

# KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

## AGENDA

A Special Meeting (Closed Session) of the Board of Directors of the Kensington Police Protection and Community Services District will be held **Thursday, February 13, 2014, at 6:30 P.M.**, at the Community Center, 59 Arlington Avenue, Kensington, California. The Board will commence its monthly Regular Meeting in open session at **7:30 P.M.** If further Closed Door Session is required, the Board will return to Closed Door Session following the end of the Regular Meeting.

Roll Call  
Public Comments

### SPECIAL MEETING; CLOSED SESSION 6:30 P.M.

1. Conference with Legal Counsel- Anticipated Litigation (Government Code Section 54956.9(b))  
Significant Exposure to Litigation from Union Pacific Railroad Company regarding alleged use and environmental contamination of Stege Pistol Range
2. Workers Compensation Claim (Government Code Section 54956.95)  
Claimant: Anita Gardyne  
Agency: Kensington Police Protection & Community Services District
3. Conference with Labor Negotiators (Government Code Section 54957.6)  
Agency Representatives: Patricia Gillette and Chuck Toombs  
Employee Organization: Kensington Police Officers Association

### REGULAR MEETING; OPEN SESSION 7:30 P.M.

The Board will return to Open Session at approximately 7:15 PM and report out on the Closed Door Session.

A Regular Meeting of the Board of Directors of the Kensington Police Protection and Community Services District will be held **Thursday, January 9, 2013, at 7:30 P.M.**, at the Community Center, 59 Arlington Avenue, Kensington, California.

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

Roll Call  
Public Comments  
Board Member/ Staff Comments

### APPROVAL OF CONSENT CALENDAR

- a) Minutes of the Special & Regular Meeting January 9, 2014, Page 3
- b) Profit & Loss Budget Performance for January 2014, Page 12
- c) Park Revenue & Expenses Report for January 2014, Page 18
- d) Board Member Reports- None
- e) Training & Reimbursement Reports, Page 27
- f) Correspondence, Page 43
- g) Police Department Update, Page 44
- h) Monthly Calendar, Page 53
- i) Recreation Report, Page 55
- j) General Manager's Report, Page 56

### DISTRICT - NEW BUSINESS

1. Steven Chang, Lamorena & Chang CPA, will present the Kensington Police Protection & Community Services District Fiscal Year 2011/2012 Annual Audit. Board Action. Page 60
2. District Staff will present the Fiscal Year 2013/2014 Mid-Year Budget Review. Page 98
3. KPPCSD Directors Chuck Toombs and Pat Gillette will present the negotiated Extension Agreement between the Kensington Police Protection & Community Services District and the Kensington Police Officers Association for the period between July 1, 2013 through June 30, 2014. Board Action. Page 100

4. The Park Buildings Committee will present Resolution 2014-01, a Resolution of the Kensington Police Protection & Community Services District making determinations and calling an election and ordering the submission of a proposition of incurring bonded debt for the purpose of making improvements to the Kensington Community Center, to the qualified voters of the District at the statewide General Election to be held June 3, 2014. Board Action. Page 101

(If needed, the Board will return to Closed Session following the end of the Regular Open Session meeting.)

## 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 AUXILIARY AID OR SERVICE AT LEAST 2 DAYS BEFORE THE MEETING. REQUESTS SHOULD BE SENT TO:

General Manager/ Chief of Police Greg Harman, Kensington Police Protection & Community Services District, 217 Arlington Ave, Kensington, CA 94707  
POSTED: Public Safety Building-Colusa Food-Library-Arlington Kiosk- and at [www.kensingtoncalifornia.org](http://www.kensingtoncalifornia.org)  
Complete agenda packets are available at the Public Safety Building and the Library.

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

## Meeting Minutes for 1/9/14

A Special Meeting (Closed Session) of the Board of Directors (BOD) of the Kensington Police Protection and Community Services District (KPPCSD) was held Thursday, January 9, 2014, at 6:30 PM, at the Community Center, 59 Arlington Avenue, Kensington, California. The Regular Monthly Meeting (Open Session) of the Board of Directors (BOD) followed the conclusion of the Special Meeting.

### ATTENDEES

<u>Elected Members</u>	<u>Members of the Public/Presenters</u>
Len Welsh, President	John Stein
Linda Lipscomb, Vice President	Lisa Caronna
Tony Lloyd, Director	Dan O'Brien
Charles Toombs, Director	Lorraine Osmundson
	Ann Forrest
<u>Staff Members</u>	Gretchen Gillfillan
GM/COP Gregory Harman	Leonard Schwartzburd
Sgt. Kevin Hui (on duty)	Bill Stanton
Lynn Wolter, District Administrator	Marty Westby
Sgt. Keith Barrow (own time)	Andrew Reed
Officer Stephanie Wilkens (own time)	Kay Reed
<u>Press</u>	Mabry Benson
Joel Koosed, Outlook	Jack Griffith
	Anthony Knight
	Elena Caruthers
	Rosary Matteson
	Italo Calpestri
	Karl Kruger
	Ron Weiselman
	Paul Dorroh
	Vida Dorroh
	Bruce Morrow
	Katie Gluck
	Celia Concus
	Craig Hill, NHA Advisors

Board President Len Welsh called the meeting to order at 6:33 PM and took roll call. Director Toombs, Vice President Lipscomb, Director Lloyd, President Welsh, General Manager/Chief of Police Harman, and District Administrator Wolter were present. Director Gillette was absent.

## **PUBLIC COMMENTS**

None

## **CLOSED SESSION**

At 6:34, the Board entered into Closed Session to confer with Labor Negotiators (Government Code Section 54957.6). Agency Representative: Chuck Toombs. Employee Organization: Kensington Police Officers Association.

## **OPEN SESSION**

At 7:31 PM, the Board returned to Open Session.

President Welsh reported that negotiations, which had been discussed during the Closed Session, were ongoing.

President Welsh took roll call. President Welsh, Vice President Lipscomb, Director Toombs, Director Lloyd, GM/COP Harman, and District Administrator Wolter were present. Director Gillette was absent.

## **PUBLIC COMMENTS**

Leonard Schwartzburg handed copies of a document to GM/COP Harman and each Board member. He then read a letter, written by Director Toombs, which had appeared in the May 2008 Outlook. He concluded by saying that the ACLU had entered the writ process on behalf of the petitioners.

Bill Stanton said he echoed Dr. Schwartzburg's comments.

Ms. Delk complimented recent work that had been done on one of Kensington's paths. She then expressed her displeasure over the Bay View Refuse rate increases, especially the increase for the 20-gallon can, which had been approved at the December Board meeting.

## **BOARD COMMENTS**

Director Toombs reported that information about a possible bond measure would be discussed later in the meeting and said that he was optimistic about 2014.

Director Lipscomb reported that she was looking forward to completing the revision of the Policy Manual and that the next meeting of the Policy Committee would be January 21<sup>st</sup> at 6:00 PM. She also reminded people to look at the recently installed teardrop style light fixture on the Arlington and to provide feedback.

Director Lloyd thanked the community and the Board for the support he had received during his year as president and said he looked forward to more accomplishments in the new year.

President Welsh thanked Director Lloyd for helping him get up to speed after he had been selected as a new member of the Board.

President Welsh read a letter from Director Gillette in which she wrote that she would like to improve Kensington's open spaces and Community Center for earthquake safety and to make Kensington more welcoming for everyone. Ms. Gillette complimented the work that had been done by the Park Building Committee and wrote that she supported the bond measure, which was to be discussed later in the meeting. She also wrote that, with respect to zero tolerance, she supported the officers in their work to protect us from those who don't obey the law.

President Welsh said that Kensington has a hometown feeling and that the rancor of the prior board had been disturbing. He said that the current board members may disagree but they do so with respect and with an eye towards solving problems. He concluded by saying that he looked forward to the litigation and rancor coming to an end in 2014 and that he looked forward to serving the community.

### **STAFF COMMENTS**

District Administrator Wolter asked if two Directors could come to the District office the following day to sign the Transmittal Sheet. President Welsh and Director Lloyd said that they would do so.

### **CONSENT CALENDAR**

**MOTION: Vice President Lipscomb moved, and Director Lloyd seconded, that the Board accept the Consent Calendar.  
Motion passed 4 to 0.**

**AYES: Welsh, Lipscomb, Lloyd, Toombs    NOES: 0    ABSENT: Gillette**

### **DISTRICT NEW BUSINESS**

1. The Park Buildings Committee presented the following recommendations and proposed motions to the Board:
  - a) That the KPPCSD Board (the "Board") endorse moving forward with a possible June 2014 primary election ballot measure for the approval of general

obligation bonds (“Bond Measure”) to fund building safety improvements and renovations to the Kensington Community Center.

- b) That the Board enter into an amendment to the current contract with Godbe Research in the form attached to the Board Packet as Exhibit A, to add the work of the Lew Edwards Group as detailed in the amended contract for an additional amount not to exceed \$5,000 such that the total amount due under the contract with Godbe Research would not exceed \$23,500.
- c) That the Board enter into a contract with NHA Advisors, to serve as financial advisors to the District in conjunction with the Bond Measure, in the form attached to the Board Packet as Exhibit B. The Board would recognize that NHA Advisors would be compensated solely from the bond proceeds generated by a successful election and issuance of general obligation bonds.
- d) That the Board enter into a contract with Chris Lynch of Jones Hall to serve as bond counsel to the District in conjunction with the Bond Measure, the form attached to the Board Packet as Exhibit C. The Board would recognize that Jones Hall would be compensated solely from bond proceeds generated by a successful election and issuance of general obligation bonds.
- e) That the Board authorize spending up to \$12,500 in legal fees to engage its outside legal counsel, Hanson Bridgett, to review documents and provide impartial guidance related to the Bond Measure.

President Welsh summarized the above items.

Director Toombs, chairman of the Park Buildings Committee, complimented and thanked committee members Bruce Morrow, Andrew Reed, Jack Griffith, Vice President Lipscomb, John Stein, and Lisa Caronna for their good work.

Lisa Caronna addressed the Board and the community, saying that Godbe’s research had indicated support for the amount of \$14 per \$100,000 of assessed value for the June 2014 ballot. She said that the Park Buildings Committee recommended moving forward with the actions needed to place a bond measure on the ballot and said that there was a specific timeline to be followed to accomplish this.

Ms. Caronna introduced Craig Hill, of NHA Advisors, who was in the audience.

Ms. Caronna summarized the five recommendations made by the Committee:

1. The Godbe Contract amendment for an additional \$5,000 of work, which would include strategic planning, advice on feasibility and timing, training and materials for educating the community, and structure of the ballot measure.
2. The contract with NHA Advisors to assist the District with financial aspects of issuing the bond.
3. The contract with Jones Hall to serve as bond counsel.

4. The authorization of the expense associated with Hanson Bridgett providing legal counsel throughout the process.

Ms. Caronna reviewed the history of the park buildings project. The District's ad hoc committee had been appointed in 2010. Prior to that, the Kensington Community Council (KCC) had worked for several years developing plans for improvements to the Community Center. Since 2010, the Park Buildings Committee had conducted a needs assessment, developed a master plan, consulted with a financial advisor, performed community outreach to ten "K" groups, and conducted a survey.

Ms. Caronna summarized the chart of estimated costs associated with placing a bond measure on the June ballot. Costs that would be incurred, regardless of whether the measure passed, were estimated at between \$47,500 and \$52,000. These costs would cover the following:

Additional work to be done by Godbe	\$5,000
District Legal Review	12,500
County Election Expense	25,000
District Mailers & Misc.	\$5,000 - \$10,000

Costs that would be paid out of bond proceeds only if the bond measure passed:

Financial Advisor	\$40,000
Bond Counsel	25,000
District Counsel	15,000
Rating	10,000
Trustee/Paying Agent	2,500
Miscellaneous	10,000
Bond Underwriting	<u>35,000</u>
Total	\$137,500

Ms. Caronna introduced John Stein, another member of the Committee.

Mr. Stein said that Ms. Caronna and Director Toombs had worked on the bond measure-related documents every day since December 23<sup>rd</sup>. Mr. Stein reported that, because interest rates were very favorable, this would be a good time for the District to proceed with a bond measure. He concluded by saying that the KCC still planned to support the project financially and that Board support was needed to make a decision to move forward.

Vida Dorroh complimented Ms. Caronna and said Ms. Caronna had done for our community as a volunteer that for which she used to be paid while working for the City of Berkeley. Ms. Dorroh asked if commercial properties would be included in the assessment. Mr. Hill (NHA Advisors) responded that all properties, except churches, would be included.

Board comments followed.

Director Toombs said that, after 50 years, the Community Center had reached the end of its useful life and that money needed to be spent on this community resource to ensure that it would last another 50 to 60 years.

Vice President Lipscomb said that she supported the project and that she would like to modernize the Community Center and make it more beautiful so it could accommodate more sophisticated activities. She noted that the Board had a fiduciary responsibility to maintain the community's assets and that this was pro-active planning, given the current low bond rates. She concluded by saying that the Godbe survey had indicated community support, so it was appropriate to let the people vote.

Director Lloyd said he had served on the KCC when much of the Community Center work had begun and he agreed with moving forward. He expressed concerns about fiscal responsibility, noting that this would be a huge project: implementation would be a big job; provisions for sufficient staff would be needed; and that it would entail a lot of additional work. He said he was concerned about the GM/COP's already full plate.

Director Lloyd also said that the \$50,000 of expenses, which had been summarized earlier, would not come from the \$300,000 of designated reserves. Thus, as un-budgeted expenses, they would be added to established budget lines or would come from reserve funds.

President Welsh asked that, if KCC still planned to support the project, how much did it plan to contribute. Director Toombs replied, between \$200,000 and \$250,000.

Ms. Caronna said that bond proceeds could be used only for expenses directly related to building, including the cost of a project manager and a 20% contingency. However, she said that proceeds could not be used to pay for furnishings or the election. Therefore, KCC and District funds should be used for those items for which the bond proceeds could not be used.

Director Lloyd said that, because this year's budget was very lean, he wanted to know by how much this project would increase the budget's deficit. Director Toombs replied that it would add \$52,000, which would need to come from reserves and said that he would like to see the \$300,000 of designated building funds used only for the building.

Vice President Lipscomb said that this would be a \$2 million project and that \$52,000 would be incidental to the cost of doing business – this money needed to be invested to succeed with the bond measure.

President Welsh said this was a fair issue to put before the voters; let them decide.



President Welsh asked for public comments.

Ron Weisman asked what furnishings likely would cost. Ms. Caronna replied that tables, chairs, and other items would probably cost \$50,000.

Paul Dorroh thanked the committee and the Board and noted that the committee members' donated talents had a significant dollar value. He said that he had attended the Fire District Board meeting the prior night and that the Fire Board had reported that property tax revenues were ahead of estimates. He concluded by saying that, because of low rates, this was a good time to issue bonds.

John Stein said that, if the Board didn't take care of the needed work now, it would only become more expensive and that reserves were there for when they were needed: If they were not to be used for this project, then for what should they be used.

Director Lloyd said that he was not against moving forward with the project, but that he was concerned about its fiscal impact.

Dan O'Brien asked what would be the length of the bond. The response was, 30 years. He also asked if the Community Center could be used as a shelter. Vice President Lipscomb replied that it couldn't without additional improvements, which were not part of the planned work.

GM/COP Harman confirmed that the building could not be used as a shelter, but said it was a designated staging area, in case of an emergency. The building would be used as the location to communicate, by radio, with the command center, which would be located at the El Cerrito Fire Station.

Mabry Benson asked how much the per-household cost would be. Ms. Caronna responded that the median assessed value was \$387,000. At \$14 per \$100,000 of assessed value, the per-household cost would be about \$54.

**MOTION: Director Toombs moved, and Vice President Lipscomb seconded, that the Board accept and move forward with the following Park Buildings Committee recommendations:**

- 1. That the KPPCSD Board (the "Board") endorse moving forward with a possible June 2014 primary election ballot measure for the approval of general obligation bonds ("Bond Measure") to fund building safety improvements and renovations to the Kensington Community Center.**
- 2. That the Board enter into an amendment to the current contract with Godbe Research in the form attached hereto as Exhibit A, to add the work of the Lew Edwards Group as detailed in the amended contract for an additional amount not to exceed \$5,000 such that the total amount due under the contract with Godbe Research shall not exceed \$23,500.**
- 3. That the Board enter into a contract with NHA Advisors, to serve as financial advisors to the District in conjunction with the Bond Measure, in the form attached**

hereto as Exhibit B. The Board recognizes that NHA Advisors will be compensated solely from the bond proceeds generated by a successful election and issuance of general obligation bonds.

4. That the Board enter into a contract with Chris Lynch of Jones Hall to serve as bond counsel to the District in conjunction with the Bond Measure, the form attached hereto as Exhibit C. The Board recognizes that Jones Hall will be compensated solely from bond proceeds generated by a successful election and issuance of general obligation bonds.

5. That the Board authorize spending up to \$12,500 in legal fees to engage its outside legal counsel, Hanson Bridgett, to review documents and provide impartial guidance related to the Bond Measure.

Motion passed 4 to 0.

**AYES: Welsh, Lipscomb, Lloyd, Toombs    NOES: 0    ABSENT: Gillette**

It was noted that construction would begin in 2016. GM/COP Harman pointed out that Measure WW funds, in the amount of \$158,000, would run out in three years and that, if the District didn't move forward now, it likely would lose this grant money.

Bruce Morrow said that the Fire Board needed to be approached for a contribution.

2. KPPCSD Board President Len Welsh appointed and publicly announced the members of the standing committees and Board Coordinators for the 2014 calendar year, pursuant to KPPCSD Board Policy 4060.1.

President Welsh made the following Standing Committee appointments:

Finance Committee: President Welsh and Director Lloyd  
Solid Waste Committee: Vice President Lipscomb and GM/COP Harman  
Emergency Preparedness Committee: Director Toombs

President Welsh appointed Vice President Lipscomb and Director Toombs to continue serving on the ad hoc Park Buildings Committee.

President Welsh made the following Board Coordinator appointments:

Finance and Administration: President Welsh  
Intergovernmental/External Issues: Vice President Lipscomb and Director Gillette  
District Policies and Procedures: Vice President Lipscomb and Director Gillette  
Public Safety Building: Director Toombs  
Park Planning and Recreation (including paths): Vice Pres. Lipscomb, Director Welsh  
Park Funding: Director Toombs  
Community Outreach: Director Gillette

President Welsh announced the following community members of these committees:

Finance: Pat McLaughlin, Paul Haxo, Elena Caruthers, Gloria Morrison, and Paul Kruger.

Policy and Procedures: John Stein, Joan Gallegos, and Barbara Dilts.

Park Buildings Committee: Bruce Morrow, Lisa Caronna, Andrew Reed, John Stein, and Jack Griffith.

Park Planning and Recreation: Dan O'Brien, Paul Dorroh, and Ray Barraza

Path Committee: Gloria Morrison, Gretchen Gillfillen, Ray Barazza, Paul Dorroh, and Katie Gluck.

Solid Waste: Lorna Thompson, Greg Christie, and Kathy Stein

Vice President Lipscomb thanked everyone for their support during the past year.

The meeting was adjourned at 9:07 PM.

# Memorandum

**Kensington Police Department**



**To:** KPPCSD Board of Directors

APPROVED      YES      NO

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

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FORWARDED TO:

**Date:** Friday, February 07, 2014

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**Subject:** Consent Calendar Item B- Unaudited Profit & Loss Report

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For the month of January, the Unaudited Profit & Loss Budget Performance Report is attached for review.

The Fiscal Year 2013/14 Mid-Year Budget Review is agenda Item #2 on the February 13<sup>th</sup> meeting agenda and can be found in the "Budget" portion of the General Manager's Report.

**KPPCSD**  
**Unaudited Profit & Loss Budget Performance**  
 January 2014

	<u>Jan 14</u>	<u>Budget</u>	<u>Jul '13 - Ja...</u>	<u>YTD Budget</u>	<u>Annual Bu...</u>
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>400 · Police Activities Re...</b>					
401 · Levy Tax	0.00	0.00	1,317,060.84	1,286,000.00	1,286,000.00
402 · Special Tax-Police	0.00		681,390.00	680,000.00	680,000.00
403 · Misc Tax-Police	0.00		66.70	0.00	0.00
404 · Measure G Suppl...	0.00		488,102.86	486,986.00	486,986.00
410 · Police Fees/Servi...	185.85	0.00	1,140.65	750.00	1,500.00
414 · POST Reimburse...	376.58		2,076.28	1,000.00	2,000.00
415 · Grants-Police	10,637.85	0.00	28,879.31	0.00	0.00
416 · Interest-Police	0.00	750.00	820.76	1,500.00	3,000.00
417 · Police Asset Sale	0.00		0.00	0.00	0.00
418 · Misc Police Inco...	2,259.80	1,500.00	10,401.83	10,500.00	18,000.00
419 · Supplemental W/...	0.00		0.00	0.00	0.00
<b>Total 400 · Police Activiti...</b>	<b>13,460.08</b>	<b>2,250.00</b>	<b>2,529,939.23</b>	<b>2,466,736.00</b>	<b>2,477,486.00</b>
<b>420 · Park/Rec Activities...</b>					
424 · Special Tax-L&L	0.00		33,495.74	33,000.00	33,000.00
426 · Park Donations	0.00		0.00	0.00	0.00
427 · Community Cent...	9,395.00	1,500.00	19,180.50	15,100.00	25,000.00
435 · Grants-Park/Rec	0.00		0.00	0.00	0.00
436 · Interest-Park/Rec	0.00	50.00	0.00	100.00	200.00
438 · Misc Park/Rec Rev	0.00	0.00	296.00	250.00	500.00
<b>Total 420 · Park/Rec Acti...</b>	<b>9,395.00</b>	<b>1,550.00</b>	<b>52,972.24</b>	<b>48,450.00</b>	<b>58,700.00</b>
<b>440 · District Activities R...</b>					
448 · Franchise Fees	7,200.34		14,597.99	7,000.00	21,000.00
456 · Interest-District	0.00	125.00	0.00	250.00	500.00
458 · Misc District Rev...	0.00		0.00	0.00	0.00
<b>Total 440 · District Activi...</b>	<b>7,200.34</b>	<b>125.00</b>	<b>14,597.99</b>	<b>7,250.00</b>	<b>21,500.00</b>
<b>Total Income</b>	<b>30,055.42</b>	<b>3,925.00</b>	<b>2,597,509.46</b>	<b>2,522,436.00</b>	<b>2,557,686.00</b>
<b>Expense</b>					

**KPPCSD**  
**Unaudited Profit & Loss Budget Performance**  
January 2014

	<u>Jan 14</u>	<u>Budget</u>	<u>Jul '13 - Ja...</u>	<u>YTD Budget</u>	<u>Annual Bu...</u>
<b>500 · Police Sal &amp; Ben</b>					
502 · Salary - Officers	82,282.87	78,002.75	549,588.94	546,019.25	936,033.00
504 · Compensated Ab...	0.00		8,063.20	6,700.00	10,000.00
506 · Overtime	3,753.49	3,333.33	32,469.53	23,333.35	40,000.00
508 · Salary - Non-Swo...	4,625.88	4,333.33	32,582.66	30,333.35	52,000.00
516 · Uniform Allowance	666.60	666.67	4,666.20	4,666.65	8,000.00
518 · Safety Equipment	0.00		0.00	1,250.00	2,500.00
521-A · Medical/Vision...	29,791.49	14,800.25	115,582.61	103,601.75	177,603.00
521-R · Medical/Vision...	22,555.80	13,902.42	90,683.16	97,316.90	166,829.00
521-T · Medical/Vision/...	0.00		42,818.00		-21,109.00
522 · Insurance - Police	245.00	436.67	3,054.30	3,056.65	5,240.00
523 · Social Security/...	1,332.42	1,263.92	7,457.17	8,847.44	15,167.00
524 · Social Security - ...	321.56	268.67	2,088.18	1,880.65	3,224.00
527 · PERS - District P...	30,809.47	28,696.17	202,727.50	200,873.19	344,354.00
528 · PERS - Officers ...	7,465.43	7,080.25	49,882.80	49,561.75	84,963.00
530 · Workers Comp	0.00		30,906.00	34,500.00	46,000.00
540 · Advanced Indust...	0.00		0.00	0.00	0.00
<b>Total 500 · Police Sal &amp; ...</b>	<b>183,850.01</b>	<b>152,784.43</b>	<b>1,172,570.25</b>	<b>1,111,940.93</b>	<b>1,870,804.00</b>
<b>550 · Other Police Expen...</b>					
552 · Expendable Poli...	89.52	125.00	373.64	875.00	1,500.00
553 · Range/Ammuniti...	20.00	250.00	2,229.47	1,750.00	3,000.00
560 · Crossing Guard	558.95	1,006.10	4,583.42	5,030.50	10,061.00
562 · Vehicle Operation	6,543.65	5,000.00	24,926.58	35,000.00	60,000.00
564 · Communications...	9,347.57	15,000.00	60,450.02	94,460.00	154,460.00
566 · Radio Maintenanc...	19,536.26	20,000.00	19,520.89	20,954.55	21,750.00
568 · Prisoner/Case Ex...	451.20	450.00	3,370.18	3,150.00	5,400.00
570 · Training	1,460.03	833.33	8,340.18	5,833.35	10,000.00
572 · Recruiting	146.00	541.67	1,075.00	3,791.65	6,500.00
574 · Reserve Officers	30.00	337.50	104.04	2,362.50	4,050.00
576 · Misc. Dues, Meal...	124.83	100.00	2,544.83	2,075.00	2,075.00
580 · Utilities - Police	69.48	716.67	4,238.86	5,016.65	8,600.00
581 · Bldg Repairs/Mai...	0.00		148.63	500.00	500.00
582 · Expendable Offic...	232.95	500.00	2,768.73	3,500.00	6,000.00

**KPPCSD**  
**Unaudited Profit & Loss Budget Performance**  
January 2014

	Jan 14	Budget	Jul '13 - Ja...	YTD Budget	Annual Bu...
586 · Machine Mainten...	0.00		0.00	0.00	0.00
588 · Telephone(+Rich...	838.75	712.00	5,711.37	4,984.00	8,544.00
590 · Housekeeping	564.81	333.33	2,256.35	2,333.35	4,000.00
592 · Publications	50.00	183.33	1,958.30	1,283.35	2,200.00
594 · Community Polic...	21.14	1,000.00	46.24	1,550.00	2,000.00
596 · WEST-NET/CAL I...	0.00		13,386.00	13,386.00	13,386.00
598 · COPS Special Fu...	0.00		0.00	0.00	0.00
599 · Police Taxes Ad...	826.72	825.00	2,471.74	2,475.00	3,300.00
550 · Other Police Exp...	0.00		41.61		
<b>Total 550 · Other Police ...</b>	<b>40,911.86</b>	<b>47,913.93</b>	<b>160,546.08</b>	<b>210,310.90</b>	<b>327,326.00</b>
<b>600 · Park/Rec Sal &amp; Ben</b>					
601 · Park & Rec Admi...	560.50	541.67	3,869.25	3,791.65	6,500.00
602 · Custodian	1,750.00	1,750.00	12,250.00	12,250.00	21,000.00
623 · Social Security/...	0.00	41.42	212.05	289.90	497.00
<b>Total 600 · Park/Rec Sal ...</b>	<b>2,310.50</b>	<b>2,333.09</b>	<b>16,331.30</b>	<b>16,331.55</b>	<b>27,997.00</b>
<b>635 · Park/Recreation Ex...</b>					
640 · Community Cent...					
642 · Utilities-Comm...	381.91	448.00	2,610.66	3,136.00	5,376.00
643 · Janitorial Supp...	0.00		597.90	600.00	750.00
646 · Community Ce...	0.00	500.00	2,639.91	1,000.00	2,000.00
<b>Total 640 · Community...</b>	<b>381.91</b>	<b>948.00</b>	<b>5,848.47</b>	<b>4,736.00</b>	<b>8,126.00</b>
<b>660 · Annex Expenses</b>					
662 · Utilities - Annex	196.18		- 704.69	0.00	0.00
666 · Annex Repairs	0.00		0.00	0.00	0.00
668 · Misc Annex Ex...	0.00		0.00	0.00	0.00
<b>Total 660 · Annex Exp...</b>	<b>196.18</b>		<b>704.69</b>	<b>0.00</b>	<b>0.00</b>
672 · Kensington Park ...	26,651.54	7,369.33	49,569.30	51,585.35	88,432.00
678 · Misc Park/Rec E...	0.00		170.00	0.00	0.00
<b>Total 635 · Park/Recreati...</b>	<b>27,229.63</b>	<b>8,317.33</b>	<b>56,292.46</b>	<b>56,321.35</b>	<b>96,558.00</b>

**KPPCSD**  
**Unaudited Profit & Loss Budget Performance**  
January 2014

	<u>Jan 14</u>	<u>Budget</u>	<u>Jul '13 - Ja...</u>	<u>YTD Budget</u>	<u>Annual Bu...</u>
<b>800 · District Expenses</b>					
810 · Computer Mainte...	2,313.00	2,292.00	21,325.38	16,044.00	27,504.00
820 · Cannon Copier C...	659.23	475.00	3,299.66	3,325.00	5,700.00
830 · Legal (District/Pe...	30,689.90	5,833.33	115,733.99	40,833.35	70,000.00
835 · Consulting	0.00	2,000.00	20,800.00	2,000.00	3,000.00
840 · Accounting	2,307.56	4,062.50	17,848.81	28,437.50	48,750.00
850 · Insurance	0.00		28,522.26	30,000.00	30,000.00
860 · Election	0.00		0.00	0.00	0.00
865 · Police Bldg. Lease	0.00	15,757.00	31,514.00	31,514.00	31,514.00
870 · County Expendit...	0.00		7,377.23	7,000.00	19,900.00
890 · Waste/Recycle	12,255.83	4,500.00	57,041.76	31,500.00	54,000.00
898 · Misc. Expenses	442.22	858.33	8,811.91	6,008.35	10,300.00
<b>Total 800 · District Expe...</b>	<u>48,667.74</u>	<u>35,778.16</u>	<u>312,275.00</u>	<u>196,662.20</u>	<u>300,668.00</u>
<b>950 · Capital Outlay</b>					
961 · Police Bldg Impr...	0.00		1,395.00		
962 · Patrol Cars	0.00		33,192.03	25,000.00	25,000.00
963 · Patrol Car Acces...	0.00		0.00	10,000.00	10,000.00
969 · Computer Equip...	265.00		21,066.82	16,250.00	16,250.00
<b>Total 950 · Capital Outlay</b>	<u>265.00</u>		<u>55,653.85</u>	<u>51,250.00</u>	<u>51,250.00</u>
<b>Total Expense</b>	<u>303,234.74</u>	<u>247,126.94</u>	<u>1,773,668.94</u>	<u>1,642,816.93</u>	<u>2,674,603.00</u>
<b>Net Ordinary Income</b>	-273,179.32	-243,201.94	823,840.52	879,619.07	-116,917.00
<b>Other Income/Expense</b>					
<b>Other Expense</b>					
<b>700 · Bond Issue Expens...</b>					
701 · Bond Proceeds	0.00		-178,144.40		
710 · Bond Admin.	2,305.77		8,646.61		
715 · Bond Interest Inc...	0.00		-60.43		
720 · Bond Principal	0.00		120,230.37		
730 · Bond Interest	0.00		23,161.56		

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**KPPCSD**  
**Unaudited Profit & Loss Budget Performance**  
 January 2014

	<u>Jan 14</u>	<u>Budget</u>	<u>Jul '13 - Ja...</u>	<u>YTD Budget</u>	<u>Annual Bu...</u>
Total 700 · Bond Issue E...	2,305.77		-26,166.29		
Total Other Expense	2,305.77		-26,166.29		
Net Other Income	-2,305.77	0.00	26,166.29	0.00	0.00
Net Income	<u>-275,485.09</u>	<u>-243,201.94</u>	<u>850,006.81</u>	<u>879,619.07</u>	<u>-116,917.00</u>

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# Memorandum

Kensington Police Department



**To:** KPPCSD Board of Directors

APPROVED      YES      NO

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

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FORWARDED TO:

**Date:** Friday, February 07, 2014

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**Subject:** Consent Calendar Item C- Park Revenue & Expenses

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The KPPCSD Board and the Park Buildings Committee has requested a separate and detailed accounting of park revenues and expenses.

This information is obtained through our QuickBooks software. Revenue and expenses from July 1, 2013 through January 31, 2014 is attached to this memo.

**KPPCSD**  
**Account QuickReport**  
 July 1, 2013 through February 4, 2014

Type	Date	Num	Name	Memo	Split	Amount
<b>420 · Park/Rec Activities Revenue</b>						
<b>424 · Special Tax-L&amp;L</b>						
General Journal	10/1/2013	JV07...	CCC Taxes-LLD	SP ASSESS ...	146 · Advance...	33,495.74
Total 424 · Special Tax-L&L						33,495.74
<b>427 · Community Center Revenue</b>						
Deposit	7/12/2013	512		CC Rental 6-...	112 · General ...	300.00
Deposit	7/12/2013	2954		July Rent fro...	112 · General ...	45.00
Deposit	7/12/2013	3005		CC Rental 7-...	112 · General ...	700.00
Deposit	8/7/2013	2132		CC Rental S...	112 · General ...	150.00
Deposit	8/7/2013	2130		CC Rental	112 · General ...	600.00
Deposit	8/7/2013	1158		CC Rental	112 · General ...	975.00
Deposit	8/7/2013	3523		CC Rental	112 · General ...	700.00
Deposit	9/5/2013	2962		Wake Up to ...	112 · General ...	45.00
Deposit	9/5/2013	1053		CC Rental 9-...	112 · General ...	1,100.00
Deposit	9/5/2013	1118		East Bay Coll...	112 · General ...	598.00
Deposit	9/30/2013	2977		Wake Up to ...	112 · General ...	45.00
Deposit	10/22/2013	382		CC Rental on...	112 · General ...	450.00
Deposit	10/22/2013	2342		CC Rental 10...	112 · General ...	450.00
Deposit	10/22/2013	3209...		Alanon Mtg ...	112 · General ...	45.00
Deposit	12/5/2013	6266		CC Rental	112 · General ...	750.00
Deposit	12/5/2013	110		CC Rental	112 · General ...	300.00
Deposit	12/5/2013	5118		CC Rental	112 · General ...	487.50
Deposit	12/5/2013	1388		CC Rental	112 · General ...	225.00
Deposit	12/5/2013	983		CC Rental	112 · General ...	250.00
Deposit	12/5/2013	224		CC Rental	112 · General ...	250.00
Deposit	12/5/2013	2793		CC Rental	112 · General ...	525.00
Deposit	12/5/2013	1436		CC Rental	112 · General ...	450.00
Deposit	12/5/2013	40609		CC Rental	112 · General ...	300.00
Deposit	12/5/2013	2995		Wake Up to ...	112 · General ...	45.00
Deposit	1/10/2014	3009		Wake Up to ...	112 · General ...	45.00
Deposit	1/10/2014			CC Rental 12...	112 · General ...	500.00
Deposit	1/10/2014	2805		CC Rental 1-...	112 · General ...	300.00
Deposit	1/10/2014	129		CC Rental 12...	112 · General ...	300.00
Deposit	1/10/2014	7141		1st Half of re...	112 · General ...	7,500.00

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6:16 PM  
02/04/14  
Accrual Basis

KPPCSD  
**Account QuickReport**  
July 1, 2013 through February 4, 2014

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Split</u>	<u>Amount</u>
Deposit	1/10/2014	2664		CC Rental 1-...	112 · General ...	750.00
Total 427 · Community Center Revenue						19,180.50
<b>438 · Misc Park/Rec Rev</b>						
Deposit	7/12/2013	3898		Tennis Court ...	112 · General ...	40.00
Deposit	9/5/2013	4025		Tennis Court ...	112 · General ...	40.00
Deposit	9/5/2013	3358		Tennis Court ...	112 · General ...	64.00
Deposit	10/22/2013	3369		Tennis Court ...	112 · General ...	112.00
Deposit	12/5/2013	4087		Tennis Court ...	112 · General ...	40.00
Total 438 · Misc Park/Rec Rev						296.00
Total 420 · Park/Rec Activities Revenue						52,972.24
<b>TOTAL</b>						<b>52,972.24</b>

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**KPPCSD**  
**Account QuickReport**  
 July 1, 2013 through February 4, 2014

Type	Date	Num	Name	Memo	Split	Amount
<b>600 - Park/Rec Sal &amp; Ben</b>						
<b>601 - Park &amp; Rec Administrator</b>						
Paycheck	7/15/2013		Di Napoli, Andrea		112 · General ...	277.25
Paycheck	7/30/2013		Di Napoli, Andrea		112 · General ...	326.00
Paycheck	8/15/2013		Di Napoli, Andrea		112 · General ...	293.00
Paycheck	8/29/2013		Di Napoli, Andrea		112 · General ...	281.25
Paycheck	9/13/2013		Di Napoli, Andrea		112 · General ...	283.25
Paycheck	9/30/2013		Di Napoli, Andrea		112 · General ...	57.00
Paycheck	10/15/2013		Di Napoli, Andrea		112 · General ...	333.00
Paycheck	10/30/2013		Di Napoli, Andrea		112 · General ...	346.00
Paycheck	11/15/2013		Di Napoli, Andrea		112 · General ...	290.25
Paycheck	11/29/2013		Di Napoli, Andrea		112 · General ...	284.50
Paycheck	12/13/2013		Di Napoli, Andrea		112 · General ...	270.75
Paycheck	12/30/2013		Di Napoli, Andrea		112 · General ...	266.50
Paycheck	1/15/2014		Di Napoli, Andrea		112 · General ...	251.50
Paycheck	1/29/2014		Di Napoli, Andrea		112 · General ...	309.00
Total 601 - Park & Rec Administrator						3,869.25
<b>602 - Custodian</b>						
Check	7/15/2013	14838	William Driscoll	Com. Center ...	112 · General ...	875.00
Check	7/30/2013	14864	William Driscoll	Com. Center ...	112 · General ...	875.00
Check	8/15/2013	14898	William Driscoll	Com. Center ...	112 · General ...	875.00
Check	8/30/2013	14927	William Driscoll	Com. Center ...	112 · General ...	875.00
Check	9/13/2013	14955	William Driscoll	Community C...	112 · General ...	875.00
Check	9/30/2013	14990	William Driscoll	Community C...	112 · General ...	875.00
Check	10/15/2013	15035	William Driscoll	Community C...	112 · General ...	875.00
Check	10/30/2013	15062	William Driscoll	Community C...	112 · General ...	875.00
Check	11/15/2013	15104	William Driscoll	Community C...	112 · General ...	875.00
Check	11/29/2013	15193	William Driscoll	Community C...	112 · General ...	875.00
Check	12/13/2013	15226	William Driscoll	Community C...	112 · General ...	875.00
Check	12/30/2013	15247	William Driscoll	Community C...	112 · General ...	875.00
Check	1/15/2014	15286	William Driscoll	Community C...	112 · General ...	875.00
Check	1/30/2014	15310	William Driscoll	Community C...	112 · General ...	875.00
Total 602 - Custodian						12,250.00

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**KPPCSD**  
**Account QuickReport**  
 July 1, 2013 through February 4, 2014

Type	Date	Num	Name	Memo	Split	Amount
<b>623 - Social Security/Medicare - Dist</b>						
General Journal	7/15/2013	SS A...		07/01-07/15/13	523 · Social S...	21.21
General Journal	7/30/2013	SS A...		07/16-07/31/13	523 · Social S...	24.94
General Journal	8/15/2013	SS A...		08/01-08/15/13	523 · Social S...	22.42
General Journal	8/30/2013	SS A...		08/16-08/31/13	523 · Social S...	21.52
General Journal	9/15/2013	SS A...		09/01-09/15/13	523 · Social S...	21.67
General Journal	9/30/2013	SS A...		09/16-09/30/13	523 · Social S...	4.36
General Journal	10/15/2013	SS A...		10/01-10/15/13	523 · Social S...	25.48
General Journal	10/30/2013	SS A...		10/16-10/31/13	523 · Social S...	26.47
General Journal	11/15/2013	SS A...		11/01-11/15/13	523 · Social S...	22.21
General Journal	11/30/2013	SS A...		11/16-11/30/13	523 · Social S...	21.77
Total 623 · Social Security/Medicare - Dist						212.05
Total 600 · Park/Rec Sal & Ben						16,331.30
<b>TOTAL</b>						<b>16,331.30</b>

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**KPPCSD**  
**Account QuickReport**  
 July 1, 2013 through February 4, 2014

Type	Date	Num	Name	Memo	Split	Amount
<b>635 · Park/Recreation Expenses</b>						
<b>640 · Community Center Expenses</b>						
<b>642 · Utilities-Community Center</b>						
General Journal	7/1/2013	REV ...	CCC Treasurer's Of...		210 · Account...	-668.26
Check	7/15/2013	14840	Pacific Telemanage...	Pay Phone C...	112 · General ...	78.00
Check	7/30/2013	14862	EBMUD	840 Coventry	112 · General ...	26.87
Check	7/30/2013	14873	PG&E	Community C...	112 · General ...	223.45
Check	7/30/2013	14892	Pacific Telemanage...	Pay Phone C...	112 · General ...	78.00
Check	8/30/2013	14924	PG&E	Community C...	112 · General ...	232.51
Check	8/30/2013	14926	EBMUD	2 Arlmont - C...	112 · General ...	388.98
Check	9/13/2013	14958	Pacific Telemanage...	Pay Phone C...	112 · General ...	78.00
Check	9/13/2013	14964	Olivero Plumbing Co.	Com. Center ...	112 · General ...	115.00
Check	9/30/2013	14993	PG&E	Community C...	112 · General ...	197.03
Check	9/30/2013	14996	EBMUD	840 Coventry...	112 · General ...	29.34
Check	10/15/2013	15038	Pacific Telemanage...	Pay Phone C...	112 · General ...	78.00
Check	10/30/2013	15061	EBMUD	2 Arlmont 8/1...	112 · General ...	304.58
Check	10/30/2013	15068	PG&E	Community C...	112 · General ...	197.85
Check	11/15/2013	15105	Pacific Telemanage...	Pay Phone N...	112 · General ...	78.00
Check	11/15/2013	15182	EBMUD	840 Coventry	112 · General ...	29.34
Check	11/15/2013	15185	PG&E	Community C...	112 · General ...	209.50
Check	11/29/2013	15214	Pacific Telemanage...	Pay Phone D...	112 · General ...	78.00
Check	12/30/2013	15248	EBMUD	2 Arlmont 10/...	112 · General ...	234.50
Check	12/30/2013	15249	PG&E	Community C...	112 · General ...	240.06
Check	1/15/2014	15282	Pacific Telemanage...	Pay Phone J...	112 · General ...	78.00
Check	1/15/2014	15305	PG&E	Community C...	112 · General ...	274.57
Check	1/30/2014	15309	EBMUD	840 Coventry...	112 · General ...	29.34
Total 642 · Utilities-Community Center						2,610.66
<b>643 · Janitorial Supplies</b>						
General Journal	7/1/2013	REV ...	CCC Treasurer's Of...		210 · Account...	-185.23
Check	7/15/2013	14839	UBS	Janitorial sup...	112 · General ...	185.23
Check	9/30/2013	15008	UBS	Com. Center ...	112 · General ...	582.72
Check	12/13/2013	15231	Kensington Home a...	Trash bags	112 · General ...	15.18
Total 643 · Janitorial Supplies						597.90

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**KPPCSD**  
**Account QuickReport**  
July 1, 2013 through February 4, 2014

Type	Date	Num	Name	Memo	Split	Amount
<b>646 · Community Center Repairs</b>						
Check	7/30/2013	14889	Summer Rain Land...	650 sq ft. of s...	112 · General ...	1,200.00
Check	8/15/2013	14918	Summer Rain Land...	8 yards of ba...	112 · General ...	400.00
Check	9/30/2013	15025	Summer Rain Land...	Tree trimmin...	112 · General ...	180.00
Check	10/30/2013	15083	Summer Rain Land...	Tree trimmin...	112 · General ...	65.00
Check	11/15/2013	15177	Kensington Home a...	9/28/13 - 10/...	112 · General ...	23.85
Check	11/15/2013	15180	Summer Rain Land...	Repairs to ir...	112 · General ...	95.00
Check	11/29/2013	15192	KEL-AIRE	service call, r...	112 · General ...	248.91
Check	11/29/2013	15217	Summer Rain Land...	Brush remov...	112 · General ...	380.00
Check	12/13/2013	15231	Kensington Home a...	Plumbing rep...	112 · General ...	47.15
Total 646 · Community Center Repairs						2,639.91
Total 640 · Community Center Expenses						5,848.47
<b>660 · Annex Expenses</b>						
<b>662 · Utilities - Annex</b>						
General Journal	7/1/2013	REV ...	CCC Treasurer's Of...		210 · Account...	-94.15
Check	7/30/2013	14862	EBMUD	1 Windsor (S...	112 · General ...	188.30
Check	9/30/2013	14996	EBMUD	1 Windsor - ...	112 · General ...	230.54
Check	11/15/2013	15182	EBMUD	1 Windsor - s...	112 · General ...	183.82
Check	1/15/2014	15304	EBMUD	1 Windsor - ...	112 · General ...	196.18
Total 662 · Utilities - Annex						704.69
Total 660 · Annex Expenses						704.69
<b>672 · Kensington Park O&amp;M</b>						
General Journal	7/1/2013	NBS	NBS Government Fi...	JUL-SEP 2013	710 · Bond Ad...	1,073.29
General Journal	7/1/2013	REV ...	CCC Treasurer's Of...		210 · Account...	-1,113.80
Check	7/15/2013	14829	Summer Rain Land...	Drinking foun...	112 · General ...	85.00
Check	7/15/2013	14839	UBS	June 2013 P...	112 · General ...	432.00
Check	7/30/2013	14862	EBMUD	1 Windsor (lr...	112 · General ...	1,363.60
Check	7/30/2013	14866	Summer Rain Land...	Park Repairs	112 · General ...	0.00
Check	7/30/2013	14889	Summer Rain Land...	July monthly ...	112 · General ...	2,050.00
Check	7/30/2013	14889	Summer Rain Land...	2 yards of ba...	112 · General ...	240.00
Check	7/30/2013	14889	Summer Rain Land...	Repair of ste...	112 · General ...	180.00

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**KPPCSD**  
**Account QuickReport**  
 July 1, 2013 through February 4, 2014

Type	Date	Num	Name	Memo	Split	Amount
Check	7/30/2013	14889	Summer Rain Land...	removal of br...	112 · General ...	80.00
Check	7/30/2013	14889	Summer Rain Land...	trouble shoot ...	112 · General ...	140.00
General Journal	7/30/2013	CK 1...	Summer Rain Land...	For CHK 148...	112 · General ...	640.00
General Journal	8/9/2013	VD C...	Summer Rain Land...	Reverse of G...	112 · General ...	-640.00
Check	8/15/2013	14905	UBS	July 2013 Pa...	112 · General ...	432.00
Check	8/15/2013	14918	Summer Rain Land...	Irrigation rep...	112 · General ...	430.00
Check	8/30/2013	14930	William Driscoll	Park Restroo...	112 · General ...	425.00
Check	9/13/2013	14963	Summer Rain Land...	Park Monthly...	112 · General ...	2,050.00
Check	9/13/2013	14976	Kensington Home a...	Park restroom	112 · General ...	13.48
Check	9/30/2013	14990	William Driscoll	Park Restro...	112 · General ...	425.00
Check	9/30/2013	14996	EBMUD	1 Windsor - Ir...	112 · General ...	1,390.74
Check	9/30/2013	15011	NBS Government Fi...	Inv. #913000...	112 · General ...	1,098.83
Check	9/30/2013	15025	Summer Rain Land...	Park Monthly...	112 · General ...	2,260.00
Check	10/30/2013	15062	William Driscoll	Park Rest. M...	112 · General ...	425.00
Check	10/30/2013	15083	Summer Rain Land...	Park Monthly...	112 · General ...	3,980.00
Check	11/15/2013	15180	Summer Rain Land...	Repairs to fie...	112 · General ...	185.00
Check	11/15/2013	15182	EBMUD	1 Windsor - ir...	112 · General ...	1,592.62
Check	11/29/2013	15193	William Driscoll	Park Restroo...	112 · General ...	425.00
Check	11/29/2013	15217	Summer Rain Land...	Tree Remova...	112 · General ...	780.00
Check	11/29/2013	15217	Summer Rain Land...	Monthly fee - ...	112 · General ...	2,050.00
Check	12/30/2013	15247	William Driscoll	Restroom Cl...	112 · General ...	425.00
Check	1/15/2014	15275	NBS Government Fi...	Inv. #121301...	112 · General ...	1,091.96
Check	1/15/2014	15277	Summer Rain Land...	Irrigation rep...	112 · General ...	165.00
Check	1/15/2014	15277	Summer Rain Land...	Monthly fee - ...	112 · General ...	2,050.00
Check	1/15/2014	15296	E. R. A. Constructio...	Storm drain i...	112 · General ...	17,500.00
Check	1/15/2014	15296	E. R. A. Constructio...	Storm dain i...	112 · General ...	1,400.00
Check	1/30/2014	15309	EBMUD	1 Windsor - ir...	112 · General ...	904.58
Check	1/30/2014	15310	William Driscoll	Park Restroo...	112 · General ...	425.00
Check	1/30/2014	15339	Summer Rain Land...	Irrigation rep...	112 · General ...	200.00
Check	1/30/2014	15339	Summer Rain Land...	Monthly fee - ...	112 · General ...	2,050.00
Check	1/30/2014	15339	Summer Rain Land...	Road repair n...	112 · General ...	720.00
Check	1/30/2014	15339	Summer Rain Land...	Tree trimmin...	112 · General ...	145.00

Total 672 · Kensington Park O&M

49,569.30

678 · Misc Park/Rec Expense

6:16 PM  
02/04/14  
Accrual Basis

KPPCSD  
Account QuickReport  
July 1, 2013 through February 4, 2014

Type	Date	Num	Name	Memo	Split	Amount
General Journal	7/1/2013	REV ...	CCC Treasurer's Of...		210 · Account...	-24.69
Check	7/15/2013	14844	BPXpress	Copies of Par...	112 · General ...	24.69
Check	10/30/2013	15081	California Park & R...	Membership t...	112 · General ...	170.00
Total 678 · Misc Park/Rec Expense						170.00
Total 635 · Park/Recreation Expenses						56,292.46
<b>TOTAL</b>						<b>56,292.46</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, February 07, 2014

\_\_\_\_\_

**Subject:** Consent Calendar Item # E- Training & Reimbursement Reports

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For the month of January, the following attached Training and Reimbursement Reports pursuant to KPPCSD Board Policy # 4030 were submitted for approval.

Also attached to this memo are the notes and power point slides from a CSDA "Special District Reserves" webinar that Lynn Wolter participated in.

Acct#: 370 ✓

Date: 1/15/14

Ck#: \_\_\_\_\_

Amt: \$ 95.03

Signature: AT

APPENDIX A - EXPENSE PREPAYMENT/REIMBURSEMENT FORM

Name: CHRIS TURNER

Event/Activity: FTO

Location of Event/Activity: LAW ENFORCEMENT CENTER; PITTSBURGH

Approved by Board of Directors on: \_\_\_\_\_

	Prepay	Reimburse
1. Event/Activity Registration Fee	\$ <u>344</u>	\$ _____
2. Transportation		
• Airfare	\$ _____	\$ _____
• Car Rental (\$ _____ per day for _____ days)	\$ _____	\$ _____
• Car Mileage (\$ <u>50.5</u> per mile for <u>70.86</u> miles)	\$ _____	\$ <u>40.03</u>
• Taxi	\$ _____	\$ _____
• Parking	\$ _____	\$ _____
3. Lodging (\$ _____ per night for _____ nights)	\$ _____	\$ _____
4. Meals (Complete information requested on next page of form)		
a. Breakfast	\$ _____	\$ _____
b. Lunch - \$ 11	\$ _____	\$ <u>55.00</u>
c. Dinner	\$ _____	\$ _____
5. Other (Explain details of request)	\$ _____	\$ _____
Total Requested	\$ _____	\$ <u>95.03</u>

Please attach all receipts documenting each expense above. This Expense Prepayment/Reimbursement Form must be submitted within 30 days after the event. All expenses reported on this form must comply with the District's Expense Policy for Board members, the General Manager/Chief of Police, and all non-sworn District employees.

Signed: C. Turner

Approved by: AT

Date: 12-18-13

Signed: AT

Print Name: \_\_\_\_\_

Date: 12/19/13

- POST PLAN 2
- SUBSISTENCE
- COMMUTER LUNCH = \$ 11
- TRAVEL -
- BACKFILL SALARY

**APPENDIX A - EXPENSE PREPAYMENT/REIMBURSEMENT FORM**

Name: Lynn Wolter

Event/Activity: CalPERS Training (10/4 & 20/4)

Location of Event/Activity: Walnut Creek

Approved by Board of Directors on: \_\_\_\_\_

	Prepay	Reimburse
1. Event/Activity Registration Fee	\$ _____	\$ _____
2. Transportation		
• Airfare	\$ _____	\$ _____
• Car Rental (\$ _____ per day for _____ days)	\$ _____	\$ _____
• Car Mileage (\$0.56 per mile for <u>42</u> miles)	\$ _____	\$ <u>41.24</u>
• Taxi	\$ _____	\$ _____
• Parking	\$ _____	\$ <u>19.00</u>
3. Lodging (\$ _____ per night for _____ nights)	\$ _____	\$ _____
4. Meals (Complete information requested on next page of form)		
a. Breakfast	\$ _____	\$ _____
b. Lunch	\$ _____	\$ _____
c. Dinner	\$ _____	\$ _____
5. Other (Explain details of request)	\$ _____	\$ _____
Total Requested	\$ _____	\$ <u>60.44</u>

Please attach all receipts documenting each expense above. This Expense Prepayment/Reimbursement Form must be submitted within 30 days after the event. All expenses reported on this form must comply with the District's Expense Policy for Board members, the General Manager/Chief of Police, and all non-sworn District employees.

Signed: Lynn O. Wolter

Date: 1/16/14

Approved by: [Signature]

Signed: [Signature]

Print Name: \_\_\_\_\_

Date: 01 22 14

To: KPPCSD Board Members

From: Lynn Wolter

Re: CSDA 1/22/14 Webinar **"Special District Reserves"**

Notes that accompany handout, which is attached.

The District needs to have a reserves policy and an articulated plan, adopted by formal action of the Board.

District must articulate why it has and needs reserves.

Reserves exist to address future demands, whether or not the balance sheet shows them as liabilities.

Reserves are needed to ensure the long term viability of the District.

Money that's to go into reserves should be budgeted.

District should identify its exposures: Which are covered by insurance and for which do reserves need for be established?

Why have reserves? 1) Savings to balance budgets, when needed. 2) To prepare for emergencies. 3) To ensure stable rates. 4) For well-maintained infrastructure. 5) To invest in the future – what is the plan to maintain good quality of service and to improve for the future? 6) To enhance District's ability to access financing. 7) To address short term and long term volatility and uncertainty.

How much is enough? What financial resources does District need to do to carry out its purpose?

Important for District to have a Capital Improvement Plan. Be strategic and think long term. Determine how to maintain current infrastructure. Prioritize future mission-critical projects & equipment. Assess financial capacity & identify funding sources. Be able to articulate relationship between Capital Improvement Plan and reserves.

Depreciation: What is depreciation for current year? District should set aside, into reserves, at least this amount in order to pay for future replacements of items being depreciated. This amount should be included as an expense in District's budget, even though depreciation is not a cash expense.

Need to budget savings and capital expenditures, too.

Beneficial to compile a capital improvement needs assessment.

District needs to define its objectives: short term, long term, operating, and capital. Reserve policy objectives should provide for adequate long term and short term plans.



Board should be policy oriented and should have long term focus on fiscal sustainability.

To develop reserve policy: 1) Identify needs & uniqueness of District. 2) Form complete understanding of District's core business and its significant cost drivers. 3) Establish a strategic plan. Policy should address deferred maintenance, level of unrestricted contingency funds, and long term repairs and replacements.

**Special District Reserves**

*The balance between rates and meeting long-term needs*

Presented by James Martin, CPA, ARPA  
 Managing Partner  
 James Martin & Company  
 Certified Public Accountants


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

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**Agenda**

- Background
- What are Reserves
- Why Must We Have Reserves
- How Much is Enough: Establishing Reserve Level Policies
- The Backing of a Solid Capital Plan
- The Art of Communicating Reserve Policies


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

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**Background**

- 2000 Little Hoover Commission
  - "Special Districts: Relics of the Past or Resources for the Future?"
  - "Hundreds of independent special districts have banked multi-million dollar reserves that are not well publicized and often not considered in regional or statewide infrastructure planning?"
  - News media "obscure public agencies have hoarded billions in reserves.
  - Or - they have money, we need money, can we get some of theirs?


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### Case study

- Two similar water districts
- Each with about \$20 million in reserves
- Both had their financial reports reviewed by the grand jury.
- One without a reserve policy; concluded there was excess reserves
- One with an articulated plan and reserve policy; concluded there were not excess reserves.



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### Little Hoover Commission Recommendations

- Districts establish guidelines for prudent reserves
- Investment policies and practices be reviewed for additional oversight
- Results:
  - CSDA put together a task force in 2001 to study and draft guidelines and promote policies



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### What Are Reserves?

- Assets – Liabilities = Reserves
- Going by other names
  - Equity
  - Fund Balance
  - Net Assets
  - Net Position
- What reserves aren't: CASH
- Discipline



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### Reserves

- Reserves are what you have left
- It shouldn't be by chance
- It should be part of a plan
  
- Net Position
  - Undesignated
  - Designated

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

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### Why Have Reserves?



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

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### Why Have Reserves?

- Prudent reserves allow for
  - Savings to balance budgets
  - Emergency preparedness
  - Stable rates for citizens
  - Well-maintained infrastructure
  - Investing for the future
  - Access to financing
- To address volatility and uncertainty
- Key question – how much is enough?

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What are the stake holder's concerns

- Board members
- Management
- Customers / District members
- Other governments
- Regulators
- Financing



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
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What happens if you don't have a reserve policy?

- Unanticipated expenses
- Large infrastructure costs
- Jump in rates
- Lack of funding
- Emergency financing (costs more)
- Failure to deliver your mandated services

*Failure to plan is planning to fail?*



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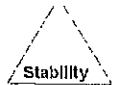
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
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Balancing wants and needs

Low Rates                      Program Funding



"If you have money you have options"



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### The Importance of Your Capital Improvement Plan

- Having a well developed CIP will help answer fundamental questions
  - Be strategic and think long term
  - Maintain/preserve current infrastructure
  - Prioritize future mission critical projects and equipment
  - Assess financial capacity/identify funding
  - Be able to articulate CIP and its relationship to reserves

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

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### Establishing Reserve Level Policies

- Reserve Policy Objectives Should:
  - Provide adequate funding for short - term and long - term plans
  - Minimize adverse budgetary impacts from anticipated and unanticipated expenditures
  - Strengthen the financial stability of the agency against uncertainties in an ever-changing environment

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

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### Establishing Reserve Level Policies

- Foundational Elements Should Be
  - Clear, organizational philosophy/mission
  - Policy-oriented board of directors, with long-term focus on fiscal sustainability
  - Standardized method of financial reporting, such as Governmental Accounting Standards Board (GASB) Statement Nos. 34 and/or 54.
- Regular communications about reserves = trust among stakeholders

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**Foundational Elements of a Reserve Policy**

1. Clear organizational policy/mission
2. Policy-oriented board of director with a long term focus on sustainability
3. Standardized method of reporting  
Follow GASB 34 and GASB 54

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
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**Establishing a Reserve**

- Shared Vision
- Objectively arrived at
- Fiscal justification
- Public awareness

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
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**Developing A Policy**

- Identify needs and uniqueness of district
- Form a complete understanding of the district's core business and significant cost drivers.
- Engage in Strategic Planning
- Make communicating a priority
- Recognize that a good policy must be consistent with financial, budget and investment policies

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### Developing a Policy

- Create and maintain a well-developed capital improvement plan
- Estimate ebb and flow of cash-flow; when short-term and long-term financing would be needed.
- Clearly identify reserves; categories and purposes. Set targets



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### Broad reserve policy

- Rate stabilization
- Fees and charges
- Debt issuance and management
- Deferred maintenance
- Level of unrestricted (contingency) funds
- Long-term repair and replacement



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### Is it enough?

- Does it meet your plan?
- Other measures
  - Debt to equity
  - Property taxes to equity
  - Current ratio
  - Capital outlay to equity
  - Capital outlay to operating expenses



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## Budgeting Net Position

- Fund Balance, Net Assets, Net Position
- Define objectives
  - Short-term
  - Long-term
  - Operating
  - Capital
- Where are funds used
  - Operating
  - Special purpose
  - Debt proceeds
  - One-time revenues



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see page 13 of 'Reserve guidelines' document, which is attached

## Fund Balance / Net Position

### COMPONENTS OF FUND BALANCE

UNRESERVED FUND BALANCE	RESERVED FUND BALANCE	COMMITMENTS	CONTINGENT LIABILITIES	NET FUND BALANCE
The amount of fund balance available for current operations and capital projects.	The amount of fund balance set aside for specific purposes, such as capital projects, contingencies, or other special purposes.	The amount of fund balance that is committed for a specific purpose, such as capital projects, contingencies, or other special purposes.	The amount of fund balance that is contingent upon the occurrence of a specific event, such as a lawsuit or a natural disaster.	The amount of fund balance that is available for current operations and capital projects, after accounting for all commitments and contingent liabilities.



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## Public Awareness

- Keeping the policy and making it a practice up front.
  - News Letters
    - Display target
    - Describe future needs
    - Show progress
  - Website
  - Banners on wall
    - Where public can see
    - On wall in board room
  - Part of the budget process



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## Components of Fund Balance

In governmental funds, "reserves" typically comprise a portion of the total fund balance. Fund balance reporting standards play a part in describing how much of fund balance might be available for a reserve and how much is limited to other purposes. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, changes how fund balance has traditionally been reported.

In the past, reporting of fund balance focused on whether resources were available for appropriation (i.e., budgeting) and distinguished between "unreserved fund balance" (i.e., available for appropriation) and "reserved fund balance" (i.e., not available for appropriation). GASB Statement No. 54 changes the focus to the "extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent" and establishes five different components of fund balance:

### COMPONENTS OF FUND BALANCE

NONSPENDABLE FUND BALANCE	RESTRICTED FUND BALANCE	COMMITTED FUND BALANCE	ASSIGNED OR DESIGNATED FUND BALANCE	UNASSIGNED OR UNDESIGNATED FUND BALANCE
This category is inherently nonspendable, such as the long-term portion of loans receivable, the principle of an endowment and inventories.	This classification has externally enforceable limitations on the use of fund balance, imposed by parties such as creditors, grantors or laws or regulations of other governments.	This encompasses limitations imposed by the special district upon itself at its highest level of decision making (e.g., governing board through a resolution). For example, the governing board might commit a portion of fund balance to a "stabilization fund" to provide a cushion against unknown economic shocks and revenue declines.	This portion is earmarked for an intended use. The intent is established at either the highest level of decision making or by a body or official designated for that purpose. For example, a share of fund balance might be assigned to offset a gap in the budget stemming from a decline in revenues or an allotment could be assigned for an upcoming special project.	This comprises all fund balances that are left after considering the other four categories. Use is least constrained in this category of fund balance.

+ ←-----→ -  
CONSTRAINED

Pg 13

CSDA Reserve Guidelines booklet

## Communicating the Vision

- A sound reserve policy allows for
  - Shared vision
  - Objectivity
  - Fiscal justification
  - Public awareness
- Involve the stakeholders
  - Going through the process creates ownership
  - Use language stakeholders can relate to
  - Keep the policy and goals part of the ongoing conversation



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## Political Pressure

- Keep rates down
- You don't need the money now
- You can get the money later
- Let's spend this money on something else
  - Other projects
  - Increased salaries and benefits



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## Key Principles in Creating a Reserve Policy

- Identify the uniqueness of your district
- Form a complete understanding of the district's business and cost drivers
- Engage in strategic planning
- Make communicating the policy a top priority
- Recognize a good reserve policy is consistent with other sound financial policies
- Create and maintain a capital improvement plan
- Estimate the ebb and flow of cash-flow during the fiscal year and understand of the degree of short-term borrowing necessary to meet such needs
- Clearly identify reserves – categories and purposes
- Include sub-policies as needed in your broad reserve policy



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# Q&A

James Marta CPA, ARPM  
Managing Partner  
James Marta & Company  
Certified Public Accountants  
[jmarta@jpmcpa.com](mailto:jmarta@jpmcpa.com)



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Florida State Bar  
Association  
Division of Legal Ethics

This webinar is provided for general information only and is not offered or intended as legal advice. Attendees should seek the advice of an attorney when confronted with legal issues and attorneys should perform an independent evaluation of the issues raised in this webinar.



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# Sample Policy Language From "Special District Reserve Guidelines" booklet.

Unassigned fund balance is typically the primary subject of a reserve policy. However, committed and assigned fund balance may also be thought of as part of a reserve policy as the governing board or management, respectively, has some control over the balances. Conversely, restricted fund balances or nonspendable fund balances are fundamentally constrained, making it unnecessary to place parameters on them through reserve policy in order to achieve prudent savings and expenditures of public resources.

It is recommended that every district establish policies regarding minimum fund balance and spending priorities in order to communicate to users the importance of a reserve for economic uncertainties, why it consists of amounts that are unassigned and that it is not available for spending.

Districts' policies should specify the order in which fund balances are spent when more than one amount is available for a specific purpose. Where such policies do not exist, GASB 54 prescribes that the default order in which these amounts should be spent is committed, assigned, and then unassigned.



## **GASB 54**

According to the Governmental Accounting Standards Board, statement No. 54 was issued after, "...research revealed that the existing standards guiding fund balance reporting were being interpreted inconsistently by different governments. Consequently, the fund balance information reported by many governments also was inconsistent. It also became clear that the understandability of fund balance information was affected and that financial statement users were unable to readily interpret reported fund balance information."

*GASB fact sheet about Fund Balance Reporting and Governmental Fund Type Definitions*



## **Sample Policy Language**

The "X" district maintains a minimum unassigned fund balance of not less than "X" percent of budgeted general fund expenditures and other financing uses as a reserve for economic uncertainties. The district believes a reserve of this level is prudent to maintain a high bond rating and to protect the district from the effects of fluctuations in property tax revenues to which special districts are vulnerable. Because amounts in the nonspendable, restricted, committed and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned.

A reserve policy n to maintain. The te of unrestricted fur either regular ope expenditures. The expenditures as a is more predictab on property taxes whereas a govern revenue portfolio either case, the b numbers and sho spikes or drops th

With the basis of select a reserve-le Finance Officers / as to the amount governments sho operating revenue expenditures, reg governments, spe such general advi associated with ti

In considering wh special district m or ratios. Many in formulas or ratios red flag warning those ratios may

- Debt to Equ
- Property Tax
- Current Rati
- Capital Outk
- Capital Outk

Certain districts on the unique as environment the organizations in

# 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, February 07, 2014

\_\_\_\_\_

**Subject:** Consent Calendar Item F- Correspondence

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The District correspondence received for the month of January.

Item #1- January 9<sup>th</sup>, e-mail sent by Larry Nagel thanking Officer Turner for his response to an alarm at his residence.

Item #2- January 24<sup>th</sup>, letter of commendation to Officer Martinez from Stacey Smither thanking him for his assistance in dealing with a personal issue.

# January 2014 Police Department Report

February 7, 2014

- Department Personnel
  - We are fully staffed at 10 sworn positions with two reserve officers.  
  
We have one officer that has been off for the past 4 weeks for an off duty injury. The officer could be off for up to six more months.  
  
We were in the process of conducting backgrounds on two reserve officer candidates but one is now in the employment process with the Contra Costa Sheriff's Department and the other was removed from consideration. Sergeant Hui is conducting recruiting for reserve officer at the local police academies.
- Commendations and Correspondence
  - January 9<sup>th</sup>, e-mail sent by Larry Nagel thanking Officer Turner for his response to an alarm at his residence.
  - January 24<sup>th</sup>, letter of commendation to Officer Martinez from Stacey Smitter thanking him for his assistance in dealing with a personal issue.
- Investigation of Alleged Misconduct
  - All investigations have been completed.
- 9-1-1 / Richmond Communication Center Information.
  - The Ring Time Report for December identified 44 total 911 calls with 6 having ring times over 20 seconds. The average ring time for the month was 13 seconds. Per the dispatcher supervisor, this unusually long ring time was the result of one call that rang for 2 minutes and 50 seconds. The incident that prompted that call was a vehicle accident on Arlington in front of the store group, in which several people called 911 to report the same accident. Without that one call, the ring time average would have been 7 seconds rather than 13 seconds.

- The Ring Time Report for January identified 37 total 911 calls with 4 having ring times over 20 seconds. The average ring time for the month was 10 seconds.
- Community Networking
  - On 1-08-14, Chief Harman attended the West County Police Chief's meeting in Hercules.
  - On 1-13-14, Sergeant Barrow and Lynn Wolter attended the KCC meeting.
  - On 1-13-14, Officer Wilson attended the Kensington Public Safety Council meeting.
  - On 1-17-14, Chief Harman attended the CSDA Membership and Education Committee meetings in Sacramento.
  - On 1-27-14, Chief Harman attended the Contra Costa County CSDA meeting in Concord.
  - On 1-27-14, Chief Harman attended the KIC meeting.
  - On 1-29-14, Sergeant Barrow and Corporal Stegman attended the funeral for BART Sergeant Tommy Smith in Castro Valley.
- Community Criminal Activity
  - This section of the Watch Commanders Reports are prepared by Sergeant Barrow for Team One, Sergeant Hui for Team Two, and Detective Stegman.

• Watch Commander Reports

•• **Sergeant Barrow**

TEAM #1 STATISTICS

Officer:	Ramos (K41) (0600-1800)	Wilson (K38) (1800-0600)	Wilkins (K50) (1800-0600)
Days Worked	17	14	2
Traffic Stops	15	8	0
Moving Citations	13	4	0
Parking Citations	2	7	0
Vacation/Security Checks	4	29	0

✓

FI-Field Interview	1	2	0
Traffic Accident Reports	2	1	0
Cases	4	2	0
Arrests	1	1	0
Calls for Service	50	48	6

o BRIEFING/TRAINING:

- o Reviewed 20001 CVC – Duty to Stop at Scene of Accident
- o Reviewed 20002 CVC – Permissible Action Duty Where Property Damaged
- o Reviewed 20008 CVC – Duty to Report Accidents
- o Reviewed 20012 CVC – Reports Confidential Exceptions
- o Reviewed 20015 CVC – Counter Reports No Determination of Faults
- o Reviewed Warrantless Breathalyzer Test of an Officer after an “OIS”
- o Reviewed Release of Guest Information by Motels
- o Reviewed KPD Policy 342 – Department Computer Use
- o Reviewed KPD Policy 344 Report Preparation
- o Reviewed KPD Policy 346 – News Media Relations
- o Reviewed KPD Policy 348 – Court Appearance and Subpoenas

SERGEANT’S REVIEW:

We have taken several fraud reports this month. The first was a fraud in which an unknown subject called a resident on the phone and posed as the resident’s family member, who claimed to have been arrested for drunk driving. The subject then handed the phone to his supposed lawyer who asked for \$2800 to get the family member out of jail. The victim in this case feared for his family member’s safety and sent the money. Shortly after sending the money he found out that it was a scam and was able to cancel the transfer of funds.

In another fraud, a different resident reported an Internet scam concerning PG&E where they had received an e-mail stating their bill is overdue and needed to be paid immediately. The e-mail also contained an account number and other information that was not accurate. The potential victim telephoned PG&E who had already set up a hotline concerning the scam, and reassured the victim that they would not be responsible for any potential loss.

I only bring this to your attention because these types of crimes are still on the rise. There is also another similar internet scam, asking for money because a family member or friend is in trouble or stranded in another part of the world.

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So if you receive a call or email like this, ask questions, take a moment and process what the person is telling you. Call family and friends and verify the story. Confirm account information without giving any out, ask questions, or simply hang up and call the provider of the service to see if the inquiry is legitimate.

#### SERGEANT'S SUMMARY:

- SIGNIFICANT EVENTS:
- 2014-0090 – On 1-8-2014, Officer Ramos responded to the 200 block of Cambridge Ave for a reported suspicious person who later was arrested for Driving Under the Influence.
- 2014-0153 – On 1-13-2014, Officer Ramos responded to the 100 block of Arlington Ave for a reported identity theft.
- 2014-0158 – On 1-13-2014, Reserve Officer Armanino responded to the 100 block of Highland Blvd for a reported fraud.
- 2014-0172 – On 1-14-2014, Officer Wilson responded to the 200 block of Arlington Ave for a reported non-injury hit and run vehicle collision.
- 2014-0173 – On 1-14-2014, Sergeant Barrow responded to the 200 block of Arlington Ave and arrested a subject for being drunk in public.
- 2014-0239 – On 1-19-2014, Sergeant Barrow responded to the 200 block of Arlington Ave for a reported injury accident.
- 2014-0247 – On 1-20-2014, Corporal Stegman and Sergeant Barrow responded to the 1500 block of Giaramita Street in North Richmond to conduct a follow up interview and took a subject into custody for a \$150,000. Warrant for burglary and possession of stolen property.
- 2014-0272 – On 1-22-2014, Officer Ramos responded to the 300 block of Arlington Ave for a reported non-injury hit and run vehicle collision.
- 2014-0339 – On 1-27-2014, Officer Ramos responded to the 200 block of Lake Drive for a reported non-injury hit and run vehicle collision.

#### TRAFFIC STATISTICS:

Team #1 took 4 traffic collision reports during the month of January.

1 moving citation was issued on Franciscan Way.

16 moving citations were issued on Arlington Ave.

1 moving citation was issued on Kenyon Ave.

1 moving citation was issued on Colusa Ave.

•• **Sergeant Hui**

TEAM #2 STATISTICS

Sergeant Hui (K42)  
(1600-0400)

Officer:	Martinez (K31) (0600-1800)	Turner (K46) (1800-0600)
Days Worked	8	14
Traffic Stops	12	31
Moving Citations	7	9
Parking Citations	5	2
Vacation/Security	6	34
Checks		
Cases	5	1
Arrests	0	3
Traffic Accident Reports	1	0
Calls for Service	59	32

Officer Turner took 2 vacation days.  
Officer Turner recovered 3 hours of comp time  
Sergeant Hui recovered 6.5 of comp time.

BRIEFING/TRAINING:

- Reviewed 20001 CVC – Duty to Stop at Scene of Accident
- Reviewed 20002 CVC – Permissible Action Duty Where Property Damaged
- Reviewed 20008 CVC – Duty to Report Accidents
- Reviewed 20012 CVC – Reports Confidential Exceptions
- Reviewed 20015 CVC – Counter Reports No Determination of Faults
- Reviewed Warrantless Breathalyzer Test of an Officer after an “OIS”
- Reviewed Release of Guest Information by Motels
- Reviewed KPD Policy 342 – Department Computer Use
- Reviewed KPD Policy 344 Report Preparation
- Reviewed KPD Policy 346 – News Media Relations
- Reviewed KPD Policy 348 – Court Appearance and Subpoenas

SERGEANT'S SUMMARY:

During this past month, my patrol team has been encountering several solicitors near the Kensington/Berkeley borders. Please keep in mind that solicitors working in Kensington are required to obtain a permit from the Contra Costa County Sheriff's office. The purpose of the permitting process is simply to make sure that the businesses and their employees who are soliciting are legitimate.



If you are contacted by a solicitor, your safest option is to ask them for a business card or brochure and tell them that you will look up their product or service via their website. I would not recommend giving them any money, checks, or your credit card information because this opens up the potential for fraud and identity theft. In my experience, a legitimate company will still "credit" their solicitor for a web or phone order generated by their efforts.

I have also spoken to several residents who told me that they were contacted by solicitors who were extremely aggressive. In the event that you are contacted by a solicitor, you can always call the police department. An officer will respond, determine if the solicitor is in compliance with the permit requirements, and determine if they are conducting legitimate business.

#### SIGNIFICANT EVENTS:

- 2014-0011– On 1/01/2014, Sergeant Hui responded to the unit blk of Edgcroft Ave on a report of a mail theft.
- 2014-0020– On 1/02/2014, Officer Martinez responded to the 200 blk of Stanford Ave on a report of a fraud.
- 2014-0043– On 1/03/2014, Officer Turner contacted a subject on the 200 blk of Arlington Ave and subsequently arrested him for an outstanding warrant.
- 2014-0045– On 1/03/2014, Officer Turner responded to the unit blk of Kingston Rd on a report of a fraud.
- 2014-0047– On 1/04/2014, Officer Turner contacted the occupants of a suspicious vehicle at the intersection of Lawson Rd at Craft Rd and subsequently arrested one occupant for an outstanding warrant.
- 2014-0097– On 1/09/2014, Officer Martinez responded to the 200 blk of Willamette Ave on a report of tampering with a vehicle.
- 2014-0111– On 1/10/2014, Officer Martinez responded to the 200 blk of Arlington Ave on a report of a hit and run traffic collision.
- 2014-0113– On 1/10/2014, Officer Martinez responded to the 100 blk of Purdue Ave on a report of a vehicle burglary.
- 2014-0180– On 1/10/2014, Officer Martinez responded to the unit blk of Dewey Rd on a report of a residential burglary.
- 2014-0328– On 1/26/2014, Officer Turner initiated a traffic stop near the intersection of Yale Ave and Yale Cir and arrested the driver for DUI.

Reserve Officer:	Armanino (K47)
Days Worked	1
Traffic Stops	2
Moving Citations	0
Parking Citations	0

Vacation/Security Checks	0
Cases	0
Arrests	0
Traffic Accident Reports	0
Calls for Service	1

Traffic Totals for Team 2 – includes Master Sergeant Hull

18 citations were issued on Arlington Ave  
 9 citations were issued on Colusa Ave  
 2 citations were issued on Kenyon Rd  
 1 citation was issued on Franciscan Way

•• **Detective Eric Stegman**

**SIGNIFICANT EVENTS:**

**13-5850 Sexual assault/ Child molest**

This investigation is still pending lab results. The suspect has been identified and all investigative leads have been exhausted. This case will be submitted to the DA's Office for review. **Note: The allegations involved in this case do not meet the criteria to classify it under UCR as a part one rape thus it will not appear on my statistics as a part one crime.**

**13-5971 Burglary**

On 12/17/13, a burglary occurred on the unit block of Arlington Ct. The victim contacted KPD on 12/18/13 and advised one of the stolen items, an iPhone, was still powered on and they had used the "find my phone" feature, which indicated the phone was at a residence in unincorporated Richmond. Sgt. Barrow and Officer Ramos responded to the Richmond address and contacted the residents who advised they had purchased the phone from someone they knew from the neighborhood. Sgt. Barrow and Officer Ramos were able to identify the subject who sold them the items and retrieve multiple additional items of stolen property from the residence. On 1/20/14 Sergeant Barrow and I arrested a suspect who was found to be in possession of some of the stolen property in this case.

**KPD INVESTIGATIONS**

- I made court runs to file cases, and retrieve court notifications.
- I updated the KPD Case Review Log.
- I reviewed the "Trak Flyer" messages and maintained the flyer board.
- On 1/24/14 and 1/25/14, I attended the first of a series of classes at the Inner Perspectives Leadership Program.
- On 1/26/14 I attended the memorial service for Officer Tom Smith of BART PD who was killed in the line of duty.

## KPD Monthly Crime Statistics

January 2014

<b>Part 1 Crimes</b>	<b>Reported</b>	<b>Open/ Pending</b>	<b>Suspended</b>	<b>Closed</b>	<b>Arrest</b>
Homicide	0	0	0	0	0
Rape	0	0	0	0	0
Robbery	0	0	0	0	0
Assault	1	0	0	1	0
Residential Burglary	1	0	1	0	0
Larceny Theft	3	1	2	0	0
Vehicle Theft	1	1	0	0	0
Arson	0	0	0	0	0
<b>Part 1 Totals</b>	<b><u>6</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>1</u></b>	<b><u>0</u></b>

<b>Other Crimes</b>					
Auto Burglary	0	0	0	0	0
Identity Theft	2	0	2	0	0
Fraud	1	1	0	0	0
Forgeries	0	0	0	0	0
Restraining Order Violations/ Stalking/ Criminal Threats	0	0	0	0	0
Sex Crimes (other)	0	0	0	0	0
Assault/ Battery (other)	0	0	0	0	0
Vandalism	0	0	0	0	0
Drugs	0	0	0	0	0
Warrant	3	0	0	3	3
Hit and Run Felony	0	0	0	0	0
Hit and Run Misdemeanor	3	2	1	0	0
Other Misdemeanor Traffic	2	0	0	2	2
<b>Other Crime Totals</b>	<b><u>11</u></b>	<b><u>3</u></b>	<b><u>3</u></b>	<b><u>5</u></b>	<b><u>5</u></b>

<b>All Crime Totals</b>	<b><u>17</u></b>	<b><u>5</u></b>	<b><u>6</u></b>	<b><u>6</u></b>	<b><u>5</u></b>
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Traffic Accidents (Non-Injury)            7  
 Traffic Accidents (Injury)                0

•• Chief Harman

### Congratulations to Officer Chris Turner!

For the second straight year, Officer Turner was voted by his peers to be Kensington Police Department's "Officer of the Year". He will be honored at the

Richmond Elks Club on February 12<sup>th</sup>, along with the other police agencies "Officer of the Year" recipients.

Additionally, Officer Turner had indicated at the end of 2012, it was his goal for 2013 to receive a Mother's Against Drunk Driving (MADD) award for drunk driving enforcement. Of Officers Turner's 23 arrests for the year, he made 15 drunk driving arrests that qualified him to receive his award from MADD.

Not only is 23 arrests for the year quite an accomplishment, but 15 arrests for drunk driving is outstanding and could have possibly saved a life or prevented a serious injury.

These two honors are well deserved and we are very proud of the work and professionalism demonstrated by Officer Turner this past year.

**Great job Chris!**

# February 2014

February 2014						
Su	Mo	Tu	We	Th	Fr	Sa
	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

March 2014						
Su	Mo	Tu	We	Th	Fr	Sa
						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	31					

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 26	27	28	29	30	31	Feb 1
2	3 4:00pm **Brownies** (CCM) 7:00pm *Cub-Scouts (CCM) 7:30pm *KCC (CC3)	4 7:30pm *Troop 100 (CCM)	5	6 7:15pm EBC (CC1)	7	8 1:00pm KCC Fundraiser-Venues Dance (CCM)
9	10 6:00pm KPSC (CC3) 7:00pm *Cub-Scouts (CCM) 7:30pm *KCC (CC3)	11 7:30pm *Troop 100 (CCM)	12 6:00pm GPF (CCM) 7:00pm *KEDN (CC3)	13 6:30pm KPSC (CC3) 7:00pm *KCC (CC3)	14	15
16	17 7:00pm *Cub-Scouts (CCM)	18 7:30pm *Troop 100 (CCM)	19	20 6:30pm KPSC PRESENTATION (CCM) 7:15pm EBC (CC1)	21	22
23	24 7:00pm *Cub-Scouts (CCM) 7:30pm *KCC (CC3)	25 7:30pm *Troop 100 (CCM) 7:30pm *KCC (CC3)	26	27	28	Mar 1

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# March 2014

March 2014

Su	Mo	Tu	We	Th	Fr	Sa
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	31					

April 2014

Su	Mo	Tu	We	Th	Fr	Sa
		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
Feb 23	24	25	26	27	28	Mar 1
2	3 4:00pm **Brownies** (CCM) 7:00pm *Cub-Scouts (CCM) 7:30pm *Cub-Scouts (CCM)	4 7:30pm *Troop 100 (CCM)	5	6 7:15pm EBC (CC1)	7	8 8:00pm CC Rental (CCM)
9	10 6:00pm KPSC (CC3) 7:00pm *Cub-Scouts (CCM) 7:30pm *Cub-Scouts (CCM)	11 7:30pm *Troop 100 (CCM)	12 6:00pm GPFF (CCM) 7:00pm *KADIN (CCM)	13 6:00pm KPSC (CC3) 7:00pm *Cub-Scouts (CCM)	14	15 2:00pm GPFF ANNUAL BANQUET (CCM)
16	17 7:00pm *Cub-Scouts (CCM)	18 7:30pm *Troop 100 (CCM)	19	20 6:00pm KPSC PRESENTATION (CCM) 7:15pm EBC (CC1)	21	22
23	24 7:00pm *Cub-Scouts (CCM) 7:30pm *Cub-Scouts (CCM)	25 7:30pm *Troop 100 (CCM)	26	27	28	29
30	31 4:00pm **Brownies** (CCM) 7:00pm *Cub-Scouts (CCM)	Apr 1	2	3	4	5

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Office Report prepared by Marty Westby, Administrator  
Kensington Community Council Board Meeting  
February 3, 2014

### **KASEP:**

KASEP Winter Session is in full gear. Classes started January 6<sup>th</sup> and continue through to Friday, March 21<sup>st</sup>. KCC will be closed, no KASEP classes, President's Week, February 17-21<sup>st</sup>.

KASEP Spring Brochure is complete and is at the printers. KASEP's Spring Brochure will be delivered to Hilltop School the week of February 10<sup>th</sup> – ample time for families to review the schedule before online registration, Tuesday March 4<sup>th</sup> at 6:00pm. We are in the process of updating the online class information for spring registration.

KASEP Teacher meeting was held Tuesday, January 28<sup>th</sup>. Introductions and welcome to 4 new teachers this session: Curt Jones, Science and Inventions, Felix Hwang, DJ, Risa Dye, Kindergarten Movement, and a welcome back to Vicky Brodt, cooking and mixed media.

The Oversight Committee meeting is scheduled for late February; we will be working on preparing/writing a customer service survey that will go out to our parent community.

Tax forms, both W-2 and 1099s were distributed for tax year 2013. KCC office staff prepared 34 1099s for KASEP/KCC teachers, camp counselors, and Outlook contractors.

### **KCC Classes and Events:**

Jazzercise, Body Sculpting and Qi-Gong continue as part of our adult recreation classes. Actual time for each class is published in the Outlook. On January 15, Stan Cohen, one of the founding members of the Wednesday Acrylic Artist Group, passed away. Stan touched many lives through his art. He was part of KCC's world for over 15 years.

### **KCC Summer Day Camp:**

The schedule of field trips and specialty teachers for the summer is finished. Camp flyers and registration information will be sent home in children's backpacks at Hilltop school the last week of February. An email will be sent out to all last year families with the new camp schedule, KCC Summer Camp is for children entering 1<sup>st</sup> grade in the Fall of 2014 through to 6<sup>th</sup> grade. We are in the process of updating camp information online.

### **KCC**

Hold the date: Saturday, March 8<sup>th</sup> for the Mardi Gras Dance at the Community Center for adults. Childcare is provided, pre-registration is required. This event is a fund raiser for KCC.

Bill Driscoll completed minor repairs to the Recreation Building and cleaning all the gutters.

# General Manager January 2014 Report

## Budget

For the mid-year Fiscal 2013/2014 review, District staff has reviewed updated accounting documents and have made the following observations:

### District Revenue:

The biggest District source of revenue is from the property taxes collected by the County. At this point in the fiscal year, we are anticipating collecting an additional 2.4% in property tax over budgeted estimates, which will be a total of \$1,317,060 or \$31,060 increase over the budgeted projection of \$1,286,000.

It should be noted that at the beginning of the fiscal year, the County had estimated that we would receive an additional 5.4% increase in property tax revenue over the last year's tax levy and this has occurred. However, each year's final tax revenue received, contains plus or minus adjustments based on actual tax collected. The final figure will not be known until the May/June adjustments.

All other budgeted revenue projections appear to be normal at this point in the fiscal year.

### District Expenses:

As discussed during the first half of the fiscal year, the only real variance in budgeted projections has been in legal fees for both the District and the Bay View contract. At the mid- year point District legal expenses are \$116,000, which is already \$46,000 over the \$70,000 budgeted for the entire year.

Bay View legal expenses have been \$56,000 at this point in the fiscal year, in which we had budgeted \$50,000. However, that \$56,000 was for legal expenses that were incurred as a result of the arbitration demand. We had originally budgeted \$50,000 this fiscal year for garbage contract legal fees for the request for proposal (RFP) process this year that we have yet to begin.

The biggest two questions that are being asked by the Board and the public at this point in the fiscal year have been, what will be the District's financial position at the end of the fiscal year, and what will be cash amount left in cash reserves?

District staff, consisting of General Manager/ Chief of Police Greg Harman, District Administrator Lynn Wolter, and District CPA Debra Russell met on February 4<sup>th</sup> and 5<sup>th</sup> to forecast what the District's fiscal year-end, June 30, 2014, unallocated cash reserves likely will be, assuming the following:



1. That the District likely will receive an additional \$1,098,852 in property taxes.
2. That the District likely will receive an additional \$71,000 in COPS grant money.
3. That total budgeted expenses, excluding legal fees and police salaries, will come in within budget.
4. That the District's legal fees will continue to be approximately \$20,000 per month for the balance of the fiscal year.
5. That the Board may approve a 3% increase in salaries for the police officers.
6. That the Board may proceed with placing on the June 2014 ballot, a bond measure to fund safety and other improvements to the Community Center and use \$35,000 from Park Building Improvements Allocated Reserve of \$276,500.
7. That the Board may use the remaining \$241,500 of reserves allocated for Park Buildings Improvements for the Community Center Safety Project.

Cash Balance as of January 31, 2014	\$1,430,418
Assumed income:	
Property Taxes yet to be Received	\$1,098,852
COPS grant money	<u>\$71,000</u>
Subtotal	\$2,600,270
Assumed expenses:	
Budgeted expenses remaining, excluding legal & police salary increases	(\$900,934)
Unbudgeted Legal expenses	(\$120,000)
Unbudgeted Police Salary increase of 3%	(\$35,000)
Bond Measure Election (From Park Building Fund)	<u>(\$35,000)</u>
Total cash before allowance for Allocated Reserves	\$1,509,336
Allocated Reserves	
Contingency	(\$267,460)
Compensated Absences (Liability)	(\$80,000)
Notes Payable	(\$92,830)
Park Building Fund (\$276,500-\$35,000)	<u>(\$241,500)</u>
<b>Estimated unallocated cash reserves at Fiscal Year-end June 30, 2014</b>	<b>\$827,546</b>

## **Kensington Park**

### **Community Center & Annex**

The Park Buildings Committee will be making their recommendation to the Board at the February 13<sup>th</sup> KPPCSD meeting to move forward with a possible June 2014 election ballot measure for the approval of general obligation bonds to fund building safety improvements and renovations to the Community Center.

### **Park Repairs**

In January, we completed the following additional maintenance to the park:

Added 5 yards of base rock to a low area of roadway near the playground area, \$720

Replaced Rain Bird valve and rotor repair in picnic area, \$200

Removed large broken branch from redwood tree in parking lot above tennis courts, \$145

\*Please note that most of the repairs that we make in the park are the result of vandalism. If you see vandalism being committed, please call the police department immediately.

### **Emergency Preparedness**

The agenda and the minutes of the Public Safety Council posted are on the KPPCSD web page.

The next meeting of the Kensington Public Safety Council will take place Monday, February 13<sup>th</sup>, at 6:00 PM at the Community Center Room #3.

It is very important for those interested in Kensington's emergency preparedness to come to the meetings.

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

#### **Public Works Issues**

##### **Street Lights**

On November 12<sup>th</sup>, we received a letter from Public Works updating the progress of the Arlington Street Light Project. A copy of that letter was attached to last month's memo for review and is available on the website.

I also received an e-mail from Kate Rauch at John Gioia's Office, indicating that they are still planning on having another ad-hoc committee meeting on the street light project possibly on March 13<sup>th</sup>.

### **Paths**

On August 19<sup>th</sup>, former KPPCSD President Tony Lloyd, new Board President Len Welsh, and I had a meeting with County Supervisor John Gioia, his staff, and County representatives regarding the District's desire to acquire the paths. The possible process to acquire the paths was discussed, along with a commitment from John Gioia to work with us to move this exploratory process forward.

At the KIC meeting October 26, County Supervisor John Gioia again stated his support and assistance in the District's attempts to acquire the paths.

In January, KPPCSD Board President Len Welsh met with County Supervisor John Gioia to inspect several paths and discuss the proposed acquisition process. President Welsh will discuss this meeting at the February 13<sup>th</sup> KPPCSD Board meeting.

### **Website**

The Board packets, monthly reports, minutes, recordings of the KPPCSD Board Meetings, and our Bay View – County Solid Waste contracts are available for review on our website at: [www.kensingtoncalifornia.org](http://www.kensingtoncalifornia.org)

## **DISTRICT - NEW BUSINESS**

- 1. Steven Chang, Lamorena & Chang CPA, will present the Kensington Police Protection & Community Services District Fiscal Year 2011/2012 Annual Audit. Board Action.**

**KENSINGTON POLICE PROTECTION AND  
COMMUNITY SERVICES DISTRICT**

Basic Financial Statements and Independent Auditor's Report for the  
Year ended June 30, 2012

**LAMORENA & CHANG**  
CERTIFIED PUBLIC ACCOUNTANT

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**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
**Basic Financial Statements**  
**and Required Supplementary Information**  
**for the Fiscal Year Ended June 30, 2012**

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities and each major fund of Kensington Police Protection and Community Services District (KPPCSD), as of and for the year ended June 30, 2012, and the related notes to the financial statements, which collectively comprise KPPCSD's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **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 KPPCSD, as of June 30, 2012, and the respective changes in financial position, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Independent Auditor's Report (continued)

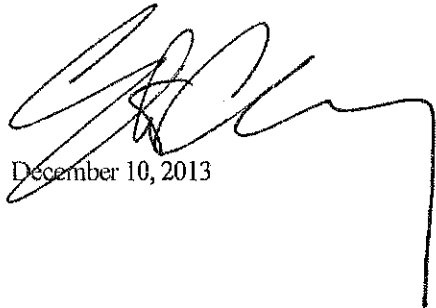
### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 3 to 6 and 12 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 10, 2013 on my consideration of KPPCSD's internal control over financial reporting and on my tests or 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KPPCSD's internal control over financial reporting and compliance.



December 10, 2013



**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012. 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, 2012 and 2011 are \$5,719,149 and \$5,625,248 respectively. This is a 1.67% increase.
- Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations for fiscal years ended June 30, 2012 and 2011 are \$1,764,932 and \$1,715,584 respectively.

**From the Governmental Fund Financial Statements**

- Our General Fund balance increased by \$48,971.
- Property tax revenues (including special and Measure G tax revenue for police services) for fiscal years ended June 30, 2012 and 2011 were \$2,347,230 and \$2,340,621, respectively. This is a 0.28% 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, 2012**

**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 \$5,719,149 as of June 30, 2012 and \$5,625,248 as of June 30, 2011. This number is comprised of two components:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Investment in capital assets, net of debt	\$ 3,954,217	\$ 3,909,664
Unrestricted assets	1,764,932	1,715,584
<b>Total net assets</b>	<u>\$ 5,719,149</u>	<u>\$ 5,625,248</u>

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, 2012**

**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, 2012 was established in 1997 after receiving voter approval in 1994.

The District's third largest source of revenue comes from Measure G Supplemental Tax Revenue. It is also restricted to police activities. The current rate is set by the Board of Directors, not to exceed \$200 plus accumulated CPI increases per parcel.

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, 2012, 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. In FY 2011/2012, this grant money was used to fund the tenth officer position.

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 communications and vehicle operations. This is the support structure for the police department.

Other reserved funds:

Reserved for compensated absences payable—\$77,218

**COMMENTS ON BUDGET COMPARISONS**

Actual revenues and actual expenditures versus budget amounts equal a positive variance of \$106,837.

Actual revenues exceeded budgeted revenues by \$92,048. The largest difference is KPPCSD received \$100,000 more than the budgeted in grant revenue.

The actual expenditures were less than the final budgeted expenditures by \$45,575.

The police salary and benefits were under budget \$126,580. District was short one police officer for nine months.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**COMMENTS ON BUDGET COMPARISONS (continued)**

The other police other expenses were under budget \$70,694. The largest difference was \$51,000 in communications. City of Richmond determined that the 800 Mhz system was overfunded, saving \$41,000. \$10,000 was not spent due to a delay in the EBRICS system coming online.

The recreation expenses were over budget \$16,796. \$18,000 was paid to repair dry rot in the Community Center.

The district expenses were over budget \$148,081. Various legal costs were over budget by \$75,000. Unbudgeted consulting totaled \$70,000.

**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. These funds are restricted to be used for police related services only.

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. These funds are restricted to be used for police related services only.

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. These funds are restricted to be used for police related services only.

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. These funds are restricted to be used for police related services only.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**HISTORY AND ECONOMIC FACTORS (continued)**

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.

In 2010, the District passed a ballot measure (Measure G) to add a supplemental tax revenue stream to be used effectively July 01, 2010. These funds are a maximum of \$200 per parcel and are restricted to be used for police related services only.

**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, 2012**

	General Fund	Capital Project	Total	Adjustment Note 9	Statement of Net Assets
<b>Assets</b>					
Cash and investments	\$ 1,736,703	\$ 126,946	\$ 1,863,649	\$ -	\$ 1,863,649
Receivables					
Supplemental taxes and Community Services District	10,223	-	10,223	-	10,223
Interest receivable	902	90	992	-	992
Reimbursements and other	45,455	-	45,455	-	45,455
Prepaid	81,245	-	81,245	-	81,245
Capital assets					
Land	-	-	-	2,808,347	2,808,347
Vehicle and equipment	-	-	-	489,383	489,383
Building and improvement	-	-	-	1,616,820	1,616,820
Furniture & fixtures	-	-	-	29,914	29,914
Accumulated depreciation	-	-	-	(990,247)	(990,247)
Total assets	<u>\$ 1,874,528</u>	<u>\$ 127,036</u>	<u>\$ 2,001,564</u>	<u>\$ 3,954,217</u>	<u>\$ 5,955,781</u>
<b>Liabilities</b>					
Accounts payable	\$ 27,898	\$ -	\$ 27,898	\$ -	\$ 27,898
GASB 45 ACCL	115,140	-	115,140	-	115,140
Compensated absence	77,218	-	77,218	-	77,218
Accrued payable	15,005	-	15,005	-	15,005
TEMP	1,371	-	1,371	-	1,371
Total liabilities	<u>236,632</u>	<u>-</u>	<u>236,632</u>	<u>-</u>	<u>236,632</u>
<b>Fund balances/net assets</b>					
Fund balances					
Nonspendable	115,140	-	115,140	-	115,140
Restricted	77,218	-	77,218	(77,218)	-
Committed	-	-	-	-	-
Assigned	300,000	-	300,000	-	300,000
Unassigned	1,145,538	127,036	1,272,574	(1,687,714)	(415,140)
Total fund balances	<u>1,637,896</u>	<u>127,036</u>	<u>1,764,932</u>	<u>(1,764,932)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,874,528</u>	<u>\$ 127,036</u>	<u>\$ 2,001,564</u>		
<b>Net assets</b>					
Capital assets				3,954,217	3,954,217
Unrestricted				-	1,764,932
Total net assets				<u>\$ 3,954,217</u>	<u>\$ 5,719,149</u>

*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, 2012**

	General	Capital Project	Total	Adjustment Note 10	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>					
Current expenditures/expenses					
Police Salary and Benefits					
Salary-Officers	\$ 809,484	\$ -	\$ 809,484	\$ -	\$ 809,484
Compensated Absence	9,901	-	9,901	-	9,901
Overtime	59,852	-	59,852	-	59,852
Salary-Non sworn	48,409	-	48,409	-	48,409
Uniform Allowance	7,351	-	7,351	-	7,351
Safety Equipment	2,080	-	2,080	-	2,080
Medical Insurance	386,340	-	386,340	-	386,340
Disability & Life Insurance	11,772	-	11,772	-	11,772
Social Security/Medicare	14,515	-	14,515	-	14,515
PERS District	280,065	-	280,065	-	280,065
PERS Officers	74,402	-	74,402	-	74,402
Workers Compensation	66,387	-	66,387	-	66,387
Police Expenses					
Expendable Police Supplies	2,570	-	2,570	-	2,570
Range/Ammunition Supplies	1,911	-	1,911	-	1,911
Crossing Guard	10,490	-	10,490	-	10,490
Vehicle Operation	43,354	-	43,354	-	43,354
Communications (RPD)	103,085	-	103,085	-	103,085
Radio Maint.	14,037	-	14,037	-	14,037
Prisoner/Case Exp/Booking	3,801	-	3,801	-	3,801
Training	12,174	-	12,174	-	12,174
Recruiting	2,121	-	2,121	-	2,121
Reserve Officers	1,287	-	1,287	-	1,287
Misc. Dues, Meals and Travel	2,044	-	2,044	-	2,044
Utilities	7,358	-	7,358	-	7,358
Building Repair	1,542	-	1,542	-	1,542
Office Supplies	8,157	-	8,157	-	8,157
Telephone	7,176	-	7,176	-	7,176
Housekeeping	2,974	-	2,974	-	2,974
Publications	2,458	-	2,458	-	2,458
West-Nat/Cal	12,893	-	12,893	-	12,893
Community Policing	3,308	-	3,308	-	3,308
Measure G Administration	3,502	-	3,502	-	3,502
Recreation Salary and Benefits					
Park and Recreation Administration	6,220	-	6,220	-	6,220
Custodian	21,300	-	21,300	-	21,300
Social Security/Medicare	476	-	476	-	476
Recreation Expenses					
Community Center Utilities	4,288	-	4,288	-	4,288
Janitorial Supplies	986	-	986	-	986
Community Center Repairs	28,156	-	28,156	-	28,156
Annex Utilities	1,281	-	1,281	-	1,281
Park O&M	48,880	-	48,880	-	48,880
Misc. Park/Rec Expense	5,531	-	5,531	-	5,531
District Expenses					
Computer Maintenance	27,393	-	27,393	-	27,393
Legal	91,985	-	91,985	-	91,985
Consulting	77,799	-	77,799	-	77,799
Accounting	24,622	-	24,622	-	24,622
Equipment Rental	5,271	-	5,271	-	5,271
Insurance	28,085	-	28,085	-	28,085
Police Building Lease	29,705	-	29,705	-	29,705
County Expense	20,413	-	20,413	-	20,413
Waste/Recycle	43,614	-	43,614	-	43,614
Miscellaneous	7,009	-	7,009	-	7,009
ANNEX	-	-	-	18,506	18,506
Depreciation	-	-	-	79,550	79,550
<b>Total current expenditures/expenses</b>	<b>2,489,814</b>	<b>-</b>	<b>2,489,814</b>	<b>98,056</b>	<b>2,587,870</b>
Capital outlay					
Buildings and improvements	142,609	-	142,609	(142,609)	-
<b>Total capital outlay</b>	<b>142,609</b>	<b>-</b>	<b>142,609</b>	<b>(142,609)</b>	<b>-</b>
<b>Total expenditures/expenses</b>	<b>2,632,423</b>	<b>-</b>	<b>2,632,423</b>	<b>(44,553)</b>	<b>2,587,870</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, 2012  
 (continued)

	General	Capital Project	Total	Adjustment Note 10	Statement of Activities
<b>GENERAL REVENUES:</b>					
Property Taxes	1,261,672	-	1,261,672	-	1,261,672
Special Assessments	679,890	-	679,890	-	679,890
Measure G Supplemental Tax Revenue	405,668	-	405,668	-	405,668
Grants-COPS & Other	200,000	-	200,000	-	200,000
Charges for Services	1,590	-	1,590	-	1,590
POST Reimbursement	8,654	-	8,654	-	8,654
Rents and Fees	25,875	-	25,875	-	25,875
Investment Income	3,725	377	4,102	-	4,102
Franchise Fees	20,270	-	20,270	-	20,270
Other Tax Income	45,007	-	45,007	-	45,007
Supplemental Workers' Comp Reimb.	2,037	-	2,037	-	2,037
Other Income	27,610	-	27,610	-	27,610
<b>Total Revenues</b>	<b>2,681,998</b>	<b>377</b>	<b>2,682,375</b>	<b>-</b>	<b>2,682,375</b>
Excess (deficiency) of Revenues Over Other (under) Expenditures	49,575	377	49,952	44,553	94,505
Other Financing Sources (Uses)					
Transfers In	(9,637)	-	(9,637)	-	(9,637)
Transfers Out	9,033	-	9,033	-	9,033
<b>Total Other Financing Sources (uses)</b>	<b>(604)</b>	<b>-</b>	<b>(604)</b>	<b>-</b>	<b>(604)</b>
<b>Change in Net Assets</b>	<b>48,971</b>	<b>377</b>	<b>49,348</b>	<b>44,553</b>	<b>93,901</b>
<b>Fund Balances/Net Assets, beginning of year</b>	<b>1,588,925</b>	<b>126,659</b>	<b>1,715,584</b>	<b>3,909,664</b>	<b>5,625,248</b>
<b>Fund balances/net assets, end of year</b>	<b>\$ 1,637,896</b>	<b>\$ 127,036</b>	<b>\$ 1,764,932</b>	<b>\$ 3,954,217</b>	<b>\$ 5,719,149</b>



**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2012**

	<b>Emergency Preparedness Fund</b>	<b>Kensington Park Reassessment District 2004-1 Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 531	\$ 268,911	\$ 269,442
Interest receivable	-	83	83
Special assessments receivable	-	1,085,541	1,085,541
<b>Total assets</b>	<b>\$ 531</b>	<b>\$ 1,354,535</b>	<b>\$ 1,355,066</b>
<b>Liabilities</b>			
Accounts payable	\$ 265	\$ 1	\$ 266
2004 Limited Obligation Improvement Bonds	-	1,202,050	1,202,050
Bond interest payable	-	17,029	17,029
<b>Total liabilities</b>	<b>\$ 265</b>	<b>\$ 1,219,080</b>	<b>\$ 1,219,345</b>
<b>Net Assets</b>			
Reserved for Emergency Preparedness Council	\$ 266	\$ -	\$ 266
Reserved for Reassessment District 2004-1	-	135,455	135,455
<b>Total net assets</b>	<b>\$ 266</b>	<b>\$ 135,455</b>	<b>\$ 135,721</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, 2012**

	<b>Emergency Preparedness Fund</b>	<b>Kensington Park Reassessment District 2004-1 Fund</b>	<b>Total</b>
<b>ADDITIONS:</b>			
Special assessments	\$ -	\$ 176,400	\$ 176,400
Interest income	-	350	350
<b>Total additions</b>	<b>-</b>	<b>176,750</b>	<b>176,750</b>
<b>DEDUCTIONS:</b>			
Bond administration charges	-	10,799	10,799
Bond expenses	-	51,876	51,876
Bond principal	-	109,520	109,520
Contract services	73	-	73
<b>Total deductions</b>	<b>73</b>	<b>172,195</b>	<b>172,268</b>
Net increase (decrease) in fiduciary net assets	(73)	4,555	4,482
Transfer in	-	(9,033)	(9,033)
Transfer out	-	9,637	9,637
<b>Net assets, beginning of year</b>	<b>339</b>	<b>130,296</b>	<b>130,635</b>
<b>Net assets, end of year</b>	<b>\$ 266</b>	<b>\$ 135,455</b>	<b>\$ 135,721</b>

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

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**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, 2012**

	<u>General Fund Budget</u>	<u>General Fund Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Property Taxes	\$ 1,250,000	\$ 1,261,672	\$ 11,672
Special Assessments	680,000	679,890	(110)
Measure G Supplement Tax Rev.	453,200	405,668	(47,532)
Grant Revenue	100,000	200,000	100,000
Investment Income	3,700	3,725	25
Rents and Fees	24,000	25,875	1,875
Charges for Services	2,000	1,590	(410)
Post Reimbursement	-	8,654	8,654
Franchise Fees	21,000	20,270	(730)
Other Tax Income	43,000	45,007	2,007
Supplemental Workers' Comp Reimb.	-	2,037	2,037
Other Income	12,550	27,610	15,060
Donations	500	-	(500)
<b>Total Revenues</b>	<u>2,589,950</u>	<u>2,681,998</u>	<u>92,048</u>
<b>Expenses:</b>			
Police Salary and Benefits	1,897,138	1,770,558	126,580
Police Other Expenses	316,936	246,242	70,694
Recreation Salary and Benefits	32,997	27,996	5,001
Recreation Expenses	72,326	89,122	(16,796)
District Expenses	207,815	355,896	(148,081)
Capital Outlay	120,000	142,609	(22,609)
<b>Total Expenditures</b>	<u>2,647,212</u>	<u>2,632,423</u>	<u>14,789</u>
Excess of Revenues over (under) Expenditures	<u>\$ (57,262)</u>	<u>\$ 49,575</u>	<u>\$ 106,837</u>

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

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**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**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, 2012**

**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, 2012.

***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 2012, 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 for 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 2012 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, 2012**

**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. All investment is invested through County of Contra Costa.

***Compensated absences***

District employees are entitled to certain compensated absences based on their length of employment. Payable for compensated absences is \$77,218 at June 30, 2012.

***Fund equity reservations and designations***

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

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

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

*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.

*Subsequent events*

At the time of the audit, KPPCSD has evaluated all subsequent events through December 10, 2013, the date the financial statements were available to be issued, and determined that there is no material impact from the subsequent events.

**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 an investment account that are 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, 2012**

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

A summary of the District's cash and investments at June 30, 2012 is as 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	\$ 2,823	\$ 2,823
Petty Cash	100	100
<b><u>Uncategorized:</u></b>		
County Treasury	1,860,726	1,860,726
<b>Total Governmental Fund (District Fund)</b>	<b>1,863,649</b>	<b>1,863,649</b>
<b><u>Fiduciary Funds</u></b>		
<b><u>Category 1:</u></b>		
Cash in Checking Accounts	531	531
<b><u>Uncategorized:</u></b>		
County Treasury	268,911	268,911
<b>Total Fiduciary Fund</b>	<b>269,442</b>	<b>269,442</b>
<b>Total Governmental &amp; Fiduciary Fund</b>	<b>\$ 2,133,091</b>	<b>\$ 2,133,091</b>

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

General Fund	\$ 1,736,703
Capital Project Fund	126,946
	<b>\$ 1,863,649</b>
Emergency Preparedness Fund	<b>\$ 531</b>
2004-1 Park Reassessment Bond Fund	<b>\$ 268,911</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, 2012**

**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 \$250,000 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, 2012**

**NOTE 3— CAPITAL ASSETS (continued)**

A summary of changes in general fixed assets follows:

	<u>Balance 6/30/11</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/12</u>
Non-Depreciable Assets				
Land	\$ 2,808,347	\$ -	\$ -	\$ 2,808,347
Depreciable Assets				
Building & Improvements	1,492,717	162,491	38,388	1,616,820
Vehicles & Equipment	489,383	-	-	489,383
Furniture & Fixtures	29,914	-	-	29,914
<b>Total Depreciable Asset:</b>	<u>4,820,361</u>	<u>162,491</u>	<u>38,388</u>	<u>4,944,464</u>
Accumulated Depreciation				
Building & Improvements	417,102	41,650	-	458,752
Vehicles & Equipment	465,173	37,596	-	502,769
Furniture/Fixtures/Improvements	28,422	304	-	28,726
<b>Total Accumulated Depreciation:</b>	<u>910,697</u>	<u>79,550</u>	<u>-</u>	<u>990,247</u>
<b>Capital Assets Net of Depreciation</b>	<u>\$ 3,909,664</u>	<u>\$ 82,941</u>	<u>\$ 38,388</u>	<u>\$ 3,954,217</u>

The current depreciation expense of \$79,550 was charged to Statement of Activities as depreciation expense adjustment.

**NOTE 4— SPECIAL ASSESSMENT DEBT**

*Kensington Park Reassessment District 2004-1 Refunding Bonds*

	<u>June 30, 2011</u>	<u>Borrowings</u>	<u>Payments</u>	<u>June 30, 2012</u>
2004 Limited Obligation Improvement Bonds	\$ 1,311,570	\$ -	\$ 109,520	\$ 1,202,050
	<u>\$ 1,311,570</u>	<u>\$ -</u>	<u>\$ 109,520</u>	<u>\$ 1,202,050</u>

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**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 instalments 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.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

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

As of June 30, 2012, future debt service payments were as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 112,176	\$ 48,759	\$ 160,935
2014	120,367	43,818	164,185
2015	123,164	38,643	161,807
2016	125,861	33,350	159,211
2017	133,353	27,843	161,196
Thereafter	587,129	50,706	637,835
	<u>\$ 1,202,050</u>	<u>\$ 243,119</u>	<u>\$ 1,445,169</u>

Current Year Portion of Principal pay down: \$109,520

Current Year Portion of Interest expense: \$51,876

**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 38.3% was required for fiscal 2012. 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 2012/2013, the required employer contribution rate is 33.72%.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 5— DEFINED BENEFIT PENSION PLAN (continued)**

*Annual pension cost*

For the fiscal year ended June 30, 2012, the total contributions amounted to \$354,467. Of this amount, \$280,065 was contributed by the District on behalf of the plan members. The actuarial assumptions included: a) an 7.50% investment rate of return (net of administrative expenditures); and b) projected salary increases of 3.30% to 14.20%. Both a) and b) include an inflation component of 3% and anticipated payroll growth of 3%. 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:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2010	\$ 243,261	100%	\$ -
2011	244,706	100%	-
2012	386,340	100%	-

**NOTE 6— LEASE COMMITMENT**

Building/Office

In December 2009, the District entered into agreement as a lessee to occupy office space from Kensington Fire Protection District for a five-year period through June 30, 2014. Rent increase is run accordance to consumer index change from minimum of 3% to maximum of 6%. Rent expense for fiscal years ended June 30, 2012 and 2011 were \$29,705 and \$28,840, respectively.

The minimum future lease commitments (with 3% increased each year) are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2013	\$ 30,596
June 30, 2014	31,513
<b>Total</b>	<b>\$ 62,109</b>

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**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 6— LEASE COMMITMENT (continued)**

**Equipment**

The District has entered into an operating lease for radio equipment, commencing March 1, 2012 and expire March 1, 2015 with an annual interest rate of 4.63%. The lease is an operating lease contains the option to purchase and will require the District to pay all executory costs such as taxes, maintenance, and insurance. Rental expenses for the lease consisted of \$19,469 for the year ended June 30, 2012.

The minimum future lease payments are as follow:

Year Ending June 30:

2013	\$ 19,469
2014	19,469
2015	<u>19,469</u>
	<u>\$ 58,407</u>

**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, 2012 are as follows:

<u>Fund balances</u>	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Reserved			
Compensated Absences	\$ 77,218	\$ -	\$ 77,218
<b>Total Reserved</b>	<u>77,218</u>	<u>-</u>	<u>77,218</u>
Unreserved and Undesignated	1,560,678	127,036	1,687,714
<b>Total Unreserved and Undesignated</b>	<u>1,560,678</u>	<u>127,036</u>	<u>1,687,714</u>
 <b>Total Fund Balance</b>	 <u>\$ 1,637,896</u>	 <u>\$ 127,036</u>	 <u>\$ 1,764,932</u>

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**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 \$28,085 for fiscal 2012 coverage. Members are subject to dividends and/or assessments in accordance with the provisions of the Joint Powers agreement. At June 30, 2012, SDRMA could not confirm the status of any incurred but not reported (“IBNR”) claims.

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</b>
	<b>June 30, 2012</b>
Cost of capital assets	\$ 4,944,464
Less: Accumulated depreciation	990,247
 Net capital assets	 3,954,217
 <b>Net difference</b>	 <b>\$ 3,954,217</b>

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**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, 2012</b>
Capital Outlay	\$ (142,609)
Add: Depreciation Expense	79,550
Add: ANNEX	18,506
	_____
<b>Net difference</b>	<b>\$ (44,553)</b>
	_____

**NOTE 11— POSTRETIREMENT HEALTH BENEFITS**

Governmental Accounting Standards Board (GASB) standard 45 directs how local governments account for and report other post-employment benefits (OPEB) that are separate from pension benefits. The District has calculated the medical benefit plan OPEB requirements and described the methodology and amounts from a third party consultant's report. These calculations cover the OPEB of all District eligible employees.

The District provides postretirement health benefits (medical, dental, and vision) to the all eligible employees who have retired from the District and to their spouses, surviving spouses and dependent children. During fiscal year 2010, the district adopted GASB 45. This is the second year the District implements this GASB requirement.



**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 11— POSTRETIREMENT HEALTH BENEFITS (continue)**

Contributions Required and Contributions Made

The plan's funding policy provides guidelines for District contributions at actuarially determined required amounts sufficient to accumulate the necessary assets to pay benefits when due as specified. The retirees' and spouses, surviving spouses and dependent children's healthcare benefits plan requires the District to use the Baseline Cost Method. The actuarial projected the plan population to estimate the cost of future benefits. The actuarial accrued total OPEB liability comes to \$2,359,424 on the valuation date of July 1, 2008 (revised May 2010).

Significant assumptions used to compute contribution requirements from the latest unaudited actuarial are as follows:

Valuation date	July 1, 2008 (revised May 2010)
Actuarial cost method	Entry Age Normal Cost Method
Discount rate used in valuation	7.75%
Actuarial assumptions:	Baseline cost of healthcare cost from CalPERS medical, Delta Dental and VSP premium rate

The annual medical premium trend rate assumption beginning:

January 1, 2011	7.9%
January 1, 2012	7.6%

As of June 30, 2012, all required trust fund is deposited with CERBT that was established in 2010.

Schedule of Employer Annual Required Contributions

The schedule of employer contributions is shown below:

Fiscal year ended June 30	Annual Required Contribution
2013	\$ 262,556

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 11— POSTRETIREMENT HEALTH BENEFITS (Continued)**

	<b>As of July 1, 2008 (revised May 2010)</b>
Actuarial accrued liability (AAL)	\$ 2,659,132
Actuarial value of assets	377,507
Unfunded actuarial accrued liability	\$ 2,281,625
 Remanding amortization period	 27 years
 Amortization factor based on 7.75% discount rate and 5.5% annual increase in salary	
 Annual level amortization of unfunded AAL	 \$ 150,119
Normal cost (based on Entry Age Normal Cost Method)	102,647
Annual required contribution (ARC)	\$ 252,766
	<b>2011/2012</b>
Annual required contribution	\$ 252,766
Interest on net OPEB obligation	7,981
Adjustment to annual required contribution	(6,776)
Annual OPEB cost (expense)	253,971
Contribution made	(143,800)
Distribution taken	141,177
Increase (decrease) in net OPEB obligation	251,348
Net OPEB obligation, beginning of year	(136,208)
Net OPEB obligation, end of year	\$ 115,140

As of June 30, 2012, accrued post-employment benefit for 2012 is \$115,140.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 12 – COMPENSATED ABSENCES**

Amounts due to employees for compensated absences as of June 30, 2012 were as follows:

Vacation	\$	77,218
Total compensated absences	\$	77,218

**NOTE 13 – RECENT GOVERNMENTAL ACCOUNTING STANDARDS**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2012, fund balance for government funds are made up of the followings:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable forms, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the District’s Board. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. *Intent* is expressed by (1) the District’s Board or (b) a body (for example: a budget or finance committee) or official to which the District’s Board has delegated the authority to assign amounts to be used for specific purposes.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 13 – RECENT GOVERNMENTAL ACCOUNTING STANDARDS (continued)**

Fund balances for all the major and non-major governmental funds as of June 30, 2012, were distributed as follows:

	<u>General Fund</u>	<u>Assets Fiduciary Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
<b>Nonspendable:</b>				
GASB 45 Accrual	\$ 115,140	\$ -	\$ -	\$ 115,140
Subtotal	<u>115,140</u>	<u>-</u>	<u>-</u>	<u>115,140</u>
<b>Restricted for:</b>				
General government	-	-	-	-
Capital projects	-	-	-	-
Compensated absence	77,218	-	-	77,218
Subtotal	<u>77,218</u>	<u>-</u>	<u>-</u>	<u>77,218</u>
<b>Committed to:</b>				
Capital projects	-	135,455	-	135,455
Subtotal	<u>-</u>	<u>135,455</u>	<u>-</u>	<u>135,455</u>
<b>Assigned to:</b>				
Park building replacement	300,000	-	-	300,000
Subtotal	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
<b>Unassigned</b>	<u>1,145,538</u>	<u>-</u>	<u>127,036</u>	<u>1,272,574</u>
<b>Total</b>	<u>\$ 1,637,896</u>	<u>\$ 135,455</u>	<u>\$ 127,036</u>	<u>\$ 1,900,387</u>

The Board's financial planning aims to help reduce the negative impact on the District in times of economic uncertainty and potential losses of funding from federal or state governmental agencies. District funds are *restricted*, *committed* and *assigned* as part of a multi-year financial plan to balance the budget and avoid operating deficits.

**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, 2012, and have issued my report thereon dated December 10, 2013. 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.

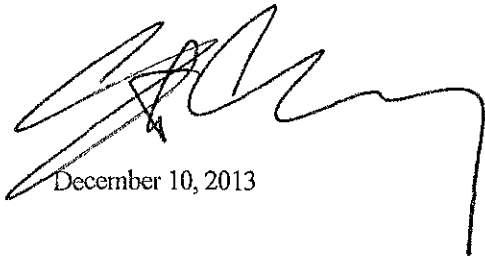
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies 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 2012-1

***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.



December 10, 2013

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
STATUS OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2012**

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

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT  
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012**

**2012-1**

Over-time wages paid were not properly supported.

**Criteria**

Total over-time wages expenditure is \$59,852 during fiscal year 2012. 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 person to process paychecks.

**Condition**

L&C has identified a total of 1 incident out of 32 samples of regular and over-time tested. The 1 sample support timesheet did not tie and agree to the payroll register. In that incident, one officer was paid more over-time than what was reported on his time sheet. It was discovered that the over-time hours reported on the payroll register were inadvertently switched with another officer's over-time hours in the same pay period. The other officer was underpaid for the over-time hours

Subsequently, L&C selected additional overtime samples to test and they seemed to be fine without any error.

**Effect**

There was a control weakness that appears to be an inadequate final review of payroll register to the timesheets. As a result, the net effect of the two officers' inaccurate over-time hours reported is an overpayment of \$198.

**Recommendation**

L&C recommended that KPPCSD should assign employee or management personnel consistently 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, 2012**

**Management Response and Corrective Action Plan**

*We concur with the finding and it appears to be an isolated incident, and current staffing is different than at time of this mistake, but KPPCSD management will take steps to insure that this suggested review process is included in the newly developed Payroll Instruction Guide (by Lynn Wolter).*

# Memorandum

Kensington Police Department



**To:** KPPCSD Board of Directors

APPROVED YES NO

**From:** District Staff

\_\_\_\_\_

**Date:** Friday, February 07, 2014

FORWARDED TO:  
\_\_\_\_\_

**Subject:** NB #2- Fiscal Year 2013/14 Mid Year Budget Review/ Estimated Cash Reserves

For the mid-year Fiscal 2013/2014 review, District staff has reviewed updated accounting documents and have made the following observations:

## District Revenue:

The biggest District source of revenue is from the property taxes collected by the County. At this point in the fiscal year, we are anticipating collecting an additional 2.4% in property tax over budgeted estimates, which will be a total of \$1,317,060 or \$31,060 increase over the budgeted projection of \$1,286,000.

It should be noted that at the beginning of the fiscal year, the County had estimated that we would receive an additional 5.4% increase in property tax revenue over the last year's tax levy and this has occurred. However, each year's final tax revenue received, contains plus or minus adjustments based on actual tax collected. The final figure will not be known until the May/June adjustments.

All other budgeted revenue projections appear to be normal at this point in the fiscal year.

## District Expenses:

As discussed during the first half of the fiscal year, the only real variance in budgeted projections has been in legal fees for both the District and the Bay View contract. At the mid- year point District legal expenses are \$116,000, which is already \$46,000 over the \$70,000 budgeted for the entire year.

Bay View legal expenses have been \$56,000 at this point in the fiscal year, in which we had budgeted \$50,000. However, that \$56,000 was for legal expenses that were incurred as a result of the arbitration demand. We had originally budgeted \$50,000 this fiscal year for garbage contract legal fees for the request for proposal (RFP) process this year that we have yet to begin.

The biggest two questions that are being asked by the Board and the public at this point in the fiscal year have been, what will be the District's financial position at the end of the fiscal year, and what will be cash amount left in cash reserves?

District staff, consisting of General Manager/ Chief of Police Greg Harman, District Administrator Lynn Wolter, and District CPA Debra Russell met on February 4<sup>th</sup> and 5<sup>th</sup> to forecast what the District's fiscal year-end, June 30, 2014, unallocated cash reserves likely will be, assuming the following:

1. That the District likely will receive an additional \$1,098,852 in property taxes.
2. That the District likely will receive an additional \$71,000 in COPS grant money.
3. That total budgeted expenses, excluding legal fees and police salaries, will come in within budget.
4. That the District's legal fees will continue to be approximately \$20,000 per month for the balance of the fiscal year.
5. That the Board may approve a 3% increase in salaries for the police officers.
6. That the Board may proceed with placing on the June 2014 ballot, a bond measure to fund safety and other improvements to the Community Center and use \$35,000 from Park Building Improvements Allocated Reserve of \$276,500.
7. That the Board may use the remaining \$241,500 of reserves allocated for Park Buildings Improvements for the Community Center Safety Project.

Cash Balance as of January 31, 2014	\$1,430,418
Assumed income:	
Property Taxes yet to be Received	\$1,098,852
COPS grant money	<u>\$71,000</u>
Subtotal	\$2,600,270

Assumed expenses:

Budgeted expenses remaining, excluding legal & police salary increases	(\$900,934)
Unbudgeted Legal expenses	(\$120,000)
Unbudgeted Police Salary increase of 3%	(\$35,000)
Bond Measure Election (Park Building Fund)	<u>(\$35,000)</u>
Total cash before allowance for Allocated Reserves	\$1,509,336

Allocated Reserves

Contingency	(\$267,460)
Compensated Absences (Liability)	(\$80,000)
Notes Payable	(\$92,830)
Park Building Fund (\$276,500-\$35,000)	<u>(\$241,500)</u>

**Estimated unallocated cash reserves  
at Fiscal Year-end June 30, 2014**

**\$827,546**

## **DISTRICT - NEW BUSINESS**

**3. KPPCSD Directors Chuck Toombs and Pat Gillette will present the negotiated Extension Agreement between the Kensington Police Protection & Community Services District and the Kensington Police Officers Association for the period between July 1, 2013 through June 30, 2014. Board Action.**

**(The actual contract wording was still being finalized at the time this agenda packet was published. If the contract is ready by Monday, February 10<sup>th</sup>, it will be published as an addendum to this agenda.)**

To: KPPCSD Board of Directors  
From: Ad Hoc Park Buildings Committee  
Date: February 13, 2014  
Subject: **New Business Item # 4**

**Community Center Safety Project  
Possible June 2014 Ballot Measure for General Obligation Bond for  
Improvements to Community Center**

**EXECUTIVE SUMMARY**

On January 9, 2014, the Board took a number of actions in support of a possible general obligation Bond Measure for the June 3, 2014 election that would fund building safety improvements and renovations to the Kensington Community Center which included: (i) amending the contract with Godbe Research to add the work of the Lew Edwards Group; (ii) entering into a contract with NHA Advisors to serve as financial advisors to the District; (iii) entering into a contract with Jones Hall to serve as bond counsel; and (iv) authorizing funds to utilize the services of the District's legal counsel. The consultants retained after that meeting have produced a resolution regarding placement of a proposed bond on the June 2014 ballot (Attachment A).

The ballot question:

To meet community needs of Kensington residents by modernizing the aging Community Center (Youth Hut), improving earthquake safety, meeting fire and health safety codes, repairing the roof, updating the kitchen and restrooms, updating spaces for youth programs, meetings and events and providing disabled access, shall the Kensington Police Protection and Community Service District issue up to \$2 million in bonds proceeds of which cannot be taken by the State and requiring independent citizens' oversight?

At the January meeting, the Board requested additional information on detailed accounting of District Funds expended to date, and anticipated funds needed to get through the election and construction process. That information is set forth at Attachments B and C. The Board has also requested an accounting of known and promised contributions and donations. That information may be found at Attachment C.

At the beginning of the current fiscal year, FY 2013-2014, the District had a park building fund reserve amount of \$300,000. That funding has been built into the revenue sources for the Community Center Safety Project. To date approximately \$36,000 of that funding has been authorized and the District will need to authorize an additional \$35,000 to complete the steps necessary to place the bond measure on the June 2014 ballot (Attachment C). Should the measure be successful, the remaining funding from this District reserve (\$229,000) will be applied toward the Community Center project. The projections for all revenue sources for the project have sufficient contingencies and no additional funding is anticipated from the District to complete the

project (Attachment D). Should the measure not pass the District will have \$229,000 of the original \$300,000 remaining in the park building reserve. Another funding source is the East Bay Regional Park District Measure WW funding of approximately \$158,000. Finally the District has obtained pledges of approximately \$280,000 from other groups and agencies in the community for use towards the proposed project. All these funds will supplement the bond proceeds to achieve the completion of a safe and modernized Community Center. Current funding commitments are close to \$30% of anticipated project costs.

A description of the estimated project costs, funding sources, and tax impact of the General Obligation bond funding is set forth at Attachment D.

The Park Buildings Committee recommends moving forward with a general obligation bond measure for June 2014 that will let Kensington voters decide if they will tax themselves for the needed improvements pursuant to the Resolution set forth in Attachment A. Each homeowner<sup>1</sup> would pay an annual tax of up to \$14 per \$100,000 of assessed valuation that would pay for debt service on a bond up to \$2 million to make safe and improve the Community Center. A two-thirds vote of support is required to pass the measure. The District must meet the timelines specified by Contra Costa County, set forth in Attachment E if it wishes to place the measure on the June 3, 2014 ballot.

The Park Buildings Committee further recommends that the District draw down approximately \$35,000 from its capital reserves to fund further work to place the measure on the ballot as reflected on Attachments B and C.

**The Board may decide to adopt the Resolution tonight; however if revisions to the Resolution are deemed significant and another Board meeting required, the Board must schedule a special meeting prior to the end of February to meet the timelines required to place the measure on the June 3 ballot.**

#### **COMMITTEE RECOMMENDATIONS AND PROPOSED MOTION TO THE BOARD:**

1. That the Board accept and approve the Resolution to place a general obligation bond measure on the June 3, 2014 ballot as set forth at Attachment A.
2. That the Board approves the additional expenditures estimated at \$35,000 to place a measure on the ballot and to allocate \$35,000 from the Park Building reserve fund as set forth at Attachments B and C.

#### **HISTORY:**

Kensington Park and its Park Buildings are major assets both to the District and to the Community it serves. The buildings and the "indoor" recreation and community gathering space have not been significantly improved in over 30 years. Major safety and accessibility improvements are sorely needed.

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<sup>1</sup> All properties in the District would be taxed to pay for the debt service on the bond with the exception of certain non-profit entities such as church and university properties.

At the February 11, 2010 Board meeting, the Board requested an Ad Hoc Committee be formed to examine, discuss, and come up with a recommendation on the best use of funding for the repair, remodel, and uses of the Kensington Park buildings.

In March of 2012 the District accepted a Master Plan for Park Buildings prepared by the architectural firm of Muller and Caulfield. The Master Plan included among other things, an evaluation of existing structures, a financial analysis of rental potential, and a proposed public design and planning process for all three buildings – the Community Center, the Annex (currently vacant), and Building E (currently used by KCC). The planning process included three public workshops which focused on community desires, construction needs and estimated costs.

The Master Plan considered different options and recommended adopting Option 2 which includes improvements to the Community Center that address all the safety, code and maintenance issues, provides better program and event capacity, and improves comfort, energy efficiency and aesthetics.

Thereafter, the District hired NHA Advisors with a generous grant of \$5,000 from the Kensington Community Council. Craig Hill of NHA Advisors presented several public funding options at the Board's meeting of January 12, 2013. The presentation outlined financing options for financing improvements at three levels ranging from minimal health and safety (Option 1), to renovations to the Community Center alone, and concluded with major renovation to both the Community Center and the Annex building immediately adjacent to it. The presentation then looked at alternate financing mechanisms such as a general obligation bond (GO Bond), a parcel tax, and other financing mechanisms.

Under the direction of the Board, the Park Buildings Committee then conducted public outreach to many of the community organizations in Kensington (10 in all) regarding the proposed renovations and the various funding alternatives that were available. The Park Buildings Committee presented a summary of that public outreach process with feedback from the groups on June 15, 2013 at a Board meeting and community workshop.

At that meeting the Board took steps leading to the employment of Godbe Research to conduct a statistically significant survey of registered voters to determine what renovations are most important to voters and to ascertain community willingness to support a possible bond measure to pay for the needed improvements to the Community Center.

Godbe Research provided the results of that survey to the Board at its meeting of December 12, 2013. The survey indicates there is support in the community for a measure where each homeowner would pay an annual tax of up to \$14 per \$100,000 of assessed value which would pay for debt service on a bond that would provide construction dollars to make safe and improve the Community Center.

#### **CURRENT STATUS:**

The Park Buildings Committee now recommends moving forward with a general obligation bond measure for June 2014 that will let Kensington voters decide if they will tax themselves for these needed improvements. A two-thirds vote of support is required to pass the measure. Specific

action is needed by the Board this evening and through February to meet the requirements and deadlines for placing a measure on the ballot in June as set forth at Attachment E.

1. The Committee believes that there is public support for a bond to pay for the recommended improvements to the Community Center.

As noted, the results of the Godbe Research Survey indicate there is support in the community for a measure where each homeowner would pay an annual tax of up to \$14 per \$100,000 of Assessed Value (AV) which will pay for debt service on a bond up to \$2 million to make safe and improve the Community Center. The bond will be for a 30-year term. The average home in Kensington is assessed at \$378,000. The average annual homeowner's tax will be approximately \$54 in the first year. As the total assessed value of homes increase over time, there will be a subsequent decrease in the annual tax rate. Attachment D further explains the estimated project costs, the funding sources, and the tax impact of these bonds.

The Kensington Community has had several opportunities to provide input regarding the future plans for the Kensington Community Center. A majority of residents have consistently expressed their desire to see the Community Center improved, particularly in regard to building code compliance and improve earthquake safety.

The Community Center was built in the 1950's and is located within a seismic hazard zone. Funds from the measure would be used to retrofit the building and improve earthquake safety, and the kitchen and restrooms would also be brought up to current health and safety codes and Americans with Disabilities Act compliance.

A modernized Community Center will help pay for its operation by generating additional rental revenue from private events. Although new revenue will not completely cover the operating costs, increased rentals will help offset current operating expenses.

The Kensington After School Program has been in existence for more than 30 years. Renovating and updating the community center will ensure that this important community program is able to continue to provide a safe environment for the students who attend as well as for other youth programs such as the Boy Scouts, Cub Scouts and Girl Scouts who use the space.

None of the bond funds from this measure can be used for administrative salaries or pensions, or be taken by Sacramento – by law every dime must be used to upgrade the Center and an independent citizen's oversight committee will be established to monitor compliance.

2. The Committee believes that the passage of the Bond Measure will provide long term and necessary improvements to the Community Center.

The passage of this Bond Measure for the Kensington Community Center will provide benefits to the community including:

- Increasing safety during a major earthquake or fire
- Continuing youth afterschool and summer programs
- Increasing the number of programs, classes and special events
- Providing flexibility to meet future needs
- Increasing physical comfort and enjoyment



Construction features include:

- Improving earthquake safety with seismic improvement throughout the building.
  - Meeting codes for fire and safety codes throughout the building.
  - Replacing the aging and leaky roof and replace portions if needed.
  - Updating the kitchen to meet health and safety codes
  - Improving disabled access
  - Installing flexible room dividers for multiple programs, classes and events at the same time
  - Installing energy efficient systems
3. The Committee believes that funding the basic repairs (Option 1 of the master plan) provides insufficient value to the community and may take several years to achieve without bond funding.

The Park Buildings Master Plan explored a number of options for improvements to the Community Center. One option (Option 1 in the master plan) was to “do as little as possible” to make the building safe and meet basic fire, health and safety accessibility codes. The Committee believes that the District must make these minimum repairs to increase compliance with current law and to improve overall safety whether or not the community passes the proposed bond measure. However, Option 1 does not meet stated community interests for a more functional building with better program and event capacity, physical comfort and energy efficiency.

Were the Board to implement Option 1 within existing operating monies and reserves it is estimated that an additional \$300,000 over the existing \$300,000 reserve would be required and the project would be delayed.

Additionally the Committee does not know if current community groups will continue to make gifts towards this project if the recommended plan is not implemented and the bond is not passed, potentially reducing public support by up to \$280,000 now pledged which would also add to the shortfall.

As it happens, we are at a low point for bond interest rates and a good time to borrow money. Should the bond measure pass, the District can complete this truly desired work in the recommended plan for the least amount of money possible.

4. The Committee recommends allocation expenditures through the election period.

The District estimates that the additional cost to place the bond measure on the ballot will be \$25,000 for County Election Expenses, and up to an additional \$10,000 for District informational mailing. The Committee recommends that the Board approves these additional expenditures. The total cost to the District through the election will be approximately \$71,000, as reflected on Attachment C. The District will pay this amount whether or not the bond measure is successful. The committee recommends these funds come from the park building reserves.

After the expenditures described above, the balance of the park building reserves will be approximately \$229,000. It is recommend that those funds be allocated towards the District’s share of construction improvements. The total expenditure of \$71,000 of precious reserve funds is

a small allocation when compared to a successful ballot measure that could yield up to \$2 million dollars of funding to modernize and make safe the Kensington Community Center.

Additional expenses of \$137,500 set forth on Attachment B will only be paid from bond proceeds IF the bond measure passes.

The Committee recommends:

1. That the Board accept and approve the Resolution to place a general obligation bond measure on the June 3, 2014 ballot as set forth at Attachment A .
2. That the Board approves the additional expenditures estimated at \$35,000 to place a measure on the ballot and to allocate \$35,000 from the Park Building reserve fund as set forth at Attachments B and C.

Attachments:

- A. Resolution
- B. Estimated Costs with Placing a measure on the Ballot
- C. Funding Commitment and Expenditures
- D. Construction Costs and Revenues
- E. Timeline

RESOLUTION NO. 2014-01

**A RESOLUTION OF THE KENSINGTON POLICE PROTECTION AND  
COMMUNITY SERVICES DISTRICT MAKING DETERMINATIONS AND  
CALLING AN ELECTION AND ORDERING THE SUBMISSION OF A  
PROPOSITION TO AUTHORIZE THE ISSUANCE OF BONDS FOR THE  
PURPOSE OF UPGRADING AND REPAIRING THE KENSINGTON  
COMMUNITY CENTER, TO THE QUALIFIED VOTERS OF THE DISTRICT AT  
THE STATEWIDE GENERAL ELECTION TO BE HELD ON JUNE 3, 2014**

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*WHEREAS*, the Board of Directors of the Kensington Police Protection and Community Services District (the "District") determines that it is necessary to authorize the issuance of bonds for the acquisition or improvement of real property in order to upgrade and repair the Kensington Community Center located within the District; and

*WHEREAS*, the Kensington Police Protection and Community Service District will require that all bond measure funds benefit the Kensington Community by upgrading and modernizing the seismically unsafe and aging Community Center (Youth Hut); and

*WHEREAS*, the funds raised will be kept local and cannot be taken by the State; and

*WHEREAS*, the District shall prepare annual financial reports to be reviewed by a Citizen Oversight Committee to ensure funds are spent as promised; and

*WHEREAS*, the Community Center (Youth Hut) needs health and safety upgrades that include repairing the Community Center's aging, leaky roof; improving earthquake safety; bringing the Center to current electrical and fire safety codes; and updating the kitchen facilities to meet health and safety codes; and

*WHEREAS*, in order to provide for the issuance by the District of its general obligation bonds to finance the costs of making improvements to the Kensington Community Center located in the District it is necessary for this Board to pass a resolution ordering the submission of the proposition for such purpose to the qualified voters of the District at an election; and

*WHEREAS*, a Statewide General Election for the District is to be held on Tuesday, June 3, 2014; and

*WHEREAS*, the Board of Directors desires to submit to the voters at said election the proposition to authorize the issuance of bonds as hereinafter set forth; and

Now therefore, the Board of Directors of the Kensington Police Protection and Community Services District does resolve as follows:

SECTION 1. The Board of Directors determines that it is necessary for the District to authorize the issuance of bonds for the acquisition or improvement of real property in order to make improvements to the Kensington Community Center, including the main building and temporary relocation use of the annex during construction, as further described on Exhibit A attached hereto (the "Improvements"), for the following purposes: to address building code, safety and maintenance upgrades; improve the aesthetics; provide functional upgrades; and provide program and event support, comfort and energy efficiency.

SECTION 2. The following question shall be submitted to the voters of the District at the Statewide General Election to be held on June 3, 2014:

KENSINGTON COMMUNITY CENTER BOND MEASURE

To meet community needs of Kensington residents by modernizing the aging Community Center (Youth Hut), improving earthquake safety, meeting fire and health safety codes, repairing the roof, updating the kitchen and restrooms, updating spaces for youth programs, meetings and events and providing disabled access, shall the Kensington Police Protection and Community Service District issue up to \$2 million in bonds proceeds of which cannot be taken by the State and requiring independent citizens' oversight?

\_\_\_\_\_ YES    \_\_\_\_\_ NO

SECTION 3. The purpose of issuing the bonds is to finance the costs of constructing the improvements described in Section 1 to this Resolution, including expenses for the authorization, issuance and sale of bonds.

SECTION 4. The amount of the principal to be incurred is not to exceed Two Million Dollars (\$2,000,000).

SECTION 5. The maximum term of the bonds, which may be issued in one or more series as described in Section 7, shall not exceed 30 years.

SECTION 6. Pursuant to Article 7 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53530, the maximum rate of interest to be paid shall not exceed 12% per annum.

SECTION 7. This Board of Directors does hereby call an election on Tuesday, June 3, 2014, and submits to the qualified voters of the District, at said election, the proposition set forth in Section 2 hereof. The District proposes to acquire, construct and complete the improvements, and to issue and sell general obligation bonds of the District, in one or more series, in the maximum amount and for the purposes set forth above, if two-thirds of all qualified voters voting on the proposition set forth above vote in favor thereof. The bonds are to be general obligations of the District, payable from and secured by taxes levied and collected in the manner prescribed by laws of the State of California. All of said bonds are to be equally and ratably secured, without priority, by the taxing power of the District.

SECTION 8. As required by Section 53410 of the Government Code, a statement in substantially the following form shall be included in the Bond Measure, and the Board of Directors covenants to comply with the reporting requirements contained in Section 53411 of the Government Code:

**Accountability Measures**

As required by Section 53410 of the Government Code, the following accountability measures are hereby made a part of the District's Bond Measure:

(a) The specific purpose of the bonds is to finance the costs of upgrading and repairing the Kensington Community Center;

(b) The proceeds from the sale of the District's bonds will be used only for the purposes specified in the Bond Measure, and not for any other purpose;

(c) The proceeds of the Bonds will be deposited into a separate building fund to be held by the District and not co-mingled with other funds; and

(d) The General Manager of the District shall file an annual report with the Board of Directors of the District, commencing not later than one year after the bonds have been issued, and annually thereafter until the project is complete, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the making improvements to the Kensington Community Center listed in the Bond Measure.

A Citizen Oversight Committee will be formed to review the annual expenditures of bond proceeds to verify that bond proceeds are used to finance the costs of upgrading and repairing the Kensington Community Center. The Citizen Oversight Committee will consist of at-large members who reside in the District.

SECTION 9. Pursuant to the requirements of section 10403 of the Elections Code, the Board of Supervisors of Contra Costa County and the Contra Costa County Elections Department are hereby requested to consolidate the District's election with the Statewide General Election on Tuesday, June 3, 2014, and said election shall be held in all respects as if there were only one election and only one form of ballot shall be used. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding general district elections.

SECTION 10. Each voter to vote for the proposition and for the incurring of said indebtedness shall fill in the oval to the left of the word "YES" on the ballot below the proposition heading; and each voter to vote against the proposition and against the incurring of said indebtedness shall fill in the oval to the left of the word "NO" on the ballot below the proposition heading.

SECTION 11. The District recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 12. The ballots to be used at the election shall be in form and content as required by law.

SECTION 13. The General Manager of the District is authorized, instructed and directed to have the Contra Costa County Election Department procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 14. The polls for the election shall be open at 7:00 o'clock a.m. of the day of the election and shall remain open continuously from that time until 8:00 o'clock p.m. of the same

day when the polls shall be closed, except as provided in Section 14401 of the Elections Code of the State of California.

SECTION 15. The Registrar of Voters of Contra Costa County is hereby authorized to canvass the returns of the Bond Election herein authorized.

SECTION 16. Attached hereto is the Tax Rate Statement for the Bonds.

SECTION 17. This Resolution shall take effect immediately upon its adoption.

\* \* \* \* \*

PASSED AND ADOPTED by the Board of Directors of the Kensington Police Protection and Community Services District at a meeting thereof held on February \_\_, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
General Manager

## EXHIBIT A

### Improvements to the Kensington Community Center and Annex

Safety, functional and aesthetic upgrades to the Kensington Community Center, as well as building code and safety improvements to provide better program and event support, comfort and energy efficiency and general community utility and enjoyment:

- Seismic upgrades throughout the building.
- Electrical upgrades throughout the building.
- Fire and safety upgrades throughout the building.
- Repair the roof and replace portions if required.
- Upgrade kitchen to commercial kitchen standards and meet disabled accessibility standards and health codes.
- Upgrade bathrooms to meet disabled accessibility standards and health codes.
- Remodel the main meeting room, including installation of structural support where needed and alcove or small addition.
- Improvements to meeting rooms, including new flooring, acoustical ceiling and lighting, installation of flexible room dividers.
- New dual-glazed windows and doors throughout the building.
- New main entrance.
- New storage rooms.
- New energy efficient systems for heating and ventilation.
- Upgrades to address site drainage issues.
- Upgrade finishes and lighting throughout the building.
- Landscaping, paving and site work improvements.
- New signage and exterior lighting.
- Improvements to the exterior use areas immediately adjacent to the Community Center.
- Repairs to the Annex, limited to access sufficient for temporary use during Community Center construction or relocation expenses to temporarily maintain critical programs of the District.

## EXHIBIT B

### TAX RATE STATEMENT

An election will be held in the Kensington Police Protection and Community Services District (the "District") on June 3, 2014, to authorize the sale of up to \$2,000,000 in bonds of the District to finance improvements to the Kensington Community Center as described in the ballot measure. If the bonds are approved, the District expects to sell the bonds in one or more series over time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The information contained in numbered paragraphs 1 - 3 below is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 1.4¢ per \$100 (\$13.99 per \$100,000) of assessed valuation in fiscal year 2014-15.

2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 1.4¢ per \$100 (\$13.99 per \$100,000) of assessed valuation in fiscal year 2014-15.

3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 1.4¢ per \$100 (\$13.99 per \$100,000) of assessed valuation in fiscal year 2014-15.

Voters should note that the estimated tax rates are based on the *ASSESSED VALUE* of taxable property on the County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on its needs for funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

Dated: February \_\_, 2014.

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General Manager

Kensington Police Protection and Community Services District



**Estimated Costs Associated with Placing a Bond Measure on the Ballot**

**District Estimated Costs - Feb 13, 2014**

<b>Pre-Election Costs - GO Bond</b>	<b>Funding Approved</b>	<b>Funding Needed</b>	<b>Comments</b>	<b>Status</b>
Financial Advisor	(\$5,000)	-	NHA Advisors <b>Note: Funding courtesy of a generous grant from KCC</b>	Complete
Survey Poll	\$23,500		Godbe Research & LEG Community Survey	90% Complete
District Legal Review	\$12,500		District Review of Bond Measure as needed	In Progress
County Election Expense		\$25,000	Variable - Based on County past charges in Consolidated Election	Needed
District Mailers & Miscellaneous		\$5,000 - \$10,000	Estimated	Needed
<b>Total District</b>	<b>36,000</b>	<b>\$30,000- \$35,000</b>		

**Estimated Costs Paid with Bond Proceeds only if Measure Passes**

<b>Financing Costs</b>	<b>Funding from Bond</b>	<b>Comments</b>	<b>Status</b>
Financial Advisor	\$40,000	Pre and Post Election	Needed
Bond Counsel	\$25,000	Pre and Post Election	Needed
Disclosure Counsel	\$15,000	Post Election	Needed
Rating	\$10,000	Post Election	Needed
Trustee/Paying Agent	\$2,500	Post Election	Needed
Miscellaneous	\$10,000	Post Election	Needed
Bond Underwriting	\$35,000	Post Election	Needed
<b>Estimated Costs</b>	<b>\$137,500</b>	<b>Paid with Bond proceeds only if Measure passes</b>	

**ATTACHMENT C**

**Kensington Community Center Safety Project Budget**

**Revenue**

**KPPCSD Funds**

District Discretionary Funds FY 2011-2012	\$	46,984
KPPCSD District Park Building Fund Reserve	\$	300,000
Measure WW	\$	158,000
<b>TOTAL Funds</b>	<b>\$</b>	<b>504,984</b>

**Contributions**

KCC	\$	250,000
KFPD	\$	10,000
KIC	\$	10,000
KPOA	\$	10,000
<b>TOTAL Contributions</b>	<b>\$</b>	<b>280,000</b>

**TOTAL REVENUE** \$ 784,984

**Expenses**

Muller and Caulfield (Park Buildings Master Plan) FY2011-2012	\$	42,770
Legal and Misc FY 2011-2012	\$	4,214
Godbe Research	\$	23,500
Legal Costs	\$	12,500
NHA Financial Advisors	\$	5,000
County Election Costs	\$	25,000
District Mailers	\$	10,000

**TOTAL EXPENSE** \$ 122,984

**REMAINDER** \$ 662,000

ATTACHMENT C

KENSINGTON Community Center Safety Project - Commitments and Expenditures February 13, 2014

	Funding Source and Expense	Original Funds	Funds Spent to date	Total Spent to date	Subtotal Funds Remaining Feb 13, 2014	Funds Needed through June Election	Subtotal Funds needed through June Election	Funds Remaining for Construction
1	<b>KPPCSD</b>							
	District Park Building Fund Reserve	\$300,000						
	Godbe Research		23,500					
	District Legal		12,500					
				36,000	264,400			
	County Election Expense(estimate - variable)					25,000		
	District Mailers & Misc					10,000		
							35,000	\$229,000
2	<b>Measure WW (East Bay Regional Park District)</b>	158,000			158,000			158,000
3	<b>Dedicated Contributions</b>							
	KCC	\$250,000						
	NHA Financial Advisors		5,000					
				5,000	245,000			245,000
	KFPD	10,000			10,000			10,000
	KIC	10,000			10,000			10,000
	KPOA	10,000			10,000			10,000
	<b>Total Funds Remaining for Community Center Project</b>							<b>662,000</b>

Note: Additional District expenses FY2011-2012 budget includes \$46,984 (Master Plan Architect, Muller and Caulfield (\$42,770) + Legal and Misc (4,214)

**Kensington Police Protection and Community Services District  
General Obligation Bond Authorization**

**Summary of Financing Structure and Tax Impact Analysis**

**Estimated Project Costs**

• Community Center Improvements	\$1,800,000
• Temporary Annex Use Costs	\$ 75,000
• Furnishings and Equipment	\$ 150,000
• Contingency	<u>\$ 200,000</u>
TOTAL COSTS	\$2,225,000

**Funding Sources**

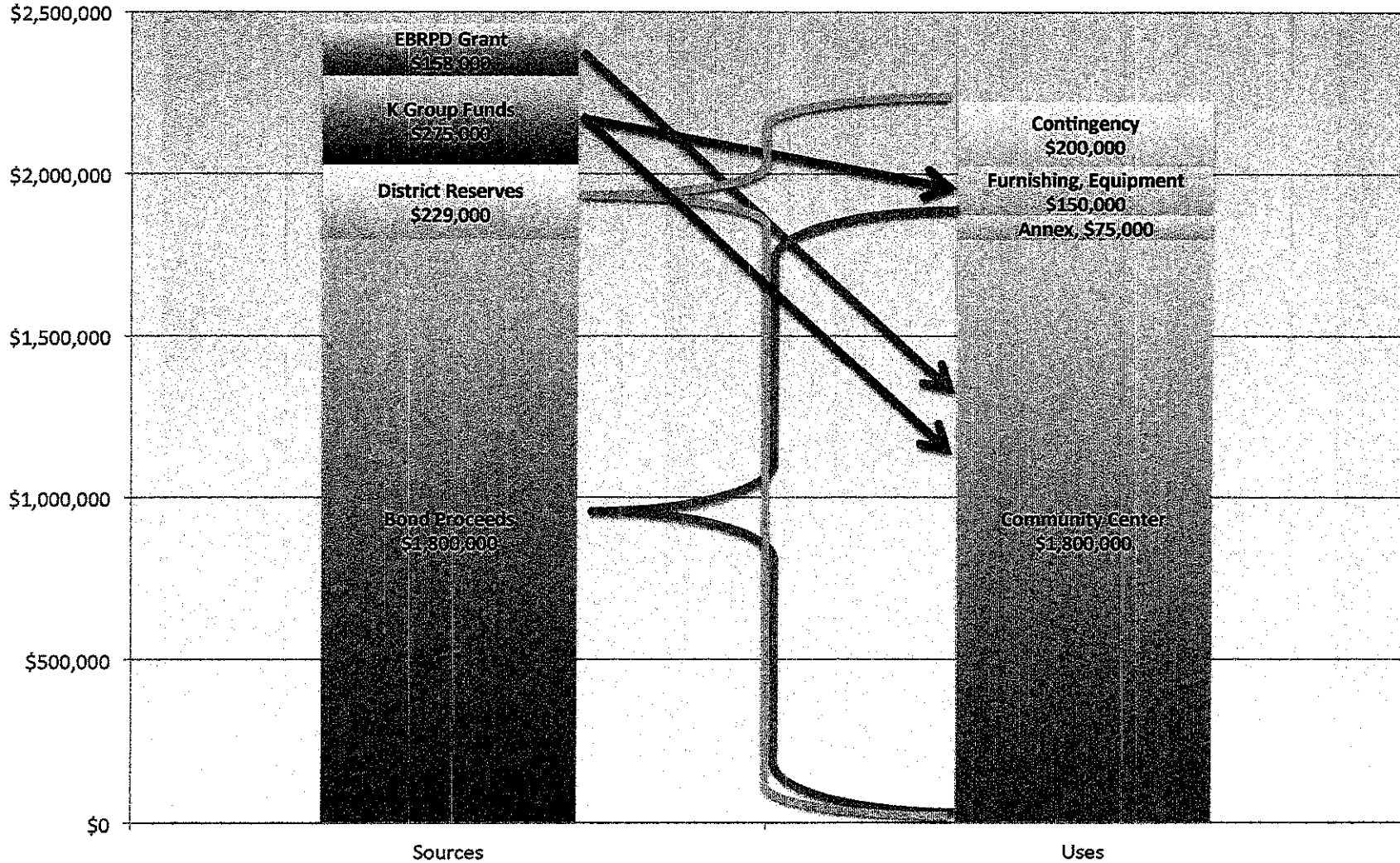
• GO Bond Proceeds	\$1,800,000
• KPPCSD Reserves	\$ 229,000
• K Group Funds	\$ 275,000
• EBRPD Grant (Measure WW)	<u>\$ 158,000</u>
TOTAL FUNDING SOURCES	\$2,462,000

**Tax Impact of General Obligation Bond**

• Projected GO Bond	\$1,850,000
• First Year Tax Rate	\$14 per \$100,000 of Assessed Value (Average Homeowner = \$54)
• Average Tax Rate over 30-years	\$11 per \$100,000 A.V. (Average Homeowner = \$42)

*Tax Rate will decline over time as KPPCSD tax base increases with property sales or improvements.*

### Kensington PPCSD Community Center Project Funding Sources & Uses



**ATTACHMENT E**

**KENSINGTON POLICE PROTECTION  
AND COMMUNITY SERVICES DISTRICT  
BOND ELECTION TIMETABLE  
(June 3, 2014 Election)**

<u><b>ACTION</b></u>	<u><b>ACTION DEADLINE</b></u>
Finalize ballot language.	January 2014
<b>Resolution</b> making determinations and calling election and including request for consolidation of election (PRC Code §5790 et seq., Elec. Code §10403.) adopted by <b>District Board</b> .	February __, 2014
<b>Elections Official</b> publishes notice of election (Elec. Code §12112).	<i>Publication:</i> No later than 90 and no earlier than 120 days before the date of the election, publication once in a newspaper of general circulation published in the District, or if no such newspaper is published in the District, in a newspaper having general circulation in the District and published in any affected county in the District. <b>(Between February 13, 2014 and March 5, 2014)</b>
<b>Resolution</b> delivered to <b>County Elections Official</b> and Board of Supervisors.	Not later than 88 days before the date set for the election <b>(by March 7, 2014)</b>
Tax Rate Statement delivered to <b>Elections Official</b> (Elec. Code §§9400-9405)	<b>March 7, 2014</b>
<b>Elections Official</b> transmits a copy of the ballot measure to the County Auditor and the <b>County Counsel</b> for preparation of 500-word-maximum impartial analysis. (Elec. Code §9160.) <i>(County provisions apply to a District bond election pursuant to Elec. Code §9168.)</i>	After measure qualifies for place on ballot.  <b>After March 7, 2014</b>
<b>Elections Official</b> sets deadline for filing ballot arguments and rebuttals (Elec. Code §9163). Notice of date must be published once (Gov. Code §9163). See Elec. Code §§ 9162 (arguments), 9167 (rebuttals), 9164 (author of arguments).	Deadline based on time necessary to prepare and print arguments and to permit the 10-calendar-day public examination set forth below.  <b>Primary Arguments - March 14, 2014</b>
<b>Elections Official</b> selects arguments (Elec. Code §9166) and distributes arguments for preparation of rebuttal arguments (Elec. Code §9167).	Deadline based on time necessary to prepare and print arguments and to permit the 10-calendar-day public examination set forth below.  <b>Rebuttals - March 21, 2014</b>

**Elections Official** allows period of public examination of election materials (impartial analysis, ballot arguments, rebuttals). During this period, any voter in the District may seek a writ of mandate or an injunction to have election materials amended or deleted. (Elec. Code §9190.)

Not less than 10 calendar days before the date on which election materials are to be printed

**To be determined**

**Elections Official** mails to each registered voter: (a) a sample ballot and County Counsel's analysis (Elec. Code §13303 and §9160), (b) a tax rate statement (Elec. Code §§9401, 9402), (c) a notice card describing the polling place and time of the election (Elec. Code §13303), (d) an application for an absentee ballot (Elec. Code §3006), and (e) a notice of the voter's right to an absentee ballot (Elec. Code §13315). (See Elec. Code §13100 et seq. re. form of ballot.)

Not more than 40 or less than 21 days before the date of the election.

**Between April 24 and May 13, 2014**

**Election**

**June 3, 2014**

Canvass of election returns by **Elections Official** (Elec. Code §15301).

To begin by the Thursday following election.

**By June 5, 2014**

Certified statement of election results by **Elections Official** within 28 days of election. (Elec. Code §15372.)

Within 28 days of election.

**By July 1, 2014**

**District Board** declares results of election. (Elec. Code §15400.)

At Board meeting following election.