in accordance with GASB 43 and 45, costs include both normal cost and one or more components of UAAL amortization costs. The sum of normal cost and UAAL amortization costs is called the Annual Required Contribution (ARC) and is shown below.

Annual Required Contribution (ARC) Year Beginning July 1, 2015	
	<i>Total</i>
Normal Cost	\$53,559
Initial UAAL Amortization	\$179,480
Residual UAAL Amortization	(\$59,362)
ARC	\$173,677

The normal cost remains as long as there are active employees who may some day qualify for District-paid

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retiree health benefits. This normal cost would increase each year based on covered payroll.

4. Other Components of Annual OPEB Cost (AOC)

Expense and liability amounts may include more components of cost than the normal cost plus amortization of the UAAL. This applies to employers that don't fully fund the Annual Required Contribution (ARC) through an irrevocable trust.

- The annual OPEB cost (AOC) includes assumed interest on the net OPEB obligation (NOO). The annual OPEB cost also includes an amortization adjustment for the net OPEB obligation. (It should be noted that there is no NOO if the ARC is fully funded through a qualifying "plan".)
- The net OPEB obligation equals the accumulated differences between the (AOC) and qualifying "plan" contributions.

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PART IV: "PAY AS YOU GO" FUNDING OF RETIREE BENEFITS

We used the actuarial assumptions shown in Appendix C to project ten year cash flow under the retiree health program. Because these cash flow estimates reflect average assumptions applied to a relatively small number of employees, estimates for individual years are **certain** to be **inaccurate**. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District share of retiree health premiums.

<i>Year Beginning</i>	
<i>July 1</i>	<i>Police Officers</i>
2015	\$187,551
2016	\$193,625
2017	\$191,039
2018	\$199,442
2019	\$179,723
2020	\$171,842
2021	\$176,579
2022	\$181,020
2023	\$185,276
2024	\$175,268

PART V: RECOMMENDATIONS FOR FUTURE VALUATIONS

To effectively manage benefit costs, an employer must periodically examine the existing liability for retiree benefits as well as future annual expected premium costs. GASB 43/45 require biennial valuations. In addition, a valuation should be conducted whenever plan changes, changes in actuarial assumptions or other employer actions are likely to cause a material change in accrual costs and/or liabilities.

Following are examples of actions that could trigger a new valuation.

- An employer should perform a valuation whenever the employer considers or puts in place an early retirement incentive program.
- An employer should perform a valuation whenever the employer adopts a retiree benefit plan for some or all employees.
- An employer should perform a valuation whenever the employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- An employer should perform a valuation whenever the employer introduces or changes retiree contributions.

We recommend Kensington Police Protection & Community Services District take the following actions to ease future valuations.

- We have used our training, experience and information available to us to establish the actuarial assumptions used in this valuation. We have no information to indicate that any of the assumptions do not reasonably reflect future plan experience. However, the District should review the actuarial assumptions in Appendix C carefully. If the District has any reason to believe that any of these assumptions do not reasonably represent the expected future experience of the retiree health plan, the District should engage in discussions or perform analyses to determine the best estimate of the assumption in question.

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PART VI: APPENDICES

APPENDIX A: MATERIALS USED FOR THIS STUDY

We relied on the following materials to complete this study.

- We used paper reports and digital files containing employee demographic data from the District personnel records.
- We used relevant sections of collective bargaining agreements provided by the District.

APPENDIX B: EFFECT OF ASSUMPTIONS USED IN CALCULATIONS

While we believe the estimates in this study are reasonable overall, it was necessary for us to use assumptions which inevitably introduce errors. We believe that the errors caused by our assumptions will not materially affect study results. If the District wants more refined estimates for decision-making, we recommend additional investigation. Following is a brief summary of the impact of some of the more critical assumptions.

1. Where actuarial assumptions differ from expected experience, our estimates could be overstated or understated. One of the most critical assumptions is the medical trend rate. The District may want to commission further study to assess the sensitivity of liability estimates to our medical trend assumptions. For example, it may be helpful to know how liabilities would be affected by using a trend factor 1% higher than what was used in this study. There is an additional fee required to calculate the impact of alternative trend assumptions.
2. We used an "entry age normal" actuarial cost method to estimate the actuarial accrued liability and normal cost. GASB allows this as one of several permissible methods under GASB45. Using a different cost method could result in a somewhat different recognition pattern of costs and liabilities.

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APPENDIX C: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for Kensington Police Protection & Community Services District to understand that the appropriateness of all selected actuarial assumptions and methods are Kensington Police Protection & Community Services District's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 43 and 45, applicable actuarial standards of practice, Kensington Police Protection & Community Services District's actual historical experience, and TCS's judgment based on experience and training.

ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: Entry age normal. The allocation of OPEB cost is based on years of service. We used the level percentage of payroll method to allocate OPEB cost over years of service.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The present value of future benefits and present value of future normal costs are determined on an employee by employee basis and then aggregated.

To the extent that different benefit formulas apply to different employees of the same class, the normal cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees).

AMORTIZATION METHODS: We used a level percent, closed 30 year amortization period for the initial UAAL. We used a level percent, open 24 year amortization period for any residual UAAL.

SUBSTANTIVE PLAN: As required under GASB 43 and 45, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Kensington Police Protection & Community Services District regarding practices with respect to employer and employee contributions and other relevant factors.

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ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 2.75% per year.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 7% per year. This is based on assumed long-term return on plan assets assuming 100% funding through CERBT. We used the "Building Block Method" as described in ASOP 27 Paragraph 3.6.2.

TREND: We assumed 4% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 2.75% per year. This assumption applies only to the extent that either or both of the normal cost and/or UAAL amortization use the level percentage of payroll method. For purposes of applying the level percentage of payroll method, payroll increase must not assume any increases in staff or merit increases.

ACTUARIAL VALUE OF PLAN ASSETS (AVA): We used asset values provided by Kensington Police Protection & Community Services District. We used a 5 year smoothing formula with a 20% corridor around market value.

The following are the calculations for the adjusted value of plan assets:

<u>CERBT - Strategy 1</u>	<u>Amount</u>
(1) Market value at 6/30/15	\$664,295
(2) Accumulated contributions (disbursements) at 7.25%	\$622,404
(3) Value in (2) + 1/5 of (1) minus (2)	\$630,782
(4) Value in (3) adjusted to minimum or maximum*	\$630,782
(5) AVA at 6/30/15 adjusted to valuation date at 7.25%	\$630,782

* Minimum is 80% of market value; maximum is 120% of market value

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NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35).

MORTALITY

<i>Employee Type</i>	<i>Mortality Tables</i>
Police	2009 CalPERS Rates for Active Sworn Employees

RETIREMENT RATES

<i>Employee Type</i>	<i>Retirement Rate Tables</i>
Police	2009 CalPERS 3%@50 Rates for Sworn Police

VESTING RATES

<i>Employee Type</i>	<i>Vesting Rate Tables</i>
Police	100% at 5 Years of Service

COSTS FOR RETIREE COVERAGE

GASB 45 allows use of premium as a measure of retiree cost to the extent allowed under Actuarial Standard of Practice 6 (ASOP 6). ASOP 6 allows use of premiums as a measure of retiree cost only under "limited circumstances". One of those circumstances is described in ASOP 6 section 3.7.7.c.4 as follows:

"...the use of the pooled health plan's premium may be appropriate without regard to adjustments for age. The factors that an actuary should evaluate in determining whether the premium may be appropriate without regard to adjustments for age include:whether the pooled health plan and its premium structure are sustainable over the measurement period, even if other groups or active participants cease to participate. The use of a premium without regard to adjustment for age is generally inappropriate if the pooled health plan and its premium structure are not sustainable over the measurement period if other groups or active participants cease to participate."

Use of the 3.7.7.c.4 exception requires the actuary to obtain evidence that any subsidies can be "assumed to persist indefinitely."

TCS has, based on its experience, developed specific criteria that must be met in order for TCS to be willing to use the 3.7.7.c.4 exception. These criteria are intended to apply the factors described in 3.7.7.c.4, namely: to determine whether a pooled program's costs depend directly or indirectly on a particular employer's claim experience, demographics or any other age-related factor; whether the program has shown stability in its rating structure despite groups leaving or entering the program; whether there is any indication that the program will cease to exist or that the employer may leave the program.

The District participates in the CalPERS medical program. We have performed the required evaluation of the CalPERS medical program and we have determined that there is sufficient evidence to apply the 3.7.7.c.4 exception. Following are details regarding the evaluation based on the criteria we have set:

- **Plan qualifies as a "pooled health plan."** ASOP 6 defines a "pooled health plan" as one in which premiums are based at least in part on the claims experience of groups other than the one being valued." Since CalPERS rates are the same for all employers in each region, rates are clearly based on the experience of many groups.
- **Rates not based to any extent on the agency's claim experience.** As mentioned above, rates are the same for all participating employers regardless of claim experience or size.

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- **Rates not based to any extent on the agency’s demographics.** As mentioned above, rates are the same for all participating employers regardless of demographics.
- **No refunds or charges based on the agency’s claim experience or demographics.** The terms of operation of the CalPERS program are set by statute and there is no provision for any refunds and charges that vary from employer to employer for any reason. The only charges are uniform administrative charges.
- **Plan in existence 20 or more years.** Enabling legislation to allow “contracting agencies” to participate in the CalPERS program was passed in 1967. The CalPERS medical plan has been successfully operating for almost 50 years. As far back as we can obtain records, the rating structure has been consistent, with the only difference having been a move to regional rating which is unrelated to age-adjusted rating.
- **No recent large increases or decreases in the number of participating plans or enrollment.** The CalPERS medical plan has shown remarkably stable enrollment. In the past 10 years, there has been small growth in the number of employers in most years – with the maximum being a little over 2% and a very small decrease in one year. Average year over year growth in the number of employers over the last 10 years has been about 0.75% per year. Groups have been consistently leaving the CalPERS medical plan while other groups have been joining with no disruption to its stability.
- **Agency is not expecting to leave plan in foreseeable future.** The District does not plan to leave CalPERS at present.
- **No indication the plan will be discontinued.** We are unaware of anything that would cause the CalPERS medical plan to cease or to significantly change its operation in a way that would affect this determination.
- **The agency does not represent a large part of the pool.** The District is in the CalPERS “Bay Area” region. Based on the information we have, the District constitutes no more than 0.02% of the Bay Area pool. In our opinion, this is not enough for the District to have a measurable effect on the rates or viability of the Bay Area pool.

Retiree liabilities are based on actual retiree costs. Liabilities for active participants are based on the first year costs shown below. Subsequent years’ costs are based on first year costs adjusted for trend and limited by any District contribution caps.

<i>Employee Type</i>	<i>Future Retirees Pre-65</i>	<i>Future Retirees Post-65</i>
Police Officers	\$19,572	\$7,064

PARTICIPATION RATES

<i>Employee Type</i>	<i><65 Non-Medicare Participation %</i>	<i>65+ Medicare Participation %</i>
Police	100%	100%

142

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TURNOVER

<i>Employee Type</i>	<i>Turnover Rate Tables</i>
Police	2009 CalPERS Rates for Sworn Police

SPOUSE PREVALENCE

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

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APPENDIX D: DISTRIBUTION OF ELIGIBLE PARTICIPANTS BY AGE

ELIGIBLE ACTIVE EMPLOYEES

<i>Age</i>	<i>Police Officers</i>
Under 25	0
25-29	1
30-34	2
35-39	2
40-44	1
45-49	2
50-54	1
55-59	0
60-64	0
65 and older	0
Total	9

ELIGIBLE RETIREES

<i>Age</i>	<i>Police Officers</i>
Under 50	0
50-54	1
55-59	3
60-64	3
65-69	2
70-74	2
75-79	1
80-84	1
85-89	1
90 and older	0
Total	14

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APPENDIX E: CALCULATION OF GASB 43/45 ACCOUNTING ENTRIES

This report is to be used to calculate accounting entries rather than to provide the dollar amount of accounting entries. How the report is to be used to calculate accounting entries depends on several factors. Among them are:

- 1) The amount of prior accounting entries;
- 2) Whether individual components of the ARC are calculated as a level dollar amount or as a level percentage of payroll;
- 3) Whether the employer using a level percentage of payroll method elects to use for this purpose projected payroll, budgeted payroll or actual payroll;
- 4) Whether the employer chooses to adjust the numbers in the report to reflect the difference between the valuation date and the first fiscal year for which the numbers will be used.

To the extent the level percentage of payroll method is used, the employer should adjust the numbers in this report as appropriate to reflect the change in OPEB covered payroll. It should be noted that OPEB covered payroll should only reflect types of pay generating pension credits for plan participants. Please note that plan participants do not necessarily include all active employees eligible for health benefits for several reasons. Following are examples.

- 1) The number of hours worked or other eligibility criteria may differ for OPEB compared to active health benefits;
- 2) There may be active employees over the maximum age OPEB are paid through. For example, if an OPEB plan pays benefits only to Medicare age, any active employees currently over Medicare age are not plan participants;
- 3) Employees hired at an age where they will exceed the maximum age for benefits when the service requirement is met are also not plan participants.

Finally, GASB 43 and 45 require reporting covered payroll in RSI schedules regardless of whether any ARC component is based on the level percentage of payroll method. This report does not provide, nor should the actuary be relied on to report covered payroll.

GASB 45 Paragraph 26 specifies that the items presented as RSI "should be calculated in accordance with the parameters." The RSI items refer to Paragraph 25.c which includes annual covered payroll. Footnote 3 provides that when the ARC is based on covered payroll, the payroll measure may be the projected payroll, budgeted payroll or actual payroll. Footnote 3 further provides that comparisons between the ARC and contributions should be based on the same measure of covered payroll.

At the time the valuation is being done, the actuary may not know which payroll method will be used for reporting purposes. The actuary may not even know for which period the valuation will be used to determine the ARC. Furthermore, the actuary doesn't know if the client will make adjustments to the ARC in order to use it for the first year of the biennial or triennial period. (GASB 45 is silent on this.) Even if the actuary were to know all of these things, it would be a rare situation that would result in knowing the appropriate covered payroll number

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to report. For example, if the employer uses actual payroll, that number would not be known at the time the valuation is done.

As a result, we believe the proper approach is to report the ARC components as a dollar amount. It is the client's responsibility to turn this number into a percentage of payroll factor by using the dollar amount of the ARC (adjusted, if desired) as a numerator and then calculating the appropriate amount of the denominator based on the payroll determination method elected by the client for the appropriate fiscal year.

If we have been provided with payroll information, we are happy to use that information to help the employer develop an estimate of covered payroll for reporting purposes. However, the validity of the covered payroll remains the employer's responsibility even if TCS assists the employer in calculating it.

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APPENDIX F: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non-actuary* understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

<u>Actuarial Accrued Liability:</u>	The amount of the actuarial present value of total projected benefits attributable to employees' past service based on the actuarial cost method used.
<u>Actuarial Cost Method:</u>	A mathematical model for allocating OPEB costs by year of service.
<u>Actuarial Present Value of Total Projected Benefits:</u>	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation date.
<u>Actuarial Value of Assets:</u>	Market-related value of assets which may include an unbiased formula for smoothing cyclical fluctuations in asset values.
<u>Annual OPEB Cost:</u>	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Annual Required Contribution plus interest on the Net OPEB obligation minus an adjustment to reflect the amortization of the net OPEB obligation.
<u>Annual Required Contribution:</u>	The sum of the normal cost and an amount to amortize the unfunded actuarial accrued liability. This is the basis of the annual OPEB cost and net OPEB obligation.
<u>Closed Amortization Period:</u>	An amortization approach where the original ending date for the amortization period remains the same. This would be similar to a conventional, 30-year mortgage, for example.
<u>Discount Rate:</u>	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower normal costs and actuarial accrued liability.
<u>Implicit Rate Subsidy:</u>	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees.
<u>Mortality Rate:</u>	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
<u>Net OPEB Obligation:</u>	The accumulated difference between the annual OPEB cost and amounts contributed to an irrevocable trust exclusively providing retiree OPEB benefits and protected from creditors.
<u>Normal Cost:</u>	The dollar value of the "earned" portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.

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<u>OPEB Benefits:</u>	Other PostEmployment Benefits. Generally medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>Open Amortization Period:</u>	Under an open amortization period, the remaining unamortized balance is subject to a new amortization schedule each valuation. This would be similar, for example, to a homeowner refinancing a mortgage with a new 30-year conventional mortgage every two or three years.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower normal cost and actuarial accrued liability. The participation rate often is related to retiree contributions.
<u>Retirement Rate:</u>	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with vesting rates to reflect both age and length of service). The more likely employees are to retire early, the higher normal costs and actuarial accrued liability will be.
<u>Transition Obligation:</u>	The amount of the unfunded actuarial accrued liability at the time actuarial accrual begins in accordance with an applicable accounting standard.
<u>Trend Rate:</u>	The rate at which the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher normal costs and actuarial accrued liability.
<u>Turnover Rate:</u>	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce normal costs and actuarial accrued liability.
<u>Unfunded Actuarial Accrued Liability:</u>	This is the excess of the actuarial accrued liability over assets irrevocably committed to provide retiree health benefits.
<u>Valuation Date:</u>	The date as of which the OPEB obligation is determined. Under GASB 43 and 45, the valuation date does not have to coincide with the statement date.
<u>Vesting Rate:</u>	The proportion of retiree benefits earned, based on length of service and, sometimes, age. (Vesting rates are often set in conjunction with retirement rates.) More rapid vesting increases normal costs and actuarial accrued liability.

To All TCS PEMHCA Clients:

Actuarial Standard of Practice 6 (ASOP 6) was revised in 2014, effective for valuations as of April 1, 2015 and later. There is a lot of confusion about ASOP 6. It is widely rumored that all valuations must now include an “implicit rate subsidy.” In fact, this is ***NOT TRUE!*** Both GASB 45 and 75 state that unadjusted premiums may be used as a retiree cost basis if permitted by ASOP 6. ASOP 6 provides an explicit exception allowing use of unadjusted premiums in Section 3.7.7(c).

What there is NOT a consensus about are the circumstances under which unadjusted premiums may be used. Some actuaries assume unadjusted premiums should never be used for any community rated plan that has blended active and non-Medicare retiree rates. Others believe that ASOP 6 clearly allows use of unadjusted premiums for community rated plans under certain circumstances. The latter conclusion is based on common sense readings of both ASOP 6 and GASB standards 45 and 75; as well as the written comments of an overwhelming majority of practicing actuaries.

CalPERS requires agencies participating in its CERBT program to submit a valuation report as a condition of participation. CalPERS reviews the submissions and applies its own standards to the reports. CalPERS is in a difficult position because its medical program is at the center of the controversy about use of unadjusted premiums. CalPERS cannot be seen as treating its own medical plan differently than other plans. CalPERS, for the time being, is pending valuation reports that use unadjusted premiums. These valuations will not affect CalPERS financial statements until summer of 2016 so they have time to resolve this issue.

Unfortunately, many actuaries have thrown in the towel and are increasing the liability of all PEMHCA agencies believing that – even if unadjusted premiums can be used—it is safer to use age-adjusted premiums. Using age-adjusted premiums overstates the liability for agencies that expect to continue to participate in the CalPERS medical plan. We don't believe this serves the client well nor is it actuarially sound practice. (Clearly it is at odds with the overwhelming majority of actuarial practitioners).

The Actuarial Board of Counseling and Discipline (ABCD) provides formal guidance in tricky situations like this. Unfortunately, this process can take several months. Alan Milligan, Chief Actuary at CalPERS, and I are preparing a joint submission to the ABCD to seek resolution. I appreciate very much Mr. Milligan's cooperation and assistance. I am preparing a white paper on this subject which will be part of our submission to the ABCD. (I am happy to send the most recent draft of my white paper to anyone who requests it.)

In the meantime, we will have to operate under our best interpretation of ASOP 6. As mentioned earlier, our interpretation is that most agencies participating in PEMHCA should use the ASOP 6 Section 3.7.7(c)(4)exception. In the event an agency's auditor and/or CalPERS' auditor provides us with a written statement saying they don't believe that using unadjusted premiums complies with GASB 45, we will issue a valuation report with a documented “deviation.” Although such a “deviation” would not be allowable under GASB 75, we are still doing our valuations under GASB 45 which doesn't restrict the use of deviations. (We fully expect to have this issue resolved before we start doing valuations in accordance with GASB 75.)

While we expect to prevail on this issue, there's a possibility we won't. Please be assured that we will not charge additional fees if we have to do a second valuation solely to resolve this situation. We are fully committed to provide you with a valuation that meets all actuarial and accounting standards for the fee quoted. Most importantly, we are looking out for your interest by providing actuarial liability calculations that we believe best represent the agency's actual future expenditures. We are spending a considerable amount of time and effort to fight for our clients.

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149