

Meeting Minutes for 4/12/18

A Special Meeting (Closed Session) of the Board of Directors of the Kensington Police Protection and Community Services District was held Thursday, April 12, 2018, at 6:30 P.M., at the Community Center, 59 Arlington Ave., Kensington, California. A Regular Meeting (Open Session) followed.

ATTENDEES

<u>Elected Members</u>	<u>Speakers/Presenters</u>
Rachelle Sherris-Watt, President	Ann Danforth, District's Legal Counsel
Eileen Nottoli, Vice President	Jon Holtzman
Len Welsh, Director	Steven Chang, Lamorena & Chang
Chris Deppe, Director	Keith Barrow, KPOA President
Sylvia Hacaj, Director	Amit Nath & Family
	John Gaccione
	Catya de Neergaard
<u>Staff Members</u>	Peter Liddell
Anthony Constantouros, General Manager	Celia Concus
Lynn Wolter, District Administrator	David Spath
Rickey Hull, Interim Police Chief	Leonard Schwartzburd
	Linda Lipscomb
<u>Press</u>	Vida Dorroh
	Paul Dorroh
	Anthony Knight
	Jim Watt

President Sherris-Watt called the meeting to order at 6:37 P.M. President Sherris-Watt, Vice President Nottoli, Director Welsh, Director Deppe, Director Hacaj, GM Constantouros, and District Administrator Wolter were present.

CLOSED SESSION PUBLIC COMMENTS

None.

The Board entered into Closed Session at 6:37 P.M.

CLOSED SESSION

- a. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to California Government Code Section 54956(d)(4).
- b. PUBLIC EMPLOYEE PERFORMANC EVALUATION:
Title: District General Manager

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The Board returned to Open Session at 7:42 P.M.

President Sherris-Watt took roll call. President Sherris-Watt, Vice President Nottoli, Director Welsh, Director Hacaj, and Director Deppe were present.

President Sherris-Watt announced that there was nothing to report from the Closed Session.

5. Introduction of new police officer: Interim Chief of Police Rickey Hull introduced Amit Nath to the community and publicly swore him in as Kensington's newest police officer.

ICOP Hull administered, and Amit Nath took, the oath of office. Officer Nath's daughter pinned the badge on her father's uniform. Officer Nath received a round of applause, and President Sherris-Watt welcomed him.

PUBLIC COMMENTS

John Gaccione asked that the police officers not attend the upcoming Matrix presentation. At the March 17th presentation, the officers' presence had made discussions about police intimidation awkward. The officers' presence had been inappropriate. Because he'd found it offensive, he'd tossed the four-page, color flyer he'd received in the mail several days before the first Matrix meeting. The flyer was full of inflammatory and false statements about the Kensington Police Department's future; it encouraged people to attend the meeting and act on false claims; and had affected peoples' statements. He asked who had written, produced, and financed it: There were no credits. Was the flyer's intent to inform or inflame? Certain groups in town wish to keep the Kensington Police Department independent. With all the talk of upholding community values, he was mystified why anyone would stoop so low and manufacture the rubbish contained in "Kensington Independent."

Catya de Neergaard thanked the Board members for having hired an officer. She encouraged them to hire a seventh officer. The new hire plus the Interim Chief had brought the total number of officers to a more robust level. It would be lovely to have daily patrols of all of Kensington – she rarely sees a police officer on her street. Several concerns had arisen about the new website. She asked who was in charge of website content, and who was in charge of the mechanics of putting pages there.

Director Deppe responded that he was in charge of putting pages up and down. In general, he'd tried to copy all the content from the old website, unless there was an irrelevant five-year-old notification. Any important content from the old site should be on the new site. If people ask him where something is, he typically hopes to find it and put it up. If something's missing, he asked that people let him know. If there are questions about content, he might discuss it with the GM or legal counsel, if it's very sensitive.

Ms. de Neergaard said she'd found one section, describing when to call dispatch or 9-1-1, to be confusing and to have been poorly written. She'd found Berkeley Police Department's website language to be superior and encouraged administration to improve the language. She'd also found that the Vanessa Cordova traffic stop IA documents had not been moved from the old website to the new one. Ms. de Neergaard had been told by a fellow citizen that they had contacted Director Deppe and that Director Deppe had said he would not put this on the new website. She and others found this disturbing. Everything that was on the old website should be on the new one, especially press releases that the former Board had put on the old website. She suggested that the policy manual include information about who would decide the content of the website and what the procedures would be.

President Sherris-Watt said this hadn't been placed on the agenda, so it couldn't be discussed. Director Deppe should not take on the burden of saying the decisions were his. Some of the decisions had been made by the Board or the legal team. She declined to go into any more detail.

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Director Deppe said he didn't believe he'd ever said he would not put the Cordova documents up.

Legal counsel, Ann Danforth, said the item had not been placed on the agenda. But, at some point it would be appropriate for the Board to discuss a policy for a website. This should be conducted in open session.

Ms. de Neergaard, on behalf of herself and a number of other citizens, requested that the Cordova IA Report be put on the new website. She also said it was important to settle questions about the Dorroh Ordinance. The District seems to be steering in the direction of possibly contracting out, and the Dorroh Ordinance would initiate a lawsuit, unless there was a vote prior to a contract. There are a lot of good arguments about why the ordinance is invalid – other than Randy Riddle's argument. It's important to invalidate the ordinance before getting serious about contracting. If the Board were to go to court but hadn't tried to invalidate the ordinance and had ignored its own ordinance, then what would the judge do? It would look bad if the Board had ignored its own ordinance and contracted out. If the ordinance were invalidated, then there wouldn't be an opponent.

Peter Liddell, on behalf of the Kensington Public Safety Council, announced that there would be a presentation at the Community Center, this Saturday, April 14th, at 10:00 A.M. about the urban-wild land interface and fires that could occur there. This type of interface exists in Kensington, where it meets the East Bay Regional Park. The presentation would be hosted with Fire Marshal Dave Gibson. There would be a discussion about the recent Napa County fires, Kensington's fire history, and Calfire's "Ready-Set-Go" program. There would also be a discussion about El Cerrito's and Kensington's vegetation management standards and tips on how better to prepare one's home against fire. Livia Pop will share information about Contra Costa's Community Warning System, how residents could receive alerts, when the County activates the system and when it doesn't, what tools the County uses, and how the system is activated. Laptops will be available to assist attendees in registering to receive emergency alerts. He welcomed everyone to attend.

Vice President Nottoli said she'd attended one of these programs about a year ago, and it had been outstanding.

Director Nottoli asked ICOP Hull if people could be signed up for Nixle at this event. ICOP Hull responded that the District was not ready to do this yet.

Karl Kruger asked that there be an update on police staffing at the Board's next meeting. He's concerned about the long hours the officers are having to work.

Celia Concus said she knew that the letter that had been sent would be addressed in the GM's report. She asked if she would be able to make a comment before the GM speaks.

President Sherris-Watt responded that public comments would be made after the report.

David Spath said that, at the February 12th meeting, there'd been a discussion about the schedule for the Community Center renovation. He asked if the District was on schedule to seek bids in early April.

GM Constantouros said he would respond to this during his report later in the evening.

BOARD COMMENTS

President Sherris-Watt announced that the non-emergency dispatch phone number had been changed. The new number is (510) 525-7573.

Vice President Nottoli announced there would be new car-shaped magnets showing the new non-emergency dispatch number. Once available, some will be brought to the meeting, and some will be at the Public Safety Building.

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President Sherris-Watt announced there will be a meeting of the Finance Committee on Wednesday, April 25th, at 7:00 P.M. The first draft of the 2018-19 Budget will be discussed.

Director Deppe said the GM would be discussing the matter, but he wanted to explain the circumstances around the Initiative Ordinance documents and what had happened. He'd been interested in the history of the ordinance for a while. He'd heard different opinions about whether the language of the petition had been intended to put it on the ballot or for the Board to adopt it. He'd heard that some people had thought that it might not have been what they had thought they were signing. He really didn't know the history of it. The website contains just the ordinance itself; the legal opinion about the legality of it; the minutes, which are pretty sparse; and the recording is sparse. So, he was curious about the history of it. He was really interested in the language of the petition. He'd not seen the language of the petition, and he wanted to know it. He had expressed this to Vice President Nottoli at one point, and she'd mentioned that she'd heard that ICOP Hull had found the box of documents related to the petitions/ordinance. So, he'd emailed ICOP Hull to ask if he could come by the office to look at them. Again, he was interested in the history, given the historic relevance of it. ICOP Hull then emailed him back the next day and offered to bring them to Director Deppe's house. Director Deppe said he thought it would be okay for him to look at them and for the ICOP to bring them to his house because he was working at home. He thought, "why not?" It was probably simpler. ICOP Hull brought them by. He opened it up. The box was kind of a generic file. There wasn't anything marked saying, "Do not open," "Private," "To be destroyed," or anything like that. He opened it up and found some newspaper clippings. Paul Dorroh probably knows more about the history of why a newspaper clipping was in there. There was a tabulation sheet of how many petitions had been signed, which had also been of interest to him – how many people had actually signed it? He'd heard various numbers bandied around. He doesn't know all the election codes, but he knows enough about privacy to know these are sensitive documents. He wanted to make sure what was in the box. He saw those, which seemed to verify that was all there was. And, because he was interested in the language of the petition, he made a crop scan of the language, which means one only scans the specific part of the page in which one is interested. This prevents any kind of inadvertent copying of sensitive documents – he does this with contracts all the time. So, he made a copy of the language. He put the things back in the box, and he returned them to ICOP Hull. That's the reason for everything that happened. The GM is going to give a report, but it was really out of interest in how this had come about. What did the petition actually say? How did that lead to the adoption of the ordinance? The Board is not talking about this now, and the Board may not ever talk about it. But, it's probably going to come up at some point. If it comes up while he's on the Board, he wants to know as much as he can about the topic. That's his nature. That's the reason he did what he did. That's what happened. He hopes he's answered some of the questions. The GM will have a fuller report. Director Deppe did not make any copies of any of the signatures. He did not disclose anything. He's well versed in privacy. He realized this was sensitive information.

Director Welsh asked for how long Director Deppe had had the documents in his possession.

Director Deppe responded that he'd not timed this because he'd been doing work at the time, which had been one of the reasons why he'd thought he could finish his work, and review them. He thought they'd been at his house for about an hour. But, he really didn't know because he hadn't been paying attention. He'd returned them to the office by early afternoon.

President Sherris-Watt said other comments would be saved until after the GM's report.

- 8a. Manager's report on 2009 initiative petitions. See separate attachment titled "Letter to Rachelle Sherris-Watt.pdf."

GM Constantouros said he had a prepared report, which he read: Kensington officials and staff had received multiple communications expressing concern about the disclosure of the signed petitions supporting the initiative campaign of 2009. That campaign had resulted in the Board adopting the initiative measure on October 8, 2009. The matter had arisen after several District residents had raised

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questions with Director Deppe about the exact wording of the initiative measure described in the petitions. Although the 2009 Ordinance is readily available, Director Deppe had requested documents containing sample petition language for comparison purposes. On March 25th of this year, ICOP Hull had provided Director Deppe with the box of documents relating to the 2009 initiative campaign. The box contained the signed petitions, the County's tabulation of the signatures, a newspaper article about the campaign, and, possibly, other documents. The records' pertinent history: The petition circulators presented the petition to the District on August 27th, 2009. The District's election officials certified that a sufficient number of registered voters had signed the petition, and the petition had complied with all legal requirements. On October 8, 2009 and in response to the initiative campaign, the Board adopted the initiative, as provided by Section 9310 of the California Government Elections Code. Then GM/COP Greg Harman apparently decided that the District should retain the petitions for future use. Presumably, GM/COP Harman had not been aware of the law that required that the petitions be destroyed. At some point, District staff moved the box into the storage area. Subject to certain exceptions not pertinent here, the California Elections Code Section 17200 required the destruction of initiative petitions eight months after the final examination by the local elections official. That final examination would have occurred sometime between August 27, 2009 and October 8, 2009. This section, 17200 required the District to destroy the petitions on, or before, June 8, 2010. Unfortunately, that didn't happen. Nor was the box marked in any way to indicate it contained private records. Signed petitions are under both the Elections Code and the Government Code. The Elections Code prohibits using the list of signatures in initiative petitions for any purpose other than qualifying the measure for the ballot. Neither Director Deppe nor ICOP Hull used the list of signatures for any purpose. ICOP Hull merely transported the box of documents, and Director Deppe didn't review the petitions, other than to confirm the text of the proposed initiative. This incident reveals a problem in the District's internal processes that need to be repaired. The new Policy and Procedures Manual will include a more modern records retention schedule, which should reduce the likelihood of any further unauthorized disclosures.

Director Deppe asked to clarify on thing: He'd not had residents ask him directly. He'd read some comments on various media sites. He had emails suggesting different things.

Celia Concus referred to a letter submitted by Dane Gillette: "It's come to the attention of several of us in the community... ICOP Hull recently removed, from the custody of the police department, the box..." Thus, Mr. Gillette was alleging that ICOP Hull had done this, and, now – maybe, this had been confirmed. She'd like to know who had made this information available.

President Sherris-Watt responded that she did not know. She hadn't, and she didn't believe anyone else on the Board had done so.

Director Deppe said he hadn't done so.

Ms. Concus said it seemed rather odd that she hadn't gotten it. She didn't know who had received it. She asked if this was another bit of the procedure of trying to "take down" the ICOP. There had been numerous letters going around stating that he is not competent. She wondered if this was one more piece of this.

Leonard Schwartzburd said the question asked by Ms. Concus had occurred to him, too. It appears that the former Boards were remiss in carrying out the law. And then, the "Old Guard" tried to use this to discredit this Board and ICOP Hull. This raises questions about where this information came from. Who was reporting this kind of information, that seems benign, and trying to make it an issue with which to bring down the current Board. This occurred in the context of the publication of the "Independent." The photographs in this publication suggested that there's some kind of conspiracy between the Board members and the consultants. It seems to him that there's a conspiracy to create the impression of a conspiracy. He asked when the community was going to get its act together. He had been an opponent of outsourcing the police department, but he's come to believe that this may be the only way to clean up the mess created by the former Board and its supporters. The letter by Mr. Gillette and the artifice used in it makes him shudder to think he's key in making life and death decisions in

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California. The government code, upon which Mr. Gillette relies, states that the “district initiative petitions ‘shall not be deemed to be public records and shall not be open to inspection ‘except under limited circumstances, none of which appear to be applicable in this matter. Elections Code Section 18650 provides that anyone who knowingly or willfully permit(s) the list of signatures on an initiative... petition to be used for any purpose other than qualification of the initiative...’ is guilty of a misdemeanor.” Dr. Schwartzburd said this applied only to the general public: ICOP Hull and Director Deppe are not the general public. The letter is a distortion. The Board has a lot of past mess to clean up.

Linda Lipscomb said she somewhat agreed with Dr. Schwartzburd – that “conspiracy” is an overarching framework for the discussion about the removal of the petition documents. She had signed the petition and gathered signatures for that petition. She first learned about the documents having been removed from Dan Gillette’s letter. The reason this comes about is because there is a great deal of concern in many sectors of the community about whether or not there is going to be a vote on the issue of contracting out. This ordinance provides that, if the District decides to get rid of its police protection function or decides to contract out, there will be a vote of the people. She reiterated that this is the framework in which this issue had arisen. People become very upset when they hear that someone wants to compare the text of the petition with the text of the ordinance, going beneath the duly adopted ordinance that had been certified by the Department of Elections to be a proper ordinance. In this kind of environment, people tend to think – where it is strongly perceived that this Board may try to circumvent a vote of the people because of the legal opinion it has. She would rather see the Board put aside all of that and commit to having the people vote on this important issue. In research she’d done, she’d seen that, in 1993, there had been an ordinance put up by Tom Torlakson and Tom Powers for an advisory vote on whether to consolidate the Kensington Fire Department with the County Fire Department. The “skirmish” over the legality of the ordinance is contrary to all the Board should stand for. The Board should commit to having a vote of the people on whether the District contracts out or not. She asked that the Board tell the community whether this is what it’s going to do.

Director Deppe responded that his intention had not been to invalidate the ordinance. He accepts that the Board had legally passed it and the Elections Department had certified it. He really wanted to understand what the language of the petition was. He could understand why someone might think what Ms. Lipsomb suggested.

Ms. Lipscomb said she took him at his word. However, in this environment in which residents hear they might lose their police department... And, the District is going through another study with Matrix. It’s not like the District hadn’t been here before – studying how this should be handled. This had been done with Brown Taylor and prior administrations. This could be put to rest if the Board would say it would seek a vote of the people. As she had cited earlier, she’d found a precedent of an advisory vote that had been placed on the ballot by Supervisors Torlakson and Powers in 1993. This is the right thing to do. Failing to do so undermines the community’s democracy.

Catya de Neergaard agreed with Ms. Lipsomb – it would be wonderful to hear the Board say that it intends to call for an advisory vote, if the District goes in the direction of contracting out. She thanked the District for the candid way in which it had handled the lapse of legality and for correcting the problem with a new administrative procedure. She said this is a relatively minor, and the Board had handled it well. What she finds strange is that the documents in which Director Deppe was interested had been in public circulation for at least four years. She had received them from David Bergen, and it had been circulated among people. It was the tabulation, the actual petitions, and two signatures of the first few people signing – so it had several examples of the petitions. The petitions were all the same. It was also up on the website that David Bergen had done. And, several weeks earlier, on Nextdoor, there had been discussion about the Dorroh Ordinance, and David Bergen had provided a link on Nextdoor to the tabulation and the petitions. As far as she knows, those same documents are still available from the County.

Vida Dorroh said that, at the Board’s last meeting, she’d registered her concern about the hacking of the District’s website. She’d been a victim of identity theft. At this meeting it was revealed that over 1,000 signatures lost chain of custody and had been taken out. They shouldn’t have been there to begin with.

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She believed Director Deppe that nothing happened. But, Ms. de Neergaard just said that Mr. Bergen had also been privy to some of this information. She asked if the Board would provide theft protection for those who had signed the petitions that had been removed from custody.

President Sherris-Watt responded that the signatures were never put anywhere to any use. They had been in the office, but no Board member has any idea about Mr. Bergen's use – that's something outside the Board's purview. If Ms. de Neergaard had information from when the initiative had been passed, one would have to consult Mr. Bergen directly. What the Board is going to do tonight... She's going to make a motion to destroy the documents, as should have been done nine years ago and directed by the District's GM at that time. President Sherris-Watt said that Ms. Dorroh's signature had not gone anywhere or been used by anyone.

Director Welsh said that it raised the question of how Mr. Bergen had gotten the petitions with signatures. They had all been in the police department.

President Sherris-Watt said Mr. Bergen may have had them from when the initiative had been circulated.

Ms. Dorroh responded in the negative. The reason she's concerned is that her signature probably appears 15 or 20 times. Not only had she signed the petition, she'd...

Vice President Nottoli asked if Ms. Dorroh was from Chicago.

Ms. Dorroh continued: She'd circulated the petition, and, as a circulator one had to sign.

Director Welsh said that it raised questions, and the Board needs to talk to Mr. Bergen about how he acquired those materials. Even if Mr. Bergen had one petition with a signature on it, he shouldn't.

Ms. Dorroh said the petitions had been turned in to the Board. The Board sent them to the County to be certified. That had been the chain of custody. It surprised her that the documents hadn't been destroyed. She didn't know how or who had been the County representative who had certified the documents, but they had not been out of the custody of those who had given the documents to the Board. The question is how they ended up with Mr. Bergen – this really concerned her. She wanted to get some kind of warranty from the Board that her signature wouldn't show up somewhere it shouldn't. The District had the signatures and made them public. She wants some assurance that the Board would take care that there wouldn't be any fraud.

Anthony Knight said there were two other important areas for which the GM was responsible: Parks and solid waste. He's bothered by a GM's report that doesn't address these two issues. He wants to raise something about the parks, but there's no opportunity within this agenda to do so.

Director Hacaj responded that, for something not placed on the agenda, Mr. Knight could have said something during public comments. She didn't believe the GM was done with his report yet.

Mr. Knight said that the Board was stonewalling him and not discussing the matter by telling him the topic hadn't been put on the agenda. So, he'd waited for when the item might be discussed.

Director Welsh responded that Mr. Knight could send a letter asking the Board to place something on the agenda.

President Sherris-Watt said GM Constantouros had not finished his report.

Mr. Knight asked that, in the future, the GM's report include updates on all three of his areas of responsibility so the community could comment on them.

Director Welsh reiterated that he accepted Director Deppe's explanation.

MOTION: President Sherris-Watt moved, and Vice President Nottoli seconded, that the Board direct staff to destroy the petitions from the 2009 ordinance.

Motion passed: 5 – 0

AYES: Sherris-Watt, Nottoli, Welsh, Deppe, Hacaj

NOES:

ABSENT:

President Sherris-Watt said this hopefully would be done before the next meeting.

Mark Bell said he understood some mistake had been made, and he asked if it would put the community in any jeopardy if these documents were destroyed right now, when there's some level of controversy over what had happened. He didn't know if a law had been broken, but there could be a bigger issue that could be a reason to hold on to the documents.

President Sherris-Watt responded that the documents were supposed to have been destroyed eight months after the election. The Board would be remiss in not destroying them now. Unless there were some kind of fingerprints, or something that needed to be retained... The Board needs to destroy them. She's absolutely confident about this.

Linda Lipscomb said that what Mr. Bell was trying to get at was that, if there had been an impropriety – or someone could allege one, then it could be seen as “foliation of evidence.”

President Sherris-Watt announced there would be the conclusion of Staff Comments.

With respect to the Community Center, GM Constantouros reported that Glass Associates was continuing to work on the plans, based on the design approved by the Board, and will go through the process with the County in the next couple of weeks. Hopefully, all will go smoothly. The bidding process is scheduled to occur in May and June. Hopefully, a decision to award the bid will be made in mid-June or early July. A number of organizations have committed funds to the Community Center project, and the District is hoping fold this into the 2018-19 budget. The District had already set aside \$350,000 from the prior fiscal year, and a little over \$300,000 was included in the current fiscal year. The Kensington Community Council (KCC) and the Kensington Improvement Club (KIC) have indicated a contribution of nearly \$500,000. There is grant money in the amount of \$158,000. The District is working with the California Special Districts Association (CSDA) Finance Corporation for a possible loan, the exact amount of which has not yet been determined. The interest rate for such a loan would be 3.5%. There's a community fundraising effort called Kensington 360. On June 24th, at the Community Center, there will be an event to celebrate paying off the park bonds and to encourage the community to invest the same funds in the Community Center.

President Sherris-Watt said that more details about the budgeting for this renovation would be available at the April 25th Finance Committee meeting and when the Board presents its final budget by the end of May. Director Hacaj has been working with Glass Associates and has been obtaining any additional details that may be needed before the District goes to bid.

Director Hacaj noted that the celebration on June 24th would likely take place from 2:00 – 5:00 P.M.

Paul Dorroh said that, with respect to the petitions, it might behoove the Board to have an independent party verify that all the petitions had been returned before they are destroyed. There should be a tally sheet in the box, and it should be possible to say there are 110 petition parts. Those should be counted. Then, everyone should be satisfied that everything is on the up-and-up. For the “mental repose” of the Board and others in the community, this might be something the Board might want to do. He also suggested that, perhaps, the Board might wish to amend its motion in order to provide for this to happen before the documents are destroyed.

President Sherris-Watt responded that he Board would take this under legal advisement, but she had no wish to amend her motion.

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Ann Danforth, legal counsel, responded that the motion had already been passed, so this would not be legally necessary.

President Sherris-Watt said there would not be an independent review because that would be opening up the petitions to someone outside in the community. The District's attorneys would take care of any legal review.

CONSENT CALENDAR

President Sherris-Watt announced that the Consent Calendar contained the minutes of the March 8, 2018 meeting.

MOTION: President Sherris-Watt moved, and Director Welsh seconded, to adopt the Consent Calendar.

Motion passed: 5 – 0.

AYES: Sherris-Watt, Nottoli, Welsh, Deppe, Hacaj

NOES:

ABSENT:

10a. Update on survey for waste composting.

Vice President Nottoli reported that there would be a survey card in the next Bay View Refuse invoices, which would be going out to residents next month. Each card contains a unique number and can be returned by placing it in the "Food Compost Survey" box at the District office or by returning it, by mail, to Bay View Refuse, if one pays by check. Or, residents may take the survey online: If they do so, they must reference the unique number stamped on their survey card contained in the Bay View Refuse invoice envelope. The survey is about whether to have food composting included with green waste. It would require that food waste be picked up weekly, along with green waste. If Kensington adopts food composting now, there will be a 7% increase. If the community waits until later to do so, it's possible the cost increase could be greater than 7%.

President Sherris-Watt assured that residents' names would not be connected with the survey. The unique number is meant to ensure there will be one survey reply per household.

10b. Update on the Matrix study.

GM Constantouros reported that there had been a public meeting on March 17th, and another public meeting was scheduled for Saturday, April 28th, at 10:00 A.M. The first meeting had been for members of the public to express their opinions on just about anything they wanted, primarily with respect to the police department. The second meeting should be a bit more structured, and the goals will be:

- Provide a summary of the whole project and where it stands
- Matrix will present what it's learned from the community from both the meeting and from a questionnaire, which allowed citizens the opportunity to express their views in writing. To date, Matrix had received 300 responses. A postcard will go out to the community asking people to complete the questionnaire and to inform them of the upcoming April 28th meeting.
- Matrix will discuss the characteristics of an effective police service.
- Matrix will provide a summary of some of the results of Phase I, which is where the Kensington Police Department currently stands, what are the ways in which it could improve, what are the positive aspects of it, and what information Matrix had garnered in this stage of its review. Matrix will compare best practices to current practices.

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President Sherris-Watt reported that the Board is making a concentrated effort. The information will be updated on the website, there will be information on the signboard, and the postcard will be going out to every household to inform all about the survey and the upcoming meeting. There will be outreach efforts on social media and personal connection.

David Spath noted that Matrix had indicated that the survey was to close on April 10th.

Vida Dorroh said she wished the same kind of survey had been used that is being used for the waste management issue.

Vice President Nottoli responded that was because she works in a law firm and knows what a Bates stamp is: She'd stamped 2,400 postcards. Ms. Dorroh asked when the Board had approved the plans for the Community Center. There are people in the community who want to know exactly what the plans are.

Director Hacaj responded that they're on the website, under Parks and Recreation – the Community Center Remodel. The last presentation from Glass Associates is there.

Leonard Schwartzburd said that the concept of an independent police force is a misnomer. An independent police force is a police state. Kensington does not have an independent police force. Some people think Kensington used to. The police force is under the authority of the KPPCSD Board. The language that should be used should be changed to "under local authority." Even if contracted out, it would still be under the authority of the Board. For those who had been in control of the Board, police force, and community before coming to the Board and complaining about the problem they had created takes a lot of nerve.

NEW BUSINESS

- 11a. The Board reviewed the "Financial Statements and Independent Auditor's Report for the Fiscal Year Ending June 30, 2017" prepared by Lamorena and Chang.

Steven Change introduced himself as a CPA with the firm Lamorena and Chang. He thanked the Board, GM Constantouros, and District Administrator Wolter for doing a fabulous job, keeping good records. As a result, he had a clean audit opinion for Fiscal Year 2017 on both the general audit report and the report on internal control and financial and compliance audit under the Government Accounting Standards.

Mr. Chang summarized the financial highlights:

- The Balance Sheet and the Profit and Loss Statements provide information for Fiscal Years 2017 and 2016, for comparison purposes.
- The KPPCSD ended FY 2017 with total revenue of approximately \$3,487,000 versus approximately \$3,100,000 for the prior fiscal year, which represented an increase of about 10%. The revenue included COPS Grant funds and one-time revenue of \$143,000 from Asset Seizure Forfeitures related to WESTNET, which contributed to the revenue increase.
- Total expenses were about \$2.9 million for FY 2017 versus \$2.7 million for the prior fiscal year – about a 7% increase. The biggest changes were the District's PERS contributions, which were \$343,000 in FY 2017 versus \$163,000 in the prior fiscal year. PERS is still working on its numbers, so there will be more changes in the next couple of years.
- Net income for FY 2017 was approximately \$575,000 versus \$438,000 for the prior fiscal year. This is an approximately \$137,000, or 27%, increase.
- The Balance Sheet shows that total assets for FY 2017 were approximately \$6.3 million versus \$5.9 for the prior fiscal year. The approximately \$400,000 increase was due to an increase in

cash. At the end of FY 2017, this was approximately \$2.1 million versus \$1.8 million for the prior year. This was about a \$269,000 increase in cash.

- The biggest change in the balance sheet's liabilities is the long-term pension liability. For FY 2017 the amount is approximately \$3.5 million versus \$2.8 million for the prior fiscal year. This is an approximately \$600,000 increase in liabilities. CalPERS is using a different method of measuring liabilities, which affected the amount recorded for FY 2017. Beginning in FY 2018, CalPERS will shorten its amortization of pension liabilities from 30 years to 20 years. This will likely cause an additional increase in FY 2018.

Vice President Nottoli asked what the estimated increase would be. Mr. Chang responded that he didn't have that information. CalPERS just passed a law, about four to six weeks ago.

District Administrator Wolter asked whether CalPERS' changing this amortization schedule would impact the way in which CalPERS is calculating KPPCSD's Hypothetical Termination Liability. Mr. Chang responded that it probably would because it's one of the moving parts: a shorter amortization would increase annual contributions. District Administrator Wolter said that KPPCSD's current Hypothetical Termination Liability is between \$20 million and \$25 million, based on where the District was about a year ago. She asked what the District should anticipate, moving forward. Mr. Chang responded that the liability should be approximately the same, however, the key change would be in the area of cash flow.

President Sherris-Watt said she'd seen that it would only be about \$16 million for Kensington to leave the CalPERS program.

Mr. Chang suggested checking with the actuarial because they would have the good number.

- For FY 2018, Mr. Chang advised that GASB 75 (Government Accounting Standards Board) would go into effect. This will be for the OPEB (Other Post Employment Benefits), the medical liability for retirees. The District has been expensing this payment, and there has been a footnote disclosure that, when GASB 75 goes into effect, an approximately \$3 million liability will be recognized on the balance sheet.
- Currently the District is looking at GASB 45, long-term pension liability, of about \$3.5 million.
- Thus, for FY 2017, the District would be looking at a combined GASB 45 and 75 liability of between \$6 million and \$6.5 million.

President Sherris-Watt thanked the Finance Committee and Mr. Chang for the excellent audit. She also thanked the Finance Committee for recommending the side-by-side comparison, with which Mr. Chang had complied. This is unusual in government audits. She noted that there had been an increase from workers' compensation. The District had been reimbursed \$94,000, and the payout had been \$57,000. This year, the workers' compensation fee is \$91,000. So, while there was an increase last year, the District will end up paying the amount back to the insurer. She noted that, on page 26 of the audit, the changes in assumptions for the CalPERS net pension liability would have a significant impact on the District. If the discount rate decreased 1%, the District would owe an additional \$1.8 million. There will be a lot of concern about the District's net pension liability in the coming years.

President Sherris-Watt asked about the 4% medical trend rate – what were Mr. Chang's expectations about this. Mr. Chang responded that he didn't feel well enough informed on this to comment.

President Sherris-Watt asked about the mortality tables – would they change in the future. Mr. Chang had used tables from 2014. Mr. Chang responded that the reason he'd used the 2014 table was that this had been the most recent information available when he'd prepared the audit. In 2018 he hoped he would have the most recent information from the District's consultant.

Jim Watt said asked if Mr. Chang would come up with the new GASB 75 amount.

These are draft minutes. Once approved by the Board, the approved minutes will be posted on the District website,

Mr. Chang responded in the negative. This amount would come from the District's consultant, an independent actuarial who would be hired by the District.

President Sherris-Watt said that Nicolay would be providing this information.

Mr. Watt asked Mr. Chang if the District should be setting aside more money to meet this large obligation. He noted that the District currently pays its retirees directly and then sets aside a small amount for future obligations.

Mr. Chang recommended that the District set aside more money to pay off the debt.

President Sherris-Watt reiterated her thanks to Mr. Chang.

MOTION: President Sherris-Watt moved, and Director Welsh seconded, approve the Financial Statement and Independent Auditor's Report for the Fiscal Year Ending June 30, 2017 prepared by Lamorena and Chang.
Motion passed: 5 – 0.

AYES: Sherris-Watt, Nottoli, Welsh, Deppe, Hacaj NOES: ABSENT:

MOTION: Vice President Nottoli moved, and President Sherris-Watt seconded, to adjourn the meeting.
Motion passed: 4 – 0.

AYES: Sherris-Watt, Nottoli, Welsh, Deppe, Hacaj NOES: ABSENT:

The meeting was adjourned at 9:13 P.M.

Rachelle Sherris-Watt
KPPCSD Board President

Lynn Wolter
District Administrator