

# KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

## AGENDA

A Regular Meeting of the Board of Directors of the Kensington Police Protection and Community Services District will be held Thursday, October 14, 2010, at 6:00 P.M., at the Community Center, 59 Arlington Avenue, Kensington, California. The Board will enter into closed session pursuant to California Government Code Section 54957.6, to discuss labor negotiations with the Kensington Police Officer Association.

Note: All proceedings of this meeting will be tape recorded and *please note the earlier start time.*

Roll Call  
Public Comments  
Board Member/ Staff Comments

### CLOSED SESSION

1. Pursuant to California Government Code Section 54957.6, the Board will enter into closed session to discuss the following:

Conference with Labor Negotiators  
Agency Representatives: Chuck Toombs and Bill Wright  
Employee Organization: Kensington Police Officer Association

Possible Board Action.

### OPEN SESSION

#### APPROVAL OF CONSENT CALENDAR

- a) Minutes of the Regular Meeting September 9, 2010
- b) Profit & Loss Budget Performance for September 2010
- c) Variance Report September 2010
- d) Board Member Reports
- e) Correspondence
- f) Police Department Update
- g) Monthly Calendar
- h) Recreation Report
- i) General Manager Update

#### DISTRICT – OLD BUSINESS

1. General Manager Greg Harman will provide the Board an update to the Kensington Park Restroom project.

#### DISTRICT - NEW BUSINESS

1. General Manager Greg Harman will present to the Board for possible approval the Fiscal Year 2008/2009 Kensington Police Protection & Community Services District Financial Audit prepared by Steven Chang. Board Action.
2. General Manager Greg Harman will request that the Board authorize him to enter into a contract with HF&H Consultants to review the financial reports provided by Bay View Refuse in response to Bay View's request for a one time surcharge to cover costs for extraordinary events that occurred this year and have affected their profit margin. General Manager Greg Harman will also request that the Board set a Proposition 218 hearing date for December 9, 2010 to review the Bay View request for a supplemental surcharge. Board Action.
3. General Manager Greg Harman will request that the Board authorize him to enter into a contract with Nicolay Consulting Group to complete an actuarial valuation of the postemployment healthcare program provided by the Kensington Police Protection & Community Services District for Fiscal Years beginning July 1, 2010 and July 1, 2011. Board Action.
4. General Manager Greg Harman will request that the Board authorize him to enter into a contract with Local Government Consultants to file with the State of California claims resulting from the KPPCSD having held public meetings under the provisions of Senate Bill 90. Board Action.

## ADJOURNMENT

### 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 AUXILARY AID OR SERVICE AT LEAST 10 DAYS BEFORE THE MEETING. REQUESTS SHOULD BE SENT TO:

District General Manager Greg Harman will present to the Board for review and possible approval General Manager Gregory E. Harman,  
COMMUNITY SERVICES DISTRICT, 217 ARLINGTON AVE., KENSINGTON, CA 94707

POSTED: Public Safety Building-Colusa Food-Library-Arlington Kiosk- and at [www.kensingtoncalifornia.org](http://www.kensingtoncalifornia.org)

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

# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

## Meeting Minutes for 09/09/2010

### AGENDA

A Regular meeting of the Board of Directors of the Kensington Police Protection and Community Services District was held Thursday, September 9, 2010, 7:00 PM, at the Community Center, 59 Arlington Avenue, Kensington, California.

The board entered into Open Session at 7:00 PM.

### ATTENDEES

Elected Members	Guests/Presenters:	
Charles Toombs, President	Lynn Wolter	Gloria Morrison
John Stein, Vice President	Joan Gallegos	Nicki Kaiser
Cathie Kosel, Director	Joel Koosed	Sergeant Rickey Hull
Patricia M. McLaughlin, Director	KPOA Pres. Eric Stegman	Ciara Wood
	Jack Griffith	Officer Kevin Hui
Bill Wright-Excused Absence	Tony Lloyd	Catherine DeNergaard
	Linda Lipscomb	Vida Dorroh
Staff Members	Kim Zvik	Paul Dorroh
Gregory E. Harman, General Manager/ Chief of Police		

**ANNOUNCEMENTS:** None

### PUBLIC COMMENTS

Catherine DeNergaard, resident, commented that she believed the police department was doing a splendid job however, thought that there was a problem of sexism in the department. Board President Toombs advised Ms. DeNergaard that she should address her personnel concerns with Chief Harman and that her comments were inappropriate during the Public Comments portion of the meeting. Ms. DeNergaard continued and brought up another personnel issue and received another warning from Board President Toombs. She then stated that she believed there was a marked difference in treatment of female citizens compared to that of male citizens. She ended with the statement that she believed the Board should act as a civilian review board for the police department.

Director Kosel asked for a point of order, asking if Ms. DeNergaard could e-mail her comments to the Board and President Toombs stated, "No, because it would be inappropriate to have such complaints lodged with the Board in any fashion in defiance of the required administrative procedures and due process requirements afforded any affected citizen or affected police personnel."

# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

Gloria Morrison, resident, asked if the Board had passed the 2010/2011 budget, and was informed that they had. She then asked about the change in the capital outlay from \$0 to \$180,000 and was informed she should call General Manager Harman on Monday to get that information. Ms. Morrison ended her comments expressing her horror that the KCC remodel of the Youth Hut had stopped.

Eric Stegman, KPOA President, informed the Board that the KPOA had held interviews with all of the candidates but one. President Toombs then stopped Officer Stegman by stating that if he was planning to make an endorsement of candidates that this was not the proper forum to do so.

Nicki Kaiser, resident, stated that she received notice that there was grant funding available for \$5,000 to communities for wildfire prevention programs. She was then asked by the Board if park property could be included and she stated that she believed so. President Toombs suggested that she bring the information to the attention of General Manager Harman.

Ciara Wood, resident, stated that the grant is provided by the US Forest Service and stated that she would e-mail the information regarding the grant to General Manager Harman.

Linda Lipscomb, resident, stated that the Kensington Improvement Club (KIC) would be holding their annual Town Hall Meeting with a candidate forum on Saturday, October 16<sup>th</sup>.

Vida Dorroh, resident, asked Ciara Wood if the grant was for weeds and cutting trees? Ciara Wood indicated that there were five different things that the grant could be used for, including weed and tree abatement. Ms. Dorroh then asked Ms. Wood if the pathways could be considered for the grant, and Ms. Wood stated yes they could be.

## **BOARD COMMENTS**

Director Kosel stated that she has heard from a lot of people who were impressed with the work of Officer Kevin Hui. She then requested that Board mail received at the office be forwarded to Board Members in a more timely fashion. She also stated that she believed someone should be answering the District phones during business hours (8:30 to 5:00). She also stated she was committed to pursuing a win/win resolution with KCC regarding their legal relationship.

It was at this point that Director Kosel began to comment on the complaint process, the sexism comments made by Ms. DeNergaard, and the conflict of interest inherent in requiring a complaint against the police be submitted to the police chief. She was then cut off by President Toombs. There then was a terse discussion between Director Kosel and President Toombs regarding her comments. Board President Toombs advised Director Kosel that any citizen with such concerns must pursue their legal remedies directly with the Police Department with any appeals thereafter taken to the Board who will then review the allegations and their resolution by the Chief, in accordance with appropriate due process requirements and accompanying protections for both officers, the Chief and any affected citizen; any other procedure would violate the rights of those affected, conflict with legal requirements for such complaints, and destroy the effectiveness of the Board as a required police review agency, placing the entire process in grave jeopardy.

Director Kosel ended her comments with the statement that the agenda was lacking page numbers.

# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

Director McLaughlin stated that she recognized the staffing problem currently facing the District but would like to see the page numbers on the agenda.

President Toombs announced that there was a SDRMA Director vacancy and suggested that if any board members were interested in running, that they should contact him for the information provided by SDRMA. He then stated that he did not realize that the Board had mail boxes at the station and suggested that when directors had mail, staff should e-mail them to let them know. He ended his comments by stating that he did not tell the KCC Board not to spend their money on the remodel.

Director Kosel then thanked the candidates for running for the Board this coming election.

## STAFF COMMENTS

General Manager / Chief of Police Gregory Harman commented that the committee that sat on the interview panel for the District Secretary position had selected Melissa Huffman to fill the position, and that she would be starting on Monday, September 13<sup>th</sup>.

## CONSENT CALENDAR

President Toombs pulls items A, F, & G from the Consent Calendar.

Item A- Minutes from the August 12, 2010 meeting;

Director Toombs states that following the Closed Session, the minutes should reflect that the Board took no action.

Item F- Police Department Update;

President Toombs requested that the DEA Drug Take Back Day, a brand new program implemented for the first time by the DEA on a national basis and scheduled for September 25<sup>th</sup>, should be put on the District's website. It was also suggested that we contact the "About Kensington" website and request the information be posted there also.

Item G- Monthly Calendar;

Director McLaughlin indicated that she believed the October 17<sup>th</sup> date for the KCC Fall Parade should appear on the District's Calendar.

President Toombs moves to have the Consent Calendar approved, second by Director Kosel.

**MOTION: The Board moves to adopt the Consent Calendar as amended.**

**AYES: Toombs, Kosel, McLaughlin, Stein**

**NOES: 0**

**ABSENT: Wright**

# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

**OLD BUSINESS #1 - Vice- President John Stein will present to the Board the Ad-Hoc Park Buildings Committee; “Report, Recommended Next Steps, and Options for Possible Action” for the KPPCSD Board to consider regarding the park buildings.**

Vice-President Stein presented the report to the Board.

## **BOARD COMMENTS**

Director McLaughlin indicated that she did not have a handle on how the community would like to use the buildings. She added that she feared the District did not need three buildings however, added she would move towards receiving professional advise.

President Toombs stated that he recommends the Board hire an outside expert to bring back recommendations to the Board. He further stated that he believes the only question remaining would be whether the committee to hire an expert is made up of two board members or a committee of board members and citizens.

Director Kosel stated she did not believe an expert could do the job as well as local volunteers could.

President Toombs stated it was his goal to have the expert manage the overall resource assessment process for the benefit of the District and its citizens, with the ultimate decision made by the Board after citizen input.

Director McLaughlin indicated that she would like to have the management consultant recommend ways to generate revenue from park operations.

Vice-President Stein stated that he had spoken to District Counsel Pat Miyaki who informed him that a committee made up of two board members only would not fall under the Brown Act, were as a committee made up of board members and citizens would. He further stated that he liked the idea of bringing in a professional to get community input.

Director Kosel then stated that it doesn't matter what consultant you bring in, they will all bend to political pressure.

## **PUBLIC COMMENTS**

Linda Lipscomb, resident, stated she believe the professional should be used to gather information and survey data regarding the condition of the buildings, stating the community can tell us what we need to do. She also asked if what we were allocating by the way of income and expense to the park budget was appropriate?

Joan Gallegos, resident, stated property tax revenues are totally dedicated to police services. She then stated that she did not believe the garbage franchise fees were restricted for use for garbage related expenses.

Vida Dorroh, resident, asked the Board where was the funding to hire the professional coming from?

Bruce Morrow, resident and President of the KCC, stated that he appreciated the comments made regarding the expertise provided by Ciara Wood, Jack Griffith, and himself, but felt that a professional was needed to get information from the community. He then questioned the “\$120,000” park deficit figure. General Manager

# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

Harman responded that the total park expense was approximately \$120,000 and that the shortfall was more like \$40,000 to \$45,000.

Ciara Wood, resident, indicated that she wanted the Board to take a stand against hiring a professional and recommended the Board form a new form of the Park Advisory Committee to look at the Park Master Plan.

Catherine DeNergaard, resident, stated she appreciated the volunteer spirit in Kensington and suggested that the Board consider hiring a real estate professional to advise on the best way to utilize the unused building.

Nicki Kaiser, resident, requested clarification, asking if Director Kosel attended any of the Park Building Committee meetings? Director Kosel responded that she did not.

Ms. Kaiser then stated that she felt board members should make the commitment to attend meetings they are appointed to, suggested that the Outlook be used to survey the community on the best use of the park and its buildings, and stated that some communities have parks that do not make money, stating that they are viewed as a community asset.

Gloria Morrison, resident, stated that it was a big mistake to combine Old Park and New Park revenues, and that she believed that 6% of the property tax had always been dedicated to park maintenance.

Jack Griffith, resident, stated that Lisa Coronna attended all the Park Building Committee meetings and has the experience and expertise to be on the committee.

Kim Zvik, resident, stated that the Board should consider having the UC Berkeley Landscape Department do the consulting for free or under a possible grant.

## BOARD COMMENTS

Director Kosel then asked what is the cash flow for the park?

Director McLaughlin stated that she felt that Ciara Wood made a case for not hiring a professional, but stated Jack Griffith did participate in the original committee and could be considered an expert. She then suggested the Board could find an expert from the community.

Director Stein then offered to present the following motions:

**MOTION #1: The Board agrees to create a general building plan for the park. Second by McLaughlin. Motion passes 4 to 0.**

**AYES: Toombs, Kosel, McLaughlin, Stein      NOES: 0      ABSENT: Wright**

**MOTION #2: Starting with the October Board meeting, the Board directs the General Manager to prepare an official park budget each month with the Board packet. Second by McLaughlin. Motion passes 4 to 0.**

**AYES: Toombs, Kosel, McLaughlin, Stein      NOES: 0      ABSENT: Wright**

**KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS**

**MOTION #3: Recommends the Board hire a professional to do a needs assessment portion of the three buildings. Second by Toombs.**

Director Kosel stated it seems that they are trying to hear all different levels and that Vida Dorroh asked about whether they were looking at two or three buildings.

Vice-President Stein stated that Building E is furthest along as far as condition of buildings go and that the committee needs to look at all three buildings.

President Toombs closed Board comments and asked for a vote.

**Motion passes 3 to 1.**

**AYES: Toombs, McLaughlin, Stein                      NOES: Kosel                      ABSENT: Wright**

**MOTION #4: That the Board re-establishes an ad-hoc committee to find a professional to define and conduct the park buildings needs assessment under the direction of the park committee and to recommend to the Board hiring said professional. Second by Kosel. Motion passes 4 to 0.**

**AYES: Toombs, Kosel, McLaughlin, Stein                      NOES: 0                      ABSENT: Wright**

Names of possible participants were put forth, including Bruce Morrow, Andrew Mixer, Ciara Woods, and Jack Griffith, all of whom have agreed to serve. Suggested additional names include Andrew Reed, Lisa Caronna (former manager with Berkeley Parks and Rec), each of whom need to be asked. Nicki Kaiser has also agreed to serve as a backup in case one of these folks is unable or unwilling to serve. Director Stein will chair this committee, with Board President Toombs riding in second position to assure continuity of Board presence after the Fall elections.

**OLD BUSINESS #2 - General Manager Greg Harman will present to the Board an update to the Kensington Park Restroom, discuss bid documents and drawings, and request that the Board approve moving forward with the bidding process.**

General Manager / Chief of Police Gregory Harman gave a summary and time line to the Board for the park restroom project along with a discussion of the current state of the bid documents.

**BOARD COMMENT**

Vice-President Stein stated that he would like to see an executive summary as part of the bid documents.

Director Kosel indicated that she would like to have the documents completed as soon as possible and that she too wanted to see an executive summary on the project.

**PUBLIC COMMENTS**



# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

Jack Griffith, resident and Park Restroom Committee meeting, stated that the bid documents were missing the specifications and that information appears on the separate drawings document. Jack also advised that he and Andrew Mixer wish to meet with District counsel to finalize the time line and the actual scope of work and make adjustments to the construction schedule to avoid any excavation or soils work during the projected rainy season. General Manager Greg Harman stated that there is one copy of the separate park restroom specifications document for review at this meeting due to the cost of reproducing the document.

Paul Dorroh, resident, asked if the executive summary document would say anything different from what was discussed tonight?

Nicki Kaiser, resident, stated that she attended the El Cerrito Candidates Forum recently and was surprised that there was no discussion with neighbors of the restroom project regarding the project.

## **BOARD COMMENT**

Director McLaughlin indicated that the bidding document was not a contract.

President Toombs stated that he wanted to see the bidding document 100% completed before going any further with the project.

Jack Griffith, resident and Park Restroom Committee member, stated the committee would make any corrections or additions to the bidding document on yellow paper so that the Board could consider the changes without having to reproduce the document again.

**MOTION: Made by President Toombs that the General Manager and committee members finalize the bidding document and bring the changes back to the Board along with an Executive Summary and attorney comments to include attorney sign off by the next board meeting. Second by Kosel. Motion passes 4 to 0.**

**AYES: Toombs, Kosel, McLaughlin, Stein**

**NOES: 0**

**ABSENT: Wright**

Break for 10 minutes.

**OLD BUSINESS #3 - General Manager and Chief of Police Employment Agreement- Extension Contract, to be presented to, accepted, and signed by General Manger/ Chief of Police Greg Harman.**

President Toombs presents the agreed upon contract to the Board.

## **BOARD COMMENT**

Director Kosel expresses her concerns regarding the combined General Manager/ Chief of Police position due to conflicts of interest, suggests the new board should decide this issue, and makes employee performance related comments. President Toombs advises Director Kosel that performance related comments are totally

**KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS**

inappropriate in open session. Director Kosel advised President Toombs that her attorney who specializes in municipal government scripted her comments and that they are not at all inappropriate.

**MOTION: Made by Director McLaughlin to approve the contract to General Manager/ Chief of Police Greg Harman as proposed. Second by Stein. Motion passes 3 to 1.**

**AYES: Toombs, McLaughlin, Stein      NOES: Kosel      ABSENT: Wright**

**NEW BUSINESS #1 - General Manager Greg Harman will present to the Board for possible approval the proposed Kensington Police Protection & Community Services District Resolution 2010-11, approving the proposed Supplemental Law Enforcement Services Funds (COPS) for Fiscal Year 2010/2011.**

General Manager/ Chief of Police Greg Harman presented Resolution 2010-11 with appropriate background discussion.

**BOARD COMMENTS**

President Toombs requested the Resolution be corrected to indicate \$100,000 of COPS funding to be expensed and not \$116,965 as it appears.

**PUBLIC COMMENTS- None**

**MOTION: Made by Director Kosel to move to approve Resolution 2010-11. Second by Stein. Passes 4 to 0.**

**AYES: Toombs, McLaughlin, Stein, Kosel      NOES:      ABSENT: Wright**

**NEW BUSINESS #2 - General Manager Greg Harman will present to the Board for possible approval the proposed Kensington Police Protection & Community Services District Resolution 2010-12, approving a project operating agreement with the East Bay Regional Communications System Authority (EBRCSA) and authoring the execution and implementation of same.**

General Manager/ Chief of Police Greg Harman presented Resolution 2010-12 with appropriate background discussion.

**PUBLIC COMMENTS**

Public comments on the Resolution made by Linda Lipscomb, Paul Dorroh, Tony Lloyd, and Nicki Kaiser.

**MOTION: Made by Director Kosel to move to approve Resolution 2010-12 and have the District participate in the bonding/financing of the project. Second by Stein. Passes 4 to 0.**

**AYES: Toombs, Kosel, McLaughlin, Stein      NOES: 0      ABSENT: Wright**

**KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS**

**MOTION: The Board moves to adjourn the meeting at 10:00 pm.**

**AYES: Toombs, Kosel, McLaughlin, Stein**

**NOES: 0**

**ABSENT: Wright**

**KPPCSD**  
**Unaudited Profit & Loss Budget Performance**  
 September 2010

	Sep 10	Jul - Sep 10	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>400 · Police Activities Revenue</b>				
401 · Levy Tax	0.00	1,182,699.11	1,234,000.00	1,234,000.00
402 · Special Tax-Police	0.00	0.00		680,130.00
404 · Measure G Supplemental Tax Rev	0.00	0.00		405,720.00
410 · Police Fees/Service Charges	0.00	170.00	499.97	2,000.00
415 · Grants-Police	0.00	13,974.46		
416 · Interest-Police	0.00	0.00		6,000.00
418 · Misc Police Income	0.00	2,423.80	3,000.00	12,000.00
<b>Total 400 · Police Activities Revenue</b>	<b>0.00</b>	<b>1,199,267.37</b>	<b>1,237,499.97</b>	<b>2,339,850.00</b>
<b>420 · Park/Rec Activities Revenue</b>				
424 · Special Tax-L&L	0.00	0.00		30,000.00
426 · Park Donations	0.00	0.00	125.01	500.00
427 · Community Center Revenue	0.00	1,196.00	4,999.97	20,000.00
428 · Building E Revenue	0.00	6,000.00		
435 · Grants-Park/Rec	0.00	0.00	25,500.00	102,000.00
436 · Interest-Park/Rec	0.00	0.00		300.00
438 · Misc Park/Rec Rev	0.00	180.00	250.03	1,000.00
<b>Total 420 · Park/Rec Activities Revenue</b>	<b>0.00</b>	<b>7,376.00</b>	<b>30,875.01</b>	<b>153,800.00</b>
<b>440 · District Activities Revenue</b>				
448 · Franchise Fees	0.00	0.00		21,000.00
456 · Interest-District	0.00	0.00		800.00
<b>Total 440 · District Activities Revenue</b>	<b>0.00</b>	<b>0.00</b>		<b>21,800.00</b>
<b>Total Income</b>	<b>0.00</b>	<b>1,206,643.37</b>	<b>1,268,374.98</b>	<b>2,515,450.00</b>
<b>Expense</b>				
<b>500 · Police Sal &amp; Ben</b>				
502 · Salary - Officers	76,035.78	227,089.70	226,744.50	906,978.00
504 · Compensated Absences	0.00	0.00	0.00	10,000.00
506 · Overtime	554.31	3,087.16	9,999.99	40,000.00
508 · Salary - Non-Sworn	0.00	2,555.75	12,999.99	52,000.00
516 · Uniform Allowance	666.60	1,999.80	2,000.01	8,000.00
518 · Safety Equipment	0.00	0.00	624.99	2,500.00
521-A · Medical/Vision/Dental-Active	2,821.77	50,570.55	98,033.25	392,133.00
521-R · Medical/Vision/Dental-Retired	19,510.74	261,873.54	0.00	0.00
522 · Insurance - Police	857.31	1,071.33	3,050.01	12,200.00
523 · Social Security/Medicare	1,034.16	3,088.94	3,686.49	14,746.00

**KPPCSD**  
**Unaudited Profit & Loss Budget Performance**  
 September 2010

	Sep 10	Jul - Sep 10	YTD Budget	Annual Budget
524 · Social Security - District	149.41	538.88	806.01	3,224.00
527 · PERS - District Portion	21,418.41	63,971.07	64,048.50	256,194.00
528 · PERS - Officers Portion	6,903.20	20,618.02	20,586.99	82,348.00
530 · Workers Comp	10,775.00	10,775.00	11,670.50	46,682.00
<b>Total 500 · Police Sal &amp; Ben</b>	<b>140,726.69</b>	<b>647,239.74</b>	<b>454,251.23</b>	<b>1,827,005.00</b>
<b>550 · Other Police Expenses</b>				
552 · Expendable Police Supplies	0.00	181.93	500.01	2,000.00
553 · Range/Ammunition Supplies	178.34	1,600.48	999.99	4,000.00
560 · Crossing Guard	695.24	695.24	2,406.51	9,626.00
562 · Vehicle Operation	2,514.46	9,958.15	9,375.00	37,500.00
564 · Communications (RPD)	0.00	19,763.56	34,160.01	136,640.00
566 · Radio Maintenance	0.00	0.00	1,100.01	4,400.00
568 · Prisoner/Case Exp./Booking	292.50	1,290.73	1,250.01	5,000.00
570 · Training	539.00	2,001.85	3,000.00	12,000.00
572 · Recruiting	1,150.00	2,700.00	1,912.50	7,650.00
574 · Reserve Officers	76.00	76.00	2,000.01	8,000.00
576 · Misc. Meals & Travel	0.00	950.00	825.00	3,300.00
580 · Utilities - Police	812.38	2,327.13	1,999.97	8,000.00
581 · Bldg Repairs/Maint.	0.00	0.00	250.03	1,000.00
582 · Expendable Office Supplies	267.09	641.73	1,500.00	6,000.00
588 · Telephone(+Rich. Line)	1,096.04	2,581.66	2,761.97	11,048.00
590 · Housekeeping	206.98	986.92	1,249.97	5,000.00
592 · Publications	0.00	0.00	750.00	3,000.00
594 · Community Policing	68.53	1,116.53	1,250.01	5,000.00
596 · WEST-NET/CAL I.D.	0.00	12,656.00	12,472.00	12,472.00
598 · COPS Special Fund	2,447.77	6,174.01		
550 · Other Police Expenses - Other	782.90	782.90		
<b>Total 550 · Other Police Expenses</b>	<b>11,127.23</b>	<b>66,484.82</b>	<b>79,763.00</b>	<b>281,636.00</b>
<b>600 · Park/Rec Sal &amp; Ben</b>				
601 · Park & Rec Administrator	0.00	851.75	1,625.01	6,500.00
602 · Custodian	1,750.00	5,250.00	6,000.00	24,000.00
623 · Social Security/Medicare - Dist	0.00	65.17	124.26	497.00
<b>Total 600 · Park/Rec Sal &amp; Ben</b>	<b>1,750.00</b>	<b>6,166.92</b>	<b>7,749.27</b>	<b>30,997.00</b>
<b>635 · Park/Recreation Expenses</b>				
<b>640 · Community Center Expenses</b>				
642 · Utilities-Community Center	491.45	653.27	1,188.99	4,756.00
643 · Janitorial Supplies	0.00	0.00		1,500.00
646 · Community Center Repairs	124.19	124.19	249.99	1,000.00

**KPPCSD**  
**Unaudited Profit & Loss Budget Performance**  
 September 2010

	Sep 10	Jul - Sep 10	YTD Budget	Annual Budget
Total 640 · Community Center Expenses	615.64	777.46	1,438.98	7,256.00
660 · Annex Expenses				
662 · Utilities - Annex	26.18	76.46	124.97	500.00
668 · Misc Annex Expenses	0.00	0.00	125.01	500.00
Total 660 · Annex Expenses	26.18	76.46	249.98	1,000.00
670 · Gardening Supplies	0.00	0.00	499.97	2,000.00
672 · Kensington Park O&M	7,948.87	23,296.68	15,400.03	61,600.00
678 · Misc Park/Rec Expense	63.82	63.82	499.97	2,000.00
Total 635 · Park/Recreation Expenses	8,654.51	24,214.42	18,088.93	73,856.00
800 · District Expenses				
810 · Computer Maintenance	4,032.00	19,916.00	7,508.53	30,034.00
820 · Cannon Copier Contract	516.83	1,297.64	1,290.00	5,160.00
830 · Legal (District/Personnel)	10,897.50	21,789.04	12,499.97	50,000.00
835 · Consulting	570.00	570.00	600.00	4,000.00
840 · Accounting	5,885.00	14,435.00	6,450.00	25,800.00
850 · Insurance	0.00	0.00	30,000.00	30,000.00
860 · Election	0.00	0.00	3,000.00	12,000.00
865 · Police Bldg. Lease	0.00	0.00		28,840.00
870 · County Expenditures	688.80	1,440.30	4,975.03	19,900.00
890 · Waste/Recycle	1,242.00	1,242.00	625.03	2,500.00
898 · Misc. Expenses/Lobbyist	200.73	210.73	2,362.50	9,450.00
Total 800 · District Expenses	24,032.86	60,900.71	69,311.06	217,684.00
950 · Capital Outlay				
962 · Patrol Cars	0.00	0.00		30,000.00
972 · Park Buildings Improvement	44.83	336.35		150,000.00
Total 950 · Capital Outlay	44.83	336.35		180,000.00
<b>Total Expense</b>	<b>186,336.12</b>	<b>805,342.96</b>	<b>629,163.49</b>	<b>2,611,178.00</b>
<b>Net Ordinary Income</b>	<b>-186,336.12</b>	<b>401,300.41</b>	<b>639,211.49</b>	<b>-95,728.00</b>

# Memorandum

Kensington Police Department



**To:** KPPCSD Board of Directors

APPROVED YES NO

**From:** Gregory E. Harman, General Manager/Chief of Police

FORWARDED TO:

**Date:** Friday, October 08, 2010

**Subject:** September 2010 Unaudited Profit & Loss Variance Report

- 
- |                       |  |
|-----------------------|--|
| 521A Medical Active   | The \$2,821.77 expensed for September is incorrect and should be \$11,230.20. The year to date expense of \$50,570.55 is incorrect and should be \$46,297.98.                  |
| 512R Medical Retiree  | The 19,510.74 is incorrect and should be \$11,060.35. The year to date expense of \$261,873.54 is incorrect and should be \$277,217.17.  |
| 598 COPS Special Fund | The \$2,821.77 expensed was for Andrea DiNapoli's salary this month and should not be expensed here. We will need to correct and charge this amount to 508 Salaries Non-Sworn. |

The chart of accounts will be corrected by the accountant by the October report.

- |                |  |
|----------------|--|
| 840 Accounting | The year to date total of \$14,435 is higher than projected due to the accountant taking over payroll duties and the cost of an additional internal audit. |
|----------------|--|

Overall, expenses to date have been relatively close to budgeted projections at the end of the first quarter of this fiscal year.

Greg Harman  
General Manager

# September 2010 Police Department Report

October 5, 2010

- Department Personnel

Sergeant Khan is currently on Workman's Comp medical leave.

Reserve Officer Paul Borgfeldt resigned his position after serving the community for 11 years. Paul was commuting in from Lincoln and felt it was time to "hang it up". We will be setting up a thank you dinner to wish him the best in his "retirement".

We are in the background process with four new reserve officer candidates. If all pass their backgrounds, we will have a total of eight reserve officers in the department.

- Commendations and Correspondence- None to report this month

- Investigation of Alleged Misconduct

- Department Investigation #09-06 was initiated on December 24th on an allegation that an officer was rude during a disturbance call for service. The investigation was being conducted by Sergeant Khan but has now been reassigned to Sergeant Hull. The subject officer's interview is pending.

- Department Investigation #10-001 was initiated on September 20<sup>th</sup> on an allegation that an officer posted an inappropriate screen saver on a District computer. The investigation is being conducted by Sergeant Hull.

- 9-1-1 / Richmond Communication Center Information.

- The Ring Time Report for August identified 5 of the 74 911 calls received with a ring time of over 20 seconds.

The first one occurred on 08-06-10, at 9:56 AM with a ring time of 55 seconds. The call was for a suspicious noise heard in the carport area. Later at 3:56 PM, with a ring time of 1:21 minutes. The call was for a male shooting a pellet gun at passing cars near the reservoir.

The other three calls all had ring times under 31 seconds, two of which



were fire calls, but all were no merit to the call.

- Communication Center Service Complaints

- No complaints received this month however, ***this is a good time to remind everyone that for police non-emergencies, you need to contact the dispatch center at "236-0474" and not the KPPCSD business line of 526-4141.*** The KPPCSD business line is only monitored 6 hours a day during the week and should not be used to report police matters. Doing so, only delays the police response time, so please dial Dispatch direct.

- Community Networking

- On 09-01-10, Chief Harman attended the West County Chiefs of Police Meeting in Hercules.

Later that evening, Chief Harman attended a neighborhood meeting concerning traffic safety issues in the area of Norwood and Arlington Court.

- On 09-07-10, Chief Harman held a meeting with neighbors on Kenilworth to discuss traffic and parking issues in the area.

- On 09-13-10, Chief Harman and Officer Wilson attended the Kensington Public Safety Council Meeting.

Following the meeting, Chief Harman attended the KCC meeting.

- On 09-18-10, Officer Ramos participated in the Tri City Day held at El Cerrito Plaza.

- Between 09-20-10 and 09-23-10, Chief Harman attended the annual CSDA Conference in Newport Beach.

- On 09-25-10, Detective Barrow monitored the DEA National Drug Take Back Day in which 56 pounds of prescription medication was dropped off for destruction.

- On 09-27-10, Chief Harman attended the KIC meeting.

- On 09-28-10, Chief Harman attended the KMAC meeting.

- Community Criminal Activity
  - This section of the report has been prepared by the Watch Commanders reporting on their areas of responsibility.
- Watch Commander Reports
  - **Officer Stegman Team 1**

### **Significant Cases and Events**

10-4440- On 9/6/10 at 1641 hours, on the 200 block of Lake Dr., Officer Hui took a report of a vandalism of a tree.

10-4424- On 9/7/10 at 2037 hours, on the 00 block of Windsor Ave., Officer Wilson took a report regarding theft of a political sign.

10-4646- On 9/14/10 at 1907 hours, on the 00 block of Windsor Ave., Officer Hui took a report of annoying phone calls. It turned the unknown caller was a friend playing a joke on another friend.

10-4740- On 9/19/10 at 0153 hours, at the intersection of Coventry Rd and Oakview Ave., Officer Hui responded to a solo vehicle accident where a vehicle failed to negotiate a turn safely.

10-4780- On 9/21/10 at 1122 hours, on the 200 block of Cambridge Ave, Officers Tyler and Stegman took a Coroners case. There were no suspicious circumstances surrounding the death.

10-4800- On 9/21/10 at 1746 hours, on the 300 block of Berkeley Park Blvd, a resident spotted a mountain lion or similar animal, walking out of the East Bay MUD property. Officers Barrow, Hui, and Ramos responded and conducted an extensive search of the area. They were unable to locate the animal.

10-4920- On 9/27/10 at 1544 hours, on the 00 block of Anson Way, Officer Hui took a theft report.

### **Collateral duties**

On 9/2/10 Officer Hui attended an ARIES meeting in Martinez.

On 9/15/10 Officer Stegman assisted at the Contra Costa Sheriff's Academy during their scenario testing.

On 9/5/10 Officer Hui attended NWS meeting in Richmond.

On 9/24/10 Officers Stegman and Hui conducted firearms training and qualifications.

On 9/29/10 Officer Hui attended Bay RICS meeting in Dublin.

**Summary**

Residential and vehicle burglaries seemed to subside this month. However this does not mean it is time to simply let our guard down and be complacent. Burglaries are opportunistic crimes and the more difficult it is to take your property, the more likely the suspect will pick a softer target. Developing good habits of locking doors, closing windows, and not leaving valuable items in plain sight, are all good practices which are little or no cost, and are easy to do.

**Team Statistics**

<b>Officer:</b>	<b>Stegman K32 (0600- 1600)</b>	<b>Wilson K38 (2000-0600)</b>	<b>Hui K42 (1100-2100)</b>
<b>Days Worked</b>	14	16	17
<b>Traffic Stops</b>	27	7	13
<b>Moving Citations</b>	12	1	19
<b>Parking Citations</b>	2	3	4
<b>Vacation/Security Chks</b>	30	59	110
<b>Field Interviews</b>	0	0	1
<b>Cases</b>	1	2	5
<b>Self Initiated Cases</b>	0	0	0
<b>Arrests</b>	0	0	0
<b>Calls for Service</b>	24	14	39

**.. Sergeant Hull Team 2**

**Team Statistics**

<b>Officer:</b>	<b>Martinez (K31) (0600-1800)</b>	<b>Medina (K35) (1800-0600)</b>	<b>Ramos (K41) (0730-1730)</b>
<b>Days Worked</b>	16	15	16
<b>Traffic Stops</b>	50	6	72
<b>Moving Citations</b>	11	0	3
<b>Parking Citations</b>	0	0	1
<b>Vacation/Security Chks</b>	43	45	13
<b>FI-Field Interview</b>	0	0	0
<b>Cases</b>	1	1	1
<b>Self Initiated Cases</b>	0	1	0
<b>Arrests</b>	0	1	0
<b>Calls for Service</b>	91	25	23

#### SIGNIFICANT EVENTS:

- 2010-4396 – On 9-4-2010, Officer Martinez responded to the 200 block of Arlington Ave to a civil dispute between neighbors.
- 2010-4408 – On 9-4-2010, FTO Medina and Reserve Trainee Lafitte arrested a Kensington resident who had a \$65,000 warrant for Health and Safety Code violations out of San Francisco.
- 2010-4528 – On 9-11-2010, Officer Martinez took a report of a vehicle collision at KPD. The collision occurred in the 100 block of Colusa Avenue.
- 2010-4838 – On 9-23-2010, Officer Martinez took a report of a missing person from the unit block of Kensington Road.

#### BRIEFING/TRAINING:

- Reviewed KPD Policy 1026 – Peace Officer Personnel Files
- Reviewed Marty Meyer Client Alert Millender V. County of LA "Overbroad" Search Warrant results in loss of qualified immunity.
- Reviewed KPD Policy 1028 – Request for Change of Assignment
- Reviewed KPD Policy 1030 – Employee Commendations
- Reviewed KPD Policy 1032 – Fitness for Duty
- Reviewed KPD Policy 1034 – Meal Periods and Breaks
- Reviewed KPD Policy 1035 – Lactation Break Policy
- Reviewed KPD Policy 1036 – Time Card Procedure
- Reviewed KPD Policy 1038 – Overtime Payment Requests
- Officer Ramos attended Visa/Immigration Training

#### SERGEANT'S SUMMARY:

I would like to recognize the good work, which has resulted in a decrease in criminal activity, of the community and the police department. While cities contiguous to the District of Kensington continue to experience property crimes and crimes against persons our reported criminal activity decreased.

I would like to urge the community to continue to phone for police assistance if you suspect criminal or unusual activity. As reported in earlier Sergeant's Summaries, the locating and arresting of subjects involved in criminal activity also helps to reduce the occurrence of crime in the District.

Noting the lack of criminal activity points to the relationship that has been fostered between the Kensington Police Department and residents is working to maintain a quality of life and standard of living to be envied by other cities.

I want to remind everyone when you want police assistance please call the dispatch center at **236-0474**.

•• **Detective Keith Barrow**

SIGNIFICANT EVENTS:

2010-4878 Fraud.

On 09-25-10, a resident reported they had received a telephone call from Jamaica telling them they had won money from a sweepstakes and only needed to pay the tax on their winnings. The resident paid the money after receiving fraudulent checks in the mail. The officer that took the report is still investigating.

2010-4231 Residential Burglary.

On 09-01-10, a resident reported they had been the victim of a residential burglary. Officers found no sign of forced entry as the residence was unlocked. A checkbook was the only thing taken.

KPD INVESTIGATIONS INFORMATION:

2010-3491 Identity Theft.

Officer Martinez took a report of an identity theft and was able to identify a person of interest that lives in North Richmond. We conducted a search for the individual and were unable to make contact. I will be conducting a follow up investigation in this case.

2010-2872 Residential Burglary.

Items taken from an unlocked downstairs room with a door leading to the rear yard. This case will be investigated.

2010-2712 Residential Burglary.

This case is under investigation.

2010-2701 Arrest of forgery suspect.

**This case will be filed with the Alameda District Attorneys Office.**

2010-2695 Residential Burglary.

This case is under investigation.

2010-2199 Arrest of forgery suspect.

**The suspect in this case has also just been charged for similar crimes in Oakland and the US Postal Service. This case will be filed with the Alameda District Attorneys Office.**

## KPD INVESTIGATIONS

- Made several court runs for filling cases, and citation drop off's.
- Updated the KPD residential burglary log.
- Updated the KPD stolen vehicle log.
- On 09-23-10, I attended the West County Investigators Supervisor / Manager's Meeting hosted by El Cerrito Police Department.
- On 09-25-10 during the hours of 10:00am to 2:00pm, Kensington Police Department located at 217 Arlington Avenue, participated in the first Drug Enforcement Administration's (DEA) National Take Back Initiative. The DEA coordinated state and local law enforcement agencies on removing potentially dangerous controlled substances from our nation's medicine cabinets. The National Take Back Day provided a unified opportunity for the public to surrender expired, unwanted, or unused pharmaceutical controlled substances and other medications to law enforcement officers for destruction. The one day event brought national focus to the issue of pharmaceutical controlled substance abuse. The program established a safe collection site for the environment and all Americans. During the four hour event Kensington Police Department received 56 pounds of pharmaceutical controlled substances and other medications. We were only allowed to take custody of pills, capsules and powders. No packaging or liquids were taken. The total NTBI collection weight for the DEA San Francisco Field Division based out of Oakland was 11,648.25 lbs. The DEA is discussing whether this program should continue as an annual or semi annual program and when the decision is made I will inform everyone. Thank you all for your participation.

## WEST-NET ASSIGNMENT:

I am currently assigned to the West Contra Costa County Narcotic Enforcement Team (West-NET) one day per week.

While on this assignment I work with other West Contra Costa County law enforcement officers and agencies. I participate and aid in the service of search warrants, surveillance, and on going narcotics investigations.

I have been assigned the task of locating fugitives or wanted persons in connection with West-NET cases. To date I have been able to locate several

individuals out of state and I will be consulting with the Contra Costa DA. for further action.

On 09-17-10, I received information concerning a wanted person with a \$20,000.00 West-NET/San Pablo PD. warrant. The information directed me to an apartment in Richmond. I contacted West-NET Agents and Richmond Police Officers in an attempt to apprehend the wanted person. The subject had left the location minutes prior to our arrival but we did apprehend the subject later that day.

#### INVESTIGATORS SUMMARY:

In the month of September the District of Kensington sustained 0 identity theft, 3 non-injury vehicle accidents and 1 Hit and Run Vehicle Accidents, 0 Injury Hit and Run Accidents, 0 Injury Accidents, 2 Residential Burglaries, 0 Attempted Residential Burglaries, 0 Commercial Burglary, 0 Auto Burglaries, 1 Theft from an unlocked vehicle, 0 Stolen Vehicles, 2 Petty Thefts, 1 Vandalism, 0 Embezzlement, 1 Fraud, 0 Forgery, 0 Attempted Grand Thefts and 0 Grand Thefts.

#### •• Chief Harman

On Saturday, September 18<sup>th</sup>, Officer Ramos participated in Tri-City Day at the El Cerrito Plaza.

As reported by Detective Barrow, on Saturday, September 25<sup>th</sup>, between the hours of 10:00 AM and 2:00 PM, we participated in the first "National Drug Take Back Event" sponsored by the U.S. Department of Justice Drug Enforcement Administration. 56 pounds of prescription drugs were disposed of.

Officer Wilson continues to work at identifying Neighborhood Watch groups and is one of the main facilitators in the Kensington Public Safety Council. He also is producing a Neighborhood Watch bulletin that he distributes via e-mail to over 300 residents in the community. He is currently working with Officer Martinez to set up a "Senior Watch" program in Kensington.

Officer Hui has taken over the District's web site and is in the process of updating the information available.

Our Key Program and Vacation Watch Program, unique in law enforcement, continue to be very popular programs in the community.

I attend the meetings of the KCC, KIC, KMAC, KPSC, and Dad's Club when there is not a conflict.

Does the Kensington Police Department do community outreach? I think we do.

# October 2010

October 2010

November 2010

S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

S	M	T	W	T	F	S
1	2	3	4	5	6	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Sep 26	27	28	29	30	Oct 1	2
3	4 7:00pm KCC; CCM	5	6	7 7:30pm EBC; CC3	8	9 9:00am KPOA; CCM
10	11 7:30pm KARO; CC3	12	13 7:00pm KFD Mtg; CC	14 6:00pm KPPCSD, CC3 7:00pm GPFF; CCM	15	16 9:30am KIC; Town Hall 2:30pm CC RENTAL
17 KCC PIGNIC & PARADE	18	19	20	21 7:30pm EBC; CC3	22	23
24	25 7:30pm KIC; CC3	26 7:30pm KMAC, CC3	27	28	29	30 10:00am CC RENTAL; CC
31	Nov 1	2	3	4	5	6



# November 2010

November 2010							December 2010						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7	8	9	10	11	12	13	14
14	15	16	17	18	19	20	21	22	23	24	25	26	27
28	29	30											

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<b>Oct 31</b>	<b>Nov 1</b> 7:00pm KCC; CCM	<b>2</b> 6:00am Elections; R	<b>3</b>	<b>4</b> 7:50pm Emergency P 7:30pm EBC; CC3	<b>5</b>	<b>6</b>
<b>7</b>	<b>8</b> 7:30pm KARO; CC3	<b>9</b>	<b>10</b> 7:00pm KFD Mtg; CC	<b>11</b> 7:00pm GPFF; CCM 7:00pm KPPCSD, CC3	<b>12</b>	<b>13</b> 8:00am Gift Program
<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b> 7:30pm EBC; CC3	<b>19</b> 6:00pm CC Rental; C	<b>20</b>
<b>21</b> 8:00am CC Rental; C	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>
<b>28</b>	<b>29</b> 7:30pm KIC; CC3	<b>30</b> 7:30pm KMAC, CC3	<b>Dec 1</b>	<b>2</b>	<b>3</b>	<b>4</b>

Oct 31 - Nov 6

Nov 7 - 13

Nov 14 - 20

Nov 21 - 27

**KASEP:**

We're entering our third week of the fall session with 236 children enrolled in 55 KASEP and KCC classes. Approximately 42% of the students at Kensington Hilltop are taking classes with KCC. Parents donated \$305 to the scholarship fund at fall registration, and we've given 8 scholarships this session. Our KASEP teachers meet on Wednesday, October 6, and the oversight committee meets on Tuesday, October 12.

**KCC Classes and Events:**

Two new classes for adults will begin in October if the minimum number of students enroll. Claude Sprague is teaching a classical guitar class starting Thursday, October 21, and Kaye Anderson is teaching "Hoop Power," a weekly hoop dance class, starting Monday, October 25. Catherine Johnson and Ernie Adams continue their respective yoga and Pilates classes through October. I plan on bringing a flyer listing all adult recreational classes to the KIC town hall meeting on Saturday, October 16.

**KCC Administrative:**

Ned Waring, Kensington resident and tennis player, submitted a request to KCC to repair the wind screen on the south side of the courts and to patch the backboard. He also asks for a sign that says the courts are to be used for tennis exclusively and that athletic shoes are strongly recommended. I've attached Ned's letter. These repairs would help community tennis players, as well as the KASEP tennis classes.

Kim Johnson, a parent who volunteers with our KASEP oversight committee, has requested repair of the rolling storage rack for chairs in the community center. The wheels seem to be broken.

We have a new cleaner, Carolina Melgoza, starting with KCC in November. She is one of the custodians at Kensington Elementary School and comes highly recommended from staff. Carolina is taking the job at the same rate as All-Ways Service Providers, who cleaned the Recreation Building for the past year.

# KASEP FALL 2010 SCHEDULE

Monday, September 20 ñ Friday, December 17, 2010

KASEP HOLIDAYS: Friday, October 15; Thursday-Friday, November 11-12; Thursday-Friday, November 25-26

Final Schedule of Fall Classes will be posted on [www.aboutkensington.com](http://www.aboutkensington.com)

TIME	MONDAY 13 Weeks	TUESDAY 13 Weeks	WEDNESDAY 13 Weeks	THURSDAY 11 Weeks	FRIDAY 10 Weeks
11:35 - 1:05 Kindergarten	Tennis K\TC (*CCM) Cooking with Taste K \CCK	Carpentry K \RBB Art&Bookmaking K\RBC  <i>Gymnastics K(KCC class)</i>	Carpentry K \RBB Mandarin K\RBA	Critter Adv K\RBB Yoga K\CCM Imaginative Drama and Play K\RBA	Games&Sports K \CCG(*CCM) Singing Together K\CC Flower Power K\RBC
2:25 ñ 3:45 Grades 1 ñ 3	Photography\CC2\4-6 Everyday Art\RBB\2-6	Carpentry A\RBB\1-3 Sports A\	Carpentry A\RBB\1-3 Serendipity for Girls \CC\5-6	Fun with Drama A \RBA\1-3	Chorus A \CCM(*CC2)\1-3
2:45 ñ 3:45 Grades 4 ñ 6	Keyboard A\RBC\1-3 Beginning & Intermediate Tennis	RBF (*CC1)\1-3 Art & Bookmaking \RBC\2-3	Beg. Mandarin \RBA\1-3 Recorder \CC2\2-6	Sports C \RBF (*CC1)\3-6	Beginning Tennis \TC (*CCM) \1-4
Wednesday 1:50 ñ 3:15 Grades 1 ñ 3	\TC (*CC1)\1-4 Beg. Mandarin A	Cooking from Garden A \CCK\1-3	Sewing A \RBC\1-3	Pottery A \RBB\1-4 Crafts\RBC\1-6	Science You Can See A \CC\1-3
2:10 ñ 3:15 Grades 4 ñ 6	\RBA\1-3 Cooking with Taste A \CCK\1-3	Hip Hop \RBA\3-6	Sports B\RBF (*CCM)\2-5 Cooking A\CCK\1-3	Yoga A\CCM\1-3	Advanced Drama Performance Class \RBA\4-6
3:50 ñ 4:40 (unless noted)	<i>Karate (KCC class)</i> Advanced Tennis \TC (*CCM)\4-6	<i>Gymnastics (KCC class)</i> Carpentry Workshop \RBB\1-6 (3:50-5:05)	Carpentry Workshop \RBB\1-6	Pottery Workshop \RBB\1-6	Intermediate Tennis \TC (*CCM)\3-6
Wednesday 3:20 ñ 4:35 (unless noted)	Int./Adv. Mandarin \RBA\1-6	Int./Adv. Mandarin \RBA\1-6 Sewing B & Beyond \RBC\4-6 Beg. & Int. Tennis \TC (*CCM)\2-6 Cooking B\CCK\3-6	Carpentry Workshop Int./Adv. Mandarin \RBA\1-6 Sewing B & Beyond \RBC\4-6 Beg. & Int. Tennis \TC (*CCM)\2-6 Cooking B\CCK\3-6	Co-ed Basketball \BBC (*CC)\3-6	Dynamic Engineering \CC\3-6

Listings include: Course title\Location\Grade Levels

\*alternate room on rainy days

CCM	Community Center Main Room	RBA	Recreation Building Room A
CC1	Community Center Room 1	RBB	Recreation Building Room B
CC2	Community Center Room 2	RBC	Recreation Building Room C
CCK	Community Center Kitchen	RBF	Recreation Building Field
CCG	Community Center and grassy field	TC	Tennis Courts
		BBC	Basketball Court

Plus, 2 Drama  
workshops on Fridays

# General Manager

## September 2010 Report

### Budget

#### **SB 90**

While attending the CSDA Annual Conference in Newport Beach, I attended a workshop on Senate Bill 90, the public meeting cost recovery program. I learned that the District could apply for costs associated with holding public meetings for the past 5 years. I also spoke with a consultant whose firm processes these claims for public agencies. With the Board's approval October 14<sup>th</sup>, I will enter into an agreement with Local Government Consultants to submit a request to recover these costs under SB 90 for a possible recovery of up to \$35,000.

#### **DOJ COPS GRANT**

On September 30<sup>th</sup>, I received an e-mail from the Department of Justice informing me that, for the second year in a row, my request for DOJ COPS Grant funding had been denied. Had it been accepted, this federal grant would have paid for an additional officer for three years, with the provision that the District would pay the salary and benefits for the fourth year.

### Kensington Park

#### **Park Restroom**

The volunteer restroom group met with the District's legal counsel on September 29<sup>th</sup> and turned over all specifications for the project and bidding documents that need to be completed and approved before being submitted to the KPPCSD Board for final approval on November 11<sup>th</sup>.

#### **Community Center & Annex**

The second grouping of the Park Building Committee will hold their first meeting Wednesday, October 27<sup>th</sup> to begin the process of identifying a consultant for the KPPCSD Board to hire. This consultant will facilitate community input and make recommendations to the KPPCSD Board regarding the best use of the park buildings.

### Emergency Preparedness

We now have the agenda and the minutes of the Public Safety Council posted on the KPPCSD web page for review.

The next meeting of the Kensington Public Safety Council will take place Monday, October 11<sup>th</sup>, at 6:30 PM at the Community Center Room #3.

Officer Doug Wilson has made arrangements for Pam Grossman, a volunteer with

the Office of Emergency Services at the Berkeley Fire Department, to give her presentation on “**Disaster Preparedness**” to the Kensington community on **Thursday, November 4<sup>th</sup>, at 7:30 PM**, in the Community Center Main Room. Pam’s presentation to the Columbia Neighborhood Group was excellent and we are very fortunate that she has agreed to present to all of our neighborhood groups and individuals interested in disaster preparedness.

### **Other District Items of Interest**

#### **Solid Waste**

The Solid Waste Coordinating Committee held their meeting Tuesday, September 14<sup>th</sup>. The minutes of the meeting are attached to this report.

Bay View Refuse has made a request for a supplemental surcharge to cover “extraordinary” costs that occurred this year which they contend will reduce their profit margins below 12%. I have received Bay View’s financial reports and projections and will place an item on the October 14<sup>th</sup> KPPCSD Board agenda to request permission to hire a consultant to review Bay View documents and to set a Proposition 218 hearing for December 9<sup>th</sup> if necessary.

#### **Street Sweeping**

Street sweeping began in Kensington in January and will be provided at no cost to Kensington by the Contra Costa County Public Works Department. On the first Friday of every month, the County will sweep the streets of Arlington, Coventry, Ardmore, Edgemoor, Lenox, Kingston, Stratford, Beverly, Berkeley Park, Ocean View, Oak View, and Colusa.

Residents are being asked to help by moving their vehicles, garbage and recycling cans from the street, clearing large debris and obstructions from the gutters, trimming back vegetation along the curb and sidewalk, and not piling leaves or green waste in the roadway.

If we all do our part we can keep Kensington streets clean and help keep pollutants out of our waterways.

#### **District Secretary**

We have held several sets of interviews of candidates for the position of District Secretary and have not been able to successfully hire anyone at this time. Anyone interested in learning more about the position or would like to submit a resume, please contact me at [gharman@kensingtoncalifornia.org](mailto:gharman@kensingtoncalifornia.org).

#### **National Drug Take Back Event**

On Saturday, September 25<sup>th</sup>, between the hours of 10:00 AM and 2:00 PM, we participated in the first “National Drug Take Back Event” sponsored by the U.S. Department of Justice Drug Enforcement Administration. We collected 56 pounds of unused prescription medication (this amount does not include packaging) for

safe deposit.

**Website**

The Board packets, monthly reports, and minutes and recordings of the KPPCSD Board Meetings are available for review on our website at:

[www.kensingtoncalifornia.org](http://www.kensingtoncalifornia.org).

**KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT  
SOLID WASTE COORDINATING COMMITTEE**

**Meeting Minutes for 09/14/2010**

A Regular meeting of the Solid Waste Coordinating Committee was held Tuesday, September 14, 2010, at the Community Center, 59 Arlington Avenue, Kensington, California. The meeting was called to order at 1:15 PM.

<b>Committee Members</b>
Gregory Harman
Lorna Thomson
Kathy Stein
Absent-Greg Christie
Absent-Cathie Kosel
<b>Guests/Presenters</b>
Lynn Wolter
Joan Gallegos
Tony Lloyd
<b>Staff Members</b>

**ANNOUNCEMENTS:** None

**NO PUBLIC COMMENTS**

Approval of the Minutes of the February 16, 2010 meeting.

**MOTION:** Greg Harman moves to approve the minutes of the February 16, 2010 Solid Waste Coordinating Committee Meeting. Second by Kathy Stein.

**AYES:** Stein, Thomson, Harman

**NOES:** 0

**ABSENT:** Christie, Kosel

**NO OLD BUSINESS**

**NEW BUSINESS**

**NEW BUSINESS #1 - Household Hazardous Waste Report-** Greg Harman will provide the Committee with the two latest House Hazardous Waste Services and Costs Report for discussion. Lorna Thomson will update the Committee on the recent issue regarding HHW permits and the flyer that was sent out.

# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT

## SOLID WASTE COORDINATING COMMITTEE

**Action:** Greg Harman to check with Kim Christie for a copy of the HHW permit for the committee to review for clarity, hours of HHW facility operation, etc.

**NEW BUSINESS #2 - Bay View Recycling Report-** Greg Harman will provide the Committee with the May 2010 Bay View Recycling News for discussion.

**NEW BUSINESS #3 - Composting Workshop and Bin Info-** Lorna Thomson will lead the discussion on the Free Home Composting Workshop held in Kensington on May 15, 2010.

Lorna Thomson reported that over 30 people attended the Composting Workshop on May 15<sup>th</sup> and that the next workshop will be scheduled sometime next spring.

**NEW BUSINESS #4 - E- Waste Event-** Greg Harman will report on the E-Waste Event to be held Saturday, February 5, 2011.

**Action:** Greg Harman to check with Jan Rice at Universal Waste Management regarding the amount collected at the last event and what was the District's revenue and if we have received a check as a result of holding the event.

**NEW BUSINESS #5 – 2010 Refund Values-** Greg Harman will provide the Department of Conservation 2010 Refund Values for Recycling Material Adjusted Rates for 2010 and a Notice on Performing Individual Commingled Rate Survey for discussion.

**NEW BUSINESS #6 - Bay View Rate Increase-** Greg Harman will report on the recent Bay View request for a temporary rate increase.

**NEW BUSINESS #7 – Bay View/ KPPCSD Relationship-** Cathie Kosel will lead a discussion regarding, "Resolving the contentious attitude that KPPCSD has towards Bay View".

Cathie Kosel was absent from the meeting however, Greg Harman provided the committee his thoughts on her term, "contentious attitude" and his belief that this perception is not true.

Greg Harman ended the discussion reminding the committee that at this time, and until the KPPCSD Board directs otherwise, only the General Manager has the authority to enter into contract negotiations with Bay View Refuse. He reminded the committee that the committee's role per the Franchise Agreement is to "facilitate communications between the County, the District, and Bay View, and to assist in developing source reduction and recycling programs in a cost effective manner", (MOU between KPPCSD and the County of Contra Costa, Section 2.4, page 3.) Lorna Thomson added that the committee is also tasked with protecting the rate.

**The next meeting of the Solid Waste Committee is scheduled for Tuesday November 16, 2010 at 1 PM.**

The Committee moves to adjourn the meeting at 2:30 PM



**KENSINGTON POLICE PROTECTION  
AND COMMUNITY SERVICES DISTRICT**

Report to the Board of Directors  
Results of the Fiscal Year 2009 Audit

July 27, 2010

Board of Directors  
Kensington Police Protection and Community Services District  
Kensington, California

I have audited the financial statements of the Kensington Police Protection and Community (KPPCSD) for the year ended June 30, 2009, and have issued my report thereon. In planning and performing my audit, I considered KPPCSD's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the consolidated financial statements and not to provide assurance on internal control. This letter summarized comments under professional standards regarding my engagement and suggestions regarding opportunities for strengthening internal controls and operating efficiency. This letter does not affect my report on the financial statements.

**I. The Auditor's Responsibility for Detecting Fraud**

As stated in my engagement letter dated September 13, 2005, my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatements and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because I did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by me.

**II. Significant Accounting Policies**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Kensington Police Protection and Community are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the Fiscal Year. I noted no transactions entered into by KPPCSD during the year that were both significant and unusual, and of which, under professional standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

## **KENSINGTON POLICE PROTECTION AND COMMUNITY**

### **Report to the Board of Directors Results of the Fiscal Year 2009 Audit**

#### **III. Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Depreciation estimates for capital assets, including depreciation methods and useful lives assigned to depreciable property
- Accrual of compensated absences

During my audit, I evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

#### **IV. Audit Adjustments**

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in my judgment, may not have been detected except through my auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on KPPCSD's financial reporting process (that is, cause future financial statements to be materially misstated). The following audit adjustments, in my judgment, indicate matters that could have a significant effect on KPPCSD's financial reporting process.

- No audit adjustments for 2009.

#### **V. Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

## **KENSINGTON POLICE PROTECTION AND COMMUNITY**

### **Report to the Board of Directors Results of the Fiscal Year 2009 Audit**

#### **VI. Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants during FISCAL YEAR 2009.

#### **VII. Issues Discussed Prior to Retention of Independent Auditors**

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Kensington Police Protection and Community's auditors. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

#### **VIII. Difficulties Encountered in Performing the Audit**

I encountered some difficulties in getting schedules from the client in performing my audit. Therefore, the audit for 2009 was late.

**KENSINGTON POLICE PROTECTION AND COMMUNITY**

Report to the Board of Directors  
Results of the Fiscal Year 2009 Audit

**IX. CURRENT YEAR RECOMMENDATIONS**

- I recommend to institute more thorough review procedures for payroll processing.


**X. PRIOR YEAR RECOMMENDATIONS**

*None*

I will review the status of these comments during my next audit engagement. I have already discussed many of these comments and suggestions with various Kensington Police Protection and Community's personnel, and I will be pleased to discuss these comments in further detail.

This information is intended solely for the information and use of the Board of Directors, management, and governmental agencies as required, and should not be used by any other party for any purpose.

Very Truly Yours,



Steven Chang  
Lamorena & Chang

**KENSINGTON POLICE PROTECTION AND  
COMMUNITY SERVICES DISTRICT**

Basic Financial Statements and Independent Auditor's Report for the  
Year ended June 30, 2009

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
 Basic Financial Statements  
 and Required Supplementary Information  
 for the Fiscal Year Ended June 30, 2009

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*TABLE OF CONTENTS*

	<b>Page</b>
<b>Independent Auditor's Report</b> .....	1-2
<b>Management's Discussion and Analysis (Required Supplementary Information)</b> .....	3-6
<b>Basic Financial Statements</b>	
Statement of Net Assets and Governmental Funds Balance Sheet.....	7
Statement of Activities and Governmental Funds Statement of Revenues and Expenditures and Changes in Fund Balance .....	8-9
Statement of Fiduciary Net Assets.....	10
Statement of Changes in Net Assets—Fiduciary Funds .....	11
Statement of Revenue, Expenditure and Change in Fund Balances—Actual and Budget.....	12
Notes to the Basic Financial Statements.....	13-25
<b>Independent Auditor's Report on Internal Control Over          Financial Reporting and on Compliance and Other Matters Based on an          Audit of Financial Statements Performed in Accordance with          Government Auditing Standards</b> .....	26-27
<b>Status of Prior Year Findings</b> .....	28
<b>Current Year Findings</b> .....	29
<b>Schedule of Current Year Findings and Questioned Cost</b> .....	30-31

## Independent Auditor's Report

Board of Directors  
Kensington Police Protection and Community Services District  
Kensington, California

I have audited the accompanying basic financial statements of the governmental activities and each major fund of the Kensington Police Protection and Community Services District (District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2009, and the changes in its financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

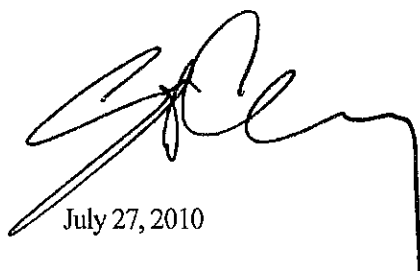
As discussed in Note 2 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

In accordance with *Government Auditing Standards*, I have also issued my report dated July 27, 2010, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.



**Independent Auditor's Report (continued)**

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.



July 27, 2010

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Required Supplementary Information)**

This discussion and analysis of the Kensington Police Protection and Community Service District's fiscal performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2009. Please review it in conjunction with the transmittal letter and the basic financial statements, which begin on page 7.

**FINANCIAL HIGHLIGHTS**

**From the Statement of Net Assets**

- Total net assets for the years ended June 30, 2009 and 2008 are \$5,881,196 and \$6,015,041, respectively. This is a 2.23% decrease.
- Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations, are \$1,895,241.

**From the Governmental Fund Financial Statements**

Our General Fund balance decreased by \$63,925.

- Property tax revenues (including special tax revenue for police services) for fiscal years ended June 30, 2009 and 2008 were \$1,923,865 and \$1,886,000, respectively. This is a 2.01% increase.

**OVERVIEW OF FINANCIAL STATEMENTS**

The District's basic financial statements are comprised of three components: government-wide financial statements, governmental funds financial statements, and notes to the financial statements. Required supplementary information in addition to the basic financial statements is also presented.

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. There are two government-wide financial statements—the Statement of Net Assets and the Statement of Activities and Changes in Net Assets.

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets, may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the fiscal year. Accrual of revenue and expenses are taken into account regardless of when cash is received or paid.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**OVERVIEW OF FINANCIAL STATEMENTS (Continued)**

**Government-wide financial statements (continued)**

As in a private-sector business, capital assets are depreciated, debt service is not a source of revenue, and compensated absences are expensed in the period earned.

**Governmental funds financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The major differences between fund financial statements and government-wide financial statements are in the way debt proceeds, capital outlay, and compensated absences are recorded. Reconciliations between the two types of financial statements are found on page 7 using the adjustment column.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

**Supplementary information**

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules and a PERS schedule of funding progress.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$5,881,196 as of June 30, 2009 and \$6,015,041 as of June 30, 2008. This number is comprised of two components:

	<b>June 30, 2009</b>	<b>June 30, 2008</b>
Investment in capital assets, net of debt	\$ 3,985,955	\$ 4,058,244
Unrestricted assets	1,895,241	1,956,797
<b>Total net assets</b>	<b>\$ 5,881,196</b>	<b>\$ 6,015,041</b>

Investment in capital assets consists of fixed assets less any related debt that is still outstanding.

Unrestricted assets are used to finance day-to-day operations, including debt service.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**GOVERNMENTAL FUNDS ANALYSIS**

The District's largest source of revenue is derived from property tax allocations. In 1978 the voters passed Proposition 13 and removed the ability of local agencies to set their own property taxes. The 1% maximum property tax rate is fixed by Article XIII A, § 1(a) of the California Constitution. The Legislature adopted statutes ("AB 8") that tell county auditor-controllers how to allocate the resulting revenues. This is unrestricted revenue and can be used for all District business.

The District's collection of Special Tax Revenue, another large source of revenue, is restricted to police activities. The current rate as of June 30, 2009 was established in 1997 after receiving voter approval in 1994.

The District also collects a special assessment called the Kensington Park Landscape and Lighting District Assessment. The funds are restricted for New Park maintenance only.

In fiscal year ended June 30, 2009, the District was the beneficiary of the COPS Grant minimum allocation of \$100,000. The funds must be used for front line equipment/services and all expenditures have been approved by the District Board of Directors.

The largest expenditure of the District is salary and benefits, including PERS contributions. These are governed by current Memorandum of Understanding agreements negotiated between the District and represented and non-represented employees.

The other area of expenditures of significance is for services and supplies. That would include items such as vehicle maintenance, including the purchase of gasoline. This is the support structure for the police department.

Other reserved funds:

Reserved for compensated absences payable—\$57,544

**COMMENTS ON BUDGET COMPARISONS**

Actual revenues exceeded budgeted revenues by \$46,086.

Actual expenditures were less than final budgeted expenditures by \$324,456, mostly due to not moving forward with capital projects as budgeted. These include park restroom, annex renovation, patrol car and in-car video.

These two differences added together equal a positive variance of \$370,542.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**HISTORY AND ECONOMIC FACTORS**

The Kensington Police Protection and Community Services District was formed as a Police Protection District in 1946 for the purpose of providing police services to the community of Kensington. In 1953, the District was changed to a Community Services District, per Government Code 61600, which enabled the District to provide park and recreation services, oversight to the solid waste contract, and the provision of police protection services.

In 1978, Proposition 13 was passed by California voters resulting in the implementation of AB 8 which set the formula used in property tax allocation for local government. The formula was based on prior years' budgets and the Kensington Police Protection and Community Services District had a history of very lean budgets.

In 1980, the Board of Directors for the District approved Resolutions 80-01 and 80-02, setting into motion a proposal for a special tax and a special election for the special tax. The original amount of the tax was \$45 per year for single family residential, \$90 per year for multiple unit residential, \$135 per year for commercial and institutional property and \$45 per year for miscellaneous improved property.

In 1984, the Board of Directors for the District approved Resolution 84-01 requesting the electorate approve an increase in the special tax to \$90 per year for single family residential, \$135 per year for multiple unit residential, \$180 per year for commercial and institutional property and \$90 per year for miscellaneous improved property.

In 1993, the Board of Directors for the District approved Resolution 93-04 requesting the electorate approve an increase in the special tax to \$210 per year for single family residential, \$315 per year for multiple units residential, \$315 per year for commercial and institutional, \$210 per year for miscellaneous improved property and \$63 per year for unimproved property.

In 1994, the Board of Directors for the District approved Resolution 94-13 requesting the electorate approve an increase in the special tax to \$300 per year for single family residential, \$450 per year for multiple units residential, \$450 per year for commercial and institutional, \$300 per year for miscellaneous improved property and \$90 per year for unimproved property. An increase of tax was voted and passed.

In 1997, the Board of Directors for the District approved Ordinance 97-01 setting the rates at the maximum allowed based on Resolution 94-13.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to General Manager/Chief of Police Greg Harman.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General Fund</u>	<u>Capital Project</u>	<u>Total</u>	<u>Adjustment (Note 9)</u>	<u>Statement of Net Assets</u>
<b>Assets</b>					
Cash and investments	\$ 1,803,360	\$ 125,154	\$ 1,928,514	\$ -	\$ 1,928,514
Receivables					
Supplemental taxes and Community Services District	12,531	-	12,531	-	12,531
Interest receivable	4,660	370	5,030	-	5,030
Grant receivable	39,575	-	39,575	-	39,575
Reimbursements and other	6,000	-	6,000	-	6,000
Prepaid	1,092	-	1,092	-	1,092
Capital assets					
Land	-	-	-	2,808,347	2,808,347
Vehicle and equipment	-	-	-	475,391	475,391
Building and improvement	-	-	-	1,472,602	1,472,602
Furniture & fixtures	-	-	-	28,396	28,396
Accumulated depreciation	-	-	-	(798,781)	(798,781)
Total assets	<u>\$ 1,867,218</u>	<u>\$ 125,524</u>	<u>\$ 1,992,742</u>	<u>\$ 3,985,955</u>	<u>\$ 5,978,697</u>
<b>Liabilities</b>					
Accounts payable	\$ 36,629	\$ -	\$ 36,629	\$ -	\$ 36,629
Compensated absence	57,544	-	57,544	-	57,544
Accrued payable	3,328	-	3,328	-	3,328
Lease payable	-	-	-	-	-
Total liabilities	<u>\$ 97,501</u>	<u>\$ -</u>	<u>\$ 97,501</u>	<u>\$ -</u>	<u>\$ 97,501</u>
<b>Fund balances/net assets</b>					
Fund balances					
Reserved for					
Compensated absence	\$ 57,544	\$ -	\$ 57,544	\$ (57,544)	\$ -
Unreserved for					
Undesignated	<u>1,712,173</u>	<u>125,524</u>	<u>1,837,697</u>	<u>(1,837,697)</u>	<u>-</u>
Total fund balances	<u>1,769,717</u>	<u>125,524</u>	<u>1,895,241</u>	<u>(1,895,241)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,867,218</u>	<u>\$ 125,524</u>	<u>\$ 1,992,742</u>		
<b>Net assets</b>					
Capital assets				3,985,955	3,985,955
Unrestricted				-	1,895,241
Total net assets				<u>\$ 3,985,955</u>	<u>\$ 5,881,196</u>

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT  
OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2009**

	General	Capital Project	Total	Adjustment (Note 10)	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>					
Current expenditures/expenses					
Police Salary and Benefits					
Salary-Officers	\$ 878,273	\$ -	\$ 878,273	\$ -	\$ 878,273
Compensated Absence	(9,517)	-	(9,517)	-	(9,517)
Overtime	39,006	-	39,006	-	39,006
Salary-Non sworn	31,705	-	31,705	-	31,705
Uniform Allowance	8,033	-	8,033	-	8,033
Safety Equipment	2,047	-	2,047	-	2,047
Medical Insurance	225,531	-	225,531	-	225,531
Disability & Life insurance	6,725	-	6,725	-	6,725
Social Security/Medicare	17,485	-	17,485	-	17,485
PERS District	258,854	-	258,854	-	258,854
PERS Officers	80,903	-	80,903	-	80,903
Workers Compensation	63,229	-	63,229	-	63,229
Police Expenses					
Expendable Police Supplies	714	-	714	-	714
Range/Ammunition Supplies	1,134	-	1,134	-	1,134
Vehicle Operation	42,732	-	42,732	-	42,732
Communications (RPD)	117,839	-	117,839	-	117,839
Prisoner/Case Exp/Booking	2,860	-	2,860	-	2,860
Training	14,479	-	14,479	-	14,479
Recruiting	3,090	-	3,090	-	3,090
Reserve Officers	1,851	-	1,851	-	1,851
Meals and Travel	3,949	-	3,949	-	3,949
Utilities	7,864	-	7,864	-	7,864
Building Repair	2,244	-	2,244	-	2,244
Office Supplies	6,198	-	6,198	-	6,198
Telephone	10,857	-	10,857	-	10,857
Housekeeping	3,754	-	3,754	-	3,754
Publications	2,410	-	2,410	-	2,410
West-Net/Cal	12,296	-	12,296	-	12,296
Community Policing	3,320	-	3,320	-	3,320
COPS Special Fund	49,439	-	49,439	-	49,439
Consulting	9,504	-	9,504	-	9,504
Recreation Salary and Benefits					
Park and Recreation Administration	9,583	-	9,583	-	9,583
Custodian	21,000	-	21,000	-	21,000
Social Security/Medicare	764	-	764	-	764
Recreation Expenses					
Community Center Utilities	3,542	-	3,542	-	3,542
Janitorial Supplies	1,169	-	1,169	-	1,169
Community Center Repairs	791	-	791	-	791
Building E Repair	1,350	-	1,350	-	1,350
Annex Utilities	270	-	270	-	270
Park O&M	38,575	-	38,575	-	38,575
Misc. Park/Rec Expense	3,593	-	3,593	-	3,593
District Expenses					
Computer Maintenance	20,575	-	20,575	-	20,575
Legal	85,737	-	85,737	-	85,737
Accounting	13,722	-	13,722	-	13,722
Equipment Rental	3,875	-	3,875	-	3,875
Insurance	28,603	-	28,603	-	28,603
Election	5,307	-	5,307	-	5,307
MCI Fund/KFPD Maintenance	11,457	-	11,457	-	11,457
County Expense	19,486	-	19,486	-	19,486
Waste/Cycle	5,113	-	5,113	-	5,113
Miscellaneous	11,017	-	11,017	-	11,017
Depreciation	-	-	-	95,780	95,780
<b>Total current expenditures/expenses</b>	<b>2,184,337</b>	<b>-</b>	<b>2,184,337</b>	<b>95,780</b>	<b>2,280,117</b>
Capital outlay					
Equipment and furniture	3,061	-	3,061	(3,061)	-
Buildings and improvements	22,130	-	22,130	(22,130)	-
<b>Total capital outlay</b>	<b>25,191</b>	<b>-</b>	<b>25,191</b>	<b>(25,191)</b>	<b>-</b>
Bad Debt	-	-	-	1,700	1,700
<b>Total expenditures/expenses</b>	<b>2,209,528</b>	<b>-</b>	<b>2,209,528</b>	<b>72,289</b>	<b>2,281,817</b>

*The accompanying notes are an integral part of the financial statements.*

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT  
OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2009  
(continued)**

	General	Capital Project	Total	Adjustment (Note 10)	Statement of Activities
<b>GENERAL REVENUES:</b>					
Property Taxes	1,243,448	-	1,243,448	-	1,243,448
Special Assessments	680,340	-	680,340	-	680,340
Grants	100,000	-	100,000	-	100,000
Charges for Services	8,067	-	8,067	-	8,067
Rents and Fees	24,923	-	24,923	-	24,923
Investment Income	26,676	2,134	28,810	-	28,810
Franchise Fees	21,040	-	21,040	-	21,040
Other Tax Income	29,357	-	29,357	-	29,357
Other Income	12,411	-	12,411	-	12,411
Private Contributions	250	-	250	-	250
<b>Total Revenues</b>	<u>2,146,512</u>	<u>2,134</u>	<u>2,148,646</u>	<u>-</u>	<u>2,148,646</u>
Excess (deficiency) of Revenues Over Other (under) Expenditures	<u>(63,016)</u>	<u>2,134</u>	<u>(60,882)</u>	<u>(72,289)</u>	<u>(133,171)</u>
Other Financing Sources (Uses)					
Transfers In	(7,912)	-	(7,912)	-	(7,912)
Transfers Out	7,003	-	7,003	-	7,003
<b>Total Other Financing Sources (uses)</b>	<u>(909)</u>	<u>-</u>	<u>(909)</u>	<u>-</u>	<u>(909)</u>
<b>Change in Net Assets</b>	<u>(63,925)</u>	<u>2,134</u>	<u>(61,791)</u>	<u>(72,289)</u>	<u>(134,080)</u>
<b>Fund Balances/Net Assets, beginning of year</b>	<u>1,833,407</u>	<u>123,390</u>	<u>1,967,797</u>	<u>4,058,244</u>	<u>6,015,276</u>
<b>Prior Year Adjustment</b>	<u>235</u>	<u>-</u>	<u>235</u>	<u>-</u>	<u>235</u>
<b>Fund balances/net assets, end of year</b>	<u>\$ 1,769,482</u>	<u>\$ 125,524</u>	<u>\$ 1,906,006</u>	<u>\$ 3,985,955</u>	<u>\$ 5,881,196</u>

*The accompanying notes are an integral part of the financial statements.*



**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2009**

	<b>Emergency Preparedness Fund</b>	<b>Kensington Park Reassessment District 2004-1 Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 902	\$ 257,798	\$ 258,700
Interest receivable	-	351	351
Special assessments receivable	-	1,402,307	1,402,307
<b>Total assets</b>	<b>\$ 902</b>	<b>\$ 1,660,456</b>	<b>\$ 1,661,358</b>
<b>Liabilities</b>			
Accounts payable	\$ 451	\$ 2	\$ 453
2004 Limited Obligation Improvement Bonds	-	1,518,979	1,518,979
Bond interest payable	-	26,472	26,472
<b>Total liabilities</b>	<b>\$ 451</b>	<b>\$ 1,545,453</b>	<b>\$ 1,545,904</b>
<b>Net Assets</b>			
Reserved for Emergency Preparedness Council	\$ 451	\$ -	\$ 451
Reserved for Reassessment District 2004-1	-	115,003	115,003
<b>Total net assets</b>	<b>\$ 451</b>	<b>\$ 115,003</b>	<b>\$ 115,454</b>

*The accompanying notes are an integral part of the financial statements.*

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
STATEMENT OF CHANGES IN NET ASSETS-FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Emergency Preparedness Fund</b>	<b>Kensington Park Reassessment District 2004-1 Fund</b>	<b>Total</b>
<b>ADDITIONS:</b>			
Special assessments	\$ -	\$ 180,503	\$ 180,503
Interest income	-	2,041	2,041
<b>Total additions</b>	<b>-</b>	<b>182,544</b>	<b>182,544</b>
<b>DEDUCTIONS:</b>			
Bond administration charges	-	8,730	8,730
Bond expenses	-	66,609	66,609
Bond principal	-	93,937	93,937
Contract services	-	-	-
<b>Total deductions</b>	<b>-</b>	<b>169,276</b>	<b>169,276</b>
Net increase (decrease) in fiduciary net assets	-	13,268	13,268
Transfer in	-	(6,259)	(6,259)
Transfer out	-	7,168	7,168
<b>Net assets, beginning of year</b>	<b>451</b>	<b>100,826</b>	<b>101,277</b>
<b>Net assets, end of year</b>	<b>\$ 451</b>	<b>\$ 115,003</b>	<b>\$ 115,454</b>

*The accompanying notes are an integral part of the financial statements.*

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General Fund Budget</u>	<u>General Fund Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Property Taxes	\$ 1,287,926	\$ 1,243,448	\$ (44,478)
Special Assessments	679,000	680,340	1,340
Grant Revenue	-	100,000	100,000
Investment Income	40,400	26,676	(13,724)
Rents and Fees	22,000	24,923	2,923
Charges for Services	3,500	8,067	4,567
Franchise Fees	20,800	21,040	240
Special Assessments-Park Maintenance	28,800	29,357	557
Other Income	15,000	12,411	(2,589)
Donations	3,000	250	(2,750)
	<u>2,100,426</u>	<u>2,146,512</u>	<u>46,086</u>
<b>Expenses:</b>			
Police Salary and Benefits	1,700,433	1,602,274	98,159
Police Other Expenses	256,112	287,031	(30,919)
Recreation Salary and Benefits	38,237	31,347	6,890
Recreation Expenses	63,240	49,290	13,950
District Expenses	161,262	214,395	(53,133)
Capital Outlay	314,700	25,191	289,509
	<u>2,533,984</u>	<u>2,209,528</u>	<u>324,456</u>
Excess of Revenues over (under) Expenditures	<u>\$ (433,558)</u>	<u>\$ (63,016)</u>	

*The accompanying notes are an integral part of the financial statements.*

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Kensington Police Protection and Community Services District (the “District”) is presented to assist in understanding the District’s financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

*Organization and description of funds*

The District was formed to provide police protection services and parks and recreation services. The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the fund’s assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District also maintains two fiduciary funds: (1) Emergency Preparedness Fund (used for expenses in conjunction with the emergency radio network) and (2) Kensington Park Reassessment District 2004-1 Fund (used to account for special assessment funds, see Note 4).

*Government-wide Financial Statements*

The District’s Government-wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental Activities for the District accompanied by a total column.

These statements are presented on an economic resources measurement focus and the *accrual basis* of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenditures identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Separate financial statements are provided for governmental funds. Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Major individual governmental funds are reported as separate columns in the governmental fund financial statements. No major funds are aggregated and presented in a single column. The District had no major funds in the fiscal year ended June 30, 2009.

***Governmental Fund Financial Statements***

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Accompanying schedules are presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the Government-wide Financial Statements.

All governmental funds are accounted for on a spending or current financial resources measurement focus and the *modified accrual basis* of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are intergovernmental revenues, investment earnings and charges for services. Expenditures are generally recognized when incurred under the modified accrual basis of accounting.

The District has only two funds in fiscal year 2009, the General Fund and Capital Project Fund.

**General Fund**—the General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**Debt Service Fund**—The Debt Service Fund is used to account for financial resources to be used or the retirement of debt. The Kensington Park Reassessment Bond 2004-1 issued in June 2004 in defeasance of the 1994 special assessment bonds has been determined to be an Agency Fund since the District is not obligated to repay the debt. The balance in the debt service fund has therefore been transferred to the Kensington Park Reassessment District 2004-1 Fund (see Note 4) and is not part of fiscal year 2009 presentation.

**Capital Projects Fund**—The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgets and budgetary accounting***

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During the month of May, the General Manager/ Chief of Police submits to the Board of Directors a preliminary operating budget. During the month of June the General Manager/Chief of Police submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is enacted through a motion to adopt the Budget.
3. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund and Capital Projects Fund.
4. Budgets for the General Fund and the Capital Projects Fund are adopted on a basis consistent with accounting principles generally accepted in the United States (US GAAP).

***Encumbrances***

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and the Capital Projects Fund. All appropriations lapse at fiscal year end.

***Cash and investments***

Cash includes amounts in demand deposits as well as short-term investments. Investments are carried at market value.

***Accounting pronouncements***

Effective July 1, 2003, the District adopted the provisions of GASB No. 34, issued in June 1999; GASB No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* ("GASB No. 37") issued in June 2001 and GASB No. 38, *Certain Financial Statement Disclosures* ("GASB No. 38") issued in June 2001.

The Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments" establishes a new financial reporting model for state and local governments. This new model requires that at a minimum the basic financial statements of a government include: (1) management's discussion and analysis (MD&A) as a component of required supplementary information (RSI), (2) both government-wide financial statements and fund financial statements, (3) notes to the financial statements and (4) RSI other than MD&A.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Compensated absences*

District employees are entitled to certain compensated absences based on their length of employment. Payable for compensated absences is \$57,544 at June 30, 2009.

*Fund equity reservations and designations*

Reservations and designations of the ending fund balance indicate portions of fund balance not appropriate for expenditures or amounts legally segregated for a specific future use.

*Statement calculations and use of estimates*

Due to rounding, column and row calculations may approximate actual figures. Approximations may result when decimal places are eliminated to present whole numbers.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates.

*Reclassification*

Certain accounts in the prior-year financial statements have been reclassified to conform to the presentation in the current-year financial statements.

**NOTE 2—CASH AND INVESTMENTS**

The District maintains most of its cash in the County of Contra Costa treasury. Balances are stated at cost, which is approximately market value.

The District maintains a cash and investment that is available for use by all funds. Investments made by the District are summarized below. The investments that are represented by specific identifiable investment securities are classified below according to credit risk:

Category 1—Investments that are insured or registered, or for which securities are held by the District or its agent in the District's name.

Category 2—Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name.

Category 3—Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 2—CASH AND INVESTMENTS (Continued)**

A summary of the District's cash and investments at June 30, 2009 follows:

	<b>Carrying Value</b>	<b>Market Value</b>
<b><u>Governmental Funds (District Fund)</u></b>		
<b><u>Category 1:</u></b>		
Cash in Checking Accounts	\$ 3,725	\$ 3,725
Petty Cash	100	100
	3,825	3,825
<b><u>Uncategorized:</u></b>		
County Treasury	1,924,689	1,924,689
<b>Total Governmental Fund (District Fund)</b>	<b>1,928,514</b>	<b>1,928,514</b>
 <b><u>Fiduciary Funds</u></b>		
<b><u>Category 1:</u></b>		
Cash in Checking Accounts	902	902
<b><u>Uncategorized:</u></b>		
County Treasury	257,798	257,798
<b>Total Fiduciary Fund</b>	<b>258,700</b>	<b>258,700</b>
<b>Total Governmental &amp; Fiduciary Fund</b>	<b>\$ 2,187,214</b>	<b>\$ 2,187,214</b>

The disposition of cash and investments by fund is as follows:

General Fund	\$ 1,803,360
Capital Projects Fund	125,154
	<b>\$ 1,928,514</b>
 Emergency Preparedness Fund	 <b>\$ 902</b>
 2004-1 Park Reassessment Bond Fund	 <b>\$ 257,798</b>

The District's cash fund in the County Treasury is not categorized by risk category because the District's share is not evidenced by specifically identifiable securities.



**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 2—CASH AND INVESTMENTS (Continued)**

*Deposits*

The California Government Code requires California banks and savings and loan associations to secure a local governmental agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 100% of the agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits. The agency may waive collateral requirements for deposits, which are fully insured up to \$100,000 by federal deposit insurance.

**NOTE 3—CAPITAL ASSETS**

The District's capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Capital assets are recorded at cost and depreciated over their estimated useful lives. Depreciation is charged to governmental activities by function.

Depreciation of capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, accumulated depreciation, is reported on the Statement of Net Assets as a reduction in the book value of capital assets.

Depreciation of capital assets in service is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years, and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

Vehicles	5 years
Furniture and fixtures	5 years
Building and improvements	20-40 years
Machinery and equipment	5-10 years

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 3—CAPITAL ASSETS (continued)**

A summary of changes in general fixed assets follows:

	<u>Balance 6/30/08</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/09</u>
Non-Depreciable Assets				
Land	\$ 2,808,347	\$ -	\$ -	\$ 2,808,347
Depreciable Assets				
Building & Improvements	1,450,472	22,130	-	1,472,602
Vehicles & Equipment	472,330	3,061	-	475,391
Furniture & Fixtures	28,396	-	-	28,396
	<u>4,759,545</u>	<u>25,191</u>	<u>-</u>	<u>4,784,736</u>
Accumulated Depreciation				
Building & Improvements	289,025	42,322	-	331,347
Vehicles & Equipment	385,612	53,425	-	439,037
Furniture/Fixtures/Improvements	28,363	34	-	28,397
	<u>703,000</u>	<u>95,781</u>	<u>-</u>	<u>798,781</u>
<b>Capital Assets Net of Depreciation</b>	<u>\$ 4,056,545</u>	<u>\$ (70,590)</u>	<u>\$ -</u>	<u>\$ 3,985,955</u>

**NOTE 4—SPECIAL ASSESSMENT DEBT**

*Kensington Park Reassessment District 2004-1 Refunding Bonds*

	<u>June 30, 2008</u>	<u>Borrowings</u>	<u>Payments</u>	<u>June 30, 2009</u>
2004 Limited Improvement Bonds Obligation	\$ 1,612,916	\$ -	\$ 93,937	\$ 1,518,979
	<u>\$ 1,612,916</u>	<u>\$ -</u>	<u>\$ 93,937</u>	<u>\$ 1,518,979</u>

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 4—SPECIAL ASSESSMENT DEBT (continued)**

The original 1994 Limited Obligation Improvement Bonds were issued pursuant to the provisions of the Improvement Bond Act of 1915 to finance costs of acquisition of land to be used as a park and installation of certain recreational improvements. The bonds are limited obligations of the District and are equally and ratably secured by unpaid assessments on certain parcels of property located within the Kensington Park Assessment district. The Kensington Park Assessment District was created by the District pursuant to the Landscaping and Lighting Act of 1972 specifically to finance the park landscaping and lighting project. The unpaid assessments represent fixed liens on each assessed parcel. Annual installments of the unpaid assessments together with interest thereon, sufficient to meet the scheduled debt service, are included in the tax bills for the assessed properties and the receipts are deposited into a redemption fund used to pay interest and principal on the bonds as they come due. The District is in no way liable for the repayment of the improvement bonds. The District is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings.

On June 17, 2004, the District issued \$1,868,600 of 2004 Limited Obligation Improvement Bonds for the purpose of refunding the \$2,050,000 of outstanding 1994 Limited Obligation Improvement Bonds. The refunding took advantage of lower interest rates which were available and resulted in reductions in debt service requirements over the life of the new debt. The net proceeds of \$1,868,600 from these bonds were transferred to a trustee and placed in an irrevocable trust to redeem the 1994 Limited Obligation Improvement Bonds. These funds were invested in U.S. government securities to provide for the redemption price and interest through the call date. The 2004 bond bears annual interest at a fixed rate of 4.25%. The bond was issued as a fully registered note in a single denomination of \$1,868,600. Interest on the bond becomes payable commencing March 2, 2005, and semi-annually thereafter on each September 2 and March 2 until maturity. The bond maturity date is September 2, 2020.

The following funds have been created: (1) Reserve Fund, established in the initial amount of \$93,430 from the bond proceeds; (2) Redemption Fund, established to collect all payments of principal and interest installments on the assessments; (3) cost of issuance fund, established to pay issuance costs and (4) administrative expense fund, established to reimburse payment of administrative expenses. The District's liability to advance funds to the Redemption Fund in the event of delinquent installments shall not exceed the balance in the Reserve Fund.

As of June 30, 2009, future debt service payments were as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 101,987	\$ 62,425	\$ 164,412
2011	105,483	58,016	163,499
2012	108,987	53,459	162,446
2013	112,176	48,759	160,935
2014	120,367	43,818	164,185
Thereafter	969,979	150,542	1,120,521
	<u>\$ 1,518,979</u>	<u>\$ 417,019</u>	<u>\$ 1,935,998</u>

Current Portion of Interest: \$62,425

Current Portion of Principal: \$101,987

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 5—DEFINED BENEFIT PENSION PLAN**

*PERS plan description*

The District has a defined benefit pension plan (the “Plan”) which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public District portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the state of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees’ Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through board action. CalPERS issues a separate comprehensive annual financial report. Copies of the report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, CA 95814.

*Funding policy*

Active plan members in the Plan are required to contribute 9% of their annual covered salary. The District “picks up” the tax deferred contributions required of District employees on their behalf and for their accounts. The District is required to contribute the actuarially determined amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. An employer contribution of 29.83% was required for fiscal 2009. The contribution requirements for the plan members are established by State statute. The employer contribution rate is established and may be amended by CalPERS. For 2009/2010, the required employer contribution rate is 30.55% and 2010/2011 is 27.92%.

*Annual pension cost*

For the fiscal year ended June 30, 2009, the total contributions amounted to \$339,757. Of this amount, \$258,854 was contributed by the District on behalf of the plan members. The District’s required contribution for fiscal year ended June 30, 2009 of \$269,432 was determined as part of the June 30, 2007 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included: a) an 7.75% investment rate of return (net of administrative expenditures); and b) projected salary increases of 3.25% to 14.45%. Both a) and b) include an inflation component of 3% and anticipated payroll growth of 3.25%. The actuarial value of the plan’s assets were determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a rolling period, depending on the size of investment gains and/or losses.

Three-year trend information for the Plan is as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation (Asset)
2007	213,422	100%	\$ -
2008	230,734	100%	-
2009	258,854	100%	-

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 6—PAYABLE TO KENSINGTON FIRE PROTECTION DISTRICT (KFPD)**

In July 1998, the District entered into a lease agreement as a lessee to occupy office space from KFPD for a ten-year period through June 30, 2009. The agreement provides for the following costs to be paid by the District:

- (1) The District will reimburse KFPD \$127,000 of the total building renovation costs incurred by KFPD to renovate its building. The obligation is payable in semi-annual installments (January 1 and July 1) of \$6,350 interest-free over a ten-year period expiring June 30, 2009. If the KFPD terminates the lease the balance of the obligation from the District shall be forgiven. If the District were to terminate the lease the balance of the obligation would become immediately due and payable. At June 30, 2009, the payable to KFPD is as follows:

(2)

	<u>June 30, 2008</u>	<u>Repayments</u>	<u>June 30, 2009</u>
Payable to KFPD	\$ 12,700	\$ 12,700	\$ -

The \$12,700 repayment is included in Police Principal Expense in the accompanying Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

The installment agreement has been paid in full and that the District has entered into a new lease with KFPD.

- (3) Annual maintenance fee of \$3,787, payable in semi-annual installments of \$1,894. KFPD deposits the payments into a separate bank account. Any unused amounts at fiscal year-end are reported as deposits receivable from KFPD. At June 30, 2009, deposits receivable from KFPD were \$3,051. Principal payments for last year were \$12,700.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 7—FUND EQUITY RESERVES AND DESIGNATIONS**

Fund balance consists of reserved and unreserved amounts. Reserved fund balance represents that portion of a fund balance which has been appropriated for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved and is classified as designated or undesignated. Fund balance reserves and designations at June 30, 2009 are as follows:

<u>Fund balances</u>	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Reserved			
Compensated Absences	\$ 57,544	\$ -	\$ 57,544
<b>Total Reserved</b>	<u>57,544</u>	<u>-</u>	<u>57,544</u>
Unreserved and Undesignated	1,712,173	125,524	1,837,697
<b>Total Unreserved and Undesignated</b>	<u>1,712,173</u>	<u>125,524</u>	<u>1,837,697</u>
 <b>Total Fund Balance</b>	 <u>\$ 1,769,717</u>	 <u>\$ 125,524</u>	 <u>\$ 1,895,241</u>

**NOTE 8—INSURANCE POOLS**

*Special District Risk Management District*

The District is a member of the Special District Risk Management District (“SDRMA”). SDRMA was organized to provide certain levels of liability insurance coverage, property insurance coverage, claims management, risk management services and legal defense to its participating members. The financial results of SDRMA are not included in the accompanying basic financial statements because the District does not have oversight responsibility.

SDRMA provides the District with property and general liability coverage to the limits as set forth in the agreement. The annual member contribution was \$28,603 for fiscal 2009 coverage. Members are subject to dividends and/or assessments in accordance with the provisions of the Joint Powers agreement. At June 30, 2009, SDRMA could not confirm the status of any incurred but not reported (“IBNR”) claims.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2009**

**NOTE 8—INSURANCE POOLS (Continued)**

The Special Districts Workers Compensation District (“SDWCD”) was formed by an agreement between certain public agencies to provide workers’ compensation coverage. SDWCD is governed by a Board of Directors, which is comprised of officials appointed by member agencies.

The District currently reports all of its risk management activities in its General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated.

The District maintains a workers’ compensation fund, which is self-insured for the first \$100,000 of loss per accident. Excess coverage is purchased from an outside insurance carrier up to statutory limits.

**NOTE 9—EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL  
 FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS**

Total fund balance of the District's governmental funds differs from the net assets of governmental activities reported in the statement of net assets primarily as a result of the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheet. When capital assets (land, building, and equipment) that are used in governmental activities are purchased or constructed, the costs of those assets are reported as capital outlay expenditures in the governmental fund. However, the statement of net assets includes the capital assets, net of accumulated depreciation, among the assets of the District.

<b>Differences</b>	<b>Balance June 30, 2009</b>
Cost of capital assets	\$ 4,784,736
Less: Accumulated depreciation	<u>798,781</u>
Net capital assets	3,985,955
<b>Net difference</b>	<u><u>\$ 3,985,955</u></u>

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 10—EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL  
FUND OPERATING STATEMENT AND THE STATEMENT OF ACTIVITIES**

The net change in fund balance for the governmental funds differs from the "change in net assets" as a result of the long-term economic focus of the statement of activities versus the current financial resources focus of the general fund. When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as capital outlay expenditures in the general fund. Also, when capital assets are sold, the resources received are reported as proceeds from sale of capital assets in the respective fund. However, in the statement of activities, the cost of those assets purchased or constructed is allocated over their estimated useful lives and reported as depreciation expense. The resources received from the sale of capital assets offset against the net carrying value of the assets sold and reported as a gain or loss in the statement of activities. As a result, the fund balance decreased by the amount of financial resources expended and increased by the amount of financial resources received, whereas net assets decreased by the amount of depreciation expense on equipment items during the year and increased (decreased) by the amount of net gain (loss) on disposal of capital assets.

<b>Differences</b>	<b>Balance</b> <b>June 30, 2009</b>
Capital Outlay	\$ (25,191)
Add: Bad Debt	1,700
Add: Depreciation Expense	95,780
<b>Net difference</b>	<b>\$ 72,289</b>



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

Board of Directors  
Kensington Police Protection and Community Services District  
Kensington, California

I have audited the basic financial statements of the Kensington Police Protection and Community Services District (District), as of and for the fiscal year ended June 30, 2009, and have issued my report thereon dated July 27, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control over Financial Reporting***

In planning and performing my audit, I considered the District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

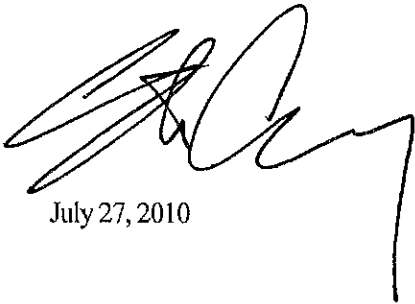
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in schedule of finding and questioned cost as 2009-1.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

KPPCSD's response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit KPPCSD's responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of management and others within the District. This is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, consisting of several loops and a long vertical stroke at the end.

July 27, 2010

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
STATUS OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2009**

<u>Findings</u>	<u>Present Status</u>	<u>Explanation if not fully implemented</u>
None		

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
CURRENT YEAR FINDINGS  
YEAR ENDED JUNE 30, 2009**

<u>Findings</u>	<u>Present Status</u>	<u>Explanation if not fully implemented</u>
2009-1	N/A	N/A

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009**

**2009-1**

Over-time wages paid was not properly supported.

**Criteria**

Over-time wages expenditure is \$39,006 in fiscal year 2009. Kensington Police Protection and Community Services District required employees to report over-time hours on their timesheets. The supervisors are responsible for approving over-time claims. Approved timesheets are given to the payroll department to process paychecks.

**Condition**

L&C have identified a total of 4 incidents, out of a total of 30 samples tested. The 4 sample support timesheets did not tie and agree to the payroll register. In all 4 incidents, the officers were paid more over-time than what was reported.

**Effect**

There was a control weakness that appears to be no preliminary review process of payroll register to the timesheets. As a result, over-time wages paid was inaccurate and KPPCSD overpaid its employees for over-time wages.

**Recommendation**

L&C recommended that KPPCSD should assign another employee to check the accuracy of the preliminary payroll register against approved timesheets before paychecks are finalized for payment.

**Questioned Costs**

Not able to determine as L&C did not test the whole population of the over-time wages records.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS (Continued)  
YEAR ENDED JUNE 30, 2009**

**Management Response and Corrective Action Plan**

Management completely agrees with the findings of the 2008/2009 audit and has already taken corrective action.

Between April and December of 2009, officer's schedules were changed from a "4/10" schedule to a "3/12" schedule to cover for a personnel/ staffing shortage. This resulted in officers working four built in overtime hours a pay period, which they were not required to fill out a daily overtime slip for.

However, Management also began to track payroll and payable issues by the end of 2009 that were traced back to a personnel issue. Following an internal audit conducted by the District's accountant/CPA, by March of 2010, changes were made in the way payroll was processed. It was during this time that the District's accountant/CPA took over the responsibility to process payroll and continued to audit the payroll and payables process.

With changes in personnel occurring in August 2010, Management has begun the search to identify personnel who would be qualified and have the necessary experience in day to day accounting transactions and payroll processes. The search is being conducted with the assistance of the District's accountant/CPA.

October 1, 2010

Greg Harman  
Police Chief  
Kensington Police Protection and  
Community Services District  
217 Arlington Avenue  
Kensington, CA 94707

Dear Mr. Harman:

Re: Actuarial Valuation of Postemployment Healthcare Program

Nicolay Consulting appreciates the opportunity to present our proposal to complete an actuarial valuation of the postemployment healthcare program provided by the Kensington Police Protection and Community Services District. We will complete July 1, 2010 and July 1, 2011 actuarial valuations of the postemployment healthcare benefits provided by the District.

This letter describes our approach to completing the valuation, our fee requirement and a list of the data required to commence the valuation.

### **Background**

The District's first actuarial valuation was completed as of July 1, 2008. The District adopted GASB 45 in the 2008/09 fiscal year and joined the CalPERS sponsored California Employers' Retiree Benefit Trust in the 2009/10 fiscal year.

At the time of the 2008 valuation the District had nine active employees and ten retirees. Eligible retired police officers receive lifetime postemployment medical, dental and vision benefits for themselves and their dependents. Retirees select their medical coverage from the plans offered by CalPERS. The District pays the entire cost of all coverage.

### **Our Approach**

The key steps of the 2010 and 2011 engagements will be:

1. Request and receive the plan design, cost and census information necessary to commence the project (see Exhibit 1).

2. Select assumptions to be used in the valuations, (e.g., healthcare trend rates, mortality rates and discount rate).
3. Discuss the proposed assumptions with District officials.
4. Prepare computer files required to complete the valuations.
5. Completion of the actuarial valuations and internal review of the results.
6. The preparation of actuarial reports that include:
  - a summary of the postemployment benefits;
  - the estimated present value of the benefits attributable to past service (i.e., the Actuarial Accrued Liability);
  - the GASB 45 Annual Required Contribution (ARC);
  - a five-year projection including among other items the City's Actuarial Accrued Liability, Trust Fund balance, Unfunded Actuarial Accrued Liability and Annual Required Contribution;
  - a cash flow exhibit that contains the estimated postemployment pay-as-you-go costs for the next ten years; and
  - a description of all assumptions used to complete the valuation.
7. Discussion of the reports with District representatives.

### **Engagement Team**

Nicolay Consulting Group will perform the work. Nicolay has provided actuarial and consulting services to a wide variety of public and private sector clients for more than 20 years. The firm employs three Fellows of the Society of Actuaries, two Associates of the Society of Actuaries and several benefit specialists. The team assigned to this engagement has extensive experience in completing postemployment health care actuarial valuations.

**Dennis Daugherty** is a Senior Actuary. He is a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. He will work closely with other team members to insure the successful completion of this project. He has more than 30 years of experience with insurance companies, HMOs, private industry and the public sector. In 2002 he joined Nicolay Consulting after more than 14 years as a consulting actuary with PricewaterhouseCoopers. His projects have included numerous actuarial valuations of the postemployment healthcare plans provided by California cities, community services districts, school districts, community colleges, cities, water districts



and other public agencies. Dennis graduated with a BS in mathematics from Oregon State University.

**Doug Tokerud** is Nicolay Consulting's Healthcare Practice Leader. He is a Senior Actuary and has more than 30 years of actuarial experience. He is a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries and a Fellow of the Conference of Consulting Actuaries. Doug joined Nicolay Consulting in 2006. Prior to joining Nicolay, Doug was a senior actuary with Watson Wyatt for 18 years. He has managed or otherwise been heavily involved in roughly 100 GASB 45 valuations for all types of California governmental agencies, including a considerable number of Cities and Towns. He has extensive experience in making presentations in public meetings, board of directors meetings and management group settings. Doug graduated with a BS in mathematics from Oregon State University and an MS in mathematics from Portland State University.

**Eddie Lee**, Actuary, will be available to assist Doug and Dennis on this project. Eddie has more than 15 years of actuarial experience, including valuations of both large and small retiree medical programs in the public and private sectors. He is a member of the American Academy of Actuaries and an Associate of the Society of actuaries.

### **Timing and Fee Requirement**

We anticipate delivery of a valuation report within approximately six weeks after receipt of the census and other data necessary to commence the project.

July 1, 2010 valuation	\$3,800
July 1, 2011 valuation	\$3,600

These fees are based on the assumption that each valuation will not deviate significantly from the approach outlined in this letter.

Our fee requirement includes a provision for normal expenses associated with computer usage, telephone, reproduction and postage. Professional time and out-of-pocket expenses for a meeting will be billed separately. If additional work is requested we will obtain authorization from the District before beginning the work.

Mr. Greg Harman  
October 1, 2010  
Page 4

**Data Requirements**

The enclosed Exhibit lists the data that will be required to complete the valuation.

\* \* \* \* \*

We appreciate the opportunity to serve the District again and look forward to working with you. Please call me at (800) 998-7675 x221 if you have any questions regarding this letter.

Sincerely,

Dennis Daugherty, F.S.A.  
Senior Actuary

Enclosure

## **Exhibit 1**

### **Kensington Police Protection District Data Request for Postemployment Healthcare Valuation**

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#### **Plan Design and Eligibility**

Please provide the following information:

- a. a complete description of the District's postemployment plan design and eligibility requirements;
- b. a description and the effective date of any recent changes in plan design or eligibility requirements and any changes anticipated in the near future; and
- c. a description of required retiree and dependent contributions.

#### **Premium Information**

Please provide 2010 and 2011 active employee and retiree medical premium rates for plans that employees and retirees are enrolled in.

#### **Other**

Please provide:

- a. a description of the District's pre-funding policy.
- d. A copy of GASB 45 footnote information from the City's most recent year-end financial report.
- e. A history of the City's recent CERBT activity, including deposits, withdrawals and balance as of June 30, 2010.

## Exhibit 1 (Continued)

### Kensington Police Protection District

### Data Request for Postemployment Healthcare Valuation

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#### Demographic Data

Please provide a detailed current listing for each employee, retiree, and dependent of a retiree as follows:

For each current **active employee**, provide the following:

- Name
- Birth Date
- Sex
- Bargaining Unit
- Hire Date
- Marital status (single or married)
- Status (part-time, full-time, or leave of absence)
- Medical plan (to distinguish which plan the participant is enrolled in)
- Dental Plan (if applicable)
- Vision Plan (if applicable)

For each **retired employee, spouse of a retired employee** and each **surviving spouse** currently receiving benefits from the retiree health plan, provide the following:

- Name
- Status (e.g., retiree, spouse or surviving spouse)
- Birth Date
- Sex
- Bargaining Unit
- Hire Date
- Retirement Date
- Medical plan (to distinguish which plan the participant is enrolled in)
- Dental Plan (if applicable)
- Vision Plan (if applicable)

Contract Number: 063

AGREEMENT FOR PROVISION OF  
PROFESSIONAL CONSULTING SERVICES TO THE  
KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT

This AGREEMENT is entered into on the 14<sup>th</sup> day of October, 2010 both by and between Local Government Consultants, LLC (“Consultant” for the purposes of this Agreement) and the Kensington Police Protection & Community Services District (“District” for the purposes of this agreement).

Purpose:

Article XIII B of the State of California’s Constitution allows local agencies to recover costs associated with provision of certain activities that have been mandated by the State. The District has made the determination that provision of the Consultant’s services to assist in preparation of mandated cost claims is the most cost effective, economical method to complete this process. The Consultant has knowledge and experience in completion of the data collection, preparation and submission of mandate reimbursement claims to the State of California. The District agrees that Consultant will assist in the preparation, submission and negotiations involving these state mandated programs.

The District and Consultant mutually agree that the Consultant will perform the following:

- 1) Scope of Services. Consultant will perform in a professional manner the following services:
  - a) Prepare and submit mandate reimbursement claims according to claiming instructions issued during the 2010-2011 fiscal year. These claims include the Open Meetings Act / Brown Act Reform and the Absentee Ballot mandates.
  - b) Advise the District of issues from the State Controller’s Office associated with any mandate reimbursement claims prepared and submitted by the Consultant.
  - c) Both direct and indirect costs may be included in mandate reimbursement claims submitted by the Consultant. The Consultant may choose to use the State Controller’s ten percent (10%) indirect cost rate or choose to calculate a higher rate if necessary District records are available.

- 2) Term of Agreement. This Agreement shall become effective immediately and continue in effect until June 30, 2011.
- 3) Staff. "Consultant" includes all staff required in performing this Agreement's services. Services included in this Agreement will be completed by the Consultant or under the Consultant's supervision. All staff are experienced in the mandate reimbursement process.
- 4) Costs of Agreement and Method of Compensation. In exchange for the Consultant's provision of the above services, the District agrees to compensate the Consultant a Contingent Fee in the amount of Ten Percent (10%) of all claims filed not to exceed Two Thousand Five Hundred Dollars (\$2,500). This fee will be due 30 days after invoices are received by the District. The District will not be invoiced until after the claims are submitted to the State Controller's Office.
- 5) District's Provision of Staff and Materials. Consultant will inform District staff of the necessary data for timely claims submission. Consultant will presume that all data provided by the District is correct and complete. There will be no Consultant liability for unfiled claims resulting from insufficient data or data not provided in a timely fashion.
- 6) Third Party Obligations. The only parties to this Agreement and entitled to enforce the terms of the Agreement are the District and the Consultant. No right or benefit, direct or indirect, is given to any third parties.
- 7) Records and Inspections. In accordance with State law, consultant will maintain complete, accurate records concerning all matters covered under this Agreement. During normal business hours, the District will have access to these records. A thirty (30) day written notice will be provided by the District when it intends to inspect or audit these records. Prior to being granted such access, any District employee, consultant, subcontractor or agent will execute a non-disclosure agreement.
- 8) No Waiver of Rights and Remedies. In no event will any District payment to Consultant constitute a waiver by the District of any breach of covenant or any default that may exist on the part of the Consultant. Payment made by the District while any such breach or default does not impair or prejudice any District right or remedy in respect to such breach or default.
- 9) Consultant Audit Liability. Consultant will presume that all statistical and financial data provided by the District is correct and complete. Consultant will provide workpapers and records to State auditors if an audit should occur. Any State disallowance of amounts paid to the District under the claim or claims for whatever reason will be solely the District's responsibility. If the District so requests, Consultant will assist the District in defending claims at the desk audit

level, provided such a disallowance amounts to at least ten percent (10%). No contest by the Consultant for reductions of less than 10 percent (10%) will be made. Incorrect Reduction Claims preparation is not included in any part of this Agreement.

- 10) Independent Contractor. In performing the scope of services of this Agreement, the District and Consultant agree that Consultant is an independent contractor with complete control of the work and manner in which it is performed. For no purposes are the Consultant or Consultant's employees considered agents or employees of the District.
- 11) Insurance. Appropriate general liability, workers' compensation, automobile and professional liability insurances will be maintained by the Consultant.
- 12) Changes. If either the District or the Consultant requires changes in the scope of services included in this Agreement, they must be mutually agreed upon by and between the District and the Consultant. Any changes will be included in a written and duly executed amendment to the Agreement.
- 13) Notices. Under this Agreement, any signatures, reports, bills or notices required will be adequate if sent by either the District or the Consultant via postage paid USPS mail to the address noted below:

Contact Name: Gregory E. Harman Title: General Manager

Address: 217 Arlington Avenue, Kensington, California, 94707

Phone #: 510-526-4141 Fax #: 510-526-1028

Email Address: gharman@kensingtoncalifornia.org

LGC, Ltd  
1420 E. Roseville Parkway  
Suite 140337  
Roseville, CA 95661

Phone # :(916) 209-8346

Email: Steve@LGconsultants.net

Any notices will be considered delivered after five (5) days of being deposited in a USPS mailbox.

- 14) Agreement Complete. The District and Consultant agree that this Agreement and any subsequent documents incorporated by specific reference contain all the terms and conditions previously agreed upon. No other agreements regarding this Agreement will bind either the District or the Consultant in any way.

- 15) Severability. If any portion, section, provision, part, or term of this Agreement are found to be in conflict with either a law of the United States of America or the State of California, or otherwise be unenforceable, the remaining portions, sections, provisions, parts or terms will be deemed severable and shall remain in full force and effect.
  
- 16) Receipt of Agreement. Consultant must receive a signed copy of this Agreement by November 1, 2010 in order to warrant that claims will be submitted in a timely fashion.
  
- 17) Signature Authority. Individuals signing this Agreement certify to the following:
  - a) He or she is authorized to sign this Agreement on behalf of the District.
  - b) The District has all approvals necessary to enter into this Agreement.
  - c) This Agreement is a valid, enforceable obligation of the District upon execution.

THEREFORE, The District and the Consultant execute this Agreement as of the date below.

ATTEST: By: \_\_\_\_\_  
District Official

Date: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_

Local Government Consultants, LLC

By: \_\_\_\_\_  
Steven L. Oppenheim, Senior Partner

Date: \_\_\_\_\_