



Agenda

Regular Meeting of the Board of Directors
Kensington Police Protection and
Community Service District

Thursday, April 8, 2021
Via Teleconference

[KPPCSD Board Meeting - Kensington Police Protection and Community Services District](#)

**The page at the URL above will have instructions on how to join the
online meetings.**

In response to the County and State "shelter in place" orders, the Governor issued an order expanding his prior waiver of normal Brown Act requirements. Executive Order N-29-20, issued March 17, 2020, authorizes all-electronic meetings without a physical location for agency officials or members of the public. The published agenda must advise the public of the means by which it may participate in the meeting and of a procedure by which disabled persons may submit requests for accommodation or modification. The order does not suspend notice requirements.

Executive Order N-29-20 is effective while state and/or local public health officials have imposed or recommended social distancing measure. The District must prioritize public health and containing the spread of the Covid-19 virus, which precludes holding physical public meetings. The District will comply with the usual Brown Act requirements to the extent compatible with the directives and recommendations of state and local health officials.

Closed Session – 6:30 p.m.

Call to Order

Roll Call

Public Comment on Closed Session Items Only

(Members of the public may address the Board for up to three minutes.)

Closed Session

The Board of Directors will meet in Closed Session to consider two matters:

- 1) Conference with Legal Counsel--Existing Litigation, in the matter of the membership reclassification of Gregory E. Harman, Respondent, and Kensington Police Protection and Community Services District, Respondent pursuant to Government Code Section Paragraph (1) subdivision (d) of Section 54956.9.

- 2) Conference with Labor Negotiators--Agency Designated Agency Designated Representative Marti Brown, General Manager and Employee Organization: Kensington Police Officers' Association pursuant to Government Code Section 54957.6.

Regular Meeting – 7:00 p.m.

Call to Order

Roll Call

Changes to the Agenda

Closed Session Report

Public & Consent Calendar Comments

All matters on the Consent Calendar are considered routine and are approved by one motion and vote, unless Board Member or General Manager first requests that a matter be removed for separate discussion and action. Individuals wishing to address the District Board of Directors concerning Consent Calendar items or on matters not already on the agenda are invited to make oral comments of up to three minutes. Please raise your hand via Zoom. When you are called on by the District President, you will be unmuted, and you can address the Board of Directors, please state your name clearly for the audio recording. You are requested to address your comments to the President and Board of Directors, and not to staff and/or the audience. By state law, the Board is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the Board, please mail or email it to the Clerk of the Board at 917 Arlington Ave., Kensington, CA 94707 or llewis@kppcsd.org.

Consent Calendar

1. **Regular Meeting Minutes of March 11, 2021**

Recommended Action: Approve meeting minutes.

Contact: Lynelle Lewis, District Clerk, llewis@kppcsd.org

Discussion & Action Calendar

All matters in this section of the Agenda are discussed and will be acted on individually. Members of the public may request to speak on any of these items for up to three minutes when the Board President calls for public comment. Please raise your hand via Zoom. When you are called by the Board President you will be unmuted and you can address the Board. Please state your name clearly for the audio recording. If you have any documentation that you would like distributed to the Board, please mail or email it to the Clerk of the Board at 917 Arlington Ave., Kensington, CA 94707 or llewis@kppcsd.org.

2. Fiscal Year 2019-20 Financial Audit

Recommended Action: Receive and approve 2019-20 financial audit report.

Contact: Katherine Korsak, Finance and Business Manager, kkorsak@kppcsd.org

3. Contract for Financial Consulting Services

Recommended Action: Approve budget authority of a not-to-exceed amount of \$15,000 to contract with Andy Heath, Finance Consultant; and authorize the General Manager, or her designee, to execute a contract with Mr. Heath for finance consulting services.

Contact: Marti Brown, General Manager, mbrown@kppcsd.org

4. Contract for Labor Negotiations Consulting Services

Recommended Action: Approve budget authority of a not-to-exceed amount of \$10,000 to execute a contract with Patrick Clark Consulting, Labor Negotiator; and authorize the General Manager, or her designee, to execute a contract with Mr. Clark for labor negotiations with the Kensington Police Officers Association (KPOA).

Contact: Marti Brown, General Manager, mbrown@kppcsd.org

5. Path System

Recommended Action: Receive status update from Paths Ad Hoc Committee, discuss next steps and direct staff as necessary.

Requested by: Sylvia Hacaj, President, KPPCSD Board of Directors

6. Presentation: Proposed Uses of Future KPPCSD Renovated Office Space

Recommended Action: Receive presentation and provide policy direction as necessary.

Contact: Walt Schuld, Interim Chief of Police, wschuld@kppcsd.org

7. January and February 2021 Financial Reports

Recommended Action: Receive and accept financial reports.

Contact: Katherine Korsak, Finance and Business Manager, kkorsak@kppcsd.org

8. Presentation of the KPD Annual Report

Recommended Action: Receive and accept the report and presentation.

Contact: Mike Gancasz, Police Captain, MikeG@kppcsd.org

Director Comments & Reports

9. Director Comments

10. General Manager's Report

11. Chief of Police Report

Adjournment

The next regular meeting will be held on May 13, 2021.

General Information

- All proceedings of the Open Session will be audio and video recorded if possible.
- Upon request, the Kensington Police Protection and Community Services District will provide written agenda materials in appropriate alternative formats or disability-related modification of disabilities to participate in public meeting. Please send 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 two days before the meeting. Requests should be sent to Kensington Police Protection & Community Service District, 217 Arlington Ave, Kensington, CA 94707.
- To be added to the Board Agenda Mailing List, complete and submit the form at <https://www.kppcsd.org/agenda-mailing-list> or by notifying the Clerk of the Board at llewis@kppcsd.org.

Posted Agenda

Public Safety Building – Colusa Food – Arlington Kiosk and at www.kppcsd.org. Complete agenda packets are available at the Public Safety Building at 217 Arlington Avenue, Kensington, CA 94707.

All public records that relate to an open session item of a meeting of the Kensington Police Protection & Community Service 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.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS MEETING MINUTES

Thursday, March 11, 2021

Via Teleconference

Regular Meeting (7:00 p.m.)

Call to Order [[TS 0.03](#)]

President Hacaj called to order the Regular Meeting of the Board of Directors at 7:06 p.m.

Roll Call [[TS 0.07](#)]

Directors Rachelle Sherris-Watt, Eileen Nottoli, Cyrus Modavi, and Chris Deppe were present at roll call.

Staff present included General Manager Marti Brown, Interim Police Chief Walt Schuld, General Counsel Ann Danforth, Finance and Business Manager Katherine Korsak, and Clerk of the Board Lynelle M. Lewis.

Changes to the Agenda [[TS 0.41](#)]

General Manager Marti Brown reported there were no changes to the agenda and highlighted changes to the agenda format.

Closed Session Report [[TS 1:53](#)]

President Hacaj reported that no closed session meeting was held.

Community & Consent Calendar Forum

Community Forum [[TS 2:09](#)]

The following persons addressed the Board: 1) Catherine de Neergaard urged the Board to reinstate the Finance Committee and commented that the new agenda format that combines public comment with the consent calendar was unclear; 2) Linda Lipscomb commented that the agenda that noticed elimination of the the Finance Commitee was misleading and urged the Board to reconsider the bringing back the Committee; 3) Pat Gillette urged reinstatement of the Finance Committee and suggested agendizing a discussion of consolidating the boards of the Police and Fire Departments; 4) Carolyn Tipton commented on elimination of the Finance Committee, concern about outsourcing the police and annexation to El Cerritio, and lack of transparency; and 5) Elaine Stelton urged the Board to rethink the elimination of the Finance Committee to allow community input.

Consent Calendar [[TS 18:32](#)]

1. Special Meeting Minutes of January 7, 2021 and Regular Meeting Minutes of February 11, 2021.

- Motion by Director Deppe, seconded by President Hacaj to adopt Item 1 of the Consent Calendar. The motion carried (5-0) by the following roll call vote: (AYES) Directors Deppe, Modavi, Nottoli, Sherris-Watt President Hacaj and (NOES) None.

Recommended Action: Approved meeting minutes.

2. January 2021 Financial Reports.

Recommended Action: Pulled Item 2 to continue discussion at the next meeting.

Discussion & Action Calendar [[TS 27:17](#)]

3. Kensington Community Council (KCC) Donation to the KPPCSD [[TS 28:23](#)]

General Manager Marti Brown reported that as part of the fundraising efforts and renovations to the Kensington Community Center, the Kensington Community Council agreed to donate \$15,000 toward landscaping and exterior improvements around the Community Center. Formal acceptance of these funds will allow the District to move forward with planning and implementing additional exterior improvements to the Community Center. Ann Forrest, representing the KCC Board, recapped the purpose of the donation and thanked community members who participated in the fundraising effort.

- Motion by President Hacaj, seconded by Director Deppe, to accept the \$15,000 donation from KCC for landscape improvements around the Community Center. The motion carried (5-0) by the following roll call vote: (AYES) Directors Deppe, Modavi, Nottoli, Sherris-Watt and President Hacaj and (NOES) None.

Recommended Action: Approved acceptance of a \$15,000 donation from KCC for landscape improvements.

4. Staff Presentation: Where should the future home of the KPPCSD be located? Preliminary Needs Assessment and Financial Analysis. [[TS 34:36](#)]

General Manager Marti Brown presented an update on the project status of the Kensington Fire Protection District (KFPD) and KPPCSD discussions and analysis to renovate the Public Safety Building (PSB). Ms. Brown and Captain Mike Gancasz highlighted the current status of the project, existing and future working conditions, public safety considerations, industry standards for police facilities, and preliminary financial analysis of the most promising options for the future home of KPPCSD.

- [\[TS 1:07:23\]](#) Addressing the Board were the following persons: 1) Gail Feldman questioned the accuracy of the space requirements shown in the staff presentation; 2) John Gaccione asked if KPPCSD had considered building a new police station separately on some available vacant land and questioned why the agencies would remain on Arlington Avenue due to seismic and fire safety concerns; 3) Linda Lipscomb urged the Board to look into the space requested by KFPD, questioned why residents are paying taxes for two agencies that are in the same building, and suggested consolidation of the two boards; 4) Pat Gillette commented that the report did not reflect history or talent of the community, and that it is not a wise use of taxpayer dollars to have two boards providing the same service or having one agency pay \$3,000 per month for rent versus charging \$1 per month and sharing expenses; 5) Julie Stein commented that the benchmark costs presented for new facilities are outdated and suggested getting an independent review of recent construction of comparable facilities to get a good benchmark of what it would cost now; 6) Kevin Padian commented that both agencies should continue to work together to seek a solution that fits both agencies; 7) Chris Napier asked when the community would receive information on the long-term financing and revenue sources for the project; and 8) Cecilia commented that there is no vacant land to be used for a new PSB and that Kensington Park is not a viable option.

[\[TS 1:31:30\]](#) General Manager Marti Brown, Captain Mike Gancasz, and Chief Schuld responded to comments and concerns raised during the public comment period. They addressed staffing, a concept for using land in Kensington Park for the PSB, essential workspace needed for the Police Department, and crime incidents. Director Deppe provided several comments on the staff presentation, and expressed disappointment that there was no input from the Board or community who have institutional knowledge of the issues. As a result, he said the report included many inaccuracies. Director Modavi commented on the process for receiving Board input on the presentation, and asked if there has been exploration of receiving a waiver for expanding the footprint of the building since both agencies provide an essential service. President Hacaj commented that the report did not include analysis of renovating the Annex to house administrative staff. Director Nottoli pointed out that it is unlikely that the County will grant a waiver since it would bear liability in the event of a catastrophe. President Hacaj said discussion on the issues would be continued at the upcoming joint meeting with the KFPD Board on March 25th.

Director Comments & Reports

5. Director Comments [\[TS 1:57:30\]](#)

None.

6. General Manager's Report [\[TS 1:59:47\]](#)

General Manager Marti Brown reported on plans to remove a eucalyptus tree on Arlington Avenue by the Library and on additional tree pruning and brush removal throughout Kensington Park. She reported on plans to resubmit paperwork to the East Bay Regional Park District for a \$158,000 funding opportunity for the Kensington Community Center. Next, she reported that staff

is soliciting project ideas for use of the \$160,000 Prop 68 grant funds received by the District. Additionally, she reported that the District is due to receive a \$158,000 reimbursement toward Community Center renovations. Ms. Brown announced that a joint meeting with the KFPD and KPPCSD Boards is scheduled for March 25th. In concluding, Ms. Brown explained the new agenda format.

- [\[TS 2:11:25\]](#) Addressing the Board were the following persons: 1) Julie Stein commented that the new agenda item of “Community & Consent Calendar Forum” versus general public comment is confusing; 2) Linda Lipscomb commented that general public comment is statutorily set forth in the Government Code and said the agenda should allow for public comment on any item; and 3) Lisa Carrona commented that the “Community & Consent Calendar Forum” language is confusing and the agenda should return to the original language.

7. Chief of Police Report [\[TS 2:07:53\]](#)

Chief of Police Walt Schuld reported that Kensington Police are working with Kensington Elementary School to conduct a joint comprehensive fire drill. He also reported that the Police Department submitted a grant proposal to the Office of Traffic Safety requesting funding for software programs to be used to report traffic collision information.

Adjournment [\[TS 2:15:30\]](#)

The next regular meeting will be held on April 8, 2021.

President Hacaj adjourned the meeting at 9:28 p.m.

SUBMITTED BY:

Lynelle M. Lewis, District Clerk of the Board

APPROVED: April 8, 2021

Marti Brown, General Manager

Sylvia Hacaj, President of the Board

**KENSINGTON POLICE PROTECTION
AND COMMUNITY SERVICES DISTRICT**

Report to the Board of Directors

**For the Fiscal Year Ended
June 30, 2020**



KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

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For the Fiscal Year Ended June 30, 2020

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

We are pleased to present this report related to our audit of the financial statements of the Kensington Police Protection and Community Services District (District) as of and for the year ended June 30, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

Murrieta, California
March 31, 2021

Required Communications

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2020

Generally accepted auditing standards (AU-C 260, *The Auditor’s Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<p>Our Responsibilities with Regard to the Financial Statement Audit</p>	<p>Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated October 15, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.</p>
<p>Overview of the Planned Scope and Timing of the Financial Statement Audit</p>	<p>An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.</p>
<p>Accounting Policies and Practices</p>	<p>Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p>Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management’s Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
<p>Audit Adjustments</p>	<p>Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries.</p>
<p>Uncorrected Misstatements</p>	<p>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</p>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2020

Area	Comments
Discussions With Management	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	No significant difficulties were encountered in performing our audit.
Required Supplementary Information	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none">1. Management's Discussion and Analysis2. Budget to Actual Comparison3. Required Pension Plan Disclosures4. Required OPEB Plan Disclosures <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

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

Summary of Adjusting Journal Entries

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

*Summary of Adjusting Journal Entries
For the Fiscal Year Ended June 30, 2020*

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To account for Transfer from the General Fund			
152	Bond Assessment Receivable	27,770.00	
905	Operating Transfer - Out	27,770.00	
391	Retained Earnings - Bond		27,770.00
705	Operating Transfer - In		27,770.00
Total		55,540.00	55,540.00
Adjusting Journal Entries JE # 2			
To Capitalize Community Center CIP			
172	Community Center Building	214,953.70	
188	Construction in Progress		214,953.70
Total		214,953.70	214,953.70
Adjusting Journal Entries JE # 3			
To expense unreconciled Community Center CIP			
646	Community Center Repairs	5,470.76	
188	Construction in Progress		5,470.76
Total		5,470.76	5,470.76
Adjusting Journal Entries JE # 4			
To adjust depreciation expense for over depreciated assets			
189	Accumulated Depreciation	6,346.00	
899	Depreciation Expense		6,346.00
Total		6,346.00	6,346.00
	Total Adjusting Journal Entries	282,310.46	282,310.46
	Total All Journal Entries	282,310.46	282,310.46

**KENSINGTON POLICE PROTECTION
AND COMMUNITY SERVICES DISTRICT
FINANCIAL STATEMENTS
AND
INDEPRNDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2020
(With Comparative Information as of June 30, 2019)**

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
For the Fiscal Year Ended June 30, 2020
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Financial Section

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of Kensington Police Protection and Community Services District (District) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District'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 are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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 we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund, of the District as of June 30, 2020, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's net OPEB liability and related ratios, schedule of contributions – other post-employment benefits (OPEB) plan, and the notes to the required supplementary information be 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. We 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2019, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated March 31, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

Walnut Creek, California
March 31, 2021

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
 For the Fiscal Year Ended June 30, 2020

Management's Discussion and Analysis (MD&A) offers readers of Kensington Police Protection and Community Services District's financial statements a narrative overview of the District's financial activities for the fiscal year ended June 30, 2020. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position decreased \$101,521 or 7.31% as a result of this year's operations.
- Total revenues from all sources decreased \$416,573 or 10.48%, from \$3,973,448 to \$3,556,875, from the prior year, primarily due to a decrease in \$476,350 in one-time capital grants and contributions collected for the Community Center building improvements.
- Total expenses for the District's operations increased by \$422,352 or 13.05%, from \$3,236,044 to \$3,658,396, from the prior year, primarily due to the cost of the interim police chief contract of \$240,997 and cost of the issuance of the pension obligation bonds of \$119,592.
- The District purchased new capital assets during the year in the amount of \$1,610,932. Depreciation expense was \$74,171.

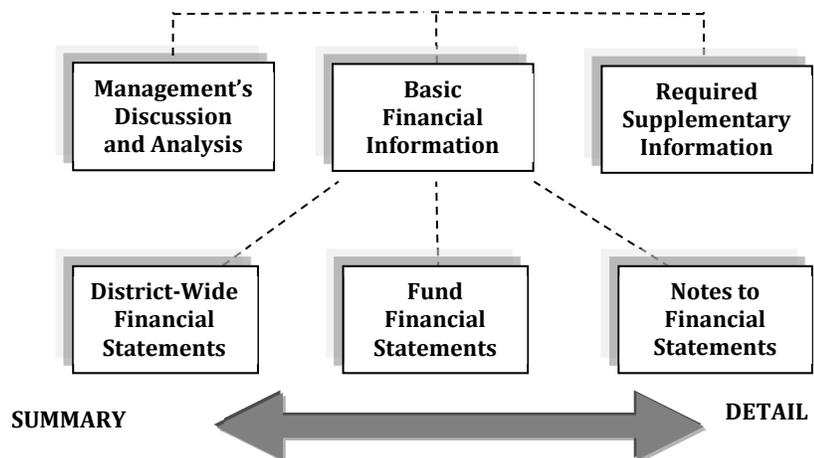
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- *District-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

Figure A-1. Organization of Kensington Police Protection and Community Services District's Annual Financial Report

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2. Major Features of the District-Wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Funds	Fiduciary Fund
<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary, such as public safety services	Instances in which the District administers resources on behalf of someone else, such as retirement benefits
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; The District's funds do not currently contain nonfinancial assets, though they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of buildings and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as weed abatement, landscape maintenance, and administration. State and local programs finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by grantor requirements.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Statement of Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
Assets:			
Current assets	\$ 2,232,816	\$ 3,881,421	\$ (1,648,605)
Capital assets, net	<u>5,394,362</u>	<u>3,857,601</u>	<u>1,536,761</u>
Total assets	<u>7,627,178</u>	<u>7,739,022</u>	<u>(111,844)</u>
Deferred outflows of resources	<u>346,812</u>	<u>460,960</u>	<u>(114,148)</u>
Liabilities:			
Current liabilities	285,409	332,504	(47,095)
Non-current liabilities	<u>11,119,527</u>	<u>6,634,912</u>	<u>4,484,615</u>
Total liabilities	<u>11,404,936</u>	<u>6,967,416</u>	<u>4,437,520</u>
Deferred inflows of resources	<u>615,408</u>	<u>749,342</u>	<u>(133,934)</u>
Net position:			
Net investment in capital assets	5,165,379	3,607,601	1,557,778
Unrestricted	<u>(3,877,227)</u>	<u>(2,217,928)</u>	<u>(1,659,299)</u>
Total net position	<u>\$ 1,288,152</u>	<u>\$ 1,389,673</u>	<u>\$ (101,521)</u>

At the end of fiscal year 2020, the District shows a positive balance overall for its net position of \$1,288,152. The increase of the net investment in capital assets represents the amount of capital asset additions over depreciation expense. Unrestricted net position decreased due to the utilization of \$1,610,932 in funds for the purchase of capital assets.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses

Table A-2: Condensed Statements of Activities

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
Program revenues	\$ 1,501,511	\$ 2,028,038	\$ (526,527)
Expenses	<u>(3,658,396)</u>	<u>(3,236,044)</u>	<u>(422,352)</u>
Net program expense	(2,156,885)	(1,208,006)	(948,879)
General revenues	<u>2,055,364</u>	<u>1,945,410</u>	<u>109,954</u>
Change in net position	(101,521)	737,404	(838,925)
Net position:			
Beginning of year	<u>1,389,673</u>	<u>652,269</u>	<u>737,404</u>
End of year	<u>\$ 1,288,152</u>	<u>\$ 1,389,673</u>	<u>\$ (101,521)</u>

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, the operations of the District decreased by \$101,521.

Table A-3: Total Revenues

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>
Program revenues:			
Special assessments:			
Public safety	\$ 681,750	\$ 681,780	\$ (30)
Measure "G" public safety	588,398	565,740	22,658
Recreation	40,195	38,841	1,354
Charges for services	11,207	20,814	(9,607)
Operating grants and contributions	168,743	231,268	(62,525)
Capital grants and contributions	5,000	476,350	(471,350)
Other revenue	<u>6,218</u>	<u>13,245</u>	<u>(7,027)</u>
Total program revenues	<u>1,501,511</u>	<u>2,028,038</u>	<u>(526,527)</u>
General revenues:			
Property taxes	1,957,714	1,869,928	87,786
Franchise fees, net	58,256	54,203	4,053
Investment earnings	48,164	32,093	16,071
Transfers in(out)	<u>(8,770)</u>	<u>(10,814)</u>	<u>2,044</u>
Total general revenues	<u>2,055,364</u>	<u>1,945,410</u>	<u>109,954</u>
Total revenues	<u>\$ 3,556,875</u>	<u>\$ 3,973,448</u>	<u>\$ (416,573)</u>

Total revenues from all sources decreased \$416,573 or 10.48%, from \$3,973,448 to \$3,556,875, from the prior year, primarily due to a decrease in \$476,350 in one-time capital grants and contributions collected for the Community Center building improvements.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses (continued)

Table A-4: Total Expenses

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>
Expenses:			
Salaries and wages	\$ 1,270,854	\$ 1,130,037	\$ 140,817
Employee benefits	985,166	1,074,014	(88,848)
Materials and services	958,116	954,744	3,372
Interim police chief contract	240,997	-	240,997
Depreciation expense	74,171	77,249	(3,078)
Interest expense	9,500	-	9,500
Cost of debt issuance	<u>119,592</u>	<u>-</u>	<u>119,592</u>
Total expenses	<u>\$ 3,658,396</u>	<u>\$ 3,236,044</u>	<u>\$ 422,352</u>

Total expenses for the District's operations increased by \$422,352 or 13.05%, from \$3,236,044 to \$3,658,396, from the prior year, primarily due to the cost of the interim police chief contract of \$240,997 and cost of the issuance of the pension obligation bonds of \$119,592.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a fund balance of \$2,170,875, which is below last year's ending fund balance of \$3,610,252. The primary cause of the decreased fund balance is due to the utilization of \$1,610,932 in funds for the purchase of capital assets.

General Fund Budgetary Highlights

The final budgeted expenditures for the District at year-end were \$4,243,831 less than actual. The variance is principally due to the \$4,424,408 contribution to CalPERS as a result of the pension obligation bond issuance. Actual revenues were greater than the anticipated budget by \$136,915, primarily because of increased property tax revenues provided.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2019-20 the District had invested \$1,610,932 in new capital assets, related to building improvements and equipment purchases. (More detailed information about capital assets can be found in Note 3 to the financial statements). Total depreciation expense for the year was \$74,171.

Table A-5: Capital Assets at Year End, Net of Depreciation

	Balance	Balance
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Capital assets:		
Non-depreciable assets	\$ 2,808,347	\$ 3,006,736
Depreciable assets	3,927,288	2,117,967
Accumulated depreciation	<u>(1,341,273)</u>	<u>(1,267,102)</u>
Total capital assets, net	<u>\$ 5,394,362</u>	<u>\$ 3,857,601</u>

Long-term Debt

Capital related debt was being repaid in fiscal year 2019-20. (See note 5 for further information)

Table A-6: Long-term Debt at Year End

	Balance	Balance
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Long-term debt:		
Loan payable	<u>228,983</u>	<u>250,000</u>
Total long-term debt	<u>\$ 228,983</u>	<u>\$ 250,000</u>

FACTORS AFFECTING CURRENT FINANCIAL POSITION

Global Pandemic

At the end of the first quarter of calendar year 2020, the United States and global economy suffered a major decline due to the impact of the COVID-19 virus. This economic decline may affect the District's operations and investment earnings for the remainder of calendar year 2020 and beyond. However, the potential impact to the District is unknown at this time.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's General Manager at 217 Arlington Avenue, Kensington, CA 94707 or (510) 526-4141.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Statement of Net Position
June 30, 2020 (With Comparative Information as of June 30, 2019)

	Governmental Activities	
ASSETS	2020	2019
Current assets:		
Cash and cash equivalents (note 2)	\$ 1,969,692	\$ 3,542,126
Accrued interest receivable	5,844	9,932
Accounts receivable	31,289	108,056
Property taxes receivable	23,094	20,930
Other receivables	68,584	57,445
Prepaid items	134,313	142,932
Total current assets	2,232,816	3,881,421
Non-current assets:		
Capital assets – not being depreciated (note 3)	2,808,347	3,006,736
Capital assets, net – being depreciated (note 3)	2,586,015	850,865
Total non-current assets	5,394,362	3,857,601
Total assets	7,627,178	7,739,022
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred amounts related to net OPEB liability (note 8)	346,812	460,960
Deferred amounts related to net pension liability (note 9)	5,334,506	906,449
Total deferred outflows of resources	5,681,318	1,367,409
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	61,941	271,169
Long-term liabilities – due in one year:		
Compensated absences (note 4)	31,653	40,318
Loan payable (note 5)	21,815	21,017
Pension obligation bonds payable (note 6)	170,000	-
Total current liabilities	285,409	332,504
Noncurrent liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 4)	31,653	40,317
Loan payable (note 5)	207,168	228,983
Pension obligation bonds payable (note 6)	4,374,000	-
Net other post-employment benefits obligation (note 8)	2,371,365	2,554,131
Net pension liability (note 9)	4,135,341	3,811,481
Total noncurrent liabilities	11,119,527	6,634,912
Total liabilities	11,404,936	6,967,416
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred amounts related to net OPEB liability (note 8)	315,686	516,952
Deferred amounts related to net pension liability (note 9)	299,722	232,390
Total deferred inflows of resources	615,408	749,342
<u>NET POSITION</u>		
Net investment in capital assets (note 10)	5,165,379	3,607,601
Unrestricted (Deficit) (note 11)	(3,877,227)	(2,217,928)
Total net position	\$ 1,288,152	\$ 1,389,673

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT*Statement of Activities**For the Fiscal Year Ended June 30, 2020**(With Comparative Information for the Year Ended June 30, 2019)*

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>Restated 2019</u>
Expenses:		
Public safety and recreation:		
Salaries and wages	\$ 1,270,854	\$ 1,130,037
Employee benefits	985,166	1,074,014
Materials and services	958,116	954,744
Interim police chief contract	240,997	-
Depreciation expense	74,171	77,249
Interest expense	9,500	-
Cost of debt issuance (note 6)	119,592	-
Total expenses	<u>3,658,396</u>	<u>3,236,044</u>
Program revenues:		
Special assessments:		
Public safety	681,750	681,780
Measure "G" public safety	588,398	565,740
Recreation	40,195	38,841
Charges for services	11,207	20,814
Operating grants and contributions	168,743	231,268
Capital grants and contributions	5,000	476,350
Other revenue	6,218	13,245
Total program revenues	<u>1,501,511</u>	<u>2,028,038</u>
Net program expense	<u>(2,156,885)</u>	<u>(1,208,006)</u>
General revenues:		
Property taxes	1,957,714	1,869,928
Franchise fees, net	58,256	54,203
Investment earnings	48,164	32,093
Transfers in(out)	(8,770)	(10,814)
Total general revenues	<u>2,055,364</u>	<u>1,945,410</u>
Change in net position	<u>(101,521)</u>	<u>737,404</u>
Net position:		
Beginning of year	<u>1,389,673</u>	<u>652,269</u>
End of year	<u>\$ 1,288,152</u>	<u>\$ 1,389,673</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Balance Sheet – Governmental Funds
June 30, 2020 (With Comparative Information as of June 30, 2019)

	<u>General Fund</u>	
	<u>2020</u>	<u>Restated 2019</u>
<u>ASSETS</u>		
Assets:		
Cash and cash equivalents	\$ 1,969,692	\$ 3,542,126
Accrued interest receivable	5,844	9,932
Accounts receivable	31,289	108,056
Property taxes receivable	23,094	20,930
Other receivables	68,584	57,445
Prepaid items	134,313	142,932
Total assets	<u>\$ 2,232,816</u>	<u>\$ 3,881,421</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 61,941	\$ 271,169
Total liabilities	<u>61,941</u>	<u>271,169</u>
Fund balance: (note 12)		
Nonspendable	134,313	142,932
Committed	-	955,825
Assigned	63,306	80,635
Unassigned	1,973,256	2,430,860
Total fund balance	<u>2,170,875</u>	<u>3,610,252</u>
Total liabilities and fund balance	<u>\$ 2,232,816</u>	<u>\$ 3,881,421</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT*Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2020 (With Comparative Information as of June 30, 2019)*

	<u>2020</u>	<u>2019</u>
Fund Balance of Governmental Funds	\$ 2,170,875	\$ 3,610,252
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	5,394,362	3,857,601
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	5,681,318	1,367,409
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities' both current and long-term, are reported in the statement of net position as follows:		
Compensated absences	(63,306)	(80,635)
Loan payable	(228,983)	(250,000)
Pension obligation bonds payable	(4,544,000)	-
Net other post-employment benefits obligation	(2,371,365)	(2,554,131)
Net pension liability	(4,135,341)	(3,811,481)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	(615,408)	(749,342)
Total adjustments	(882,723)	(2,220,579)
Net Position of Governmental Activities	\$ 1,288,152	\$ 1,389,673

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2020
(With Comparative Information for the Year Ended June 30, 2019)

	<u>General Fund</u>	
	<u>2020</u>	<u>Restated 2019</u>
Revenues:		
Property taxes	\$ 1,957,714	\$ 1,869,928
Franchise fees, net	58,256	54,203
Special assessments:		
Public safety	681,750	681,780
Measure "G" public safety	588,398	565,740
Recreation	40,195	38,841
Charges for services	11,207	20,814
Operating grants and contributions	168,743	231,268
Capital grants and contributions	5,000	476,350
Investment earnings	48,164	32,093
Other revenue	6,218	13,245
Total revenues	<u>3,565,645</u>	<u>3,984,262</u>
Expenditures:		
Current operations:		
Salaries and wages	1,288,183	1,112,467
Employee benefits	5,291,915	990,161
Materials and services	958,116	954,744
Interim police chief contract	240,997	-
Capital outlay	1,610,932	44,396
Debt service:		
Principal payment	21,017	-
Interest payment	9,500	-
Total expenditures	<u>9,420,660</u>	<u>3,101,768</u>
Excess of revenues over expenditures	<u>(5,855,015)</u>	<u>882,494</u>
Other financing sources(uses):		
Transfers in(out)	(8,770)	(10,814)
Debt principal issued	4,544,000	250,000
Cost of debt issuance	(119,592)	-
Total other financing sources(uses)	<u>4,415,638</u>	<u>239,186</u>
Change in fund balance	(1,439,377)	1,121,680
Fund Balance:		
Beginning of year	3,610,252	2,407,937
Prior period adjustment (note 13)	-	80,635
End of year	<u>\$ 2,170,875</u>	<u>\$ 3,610,252</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2020

(With Comparative Information for the Year Ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
Net Change in Fund Balance – Governmental Funds	<u>\$ (1,439,377)</u>	<u>\$ 1,121,680</u>
Amount reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	1,610,932	44,396
Depreciation expense	(74,171)	(77,249)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in governmental funds as follows:		
Net change in compensated absences	17,329	(17,570)
Net change in net OPEB liability and related deferred resources	269,884	213,314
Net change in net pension liability and related deferred resources	4,036,865	(354,545)
Principal repayment of long-term debt is reported as an expenditure in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.	21,017	-
The issuance of long-term debt provides current financial resources to governmental funds, while issuing debt increases long-term liabilities in the statement of net position	<u>(4,544,000)</u>	<u>-</u>
Total adjustments	<u>1,337,856</u>	<u>(191,654)</u>
Change in Net Position of Governmental Activities	<u>\$ (101,521)</u>	<u>\$ 930,026</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Statements of Fiduciary Net Position

June 30, 2020 (With Comparative Amounts as of June 30, 2019)

	Kensington Park Reassessment District 2004-1 Bond Trust Fund	
	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 188,168	\$ 300,486
Accrued interest receivable	341	598
Special assessments receivable	146,074	183,305
Total assets	\$ 334,583	\$ 484,389
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable	\$ -	\$ 2
Accrued interest payable	2,134	4,247
Bonds payable (note 7)	150,647	149,166
Total current liabilities	152,781	153,415
Non-current liabilities:		
Bonds payable (note 7)	-	150,647
Total liabilities	152,781	304,062
Net position:		
Held in trust for debt service	181,802	180,327
Total net position	\$ 181,802	\$ 180,327

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT*Statements of Changes in Fiduciary Net Position**For the Fiscal Year Ended June 30, 2020 (With Comparative Amounts as of June 30, 2019)*

	Kensington Park Reassessment District 2004-1 Bond Trust Fund	
	2020	2019
Additions:		
Special assessments	\$ 176,936	\$ 176,359
Investment earnings	1,925	2,258
Total additions	178,861	178,617
Deductions:		
Bond principal	149,166	147,468
Bond interest	7,460	13,788
Bond administration	29,530	30,079
Total deductions	186,156	191,335
Other:		
Transfers in(out)	8,770	10,814
Change in net position	1,475	(1,904)
Net position:		
Beginning of year	180,327	182,231
End of year	<u>\$ 181,802</u>	<u>\$ 180,327</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Kensington Police Protection and Community Services District (District) provides police protection services, parks and recreation services as well as waste management services to the unincorporated area of Kensington in Contra Costa County, California. The District is governed by five unpaid board members elected into office by the community to serve staggered four-year terms. Board meetings are held once a month on the second Thursday of the month.

B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

C. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Governmental Funds

The District maintains the following governmental funds:

General Fund: This fund is used to account for all financial resources of the District except those required to be accounted for in another fund. Included are transactions for charges for services, property taxes, and investment earnings. The general fund balance is available to the District for any purpose provided it is expended.

Fiduciary Fund: The Kensington Park Reassessment District 2004-1 Bond Trust Fund, 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. (See note 7)

2. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting (continued)

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

D. Budgetary Data

The District follows these procedures in establishing budgetary data reflected in the Required Supplementary Information – Budgetary Comparison Schedule:

The District Manager submits to the Board of Directors a proposed operating budget at the May Board meeting for the ensuing year. The annual budget is a complete financial plan for the ensuing budget year and consists of an operating, capital and debt repayment budget. The General Fund is the only fund for which an annual budget is legally adopted on a basis consistent with the modified accrual basis of accounting. The Board then considers the proposed budget at its regular meeting in June, which is open to the public. The budget represented in the required supplementary information was the final budget for the fiscal year.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Investments (continued)

If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District’s own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District’s policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District’s classes of assets are as follows:

Description	Estimated Lives
Buildings and improvements	10-30 years
Machinery and equipment	5-10 years
Furniture and office equipment	6 years
Vehicles	5 years

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

5. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

6. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan and addition to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2018
Measurement Date June 30, 2019
Measurement Period July 1, 2018 to June 30, 2019

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

7. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2018
Measurement Date June 30, 2019
Measurement Period July 1, 2018 to June 30, 2019

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Net Position

Net position is classified into three components: investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

9. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of assigned, and then unassigned, as they are needed.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

G. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The Contra Costa County Assessor's Office assesses all real and personal property within the County each year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The Contra Costa County Treasurer-Tax Collector's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Reclassifications

Certain amounts presented in the statement of net position and the statement of activities in the comparative prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported change in net position or change in fund balance.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, were classified on the statement of net position and statement of fiduciary net position as follows:

Description	Balance
Governmental funds:	
Cash and cash equivalents	\$ 1,969,692
Fiduciary funds:	
Cash and cash equivalents	<u>188,168</u>
Total cash and cash equivalents	<u><u>\$ 2,157,860</u></u>

Cash and investments at June 30, 2020, are reported at fair value and consisted of the following:

Description	Balance
Cash on hand	\$ 100
Demand deposits with financial institutions	2,823
Deposits with Contra Costa County Treasury Pool	513,919
Deposits with Local Agency Investment Fund (LAIF)	<u>1,641,018</u>
Total cash and cash equivalents	<u><u>\$ 2,157,860</u></u>

Demand Deposits

At June 30, 2020, the carrying amount of the District's demand deposits was \$2,823 and the financial institutions balances totaled \$2,823.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 2 – CASH AND INVESTMENTS (continued)

Contra Costa County Treasury Pool

The District is a voluntary participant in the Contra Costa County Treasury Pool (Pool) pursuant to Government Code Section 53694. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Contra Costa County Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are performed no less than semi-annually. In accordance with Government Code Section 27136, all request for withdrawal of funds for the purpose of investing or deposits the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. Pool detail may be obtained from the Contra Costa County Treasurer-Tax Collector's office at 625 Court Street, Suite 100, Martinez, CA 94553.

The Contra Costa County Treasury Pool is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. For financial reporting purposes, the District considers the funds held in the Pool as cash equivalents due to their highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2020, the District held \$513,919 in the Pool.

Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. PMIA policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs to taxpayers, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and carries a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2020, the District held \$1,641,018 in LAIF.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
 June 30, 2020

NOTE 3 – CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2020, were as follows:

	<u>Balance July 1, 2019</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2020</u>
Non-depreciable capital assets:				
Land	\$ 2,808,347	\$ -	\$ -	\$ 2,808,347
Construction-in-progress	198,389	22,035	(220,424)	-
Total non-depreciable capital assets	<u>3,006,736</u>	<u>22,035</u>	<u>(220,424)</u>	<u>2,808,347</u>
Depreciable capital assets:				
Buildings and improvements	1,669,418	1,754,909	-	3,424,327
Machinery and equipment	110,077	13,684	-	123,761
Furniture and office equipment	45,938	40,728	-	86,666
Vehicles	292,534	-	-	292,534
Total depreciable capital assets	<u>2,117,967</u>	<u>1,809,321</u>	<u>-</u>	<u>3,927,288</u>
Accumulated depreciation:				
Buildings and improvements	(877,839)	(47,490)	-	(925,329)
Machinery and equipment	(76,863)	(10,102)	-	(86,965)
Furniture and office equipment	(43,880)	(2,756)	-	(46,636)
Vehicles	(268,520)	(13,823)	-	(282,343)
Total accumulated depreciation	<u>(1,267,102)</u>	<u>(74,171)</u>	<u>-</u>	<u>(1,341,273)</u>
Total depreciable capital assets, net	<u>850,865</u>	<u>1,735,150</u>	<u>-</u>	<u>2,586,015</u>
Total capital assets, net	<u>\$ 3,857,601</u>	<u>\$ 1,757,185</u>	<u>\$ (220,424)</u>	<u>\$ 5,394,362</u>

NOTE 4 – COMPENSATED ABSENCES

Changes to compensated absences balances for the year ended June 30, 2020, were as follows:

<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 80,635	\$ 36,951	\$ (54,280)	\$ 63,306	\$ 31,653	\$ 31,653

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 5 – LOAN PAYABLE

Changes to the loan payable balance for the year ended June 30, 2020, was as follows:

<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 250,000	\$ -	\$ (21,017)	\$ 228,983	\$ 21,815	\$ 207,168

Community Center Loan

In 2019, the District secured a \$250,000 10-year at 3.80% construction loan to complete the improvements to the District's Community Center. Principal and interest payments are due in June of each year. The loan is payable until June 2029. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 21,815	\$ 8,702	\$ 30,517
2022	22,644	7,873	30,517
2023	23,505	7,012	30,517
2024	24,398	6,119	30,517
2025	25,325	5,192	30,517
2026	26,287	4,230	30,517
2027	27,286	3,231	30,517
2028	28,323	2,194	30,517
2029	29,400	1,117	30,517
Total	228,983	\$ 45,670	\$ 274,653
Current	<u>(21,815)</u>		
Long-term	<u>\$ 207,168</u>		

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 6 – PENSION OBLIGATION BONDS

Changes in pension obligation bonds amounts for the year ended June 30, 2020, were as follows:

<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ -	\$ 4,544,000	\$ -	\$ 4,544,000	\$ 170,000	\$ 4,374,000

On June 18, 2020, the District issued 2020 Taxable Pension Obligation Bonds in the amount of \$4,544,000. The 2020 bonds were placed with Capital One Public Funding, LLC. The bonds were issued to (a) finance \$4,424,408 of the District’s unfunded accrued liability to the California Public Employees’ Retirement System (CalPERS) for the benefit of the District’s employees and to pay a portion of current normal costs, and (b) pay \$119,592 of the costs incurred in connection with the issuance of the bonds. The bonds bear interest at 3.850% and are payable semiannually on January 1 and July 1 of each year, commencing January 1, 2021 until maturity or earlier redemption. The bonds mature in fiscal year 2040. Total principal and interest remaining on the bonds as of June 30, 2020 is \$6,523,442. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 170,000	\$ 87,472	\$ 257,472
2022	130,000	168,399	298,399
2023	168,000	163,394	331,394
2024	174,000	156,926	330,926
2025	181,000	150,227	331,227
2026-2030	1,014,000	641,102	1,655,102
2031-2035	1,226,000	430,238	1,656,238
2036-2040	<u>1,481,000</u>	<u>181,684</u>	<u>1,662,684</u>
Total	4,544,000	<u>\$ 1,979,442</u>	<u>\$ 6,523,442</u>
Current		<u>(170,000)</u>	
Long-term	<u>\$ 4,374,000</u>		

Bond Provisions

The obligations of the District under the bonds, including the obligation to make all payments of interest and principal when due, are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation. Neither the bonds nor the obligations of the District to make payments on the bonds constitute an indebtedness of the District, the State of California, or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction. For the purpose of paying the principal of and interest on the bonds, the District’s council has covenanted under the trust agreement, to take such actions annually as are necessary or appropriate to cause the debt service on the bonds due in any fiscal year to be included in the budget for such fiscal year and to make the necessary appropriations therefor from any legally available funds to ensure that sufficient sums are available to pay the annual principal of and interest on the bonds as the same become due.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 7 – SPECIAL ASSESSMENT DEBT

Changes to the special assessment debt balance for the year ended June 30, 2020, was as follows:

<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 299,813	\$ -	\$ (149,166)	\$ 150,647	\$ 150,647	\$ -

Kensington Park Reassessment District 2004-1 Refunding Bonds

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

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

The following accounts have been created: (1) Reserve Fund established in the initial amount of \$93,430 (with separated county investment account) 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. Future remaining debt service payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 150,647	\$ 3,202	\$ 153,849

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2020</u>
OPEB related deferred outflows	\$ 346,812
Net other post-employment benefits obligation	2,371,365
OPEB related deferred inflows	315,686

A. General Information about the OPEB Plan

Plan description

The District provides lifetime retiree medical coverage to eligible police (safety) employees who retire at age 50, along with their dependents. The medical plan benefits are contracted with the California Public Employees' Retirement System under the Public Employees' Medical and Hospital Care Act (PEMHCA).

Eligible retirees may enroll in any of the plans available through the CalPERS Program. The District contributes the entire cost of post-employment medical coverage up to a cap of the Kaiser Bay Area rates for the coverage selected. Also, the District contributes the entire cost of post-employment dental and vision premiums for retirees.

Plan Members

	<u>2019</u>
Inactive plan members or beneficiaries currently receiving benefit payments	15
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>7</u>
Total	22

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis; however, recently contributions have been made to an OPEB Trust.

Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2019, the measurement period, the District's contributions totaling \$466,839 included \$262,462 placed in its CalPERS CERBT OPEB Trust, \$150,543 in current year premium payments, and an implied subsidy of \$53,834.

Accounting for the Plan

The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan (continued)

Method Used to Value Investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measure date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

B. Net OPEB Liability

The District's total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2019. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	
Long-Term Expected	
Rate of Return on Investments	7.28%
Inflation	2.26%
Payroll increases	3.25%
Healthcare Trend Rates	Pre-65 - 6.85% trending down to 5.0% by 2027 Post-65 - 5.0% constant to 2027
Morbidity	CalPERS 2017 Study
Mortality	CalPERS 2017 Study
Disability	Valued
Retirement	2017 CalPERS Police 3%@50 for actives hired before 1/1/13 and 2.7%@57 for actives hired after 1/1/13.
Percent Married	100% of future retirees would enroll a spouse

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

B. Net OPEB Liability (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
CERBT Strategy 1 investment policy:		
Equity	60.00%	5.49%
Fixed income	32.00%	1.65%
REITs	8.00%	5.06%
Cash	0.00%	0.00%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.28%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Net OPEB Liability

The changes in the total OPEB liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2019 (Measurement date July 1, 2018)	\$ 3,729,202	\$ 1,175,071	\$ 2,554,131
Changes for the year:			
Service cost	93,148	-	93,148
Interest	270,617	-	270,617
Differences in experience	(6,903)	-	(6,903)
Employer contributions	-	460,959	(460,959)
Net investment income	-	78,934	(78,934)
Benefit payments	(213,923)	(213,923)	-
Administrative expenses	-	(265)	265
Net changes	142,939	325,705	(182,766)
Balance at June 30, 2020 (Measurement date June 30, 2019)	\$ 3,872,141	\$ 1,500,776	\$ 2,371,365

Changes of Assumptions

In fiscal year 2018-19, the measurement period there were no changes to the actuarial assumptions.

Change of Benefit Terms

In fiscal year 2018-19, the measurement period, there were no changes to the benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

C. Changes in the Net OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.28%) or 1 percentage point higher (8.28%) than the current discount rate:

	1% Decrease 6.28%	Discount Rate 7.28%	1% Increase 8.28%
Net OPEB Liability	<u>\$ 2,883,696</u>	<u>\$ 2,371,365</u>	<u>\$ 1,952,327</u>

Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower:

	Healthcare Cost		
	5.0% Decreasing to 4.0%	6.0% Decreasing to 5.0%	7.0% Decreasing to 6.0%
Net OPEB Liability	<u>\$ 1,950,659</u>	<u>\$ 2,371,365</u>	<u>\$ 2,743,355</u>

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of \$73,642. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows/Inflows of Resources</u>	
OPEB contributions made after the measurement date	\$ 343,527	\$ -
Changes in assumptions	-	(155,034)
Differences between expected and actual experience	-	(160,652)
Differences between projected and actual earnings on OPEB plan investments	3,285	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 346,812</u>	<u>\$ (315,686)</u>

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$343,527 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2021	\$ (196,018)
2022	(121,655)
2023	2,184
2024	3,088
Total	<u>\$ (312,401)</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2020</u>
Pension related deferred outflows	\$ 5,334,506
Net pension liability	4,135,341
Pension related deferred inflows	299,722

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

A. General Information about the Pension Plan

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<u>Safety Plans</u>	
	<u>Classic</u>	<u>PEPRA</u>
	<u>Tier 1</u>	<u>Tier 2</u>
Hire date	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 55 & Up	50 - 57 & Up
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required member contribution rates	9.000%	12.000%
Required employer contribution rates – FY 2019	20.556%	12.141%

Plan Description, Benefits Provided, and Employees Covered

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2019 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Plan Description, Benefits Provided, and Employees Covered (continued)

At June 30, 2019, the following members were covered by the benefit terms:

Plan Members	Safety Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	4	3	7
Transferred and terminated members	11	1	12
Retired members and beneficiaries	29	-	29
Total plan members	44	4	48

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A Classic CalPERS Safety member becomes eligible for service retirement upon attainment of age 50 with at least 5 years of credited service. Public Employees' Pension Reform Act (PEPRA) Safety members become eligible for service retirement upon attainment of age 50 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay. Retirement benefits for Classic Safety members are calculated as a percentage of their plan based on the average final 36 months of compensation. Retirement benefits for PEPRA Safety members are calculated as a percentage of their plan based on the average final 36 months of compensation.

Participant members are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service. Industrial disability benefits are not offered to Safety employees.

A member's beneficiary may receive the basic death benefit if the member dies while actively employed. The member must be actively employed with the District to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the members' accumulated contributions, where interest is currently credited at 7.15% per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3%.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers will be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The public agency cost-sharing plans covered by the Safety risk pool, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of members. For the measurement period ending June 30, 2019 (Measurement Date), the active member contribution rate for the Classic Safety Plan and the PEPRA Safety Plan are based above in the Plans Description schedule.

Contributions for the year ended June 30, 2020, were as follows:

<u>Contribution Type</u>	<u>Safety Plans</u>		<u>Total</u>
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>	
Contributions – employer	\$ 4,769,427	\$ 37,456	\$ 4,806,883
Contributions – members	42,386	37,042	79,428
Total contributions	\$ 4,811,813	\$ 74,498	\$ 4,886,311

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Safety Plan for the fiscal year ended June 30, 2019:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Safety Plan:			
Balance as of June 30, 2018 (Measurement Date)	\$ 14,246,692	\$ 10,435,211	\$ 3,811,481
Balance as of June 30, 2019 (Measurement Date)	\$ 15,277,324	\$ 11,141,983	\$ 4,135,341
Change in Plan Net Pension Liability	\$ 1,030,632	\$ 706,772	\$ 323,860

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2018). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2019). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2019 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2019 fiscal year).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District’s proportionate share percentage of the net pension liability for the June 30, 2019, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2020</u>	<u>Fiscal Year Ending June 30, 2019</u>	
Measurement Date	<u>June 30, 2019</u>	<u>June 30, 2018</u>	
Percentage of Risk Pool Net Pension Liability	0.066245%	0.064959%	0.001286%
Percentage of Plan (PERF C) Net Pension Liability	0.040356%	0.039554%	0.000802%

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

For the year ended June 30, 2020, the District recognized pension expense/(credit) in the amount of \$765,432 for the CalPERS Safety Plan.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 4,806,883	\$ -
Difference between actual and proportionate share of employer contributions	28,648	(186,354)
Adjustment due to differences in proportions	59,475	(23,402)
Differences between expected and actual experience	270,000	-
Differences between projected and actual earnings on pension plan investments	-	(56,889)
Changes in assumptions	<u>169,500</u>	<u>(33,077)</u>
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 5,334,506</u>	<u>\$ (299,722)</u>

The District will recognize \$4,806,883 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date as a reduction of the net pension liability in the fiscal year ended June 30, 2020.

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2021	\$ 249,905
2022	(61,297)
2023	28,224
2024	11,069
Total	<u>\$ 227,901</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2019 (the measurement dates), the total pension liability was determined by rolling forward the June 30, 2018, total pension liability. The June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

All other actuarial assumptions used in the June 30, 2018 valuation was based on the results of an actuarial experience study for the years 1997 to 2011.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the CalPERS Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability for PERF C.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate (continued)

The crossover test results can be found on CalPERS' website at <https://www.calpers.ca.gov/page/employers/actuarial-services/gasb>.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

<u>Investment Type</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11+²</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

¹ An expected inflation of 2.5% is used for years 1-10.

² An expected inflation of 3.0% is used for years 11+.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (continued)

For the year ended June 30, 2020:

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1%</u>	<u>Current Discount Rate</u>	<u>Discount Rate + 1%</u>
	<u>6.15%</u>	<u>Rate 7.15%</u>	<u>8.15%</u>
CalPERS – Miscellaneous Plan	<u>6,228,997</u>	<u>\$ 4,135,341</u>	<u>\$ 2,418,871</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS

At June 30, 2020, the net investment in capital assets was calculated as follows:

<u>Description</u>	<u>Balance</u>
Net investment in capital assets:	
Capital assets – not being depreciated	\$ 2,808,347
Capital assets, net – being depreciated	2,586,015
Loan payable – current portion	(21,815)
Loan payable – non-current portion	<u>(207,168)</u>
Total	<u>\$ 5,165,379</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 11 – UNRESTRICTED NET POSITION (DEFICIT)

As of June 30, 2020, the District had an unrestricted net position deficit of (\$3,877,227). The unrestricted net position deficit resulted from the reporting of the District's net pension liability and the related deferred inflows of resources – deferred amounts related to net pension liability per GASB No. 68. At June 30, 2020, the District's net pension liability amounted to \$4,135,341 and the related deferred inflows of resources related to net pension liability amounted to \$299,722, which totals \$4,435,063. As well as reporting of the District's net OPEB liability and the related deferred inflows of resources – deferred amounts related to net OPEB liability per GASB No. 75. At June 30, 2020, the District's net OPEB liability amounted to \$2,371,365 and the related deferred inflows of resources related to net OPEB liability amounted to \$315,686, which totals \$2,687,051. These combined related liabilities of \$7,122,114 have resulted in the District's unrestricted net position deficit.

The District will continue to make its actuarial determined pension and OPEB contributions as well as its healthcare administrative costs towards its pension and OPEB plans and annually review its outstanding net pension liability and net OPEB obligation funding requirements for future periods to reduce the District's deficit position. Also, in 2020, the District issued \$4.5 million in pension obligation bonds to reduce its net pension liability in future years.

NOTE 12 – FUND BALANCES

At June 30, 2020, fund balances of the District's governmental funds were classified as follows:

Description	General Fund
Nonspendable:	
Prepaid items	\$ 134,313
Assigned:	
Compensated absences	63,306
Unassigned	1,973,256
Total fund balances	\$ 2,170,875

NOTE 13 – PRIOR PERIOD ADJUSTMENT – FUND BALANCE FINANCIAL STATEMENTS

A detailed schedule of adjustments to fund balance at June 30, 2019, was as follows:

Description	General Fund
Fund balance – June 30, 2019, as stated	\$ 3,529,617
Prior period adjustment to fund balance	
Compensated absences	80,635
Fund balance – June 30, 2019, as restated	\$ 3,610,252

Compensated absences are not due and payable in the current fiscal period and accordingly are not reported as fund liabilities.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 14 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

A. Entity	SDRMA	
B. Purpose	To pool member contributions and realize the advantages of self-insurance	
C. Participants	As of June 30, 2019 – 509 member agencies	
D. Governing board	Seven representatives employed by members	
E. District payments for FY 2020:		
Property/Liability policy	\$45,234	
Workers' compensation policy	\$67,556	
F. Condensed financial information	June 30, 2019	
Statement of net position:		<u>June 30, 2019</u>
Total assets		<u>\$ 117,357,664</u>
Deferred outflows		<u>590,733</u>
Total liabilities		<u>61,466,303</u>
Deferred inflows		<u>117,531</u>
Net position		<u>\$ 56,364,563</u>
Statement of revenues, expenses and changes in net position:		
Total revenues		\$ 76,136,955
Total expenses		<u>(74,357,125)</u>
Change in net position		1,779,830
Beginning - net position		<u>54,584,733</u>
Ending - net position		<u>\$ 56,364,563</u>
G. Member agencies share of year-end financial position		Not Calculated

At June 30, 2020, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$2,500,000, combined single limit at \$2,500,000 per occurrence. The District purchased additional excess coverage layers: \$10,000,000 for general, auto and public official's liability, which increases the limits on the insurance coverage noted above.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 14 – RISK MANAGEMENT (Continued)

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$400,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverage.
- Property loss is paid at the replacement cost for property on file, if replaced within three years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$1.0 billion per occurrence, subject to a \$2,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to a \$1,000 deductible per occurrence.
- Public official's personal liability up to \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, with a deductible of \$500 per claim.

The District maintains workers' compensation coverage and employer's liability coverage in accordance with the statutory requirements of the State of California.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal year 2020, 2019, and 2018. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2020, 2019, and 2018.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 16 – CURRENT AND SUBSEQUENT EVENTS

Global Pandemic

At the end of the first quarter of calendar year 2020, the United States and global economy suffered a major decline due to the impact of the COVID-19 virus. This economic decline may affect the District's operations and investment earnings for the remainder of calendar year 2020 and beyond. However, the potential impact to the District is unknown at this time.

Required Supplementary Information

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Property taxes	\$ 1,941,000	\$ 1,957,714	\$ 16,714
Franchise fees, net	51,430	58,256	6,826
Special assessments:			
Public safety	682,000	681,750	(250)
Measure "G" public safety	588,400	588,398	(2)
Recreation	39,000	40,195	1,195
Charges for services	11,700	11,207	(493)
Operating grants and contributions	100,000	168,743	68,743
Capital grants and contributions	-	5,000	5,000
Investment earnings	15,200	48,164	32,964
Other revenue	-	6,218	6,218
Total revenues	<u>3,428,730</u>	<u>3,565,645</u>	<u>136,915</u>
Expenditures:			
Current:			
Salaries and wages	1,367,438	1,288,183	79,255
Employee benefits	1,147,702	5,291,915	(4,144,213)
Materials and services	867,902	958,116	(90,214)
Interim police chief contract	-	240,997	(240,997)
Capital outlay	1,763,170	1,610,932	152,238
Debt service:			
Principal payment	21,017	21,017	-
Interest payment	9,600	9,500	100
Total expenditures	<u>5,176,829</u>	<u>9,420,660</u>	<u>(4,243,831)</u>
Excess of revenues over(under) expenditures	<u>(1,748,099)</u>	<u>(5,855,015)</u>	<u>(4,106,916)</u>
Other financing sources(uses):			
Transfers in(out)	-	(8,770)	(8,770)
Debt principal issued	-	4,544,000	4,544,000
Cost of debt issuance	-	(119,592)	(119,592)
Total other financing sources(uses)	<u>-</u>	<u>4,415,638</u>	<u>4,415,638</u>
Change in fund balance	<u>\$ (1,748,099)</u>	<u>(1,439,377)</u>	<u>\$ 308,722</u>
Fund balance:			
Beginning of year		<u>3,610,252</u>	
End of year		<u>\$ 2,170,875</u>	

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Schedule of Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2020

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Miscellaneous Plan's Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.04113%	2,559,571	\$ 963,888	265.55%	79.75%
June 30, 2015	0.04025%	3,059,855	945,713	323.55%	87.25%
June 30, 2016	0.03796%	3,821,324	974,432	392.16%	84.00%
June 30, 2017	0.03893%	3,860,944	879,501	438.99%	78.83%
June 30, 2018	0.03955%	3,811,481	686,340	555.33%	79.56%
June 30, 2019	0.04036%	4,135,341	701,270	589.69%	72.93%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only six years are shown.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Schedule of Pension Contributions
For the Fiscal Year Ended June 30, 2020

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2014	\$ 356,745	\$ (356,745)	\$ -	\$ 963,888	37.01%
June 30, 2015	384,301	(384,301)	-	945,713	40.64%
June 30, 2016	369,564	(369,564)	-	974,432	37.93%
June 30, 2017	478,607	(478,607)	-	879,501	54.42%
June 30, 2018	293,014	(293,014)	-	686,340	42.69%
June 30, 2019	330,361	(330,361)	-	701,270	47.11%
June 30, 2020	382,475	(4,806,883)	(4,424,408)	780,224	616.09%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2014	June 30, 2011	Entry Age	Market Value	2.75%	7.65%
June 30, 2015	June 30, 2012	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2015	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2016	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2017	Entry Age	Market Value	2.50%	7.15%

Amortization Method

Level percentage of payroll, closed

Salary Increases

Depending on age, service, and type of employment

Investment Rate of Return

Net of pension plan investment expense, including inflation

Retirement Age

50 years (3.0%@50), 52 years (2.7%@57)

Mortality

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only six years are shown.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2020

	Last Ten Fiscal Years*		
Fiscal Year Ended	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement Date	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB liability:			
Service cost	\$ 93,148	\$ 171,680	\$ 171,679
Interest	270,617	303,635	287,783
Changes of assumptions	-	(349,558)	-
Differences between expected and actual experience	(6,903)	(291,717)	(68,601)
Benefit payments	<u>(213,923)</u>	<u>(204,377)</u>	<u>(142,894)</u>
Net change in total OPEB liability	142,939	(370,337)	247,967
Total OPEB liability - beginning	<u>3,729,202</u>	<u>4,099,539</u>	<u>3,851,572</u>
Total OPEB liability - ending	<u>3,872,141</u>	<u>3,729,202</u>	<u>4,099,539</u>
Plan fiduciary net position:			
Contributions - employer	460,959	466,839	238,762
Net investment income	78,934	69,586	76,726
Administrative expense	(265)	(481)	(383)
Benefit payments	<u>(213,923)</u>	<u>(204,377)</u>	<u>(142,894)</u>
Net change in plan fiduciary net position	325,705	331,567	172,211
Plan fiduciary net position - beginning	<u>1,175,071</u>	<u>843,504</u>	<u>671,293</u>
Plan fiduciary net position - ending	<u>1,500,776</u>	<u>1,175,071</u>	<u>843,504</u>
District's net OPEB liability	<u>\$ 2,371,365</u>	<u>\$ 2,554,131</u>	<u>\$ 3,256,035</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>38.76%</u>	<u>31.51%</u>	<u>20.58%</u>
Covered-employee payroll	<u>\$ 730,130</u>	<u>\$ 686,340</u>	<u>\$ 879,501</u>
District's net OPEB liability as a percentage of covered-employee payroll	<u>324.79%</u>	<u>372.14%</u>	<u>370.21%</u>

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits

Measurement Date June 30, 2018 – There were no changes in benefits

Measurement Date June 30, 2019 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in assumptions

Measurement Date June 30, 2018 – All eligible employees will be required to contribute at least \$125 monthly, regardless of the level of coverage selected. The \$125 monthly amount is assumed not to increase in future years.

Measurement Date June 30, 2019 – There were no changes in assumptions

* Fiscal year 2018 was the first year of implementation; therefore, only three years are shown.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan
For the Fiscal Year Ended June 30, 2020

Fiscal Year Ended	Last Ten Fiscal Years*		
	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 433,330	\$ 418,693	\$ 404,577
Contributions in relation to the actuarially determined contributions	<u>(460,959)</u>	<u>(466,839)</u>	<u>(238,762)</u>
Contribution deficiency (excess)	<u>\$ (27,629)</u>	<u>\$ (48,146)</u>	<u>\$ 165,815</u>
Covered payroll	\$ 730,130	\$ 686,340	\$ 879,501
Contributions as a percentage of covered payroll	63.13%	68.02%	27.15%

Notes to Schedule:

Valuation Date	June 30, 2019	June 30, 2017	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial cost method Entry age normal	Entry Age	Entry Age	Entry Age
Amortization method Closed period, level percent of pay	▶ (1)	▶ (1)	▶ (1)
Amortization period	20-years	20-years	20-years
Asset valuation method	Market Value	Market Value	Market Value
Discount rate	7.28%	7.28%	7.28%
Inflation	2.26%	2.26%	2.26%
Payroll increases	3.25%	3.25%	3.25%
Mortality	▶ (2)	▶ (2)	▶ (2)
Morbidity	▶ (3)	▶ (3)	▶ (3)
Disability	Valued	Valued	Valued
Retirement	▶ (4)	▶ (4)	▶ (4)
Percent Married	100%	100%	100%
Healthcare trend rates	▶ (5)	▶ (5)	▶ (5)

(1) Closed period, level percent of pay

(2) CalPERS 2017 Study

(3) CalPERS 2017 Study

(4) CalPERS Public Agency Safety 3.0%@55 and 2.7%@57

(5) Pre-65 - 6.85% trending down to 5.00% in 2027 and later
 Post-65 - 5.00% consistent to 2027

* Fiscal year 2018 was the first year of implementation; therefore, only three years are shown.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2020

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District prepares and submits an operating budget to the Board of Directors no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major accounts.

Schedule of Proportionate Share of the Net Pension Liability

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- The proportion (percentage) of the collective net pension liability (similar to the note disclosure)
- The proportionate share (amount) of the collective net pension liability
- The employer's covered-employee payroll
- The proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll
- The pension plan's fiduciary net position as a percentage of the total pension liability

Schedule of Pension Contributions

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

This schedule is required by GASB Statement No. 75 and is required for all employers in a cost-sharing OPEB plan. The schedule reports the following information:

- The employer's proportion (percentage) of the collective net OPEB liability
- The employer's proportionate share (amount) of the collective net OPEB liability
- The employer's covered-employee payroll
- The employer's proportionate share (amount) of the collective net OPEB liability as a percentage of the employer's covered-employee payroll
- The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan

This schedule is required by GASB Statement No. 75 and is required for all employers in an OPEB plan. The schedule reports the following information:

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the OPEB plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

Other Independent Auditors' Report

**INDEPENDENT AUDITORS' 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

We have audited, in accordance with the 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, the financial statements of the governmental activities and the general fund of Kensington Police Protection and Community Services District (District) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 31, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

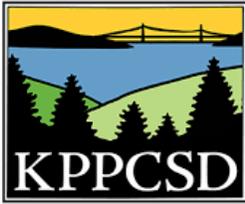
Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Walnut Creek, California
March 31, 2021



Date: April 8, 2021
To: KPPCSD Board of Directors
From: Marti Brown, General Manager
Subject: Contract for Financial Consulting Services

Recommendation:

Approve budget authority of a not-to-exceed amount of \$15,000 to contract with Andy Heath, Finance Consultant; and authorize the General Manager, or her designee, to execute a contract with Mr. Heath for finance consulting services.

Rationale for Recommendation:

As the District prepares for labor negotiations with the Kensington Police Officer's Association (KPOA) and potential changes in its physical location and lease rate, a long range financial forecasting model is strongly recommended to sustainably plan for the District's fiscal future. In addition, the District could benefit from public sector finance consulting to ensure standard and best practices in municipal and public sector finance are instituted in the District and throughout all of its financial and budgeting activities.

Background:

In preparation for labor negotiations and potential future lease rates for housing the KPPCSD, staff recommends developing a long range financial forecasting model that would allow the District to evaluate what it can afford in terms of both labor and benefits costs, as well as a future lease rate, capital improvements and other District improvements.

Discussion and Analysis:

The proposed scope of work for Mr. Heath includes developing a long range financial forecasting model that takes into account annual changes in revenues and expenditure for financial planning purposes; reviewing and reporting on the District's overall current "budgetary health;" and analyzing and evaluating how the District institutes daily budgetary operations and standard financial practices, and, as necessary, recommending changes to current practices.

Fiscal Impact:

If approved, the funds for Mr. Heath's contract will be allocated to Fund 800 using one-time salary savings from FY 2020-21. The adopted FY 2020-21 budget allocated \$614,433 to Fund 800. Thus far, \$436,628 have been spent. Currently, Fund 800 is expected to end the FY with a surplus of \$31,377. If approved, the new projected surplus fund balance is projected to be \$16,377.

Attachment:

1. Attachment 1: Resume, Andy Heath

ANDREW E. HEATH

EDUCATION

San Jose State University, San Jose, CA
Bachelor of Science Degree - Business Administration / Accounting (Dec., 1990)
Master of Arts Degree - Economics (May, 1995)

DeAnza Community College, Cupertino, CA
Associate of Arts Degree - Accounting (June, 1989)

Lynbrook High School, San Jose, CA
Graduated June, 1983

SUPPLEMENTAL COURSES & AFFILIATIONS

Treasurer - AFSCME Local 101, 1991-1996
Treasurer - MEF/CEO Legal Trust Fund, 1991-1993
City of San Jose Organizational Development Facilitator Academy – December 1995
Treasurer – Castlemont Home and School (PTA) Club, 2002 - 2005
Treasurer – Cmte to Elect Matthew Dean (CUHSD Board of Trustees) – 2004 - 2010
President – Northern California Cities Self Insurance Fund - 2008
Government Finance Officers Association Member – 2005 - Present
Graduate – Leadership Auburn – June 2007
Treasurer – Auburn Little League Board of Directors, 2009 - 2015
Head Coach - Little League of Palo Alto, 1991-1994; Auburn Little League, 2008
Manager - Moreland Little League, 2002 – 2005; Auburn Little League, 2007

EMPLOYMENT

January 2017 – Present

Municipal Finance Consultant / Contractor – See List at End of Resume

July 2013- January 2017

Deputy County Executive / Assistant County Executive Officer – Placer County

Responsibilities:

- Manage, develop and facilitate preparation of the annual countywide operating and capital budget
- Develop and recommend finance and budget policy strategies consistent with the County's goals and objectives
- Work closely with countywide departments on overall policy development and recommendation
- Assist with development of countywide agenda items taken to the Board of Supervisors
- Brief Board Members on fiscal and policy items as required
- Act as County Executive in the absence of the County Executive Officer

May 2005 – July 2013

Finance / Administrative Services Director – City of Auburn

Responsibilities:

- Management of the day-to-day operations of the City's Finance, Human Resources, Information Technology and Risk Management Programs
- Develop and recommend financing strategies consistent with the City's goals and objectives
- Prepare and deliver financial and administrative reports to the City Manager and City Council
- Prepare annual budget and facilitate annual audit
- Redevelopment / Successor Agency management – Facilitation of dissolution requirements
- Administer the City's insurance programs and serve as board member to the NCCSIF JPA.

Andrew E. Heath

EMPLOYMENT, cont.

January 2002 – May 2005

Deputy Director – City of San Jose Finance Department
(Treasury Division)

Responsibilities:

- Management of the day-to-day operations of the Finance Department Treasury Division
- Coordinate and manage four section managers (Banking and Investments / Revenue Collection / Administrative Citations and Utility Billing Services / Cash Management)
- Prepare and deliver reports to the City's Making Government Work Better Committee regarding investments and revenue collection
- Work with Finance Department Senior Staff to develop and implement the strategy and vision for the Finance Department
- Participate in Citywide strategy- and policy-sessions as a senior manager from the Finance Department (Council and Intergovernmental Policy Cabinets / legislative committees – PG&E Franchise, Transient Occupancy Tax Increase, New City Hall One-Stop Cashiering)
- Guide and professionally develop Treasury Division staff

April 2001 – February 2002

Division Manager / Project Manager – City of San Jose Finance Department
(Administration Division)

Responsibilities:

- Manage enterprise-wide upgrade of Human Resource / Payroll System serving 8,000+ City employees
- Facilitate communication to project stakeholders including the Project's Steering Committee, Citywide departments, special interest groups, and the City's Finance and Infrastructure Council Committee
- Facilitate the hiring and management of various consultants assisting with the system upgrade
- Coordinated fast-tracked development of Request for Qualifications (RFQ) to procure consulting services to assist with system upgrade
- Establishment and coordination of an in-house, cross-departmental functional and technical team charged with the common goal of upgrading the PeopleSoft system in an aggressive timeframe
- Maintain working contacts with project clients – PeopleSoft, Acuent

Nov. 1997 – April 2001

Principal Accountant – City of San Jose Finance Department (Accounting Division)

Responsibilities:

- Manage the City's Utility Billing Services (Refuse billing) Fiscal Services section – 210,000+ Citywide accounts / \$40 million annual revenues (staff of 12 employees)
- Manage the City's Payroll Section generating a bi-weekly payroll for 8,000+ City employees (staff of 8 employees)
- Assist with the implementation of a new Human Resource / Payroll System (PeopleSoft) – Finance Department Lead
- Finance Department Safety Liaison to Citywide Committee
- Sports Chairperson – California Society of Municipal Finance Officer's Annual Conference Committee (Feb. 2001)
- Prepare special projects including revenue/fiscal analyses, Request for Proposal (RFP) development, financial statement preparation

Andrew E. Heath

EMPLOYMENT, cont.

October 1996 – Nov. 1997

Senior Analyst – City of San Jose Finance Department (Treasury Division)

Responsibilities:

- Manage City’s Administrative Citation Program – Implement new Citation programs / manage revenue generation and appeals process (staff of 2 employees)
- Prepare and manage Treasury Division Budget
- Facilitate special projects including revenue/fiscal analyses (jet fuel sales tax / utility user tax)

October 1991 – October 1996

Accountant II - City of San Jose Finance Department (Accounting Division)

Responsibilities:

- Grant accounting for various Citywide grants - ensure compliance with federally mandated expenditure guidelines, assist departments with accounting administration
- Deferred Compensation Program accounting – Prepare monthly reconciliation of deferrals / withdrawals, prepare presentations to City’s Deferred Compensation Advisory Committee
- Prepare Citywide financial statements – Manage accounting for assigned funds leading to preparation of financial statements for City’s Comprehensive Annual Financial Report
- Network (Computers on every desk)

Consulting / Contracting:

Municipal Financial Services Consulting

- Urban Futures, Inc. (2017-2019)
 - o City of Desert Hot Springs
 - o City of Pomona
 - o City of Upland
 - o City of San Bernardino
 - o City of Millbrae
- City of Grass Valley (active since October 2016)
 - o Appointed Finance Director
- City of Auburn (active since November 2017)
 - o Appointed Finance Director
- City of Colusa (2008-2020)
- City of Alhambra (2017-2019)
- City of Marysville (2019)
- City of California City (2018 / 2021)
- Stanislaus Consolidated Fire Protection District (2019 / 2021)
- Placer Hills Fire District (2021)
- City of Patterson (2017)
- Auburn Cemetery District (2017)
- City of Gridley (2009-2010)
- Auburn Recreation District (2007)

Additional Employment History and References Available Upon Request



Date: April 8, 2021
To: KPPCSD Board of Directors
From: Marti Brown, General Manager
Subject: Contract for Labor Negotiations Consulting

Recommendation:

Approve budget authority of a not-to-exceed amount of \$10,000 to hire Patrick Clark, Labor Negotiator; and authorize the General Manager, or her designee, to execute a contract with Mr. Clark for labor negotiations with the Kensington Police Officers Association (KPOA).

Rationale for Recommendation:

The KPOA's Memorandum of Understanding (MOU) is scheduled to expire on July 30, 2021 and a new MOU will need to be negotiated and executed in 2021.

Background:

The KPOA has a current and existing MOU that is scheduled to expire on July 30, 2021. In prior years, labor negotiations have been undertaken after the MOU expired and the KPOA has worked without an active contract for several months. Management wishes to avoid that situation and start and complete labor negotiations prior to expiration of the MOU.

Discussion and Analysis:

As illustrated by Mr. Clark's attached resume, he brings 25 years of public sector labor negotiation experience to his position, as well as tracking and monitoring current labor negotiation trends, best practices and labor law in an effort to inform the negotiation process. On average, Mr. Clark negotiates on behalf of approximately 80 public agencies per year and frequently for smaller jurisdictions including Special Districts.

The District's General Manager most recently worked with Mr. Clark in the City of Marysville to successfully negotiate MOUs with three different bargaining groups resulting in long term savings for the City that totaled \$280,000 per year while maintaining competitive salaries and benefits for bargaining unit members.

Fiscal Impact:

If approved, Mr. Clark's contract would be allocated to Fund Sub-Account 595 (in the Police Department), Legal/Consulting – Police. The adopted FY 2020-21 budget allocated \$25,000 to this line item. Thus far, \$1,844 have been spent. If this contract is approved, there will still be \$13,155 remaining in this line item by the end of the fiscal year, June 30, 2021.

Attachment:

1. Attachment 1: Resume, Patrick Clark Consulting

RESUME

Experience: Patrick Clark Consulting

Sacramento, CA

2010-Present

Consultant

Chief Labor Negotiator representing more than 40 cities, counties, and special districts.

Blanning and Baker Associates, Inc.

Sacramento, CA

2009

Consultant

Served as consultant to clients with regard to collective bargaining, legislative advocacy, and policy development.

International Union of Operating Engineers, Stationary Engineers Local 39

Sacramento, CA

2005 - 2008

Business Representative

Chief Labor Negotiator for Local 39 in the Cities of Folsom, Lincoln, Roseville, as well as the El Dorado County Courts, Placer County Water Agency, Georgetown Divide Public Utility District, and South Lake Tahoe Public Utility District.

State of California, Employment Development Department

Sacramento, CA

2004

Labor Relations Manager II

Served as Chief of the Labor Relations for EDD (8,000+ employees). Served as Chief Negotiator for department in all labor relations matters with eleven different bargaining units.

CSEA, SEIU Local # 1000, Civil Service Division

Sacramento, CA

2001- 2004

Senior Labor Relations Representative

Served as Chief Labor Negotiator for State Bargaining Units 1 (Professional Administrative, Financial & Staff Services), 3 (Institutional Educators and Librarians), 14 (Printing Trades) and 17 (Registered Nurses) and 21 (Education/Library/Maritime); Acted as lead staff on multi-unit negotiations (Master Table); served as chief negotiator for several multi-billion dollar contracts covering between 800 – 95,000 employees.

CSEA, Association of California State Supervisors

Sacramento, CA

1996 - 2001

Labor Relations Representative

Represented employees excluded from collective bargaining under the Ralph C. Dills Act, with excluded employee grievance procedure, in Skelly hearings, in Coleman hearings, in State Personnel Board evidentiary hearings, and before the full State Personnel Board (S.P.B.) in the event of a rehearing; represented groups in meet and confer settings with assigned Departments, S.P.B. and with Department of Personnel Administration (D.P.A.); represented the Association of California State Supervisors (A.C.S.S.) in Departmental,

S.P.B. and D.P.A. meet and confer settings; assisted in the development of the A.C.S.S. legislative agenda, bill analysis, and the development of board items for internal A.C.S.S. governance.

CSEA, S.E.I.U. Local # 1000, Civil Service Division

El Centro, CA

1995 - 1996

Labor Relations Representative

Represented CSEA members in State Bargaining Units 1, 3, 4, 11, 15, 17, 20 & 21; filed grievances, unfair labor practices, merit issue complaints, and disciplinary appeals with the D.P.A., the Public Employee Relations Board (P.E.R.B), and the State Personnel Board; assisted association attorneys in preparation for evidentiary hearings; represented various state bargaining units in meet and confer sessions with the California Department of Corrections.

CSEA, CPAC Political Action Committee, Coalition for New Priorities

Sacramento, CA

1994

Campaign Coordinator

Organized and conducted press conferences statewide during the 1994 gubernatorial campaign season; assisted in the design and orchestration of a vote by mail effort to get 120,000 individuals to vote by mail prior to Election Day; represented the Coalition of New Priorities at the Democratic Convention Los Angeles, CA.

EDUCATION

California State University, Chico, B.A. Social Science, Collective Bargaining emphasis.

Chico, CA

1993

REFERENCES

City of Auburn, Bob Richardson, 530-274-4312

City of Davis, Janet Emmett, 530-757-5644

City of Grass Valley, Tim Kiser, 530-274-4312

City of Healdsburg, Heather Ippolitti, 707-431-3319

City of Oroville, Bill LaGrone, 530-538-2472

City of Patterson, Ken Irwin, 209-895-8015

City of Placerville, Dave Warren, 530-642-5556

City of Sebastopol, Mary Gourley, 707-823-1153

City of South Lake Tahoe, Thomas Stuart, 530-542- 6052

County of Colusa, Wendy Tyler, 530-4580737

El Dorado County Fire Protection District, Tim Cordero, 530-919-7700

Housing Authority of the County of Butte, Ed Mayer, 530-895-6532

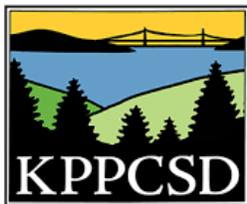
Placer Mosquito and Vector Control Dist., Joel Buettner, 916-380-5440

Regional Housing Authority, Gus Becerra, 530-672-0220

Ross Valley Sanitary District, Felicia Newhouse, 415-259-2949

Stanislaus Consolidated Fire Protection District, Mike Whorton, 209-869-7470

Town of Mammoth Lakes, Dan Holler, 760-709-2950



Date: April 8, 2021
To: KPPCSD Board of Directors
From: Marti Brown, General Manager
Subject: Supplemental Information Regarding Projected PS Building Renovation Costs and Potential Lease Rate Based on Historical Precedent

Recommendation:

To receive and review the attached documents in an effort to further inform the Board's decision-making process regarding the future home of KPPCSD and KPD.

Rationale for Recommendation:

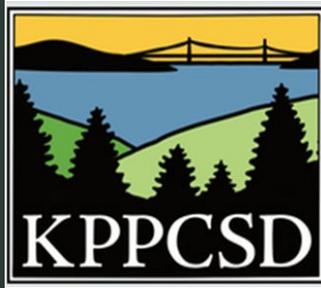
The attached letter from Kensington Fire Protection District General Manager (GM) Hansell and its supporting documentation help to focus the discussion on the realistic projected costs to renovate the PS building, as well as the prior precedent-setting calculation methodology for the KPPCSD's current and potentially future lease rate should the KPD continue to be located at the PS building post renovation.

Background:

As the PS building renovation project and discussion have been ongoing for several years, there is a wealth of documentation, studies and plans that have accumulated on this topic and deserve review. As GM Hansell has been reviewing and becoming familiar with their contents, it is becoming clearer that there are various sub-topics on this issue that have been visited and revisited several times, including the projected costs to renovate the PS Building and the precedent-setting cost methodology and allocation for the KPPCSD's lease rate for occupying space in the PS Building. Please see attached documents related to this topic for more information.

Attachment:

1. Attachment 1: Letter from KFPD General Manager Hansell to KPPCSD General Manager Brown
2. Attachment 2: Projected PS Building Renovation Costs
3. Attachment 3: March 2010 Kensington Outlook Article Regarding KPPCSD Lease Rate
4. Attachment 4: KPPCSD Leases with KFPD for space in PS Building, 1998 to 2020



KPPCSD



Kensington Public Safety Building: Potential Impact of Future Renovation on KPD

Walt Schuld, Interim Chief of Police
Marti Brown, General Manager



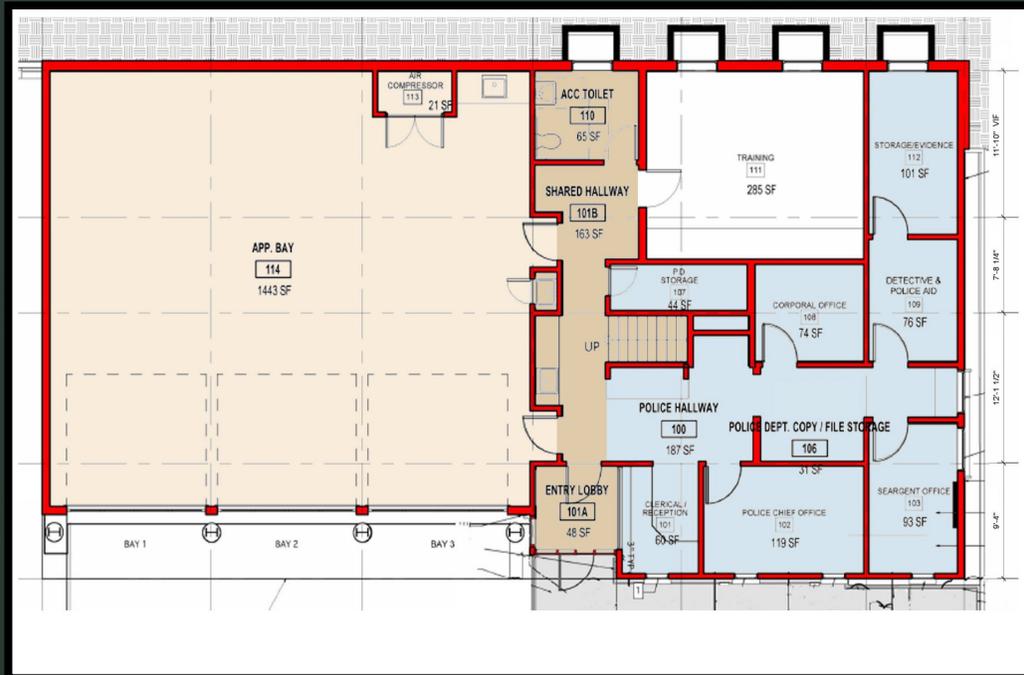
AGENDA



- Existing Building Footprint
- Proposed Renovated Building Footprint
- Possible Future Challenges
- Contracting for Services
- Modeling the Potential Future Lease Rate (Plan G)
- Thinking “Outside the Box”
- Next Steps



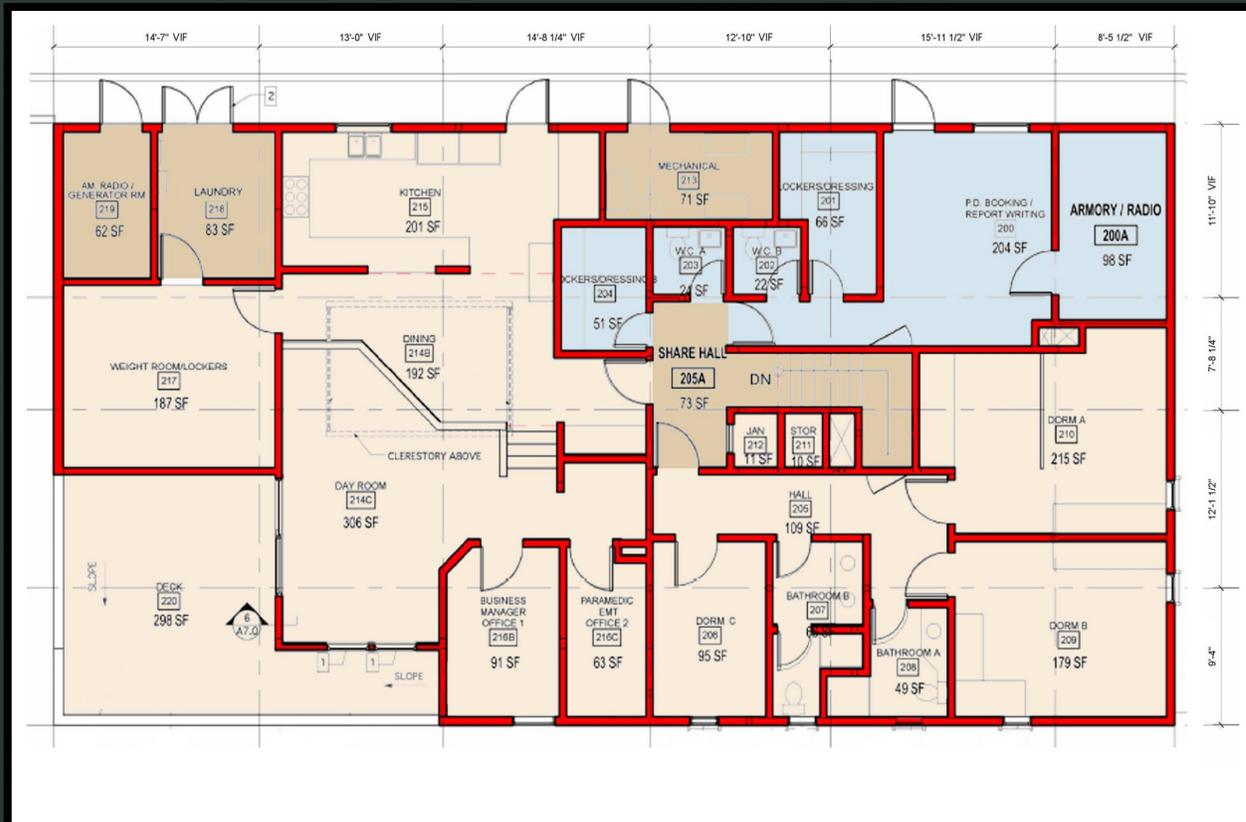
Existing Floor Plan 1st Floor



- Total Area - ~ 785 square feet
- Chief's Office - 119 square feet
- Sgt. Office - 74 square feet
- PSA/Captain Office - 76 square feet
- Det. Sgt. & TSO Office - 93 square feet
- Evidence Room - 110 square feet
- Lobby/Reception - 60 square feet
- Storage - 44 and 31 square feet
- Shared Conference Room - 220 square feet



Existing Floor Plan 2nd Floor



- Total area - ~ 441 square feet
- Armory/Radio Room - 98 square feet
- Booking/Report Writing Room - 204 square feet
- Two locker rooms - 68 and 51 square feet
- Restroom - 66 square feet
- Total square footage (1st & 2nd floor) - 1226 square feet



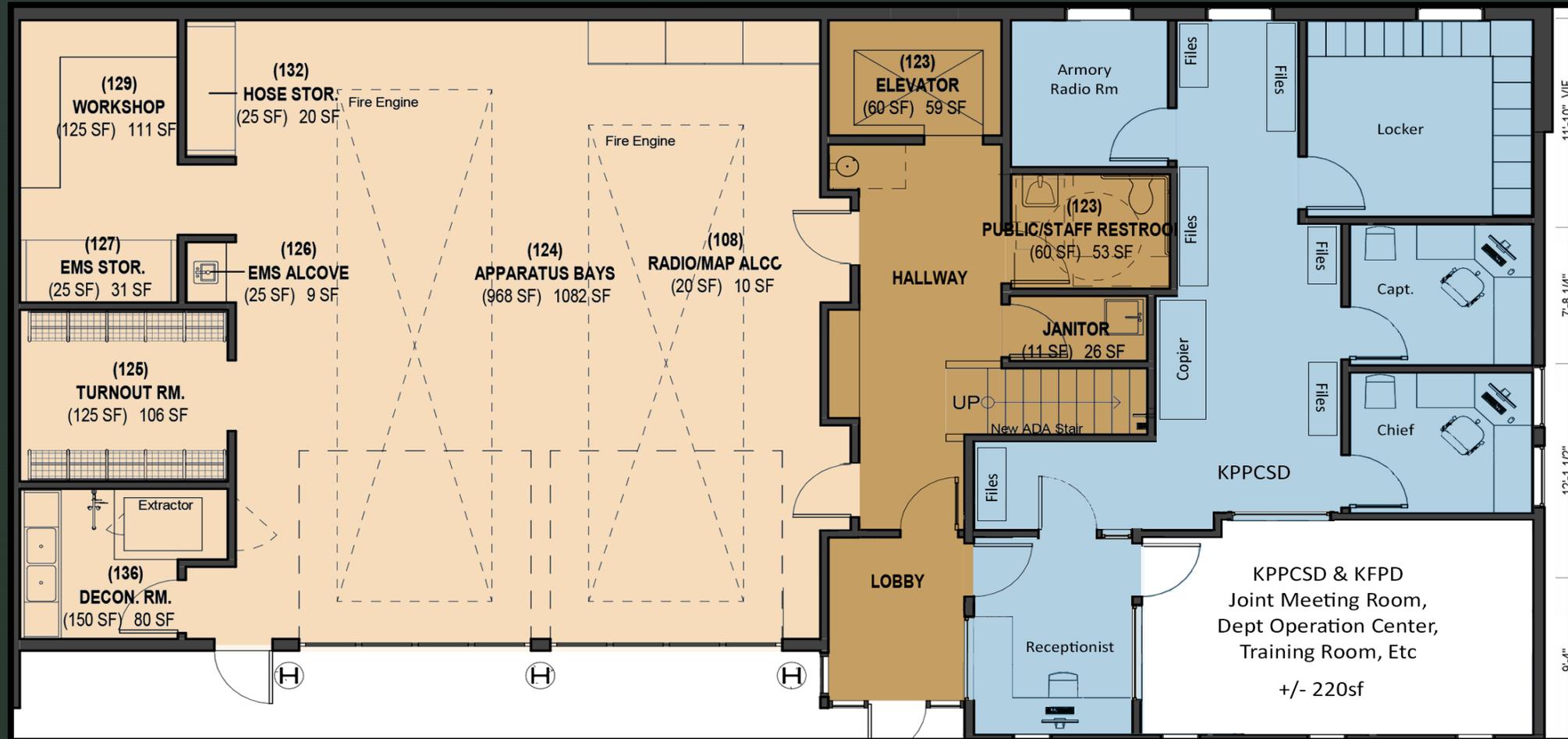
Existing District Vehicle Parking



- 7 KPD Vehicles
- 6 Parking Spaces
- 1 Vehicle parks on Arlington Avenue
- Personal vehicles of employee's park on Arlington Avenue

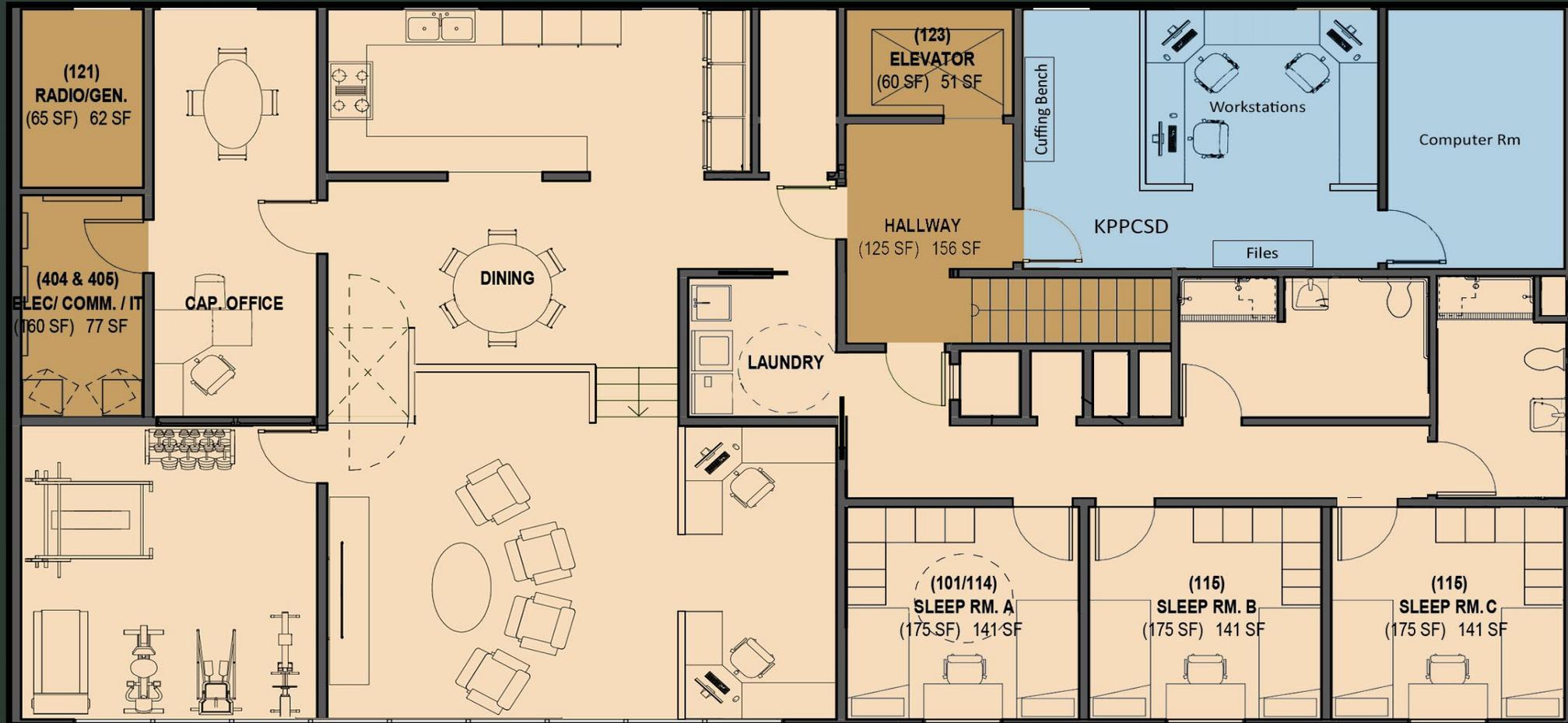


Proposed Plan G 1st Floor



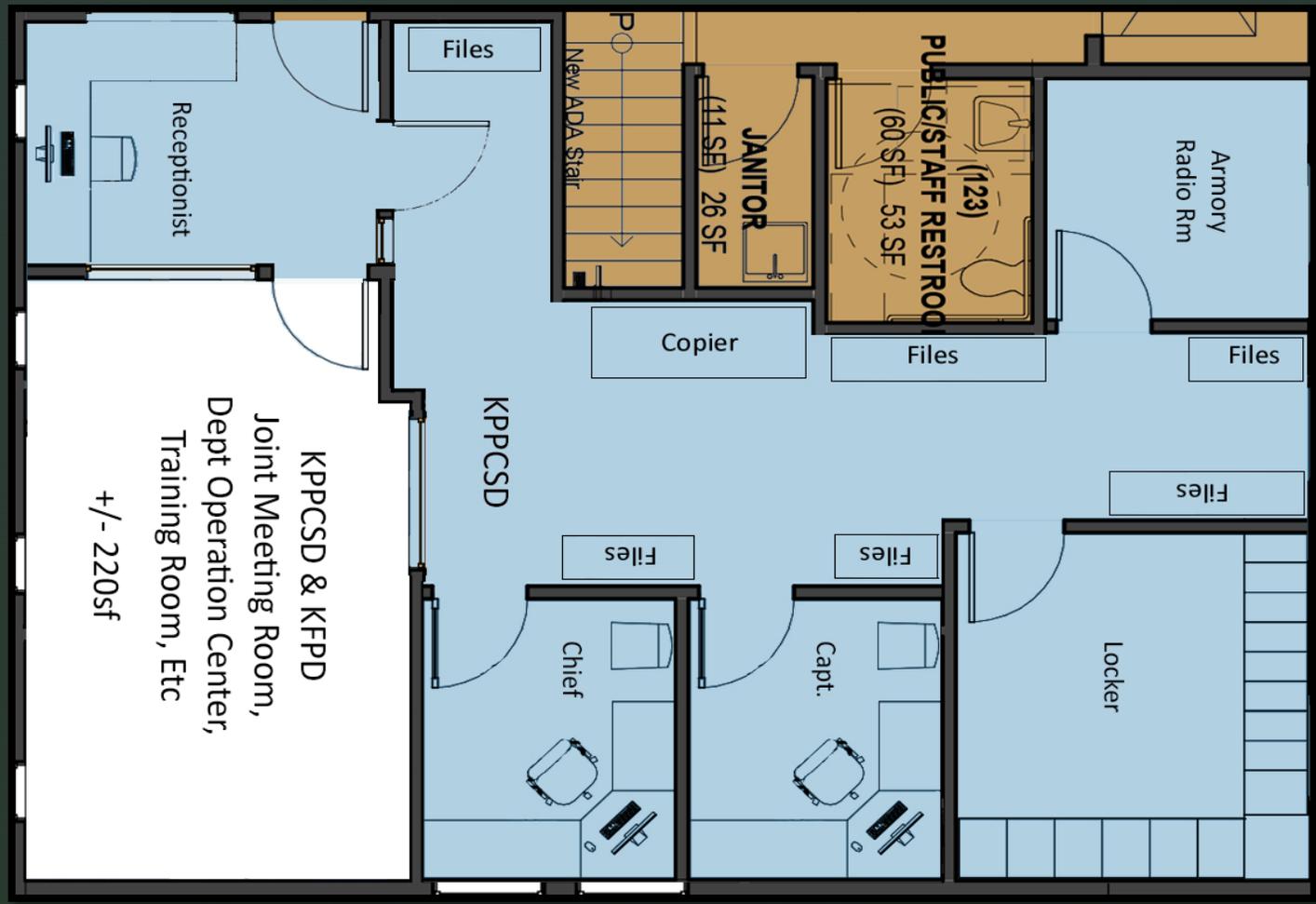


Proposed Plan G 2nd Floor





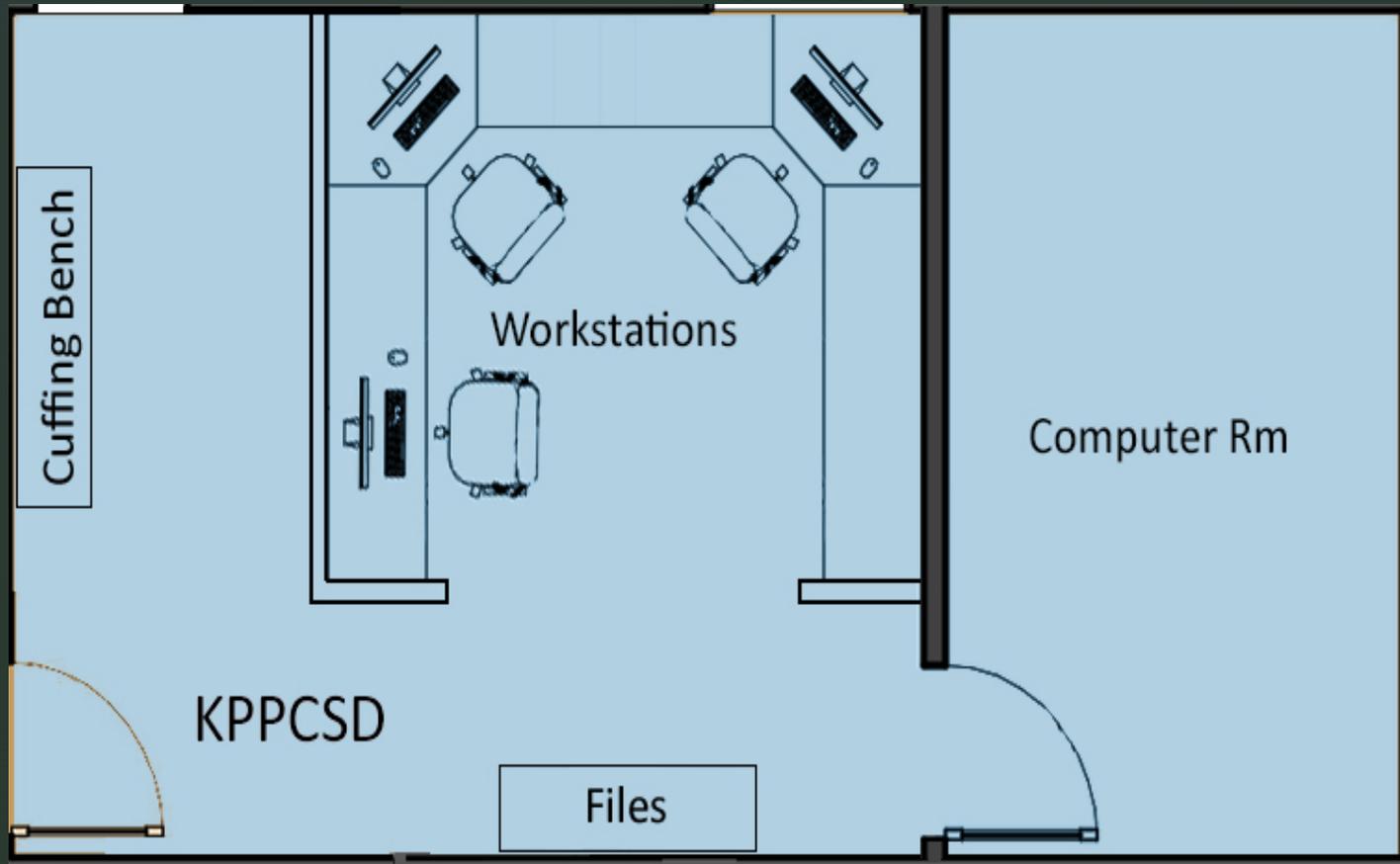
Proposed Plan G KPD 1st Floor



- Total area - ~ 650 gross square feet
- Lobby/Reception
- Chief & Captain Offices
- Locker Room
- Armory/Radio Room
- Joint Conference Room



Proposed Plan G KPD 2nd Floor

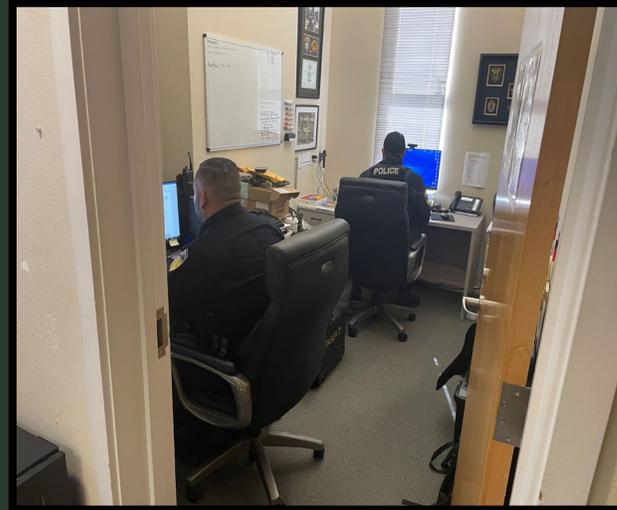


- Total area – ~ 378 gross square feet
- Computer Room
- Booking & Cuffing
- Patrol Officers' work area



Proposed Plan G

What's missing?



- **No Office Space for the Police Services Assistant.**
- **No office space for the Traffic Safety Officer.**
- **No office space for two Sergeants.**
- **No office space for a Detective.**
- **No evidence Room or temporary storage lockers for evidence.**



Contracting for Services



Detective Services - Availability & Potential Cost:

- Four agencies contacted – not interested in contracting for detective services.
- If they were interested, however, they would charge ~ 50% of the total “roll up” cost of a detective's employment (e.g., salary and benefits) based on the District's workload.
- Based on this calculation, the District would pay ~ \$80,000-150,000 per year for detective services.
- Even after this expense, there are still auxiliary duties that would not be accounted for and/or could not be delegated to the contract Detective; and would have to be absorbed by another non-contract officer.



Contracting for Services



Detective Services – Example of Types of Crime Investigated

- Violation of Court Orders, Domestic Violence – Felony, Domestic Violence – Misdemeanor, Negligent Discharge of Firearms, Elder Abuse, Criminal Threats, Burglary, Grand Theft, Petty Theft, Identity Theft, Vandalism, Trespassing, Stalking, Stolen Vehicles, and Traffic Collision.

Detective Services – Time Spent on Investigations in Kensington

- On average and in Kensington, a Detective is the primary investigator on two cases per week; and assists and/or provides direction to other Officers on another 10 incidents per week. Any given week there are approximately a dozen cases or incidents being investigated. In 2020, there were a little more than 230 cases and approximately 9,000 incidents investigated.



Contracting for Detective Services – Unfulfilled Duties



Auxiliary Duties:

- Verizon Wireless Contract
- Cisco Router Research and Purchase Options
- Coordinate Bidding Process for install
- Coordinating Verizon switchover and Install
- Communications Coordinator
- Agency Administrator to JAWS
- Agency Administrator to ewarrants through Contra Costa County
- Agency Administrator to DOJ for CalPhoto
- Agency Administrator to CSAR (California Sex and Arson Registry)

Auxiliary Duties (Cont.):

- Agency Administrator to CLETS (California Law Enforcement Telecommunications System)
- Agency Administrator to Contra Costa Mobile Identification System
- Agency Administrator to CLEW (California Law Enforcement Web)
- Agency Administrator to BAR (Bureau of Automotive Repair)
- Agency Administrator to FTO (Field Training Officer) Program through POST (Peace Officer Standards and Training)



Contracting for Services



Evidence Storage:

- No jurisdiction in Contra Costa County is willing to contract and store District evidence.
- Both DDA and Sheriff's Offices have serious concerns regarding chain of custody and proper management of evidence when two separate agencies are handling the same evidence for one jurisdiction.
- Should a case be presented at trial, the Public Defender would likely raise an issue in most evidentiary cases.



Purpose & Function of Evidence Room & Technician



- Ensure chain of evidence and custody.
- Ensure property packing and marking of evidence.
- Meticulously record incoming and outgoing evidence.
- Return evidence from crime labs to evidence room.
- Review Evidence Reports for accuracy and return to officers for any corrections.
- Oversee department compliance with evidence policies and procedures.
- Perform Evidence Room Audits to ensure compliance with evidentiary policies and procedures; and post audit results.
- Maintain evidence supplies and arrange for replenishment.
- Properly purge evidence after detailed research of cases.
- Administer DOJ CHOP & SAFE-T.
- Administer DOJ NIBRS (National Incident-Based Reporting System).
- Coordinate submission and reporting of Aries Lab Results.
- Adjudicate cases: Safekeeping, Evidence, and Found Property.
- Collect evidence sheets.
- Marry evidence sheet with evidence in temporary lockers.
- Remove evidence from temporary lockers.
- Transfer evidence to the Evidence Room.
- Complete chain of custody.
- Place items in designated areas in Evidence Room.
- Facilitate the transport and chain of custody of evidence to Crime Labs.
- Ensure chain of custody is complete between evidence property technician and officer.



Contracting for Services



Traffic Safety Officer (TSO) - Duties:

- Review all Traffic Accidents and ensure that they meet State Guidelines.
- Investigates hit & Run Accidents.
- Send reports to the State and the County.
- Respond to major injury accidents.
- Enforce traffic laws.
- Identify and enforce traffic “Hot Spots” and direct other officers to those areas.
- Draft traffic grants.
- Identify traffic related problems (e.g., signs, intersections, and parking).
- Liaison with County Public Works to install signs and deal with road conditions.
- Liaison with community on parking related issues.
- Update collision Investigation Manual.
- Develop and revise traffic related forms.
- Liaison with the Traffic Court Commission.
- Act as District’s Community Service Officer.
- Oversee Evacuation Route Improvement Planning/Disaster Preparedness.



Contracting for Services



Traffic Safety Officer – Availability & Potential Cost:

- Most jurisdictions are short staffed and it is unlikely that any nearby public safety agency would be interested in contracting for services.
- Should the District be able to find a local jurisdiction to provide traffic safety services, the “roll up” cost (including salary, benefits and administration of the contract) would likely exceed the cost of maintaining the full-time position within the KPD.



Contracting for Services



Public Services Assistant – Duties:

- Manage evidence regulation compliance with evidence regulations.
- Ensure compliance with POST and other Legislative Mandates.
- Schedule Officer Trainings.
- Manage KPD Records.
- Record and report monthly police statistics.
- Schedule and manage Community Center and other park facility rentals.
- Coordinate parks and facilities maintenance and special projects.
- KPD Accounts Receivable.
- Complete other special projects as assigned.



Contracting for Services



Public Services Assistant – Availability & Potential Cost:

- Most jurisdictions are short staffed and it is unlikely that any nearby public safety agency would be interested in contracting for these services.
- Should the District be able to find a local jurisdiction to provide the same duties as the Public Services Assistant position, the “roll up” cost (including salary, benefits and administration of the contract) would likely exceed the cost of maintaining the current part-time position, especially since in any other jurisdiction, the PSA would be a full-time, CalPERs employee.



Other Possible Future Challenges



- Unisex locker room and bathroom
- May lose an additional 150 square feet due to restroom regulations and unclear wall thickness of conceptual design





Modeling – Potential Future Lease Rate



- How did the KPPCSD come to pay \$3050 per month for its space in the PS Building?
- If we use the past precedent to calculate the lease rate of a newly renovated PS Building and the KPPCSD's potential 1020 square feet (Plan G), what would the new lease rate look like?
- Based on past precedent, the lease rate for newly renovated 1020 square feet in the PS Building would be \$8750 per month.
- Calculation:
1020 square feet/5800 square feet = 17.5% (of the total space)
17.5% x \$6 million = \$1,050,000
\$1,050,000/120 months (or 10 years) = \$8750/month

Source: *Everything You Wanted to Know About the Public Safety Building But Were Afraid to Ask*, Kensington Outlook, March 2010; and Letter from GM Hansell with supporting documentation, April 1, 2021 (attached to this agenda item).



Thinking “Outside the Box”



- **Contract to store files in outside facility.**
- **Expediently digitize all files that do not require maintaining a hard copy.**
- **Locate 2nd Office in Community Center for PSA, TSO and Sergeants.**
- **Close lobby and conduct business by phone and email.**



Next Steps?



Direct GM to:

- Discuss and negotiate terms (including financing) with Fire District GM for permanent space in the PS Building based on Plan G.
- Explore options to lease permanent or temporary relocation space, including long-term financial impact analysis and financing options.
- Explore options to purchase land and construct a new building for KPPCSD; or work with KFPD to explore options for a joint PS Building.
- Explore options for cutting services (facilitating KPD's ability to better fit in the newly renovated PS Building).



Questions?





Kensington Fire Protection District

Board of Directors
President Larry Nagel
Vice President Kevin Padian
Don Dommer
Janice Kosel
Julie Stein

Date: April 1, 2021

To: Marti Brown, General Manager
KPPCSD
217 Arlington Ave
Kensington CA 94707

From: Bill Hansell, General Manager
Kensington Fire Protection District
217 Arlington Ave
Kensington CA 94707
Email: bhansell@kensingtonfire.org

Re: Public Safety Building – Historical Lease Terms, Comps, Renovation Documents

Dear Marti:

Last month, you asked if I could provide potential lease rates for the KPPCSD should a shared occupancy option for the Public Safety Building be approved. At the time, I had not researched that and noted it would be a matter for the KFPD Board to consider once a more specific direction for the project was determined. That is still true but since then I have reviewed the lease history and believe that precedence would be the basis for a future agreement.

Attached are the leases from 1998, 2009, 2014, 2017, 2018, and 2020. The current 2020 lease is a month-to-month agreement that continues the terms of the 2018 agreement with monthly payments of \$3,025.25 which translates into roughly \$1.87/sf (re: attached existing net area calcs = 1,195sf PD use + 433sf Half Shared use = 1,628sf PD portion.) The 2017 lease amount was slightly less at \$2,955.67. It appears that the current rate is below market and unlike prior leases the basis of the fee was not codified in these instances.

I have been told that the 2014 lease was established due to a financial hardship plea from KPPCSD but otherwise the document itself does not explain the basis. The terms of the 1998 ten-year lease were based on the renovation project beginning at the time as you can see from the document and later explained in the attached March 2010 Kensington Outlook article. The fee was a combination of the KPPCSD share of the renovation paid over ten years and an annual maintenance fee with CPI increases. Apparently, the 2009 five-year lease amount was also determined by the amortized shared cost of the renovation project started that year.

Therefore, the lease period from 1999 to 2014 directly incorporated improvement costs until the exceptional change in 2014 just prior to discussions in 2015-16 about the renovation needs that are still under consideration. Last September, Interim General Manager Mary Morris-Mayorga included an estimate of the PSB renovation cost by Mack5, Construction Estimators and Managers, who have a long history with the building. In the 09/30/2020 KFPD Board packet, Mary provided info on the total renovation cost and calculations on the KPPCSD share. Those



Kensington Fire Protection District

amounts ranged from \$8,026/mo to \$9,617/mo, although per my added notes those are amortized over much longer periods than the 10-year basis of the 1999 agreement. The impact on the KFPD budget would need to be analyzed further to see if that can be accommodated. Nevertheless, if those fees were used and the same area provided as calculated above (1,628sf) the fee range would be \$4.93/sf to \$5.91/sf. As you know, the most recent shared plan (Option G) reduces the PD area but the FD staff maintain that it still does not provide adequate room for current fire services needs due to the various code updates required and new fire-fighting standards. To that end, we understand similar points articulated by the PD staff about its space share, so please consider the figures here to be rough estimates.

I have attached Mary's outline which includes a "KFPD Projected Reserve Balances Including Project Cost Outflow" statement, some initial CSDA financing information sheets for partial funding in lieu of cash, the Mack5 "Preliminary Project Cost Report", and the Mack5 "Conceptual Cost Plan" for the renovation. Note that the latter was based on a different internal layout ("Option B" dated 06/01/2020) but the general scope and cost still applies.

In terms of market-rate comparisons, I understand from your March 11, 2021 presentation that the unimproved rental space at 303 Arlington Ave would cost \$5,300/mo (2,656sf @ \$1.99/sf) and, of course, KPD would incur no temporary facility expense there as would be the case with the shared building option (By the way, given the amount of space there, I wonder if KFPD could sublet a portion for its admin and storage needs during construction if a two-building solution is pursued.) In the Fall, Mary negotiated a possible lease for the KFPD admin offices at 289 Arlington Ave for \$2,935/mo for 1,175sf or \$2.49/sf. Looking online, I see other office comps in the \$2.75/sf to \$3.75sf range and assume those will hold or rise as the economy resets and improves. Construction costs are continuing to increase so I anticipate Mack5's project cost estimate and the resultant shared cost figures to be adjusted up accordingly.

I hope this helps fill in the info you need but please feel free to let me know if you have any questions. As you know, I am providing the above based on the records I have and my assumptions do not represent any policy approvals by the KFPD Board which would have to consider the matter(s) in future public meetings.

Sincerely,

A handwritten signature in black ink that reads "Bill Hansell".

Bill Hansell
General Manager

Kensington Fire Protection District
Public Safety Building Renovation
Financing

Costs Have Been Updated Pursuant to Draft Project Budget

<u>Total Renovation Cost</u>	Total	FY 2021	FY 2022	FY 2023
Design/Planning/Management	\$ 808,430	\$ 500,000	\$ 123,372	\$ 185,058
Construction	5,171,243		2,068,497	3,102,746
Project Contingency	725,831		290,332	435,499
Temporary Facility	974,500		974,500	
Additional Costs -Per Project Cost Report	304,137	91,241	106,448	106,448
Total	\$ 7,984,141	\$ 591,241	\$ 3,563,149	\$ 3,829,751

Financing Options

- Reserves 100%
- Reserves Combined with Construction Loan (CSDA Finance or Other)

KPPCSD Occupied Space (Option B potential)

Construction Cost - based on square footage	\$ 972,946
Soft Cost Estimate - 25%	243,237
Total Estimated Construction Cost	\$ 1,216,183

Options for Funding

- Lump Sum (reserves or loan from KFPD)
- Amortized Over 15-20 Years
- Incorporated into Monthly Lease Payment

Amortized (Rate = 5%)	15 Years	20 Years
Monthly	\$9,617.49	\$8,026.27
Annual	\$ 115,410.00	\$ 96,315.00

04/01/2021 NOTES:

- 1.) Presented at KFPD Board Mtg on 09/30/2020
- 2.) KPPCSD cost share based on "Option B" which is obsolete but this appears to be a reliable rough estimate based on the most recent option.
- 3.) The draft KPPCSD Loan option above shows 15yr or 20yr repayment options whereas the precedent of the 1999 agreement was 10yrs. Relative to this issue, please see the attached KFPD funding schedule which shows that the KFPD reserves would be drained over three years compared to the substantially longer reimbursement period suggested above. Pending further financial analysis, a shorter repayment period may be required.

Kensington Fire Protection District
 Projected Reserve Balances Including Project Cost Outflow

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget
Operating					
Beginning Balance	\$ 5,413,569	\$ 5,305,337	\$ 5,901,203	\$ 3,626,357	\$ 4,260,296
Revenues	\$ 4,679,910	\$ 4,767,813	\$ 4,901,955	\$ 5,004,179	\$ 5,096,335
Expenditures	\$ (4,180,831)	\$ (4,014,636)	\$ (4,119,490)	\$ (4,212,929)	\$ (4,323,024)
Transfer In					
Transfer Out-Capital	\$ (607,311)	\$ (157,311)	\$ (157,311)	\$ (157,311)	\$ (157,311)
Transfer Out-PSB			\$ (2,900,000)		
Ending Balance	\$ 5,305,337	\$ 5,901,203	\$ 3,626,357	\$ 4,260,296	\$ 4,876,296
EC Contract Reserve	(3,500,000)	(3,563,145)	(3,500,000)	(3,500,000)	(3,500,000)
Operating Reserves	\$ 1,805,337	\$ 2,338,058	\$ 126,357	\$ 760,296	\$ 1,376,296
Capital Outlay					
Beginning Balance	\$ 4,047,723	\$ 4,116,413	\$ 764,092	\$ 5,585	\$ 162,969
Revenues	52,620	53,513	9,933	73	2,119
Expenditures	(591,241)	(3,563,145)	(3,825,751)		
Transfer In-Capital Funding	607,311	157,311	157,311	157,311	157,311
Transfer In-Operating			2,900,000		
Transfer Out					
Capital Outlay Reserves	\$ 4,116,413	\$ 764,092	\$ 5,585	\$ 162,969	\$ 322,399
<i>Options to Funding Include Short-Term Loan Through CSDA Program</i>					

04/01/2021 NOTES:

- 1.) Presented at KFPD Board Mtg on 09/30/2020



CSDA Finance Corporation



1112 I Street, Suite 200
 Sacramento, CA 95814
 t: 916.442.7887 f: 916.442.7889
 www.csdafinance.net

PREPARED BY CSDA FINANCE CORPORATION

DATE: September 21, 2020

PROPOSED LEASE PURCHASE FOR: Kensington Fire Protection District

RE: Building Renovation

NOTE: TERMS ARE BASED UPON LEASE BEING BANK QUALIFIED

Purchase Option amount is exclusive of the rental payment due on same date.

Interest rate quote is valid for an acceptance within 15 days and lease funding within 60 days.

Payments: Annually in arrears	Financing Amount \$2,000,000	Interest Rate 2.35%	Term 5 Years
-------------------------------	---	--------------------------------------	-------------------------------

PMT #	Due Date	Rent Payment	To Principal	To Interest	Purchase Option
1		\$428,636.59	\$381,636.59	47,000.00	
2		428,636.59	390,605.05	38,031.54	
3		428,636.59	399,784.27	28,852.32	844,533.57
4		428,636.59	409,179.20	19,457.39	427,170.79
5		428,636.59	418,794.89	9,841.70	0.00

TOTALS:	<u>\$2,143,182.95</u>	<u>\$2,000,000.00</u>	<u>\$143,182.95</u>
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Approved and agreed to: Kensington Fire Protection District

By: _____

Date: _____

Title: _____

04/01/2021 NOTES:

1.) Presented at KFPD Board Mtg on 09/30/2020



CSDA Finance Corporation



1112 I Street, Suite 200
 Sacramento, CA 95814
 t: 916.442.7887 f: 916.442.7889
 www.csdafinance.net

PREPARED BY CSDA FINANCE CORPORATION

DATE: September 21, 2020

PROPOSED LEASE PURCHASE FOR: Kensington Fire Protection District

RE: Building Renovation

NOTE: TERMS ARE BASED UPON LEASE BEING BANK QUALIFIED

Purchase Option amount is exclusive of the rental payment due on same date.

Interest rate quote is valid for an acceptance within 15 days and lease funding within 60 days.

Payments: Annually in arrears	Financing Amount \$2,000,000	Interest Rate 2.75%	Term 10 Years
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PMT #	Due Date	Rent Payment	To Principal	To Interest	Purchase Option
1		\$231,479.44	\$176,479.44	55,000.00	
2		231,479.44	181,332.62	50,146.82	
3		231,479.44	186,319.27	45,160.17	
4		231,479.44	191,443.05	40,036.39	
5		231,479.44	196,707.74	34,771.70	1,089,072.24
6		231,479.44	202,117.20	29,362.24	882,912.69
7		231,479.44	207,675.42	23,804.02	671,083.77
8		231,479.44	213,386.50	18,092.94	453,429.54
9		231,479.44	219,254.62	12,224.82	229,789.82
10		231,479.44	225,284.14	6,195.30	0.00

TOTALS:	<u>\$2,314,794.40</u>	<u>\$2,000,000.00</u>	<u>\$314,794.40</u>
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Approved and agreed to: Kensington Fire Protection District

By: _____

Date: _____

Title: _____



04/01/2021 NOTES:

Cost Model Manager - Preliminary Project Cost Report

1.) Presented at KFPD Board Mtg on 09/30/2020

SUMMARY	Estimated Budget 15-Sep-20	Anticipated Cost (AC) \$/ GSF	Comments
Land Acquisition	\$0	\$0	Not Applicable
Entitlements & Permits	\$67,238	\$10	Planning, Building fees
Design, Planning and Management	\$808,430	\$125	Architects, Engineers, Project/Construction Management
Construction and Related Costs	\$5,171,243	\$798	Construction, Utilities, Inspections, Change Order Contingency
Telephone and Data Systems	\$102,200	\$16	Servers, racks, communication equipment etc
Furnishings, Fixtures and Equipment	\$99,700	\$15	Chairs, tables, sleeping quarter furnishings, lounge area furnishings etc
Audio Visual and Security	\$35,000	\$5	TVs, Security equipment
Owner Costs	\$974,500	\$0.00	Temporary facility costs
Project Contingency	\$725,831	\$112	10% of above costs
TOTAL PROJECTED PROJECT BUDGET	\$7,984,141	\$1,082	



Cost Model Manager - Preliminary Project Cost Report

ENTITLEMENT & PERMITS	Estimated Budget 15-Sep-20	Anticipated Cost (AC) \$/ GSF	Comments
Entitlement Planning Fees	10,000	1.54	Allowance
		-	
Permit Building Permit	57,238	8.83	Allowance @ 1.25% of construction cost
PW Permit		-	
Fire		-	
Encroachment		-	
Total - Entitlement & Permits	67,238	\$ 9	

Cost Model Manager - Preliminary Project Cost Report

DESIGN, PLANNING & MANAGEMENT	Estimated Budget 15-Sep-20	Anticipated Cost (AC) \$/ GSF	Comments
Design Professionals			
Architect	549,480	84.80	Allowance at 12% of construction cost
Landscape Architect		-	
Structural engineer		-	
Electrical		-	
Mechanical		-	
Plumbing		-	
Civil Engineer		-	
Data, Audio Visual, Security		-	
Food Service - kitchen design		-	
Specialty Consultants		-	
Project/Construction Management	228,950	35.33	Allowance at 5% of construction cost
Reimbursables	10,000	1.54	Allowance
Owner Direct Consultants			
Geotech	10,000	1.54	Allowance
Environmental - Hazmat	5,000	0.77	Allowance
Topo and Alta surveys	5,000	0.77	Allowance
Total - Design, Planning & Management	808,430	\$ 125	

Cost Model Manager - Preliminary Project Cost Report

CONSTRUCTION COSTS and RELATED COSTS	Estimated Budget 15-Sep-20	Anticipated Cost (AC) \$/ GSF	Comments
Construction	4,579,000	706.64	Per estimate
Public Art	0	-	Not included
Related Costs of Construction			
Hazmat Abatement	0	-	Included in construction budget
Contractor Labor & Performance Bond	0	-	Included in construction budget
SWPPP	0	-	Not required
Utility Fees	100,000		Allowance
Fire Service	0	-	Included in utility fee
Potable, irrigation	0	-	Included in utility fee
PG&E	0	-	Included in utility fee
Cable/Telecommunications	0	-	Included in utility fee
Insurance - Builder's Risk	0	-	Not included
Testing & Inspections	34,343	5.30	Allowance @ 0.75% of building and site development cost
Change Order Contingency	457,900	70.66	Allowance @ 10% of construction cost
Total - Construction Costs	5,171,243	783	

Cost Model Manager - Preliminary Project Cost Report

TELEPHONE and DATA SYSTEMS	Estimated Budget 15-Sep-20	Anticipated Cost (AC) \$ / GSF	Comments
Cabling	0	-	Included in construction budget
Telecom, Server, Network Switches, Comm. Equipment	97,200	15.00	Allowance, reuse existing?
Desktop/laptop computers	5,000	0.77	Allowance, reuse existing?
Total - Telephone and Data Systems	102,200	16	
FURNISHINGS, FIXTURES & EQUIPMENT	Estimated Budget 15-Sep-20	Anticipated Cost (AC) \$ / GSF	Comments
Furnishings	97,200	15.00	Allowance, reuse existing?
Owner Supplied Breakroom Equipment	2,500	0.39	Allowance, reuse existing?
Total - Furnishings, Fixtures and Equipment	99,700	15	
AUDIO VISUAL and SECURITY	Estimated Budget 15-Sep-20	Anticipated Cost (AC) \$ / GSF	Comments
Public announcement system	0	-	Not included
Audio Visual Systems	10,000	1.54	Allowance, reuse existing?
Assisted Listening Devices	0	-	Not included
Security System - CCTV, Card Keys etc.	25,000	3.86	Head in equipment costs allowance
Total - Audio Visual and Security	35,000	5	

Cost Model Manager - Preliminary Project Cost Report

OWNER COSTS	Estimated Budget 15-Sep-20	Anticipated Cost (AC) \$/ GSF	Comments
Legal	0	-	Not included
Staff Cost	0	-	Not included
Temp Facility	972,000	-	Preliminary budget for 14 months
Financing Fees	0	-	Not included
Ground Breaking, Project Opening etc	2,500	-	
Total - Owner Costs	974,500	0.00	



Kensington Public Safety Building
217 Arlington Avenue
Kensington, CA 94707

Conceptual Cost Plan
for
Kensington Fire Station
Renovation

July 22, 2020



1900 Powell Street, Suite 470
Emeryville, CA 94608
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www.mack5.com

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Conceptual Cost Plan

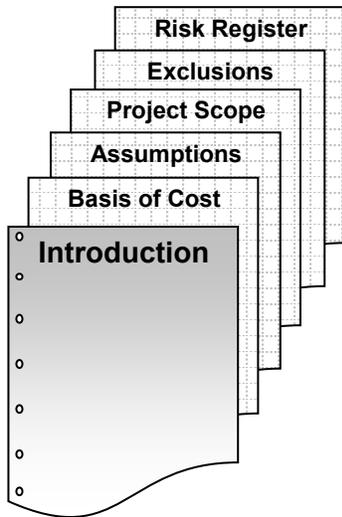
Commentary

Kensington Fire Station

Introduction
Basis of Cost
Assumptions
Exclusions

July 22, 2020

introduction

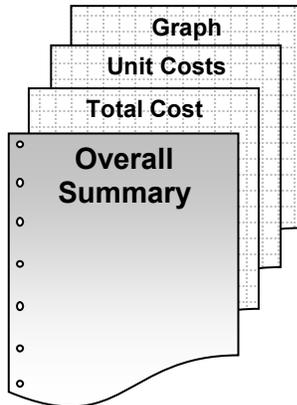


mack5 was requested to carry out a Conceptual Design Cost Plan for the renovation of existing Kensington Fire Station, located at 217 Arlington Avenue, Kensington, CA 94707

The first part of the Report contains the basis of the report, the assumptions made, description of the project scope, and exclusions to the costs which contain items that have potential to impact cost at some point in the future.

The Overall Summary section contains a Summary of Gross Floor Areas, an Overall Project Summary, and Component and Trade Cost Summaries with Graphs.

Each section contains Control Quantities, a Cost Summary and Graph, and a Detailed Breakdown of Costs.



project introduction

Kensington Fire Protection District proposes to renovate the existing fire station. The existing 6,060gsf, 2-story, Kensington Public Safety building houses the fire and police department. It is a wood & steel framed structure constructed in 1971. The building has undergone multiple renovation in 1998, 2004 and 2010. Trash and storage structures have been added behind the building at the north end of the parking lot.

The existing fire station includes 3-apparatus bays (converted to 2), apparatus support spaces including a workshop, medical storage and clean-up room, turnout storage and related janitor facilities, ADA restroom and station office, kitchen, dining, dayroom and laundry room, private sleeping quarters with unisex restrooms and mechanical/electrical/communications rooms.

items used for cost estimate

narrative/drawing	Preliminary Space Requirements prepared by RossDrullisCusenberry Architecture, Inc., dated 08/21/2019 Conceptual Retrofit Design prepared by IDA, dated 09/05/2019
architectural	Architectural floor plans prepared by RossDrullisCusenberry Architecture, Inc., dated 09/05/2019 A-01 Existing first floor A-02 Existing second floor Architectural floor plans prepared by RossDrullisCusenberry Architecture, Inc., dated 06/01/2020 First Floor Option B Second Floor Option B

assumptions

- (a) Construction will start in September, 2021
- (b) A construction period of 12 months
- (c) The general contract will be competitively bid by a minimum of five (5) qualified contractors
- (d) The general contractor will have full access to the site during normal business hours
- (e) There are no phasing requirements
- (f) The contractor will be required to pay prevailing wages

exclusions

- (a) Cost escalation beyond the midpoint date of March, 2022
- (b) Loose furniture and equipment except as specifically identified
- (c) Compression of schedule, premium or shift work, and restrictions on the contractor's working hours
- (d) Soft Cost such as testing and inspection fees, architectural design and construction management fees, assessments, taxes, finance, legal and development charges
- (e) Scope change and post contract contingencies
- (f) Environmental impact mitigation
- (g) Temporary housing for displaced management and staff
- (h) Moving and relocation cost
- (i) Utility fees

Conceptual Cost Plan

Overall Summary
Kensington Fire Station
Renovation

Gross Floor Areas
Overall Summary
Component Summary
Trade Summary

July 22, 2020

	Area	%	\$/SF	\$,000
Building Renovation	6,480	96%	\$674.83	\$4,373
Site Improvement	7,700	4%	\$26.71	\$206
TOTAL CONSTRUCTION & SITEWORK	6,480	100%	\$706.57	\$4,579

ADD Alternate:**\$,000**

ADD: Elevator and wheelchair lift

\$512

Cost Allocation:

Cost Allocation to Police Department

\$833

Construction Cost Analysis:	\$,000
Replacement Construction Cost	\$8,284
50% Replacement Construction Cost	\$4,142
Renovation Construction Cost (ref. Building Renovation Cost Above)	\$4,373
Overage	\$231

Conceptual Cost Plan

**Building Renovation
Kensington Fire Station**

Control Quantities
Building Renovation Summary
Detailed Cost Breakdown

July 22, 2020

Enclosed Areas		height
First floor	3,120	12.00
Second floor	3,280	14.00

Subtotal of Enclosed Area	6,400
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Covered Area	160
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Subtotal of Covered Area at half value	80
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Total of Gross Floor Area	6,480
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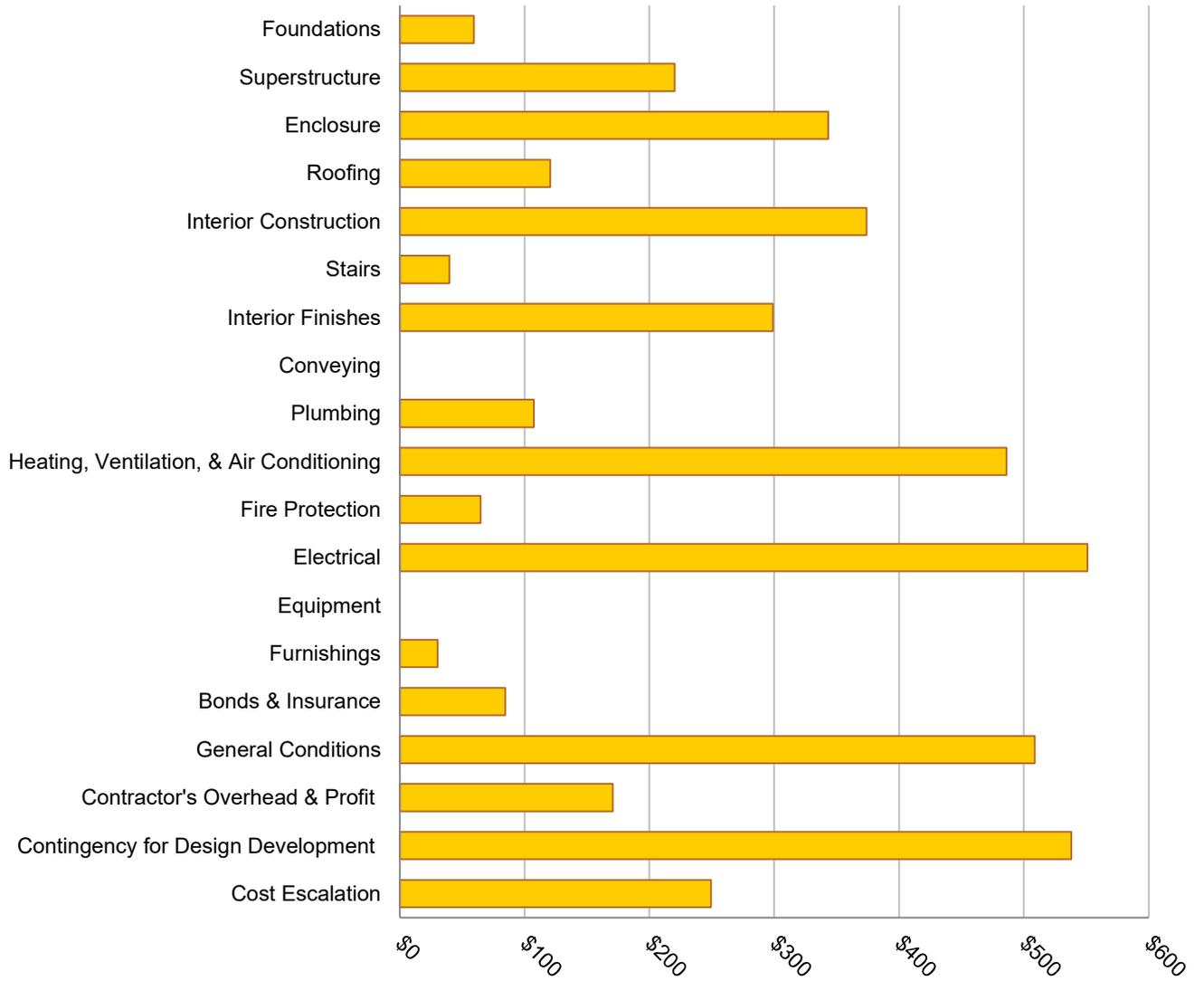
CONTROL QUANTITIES

			Ratio to Gross Area
Number of stories (x1,000)	2	EA	0.309
Gross Area	6,480	SF	1.000
Enclosed Area	6,400	SF	0.988
Covered Area	160	SF	0.025
Footprint Area	3,280	SF	0.506
Volume	83,360	CF	12.864
Gross Wall Area (excluding retaining wall)	4,110	SF	0.634
Finished Wall Area	93%	3,817	SF 0.589
Windows or Glazing Area	7%	294	SF 0.045
Roof Area - Flat	3,882	SF	0.599
Roof Area - Sloping	-	SF	0.000
Roof Area - Total	3,882	SF	0.599
Roof Glazing Area	0	SF	0.000
Interior Partition Length	640	LF	0.099
Elevators (x10,000)	0	EA	0.000
Plumbing Fixtures (x1,000)	13	EA	2.006

CSI UniFormat Summary	6,480 SF	%	\$/SF	,\$000
Foundations		1%	\$9.20	\$60
Superstructure		5%	\$33.98	\$220
Enclosure		8%	\$52.97	\$343
Roofing		3%	\$18.61	\$121
Interior Construction		9%	\$57.69	\$374
Stairs		1%	\$6.17	\$40
Interior Finishes		7%	\$46.15	\$299
Conveying		0%	\$0.00	\$0
Plumbing		2%	\$16.58	\$107
Heating, Ventilation, & Air Conditioning		11%	\$75.00	\$486
Fire Protection		1%	\$10.00	\$65
Electrical		13%	\$85.00	\$551
Equipment		0%	\$0.00	\$0
Furnishings		1%	\$4.69	\$30
Selective Building Demolition		3%	\$19.41	\$126
Subtotal - Building Construction		65%	\$435.46	\$2,822
Bonds & Insurance	3.00%	2%	\$13.06	\$85
General Conditions	17.50%	12%	\$78.49	\$509
Contractor's Overhead & Profit	5.00%	4%	\$26.35	\$171
Subtotal		82%	\$553.36	\$3,586
Contingency for Design Development	15.00%	12%	\$83.00	\$538
Cost Escalation	6.04%	6%	\$38.47	\$249
TOTAL CONSTRUCTION BUDGET		100%	\$674.83	\$4,373

NOTE: Inclusions and Exclusions listed in the Commentary Section.

CSI UniFormat Summary



FOUNDATIONS	Quantity	Unit	Rate	Total (\$)
Special Foundation				
11.2 Add Drilled piers to resist slope failure				
Mobilization and demobilization	1	LS	\$15,000.00	\$15,000
Testing	1	LS	\$10,000.00	\$10,000
18" diameter pier x 10' deep	3	EA	\$8,000.00	\$24,000
Slab On Grade				
Allowance to patch/repair existing slab on grade, affected by the seismic retrofit	1,060	SF	\$10.00	\$10,600
Subtotal For Foundations:				\$59,600

SUPERSTRUCTURE	Quantity	Unit	Rate	Total (\$)
Structural Mitigation				
11.1 Strengthen diaphragm and vertical transition at split level, with plywood diaphragm nailing	425	SF	\$30.00	\$12,750
11.3 Strengthen shear wall at grid 1,4,7,A&E; add plywood shearwalls and holdowns or increase nailing at existing shearwalls and replace holdowns as required	3,504	SF	\$30.00	\$105,120
11.4 Provide holdown to foundation, typical at line E (allow at 12" o.c.)	52	EA	\$205.00	\$10,660
11.4 Provide posts to end of shearwall, typical at line E (allow at 12" o.c.)	44	LF	\$205.00	\$9,020
11.5 Install additional anchor bolts to strengthen connection of moment frame to foundation	1	LS	\$3,500.00	\$3,500
11.6 Strengthen moment frame beams by adding steel to build up beam section	43	LF	\$260.00	\$11,180
11.6 Columns strengthening as required	44	LF	\$260.00	\$11,440
Roof Structure				
Extend roof structure over exterior deck; including plywood sheathing and wood framing	322	SF	\$75.00	\$24,150

SUPERSTRUCTURE

	Quantity	Unit	Rate	Total (\$)
Miscellaneous				
Miscellaneous metal	6,480	GSF	\$2.00	\$12,960
Miscellaneous rough carpentry	6,480	GSF	\$1.00	\$6,480
Temporary scaffolding, shoring and safety measure	6,480	GSF	\$2.00	\$12,960
Subtotal For Superstructure:				\$220,220

ENCLOSURE

	Quantity	Unit	Rate	Total (\$)
Enclosure to (E) exterior deck & App Bay 1				
Wood shingles, complete with water vapor membrane, sheathing, rigid insulation and metal stud frame	180	SF	\$105.00	\$18,900
Exterior Wall				
(N) Horizontal shingles and building paper, over existing plywood	3,637	SF	\$45.00	\$163,643
(N) gypboard, fire taped over (E) plywood - allowance	3,637	SF	\$10.00	\$36,365
Interior Finish To Exterior Wall				
Painted gypwall over insulation and metal stud frame	180	SF	\$16.00	\$2,880
Exterior Windows				
Replace (E) window to match existing	114	SF	\$140.00	\$15,890
(N) Aluminum framed window at dayroom, allow 5-0"high	180	SF	\$140.00	\$25,200
Fascias, Bands and Trims				
Architectural detailing and trim	4,110	GWA	\$3.00	\$12,330
Exterior Doors				
Existing single leaf door, refinished & repaint	5	EA	\$300.00	\$1,500
Replace (E) double leaf door to match existing - to laundry room				<i>NIC, Deleted</i>
New single leaf door to apparatus bay	1	EA	\$3,200.00	\$3,200
Overhead roll-up door at apparatus bay (re-use existing door)	2	EA	\$10,000.00	\$20,000

ENCLOSURE	Quantity	Unit	Rate	Total (\$)
Exterior Soffit				
New wood soffit	160	SF	\$75.00	\$12,000
Miscellaneous				
Caulking and sealants	6,480	GSF	\$2.00	\$12,960
(N) flashing at foundation wall	245	LF	\$75.00	\$18,375
Subtotal For Enclosure:				\$343,243

ROOFING	Quantity	Unit	Rate	Total (\$)
Roof Coverings				
Redo existing asphalt built up roofing system, including rigid insulation	3,560	SF	\$22.00	\$78,320
Extend roofing system to deck area	322	SF	\$50.00	\$16,100
Modification/interface to (E) roofing system	45	LF	\$150.00	\$6,750
Roofing Upstands and Sheetmetal				
Flashing, gutters and rainwater downpipes	3,882	SF	\$5.00	\$19,410
Roof Lights				
Clerestory roof				<i>NIC, Existing to remain in place</i>
Skylights				<i>NIC, Existing to remain in place</i>
Subtotal For Roofing:				\$120,580

INTERIOR CONSTRUCTION	Quantity	Unit	Rate	Total (\$)
Interior Partitions				
Wood stud framing with gypwall on both sides, non-rated allow 10'high	6,400	SF	\$30.00	\$192,000
Premium for 20% rated partition	1,280	SF	\$8.00	\$10,240
Blocking and backing	6,480	GSF	\$2.00	\$12,960
Window Walls				
Sidelight at Capt, allow 7'high	28	SF	\$100.00	\$2,800
Interior glasswall at lobby 106, allow 5'high	40	SF	\$100.00	\$4,000

INTERIOR CONSTRUCTION

	Quantity	Unit	Rate	Total (\$)
Interior Doors & Door Hardware				
Single leaf door	22	EA	\$3,000.00	\$66,000
Double leaf door	1	PR	\$5,000.00	\$5,000
Double leaf door, at storage room	2	PR	\$4,000.00	\$8,000
Premium for specialty door hardwares; card key locking system and automatic openers where required	1	LS	\$10,780.00	\$10,780
Fittings				
Protective guards, barriers and bumpers	6,480	GSF	\$0.50	\$3,240
Prefabricated toilet compartments, showers and accessories				
Toilet Accessories, single stall	4	RM	\$1,000.00	\$4,000
Shower stall and accessories	2	EA	\$3,000.00	\$6,000
Shelving and millwork				
Janitor's shelf and mop rack				<i>NIC, Move to FF&E Budget</i>
Storage casework				<i>NIC, Move to FF&E Budget</i>
Hose storage				<i>NIC, Move to FF&E Budget</i>
Cabinets and countertops				
At workshop				<i>NIC, Move to FF&E Budget</i>
At EMS Storage & alcove				<i>NIC, Move to FF&E Budget</i>
At Radio/Map alcove	8	LF	\$500.00	\$4,000
At Decon Rm				<i>NIC, Move to FF&E Budget</i>
At training room/doc	22	LF	\$600.00	\$13,200
At kitchen				<i>NIC, Reuse Existing</i>
At laundry				<i>NIC, Reuse Existing</i>
Pantry casework	6	LF	\$700.00	\$4,200
Entertainment center at dayroom				<i>NIC, Move to FF&E Budget</i>
District/museum casework				<i>NIC, Move to FF&E Budget</i>
Built-in desk at business manager & watch office				<i>NIC, Move to FF&E Budget</i>
Allowance for miscellaneous casework				<i>NIC, Move to FF&E Budget</i>
Chalkboards, insignia and graphics				
Door ID/signage	25	EA	\$200.00	\$5,000
Directional & wayfinding signs	6,480	GSF	\$1.00	\$6,480
Chalkboards/tackboards and mapping wall				<i>NIC, Move to FF&E Budget</i>
Retain and remount (E) exterior signage				\$3,000.00 \$3,000
Miscellaneous				
Rough carpentry	6,480	GSF	\$2.00	\$12,960

Subtotal For Interior Construction: \$373,860

STAIRS	Quantity	Unit	Rate	Total (\$)
Stair Construction				
New ADA stair, complete with handrail/guardrail	1	LS	\$35,000.00	\$35,000
Short ADA stair	1	LS	\$5,000.00	\$5,000
Fire pole				<i>NIC, Deleted</i>
Ladders and Fire Escapes				
Roof access ladder				<i>NIC, Keep existing</i>
Subtotal For Stairs:				\$40,000

INTERIOR FINISHES	Quantity	Unit	Rate	Total (\$)
Floor Finishes				
Durable quality carpet tile in sleep rooms	525	SF	\$8.00	\$4,200
Sealed concrete on apparatus bay & mechanical/electrical room	1,344	SF	\$5.00	\$6,720
Athletic flooring tiles in exercise/fitness room	400	SF	\$12.00	\$4,800
Exposed finished concrete or similar in lobbies and hallway	580	SF	\$25.00	\$14,500
Ceramic floor tile and base at restrooms	305	SF	\$30.00	\$9,150
Resilient sheet flooring in offices, living areas, storage, kitchen & training room	3,246	SF	\$15.00	\$48,690
Water vapor emission control - allowance	4,171	SF	\$4.00	\$16,684
Bases				
Allow for rubber base	1,767	LF	\$4.00	\$7,068
Wall finishes				
Paint to interior walls	12,800	SF	\$3.00	\$38,400
Ceramic tile in bathrooms & showers, allow 6'high	696	SF	\$30.00	\$20,880
Painted plywood wainscot at apparatus bays, 8' high	928	SF	\$7.50	\$6,960
Protective wainscot at primary operational circulation, 48"high				<i>NIC, Deleted</i>
Ceiling Finishes				
Gypsum board ceilings, painted; 30% Lay-in ACT; 70%	3,802	SF	\$25.00	\$95,060
	1,630	SF	\$8.00	\$13,037
Paint exposed ceiling in apparatus bay	968	SF	\$3.00	\$2,904
Allowance for soffits	200	LF	\$50.00	\$10,000
Subtotal For Interior Finishes:				\$299,053

CONVEYING

Quantity Unit Rate Total (\$)

See ADD Alternate

Subtotal For Conveying:

PLUMBING

Quantity Unit Rate Total (\$)

Plumbing Fixtures and connection piping;
including domestic water, sanitary waste, vent
and service piping

	13	FX		
Water closet, floor, manual flush	4	EA	\$3,000.00	\$12,000
Lavatory, wall hung, lever faucet	4	EA	\$3,200.00	\$12,800
Kitchen sink, dbl, SS faucet, disposer			<i>NIC, Reuse Existing</i>	
Mop sink, floor type, trim	1	EA	\$3,400.00	\$3,400
Service sink, double	1	EA	\$3,300.00	\$3,300
Laundry sink, single			<i>NIC, Reuse Existing</i>	
Shower receptor, drain, valve & head	2	EA	\$4,400.00	\$8,800
Laundry box, recessed w/ WHA	1	EA	\$2,000.00	\$2,000
Dishwasher (connections only)	1	EA	\$350.00	\$350
Miscellaneous fixtures	6,480	GSF	\$2.00	\$12,960

Plumbing equipments; including water heater,
recirculating pump and expansion tank

6,480 GSF \$5.00 \$32,400

Rain Water Drainage

See Roofing Section

Trade Specialties; including testing and
sterilization, pipe sleeves, fire stopping, etc.

6,480 GSF \$3.00 \$19,440

Subtotal For Plumbing:

\$107,450

HEATING, VENTILATION, & AIR-CONDITIONING

Quantity Unit Rate Total (\$)

Heating & Cooling System

New heating & cooling system; including
trade demo, air handling equipments, air
distribution system including exhaust & grille,
VRF system and fan coil units, controls and
instrumentation, system testing & balancing

6,480 GSF \$75.00 \$486,000

Subtotal For Heating, Ventilation, & Air-Conditioning:

\$486,000

FIRE PROTECTION	Quantity	Unit	Rate	Total (\$)
Fire Sprinkler System				
Automatic fire sprinkler system	6,480	GSF	\$10.00	\$64,800
Subtotal For Fire Protection:				\$64,800

ELECTRICAL	Quantity	Unit	Rate	Total (\$)
Electrical Service and Distribution for normal and emergency power; including distribution equipments, feeders and grounding and miscellaneous equipment connections	6,480	GSF	\$30.00	\$194,400
Lighting and Power Specialties Wiring; including LED lighting fixtures, lighting controls, branch receptacles and branch circuitry	6,480	GSF	\$26.00	\$168,480
Communications and Security				
Fire alarm system	6,480	GSF	\$6.00	\$38,880
Telecommunications rough-in & devices and cabling	6,480	GSF	\$5.00	\$32,400
Public Announce/Fire Alert System	6,480	GSF	\$5.00	\$32,400
Security equipments; including installation, cable and programming	6,480	GSF	\$4.00	\$25,920
Audio Visual system rough-in and power	6,480	GSF	\$4.00	\$25,920
Trade Specialties; including trade demo, seismic restraint, fees & permits, testing & studies and lightning protection	6,480	GSF	\$5.00	\$32,400
Subtotal For Electrical:				\$550,800

EQUIPMENT	Quantity	Unit	Rate	Total (\$)
Commercial Equipment				
Commercial grade kitchen equipments, including (3) refrigerators, (1) freezer, range/oven, hood exhaust, dishwasher, garbage disposal, microwave oven				NIC, FF&E
Residential grade Laundry equipment; Washer & Dryer				NIC, FF&E
Equipments at turnout room				NIC, FF&E
Washer extractor				NIC, FF&E
Drying cabinet				NIC, FF&E
Fitness Equipments				NIC, FF&E
Subtotal For Equipment:				

FURNISHINGS	Quantity	Unit	Rate	Total (\$)
Fixed Furnishings				
Light control & vision equipments				
Window shades, manual	294	SF	\$15.00	\$4,403
Project screens at training room				<i>NIC, FF&E</i>
Amenities & convenience items				
Fire extinguisher cabinets	1	LS	\$3,000.00	\$3,000
Entrance mats and frames	1	LS	\$5,000.00	\$5,000
Staff mailboxes				<i>NIC, FF&E</i>
Bike storage				<i>NIC, FF&E</i>
Mirrors in exercise/fitness				<i>NIC, FF&E</i>
Wire mesh lockers at turnout room				<i>NIC, FF&E</i>
Shop finish lockers at dorm	18	EA	\$1,000.00	\$18,000
Moveable Furnishings				
Dayroom/Bedroom/sleep room furnishings				<i>NIC, FF&E</i>
Office desk and chairs				<i>NIC, FF&E</i>
Classroom tables and chairs				<i>NIC, FF&E</i>
Subtotal For Furnishings:				\$30,403

SELECTIVE BUILDING DEMOLITION	Quantity	Unit	Rate	Total (\$)
Exterior Demolition				
Demo and remove (E) shingles at exterior wall	3,637	SF	\$10.00	\$36,365
Demo and remove (E) window glazing	114	SF	\$30.00	\$3,405
Demo and remove (E) apparatus bay roll-up door	3	EA	\$1,500.00	\$4,500
Demo and remove (E) roofing system	3,560	SF	\$3.00	\$10,680
Interior Building Demolition				
Demo and remove (E) gypwall	6,400	SF	\$3.00	\$19,200
Demo and remove (E) floor, wall, ceiling finishes and casework	6,400	SF	\$3.00	\$19,200
Hazardous Materials Abatement - allowance	6,480	GSF	\$5.00	\$32,400
Subtotal For Selective Building Demolition:				\$125,750

Conceptual Cost Plan

**Site Improvement
Kensington Fire Station**

Control Quantities
Site Improvement Summary
Detailed Cost Breakdown

July 22, 2020

Site Improvement Control Quantities	Job #19650
	July 22, 2020

Site Areas

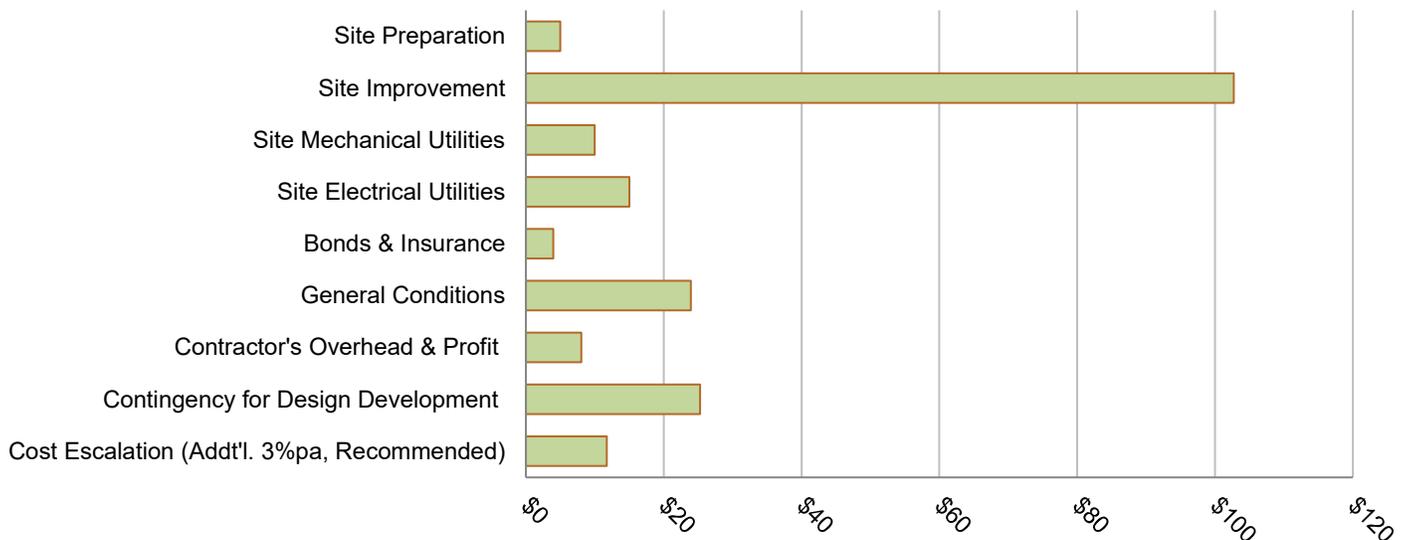
Site Improvement 7,700

Subtotal of Enclosed Area 7,700

CSI UniFormat Summary	7,700 SF	%	\$/SF	,\$000
Site Preparation		2%	\$0.65	\$5
Site Improvement		50%	\$13.34	\$103
Site Mechanical Utilities		5%	\$1.30	\$10
Site Electrical Utilities		7%	\$1.95	\$15
Subtotal - Sitework		65%	\$17.23	\$133
Bonds & Insurance	3.00%	2%	\$0.52	\$4
General Conditions	17.50%	12%	\$3.11	\$24
Contractor's Overhead & Profit	5.00%	4%	\$1.04	\$8
Subtotal		82%	\$21.90	\$169
Contingency for Design Development	15.00%	12%	\$3.29	\$25
Cost Escalation (Addtl. 3%pa, Recommended)	6.04%	6%	\$1.52	\$12
TOTAL CONSTRUCTION BUDGET		100%	\$26.71	\$206

NOTE: Inclusions and Exclusions listed in the Commentary Section.

CSI UniFormat Summary



SITE PREPARATION	Quantity	Unit	Rate	Total (\$)
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Allowance for erosion control	1	LS	\$5,000.00	\$5,000
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Subtotal For Site Preparation:				\$5,000
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SITE IMPROVEMENT	Quantity	Unit	Rate	Total (\$)
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Vehicular Paving

Existing parking - allowance for concrete repair and restriping	5,100	SF	\$5.00	\$25,500
Existing driveway Apron; patch/repair as required	900	SF	\$10.00	\$9,000
Replace (E) driveway/ramp	320	SF	\$35.00	\$11,200

Pedestrian Paving

Replace (E) sidewalk	440	SF	\$25.00	\$11,000
Replace (E) curb and gutter	100	LF	\$50.00	\$5,000

Landscape and Irrigation

Replace (E) landscape area	240	SF	\$25.00	\$6,000
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Site Improvement

Modify/replace (E) concrete ramp, curbs and gutter, landscaping and concrete planters - along Arlington Avenue	700	SF	\$50.00	\$35,000
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Subtotal For Site Improvement:				\$102,700
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SITE MECHANICAL UTILITIES	Quantity	Unit	Rate	Total (\$)
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Allowance for minor modification	1	LS	\$10,000.00	\$10,000
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Subtotal For Site Mechanical Utilities:				\$10,000
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SITE ELECTRICAL UTILITIES	Quantity	Unit	Rate	Total (\$)
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Electrical Service and Distribution

Add EV Stations (Dual) with (2)-40A Wiring	1	EA	\$15,000.00	\$15,000
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Site Lighting

NIC, Existing to remain

Site Communications and Security

NIC, Existing to remain

Subtotal For Site Electrical Utilities:				\$15,000
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Conceptual Cost Plan

Alternates
Kensington Fire Station

Alternates Cost Breakdown

July 22, 2020

ADD: Elevator and wheelchair lift	Quantity	Unit	Rate	Total (\$)
ADD:				
Structural Foundation				
Elevator pit; including excavation & offhaul, waterproofing membrane, reinforced concrete wall & mat foundation/slab on grade	1	LS	\$50,000.00	\$50,000
Structural Elevator Wall & Framing				
2-hour rated elevator shaft	624	SF	\$45.00	\$28,080
Miscellaneous structural steel framing to new opening, 2F	24	LF	\$300.00	\$7,200
Allowance for machine room	1	LS	\$10,000.00	\$10,000
Elevator				
Passenger elevator, hydraulic, 2-stops	1	EA	\$160,000.00	\$160,000
Wheelchair lift	1	EA	\$35,000.00	\$35,000
Elevator pit ladder	1	EA	\$5,000.00	\$5,000
Electrical Allowance				
Elevator & wheelchair connection, including upgrade to service and distribution system	1	LS	\$25,000.00	\$25,000
Elevator cab lighting & connection	1	LS	\$5,000.00	\$5,000
Fire alarm & data connection	1	LS	\$5,000.00	\$5,000
Mark-up's per Overall Summary			54.97%	\$181,560
Subtotal For Add: Elevator And Wheelchair Lift:				\$511,840

Cost Breakout for Police Department	Quantity	Unit	Rate	Total (\$)
Gross Floor Area				
First floor, PD net	978	SF		
First floor, Shared net (includes lobby, conference/interview, secure hallway, restroom (calculated 1/2 of the area)	209	SF		
Grossing factor, 4%	48	SF		
PD Area	1,235	SF	\$435.46	\$537,793
Mark-up's per Overall Summary			54.97%	\$295,633
Subtotal For Cost Breakout For Police Department:				\$833,426

Conceptual Cost Plan

Variance Report
Kensington Fire Station

Comparison Summary
Variance Analysis

July 22, 2020

	<i>DELTA</i>	<i>Building Option B Conceptual</i>		<i>Previous Option C Dated 12/23/2019</i>	
		<i>\$/SF</i>	<i>\$,000</i>	<i>\$/SF</i>	<i>\$,000</i>
CSI UniFormat Summary					
Foundations	\$2	\$9.20	\$60	\$9.35	\$58
Superstructure	\$30	\$33.98	\$220	\$30.55	\$190
Enclosure	\$31	\$52.97	\$343	\$50.31	\$313
Roofing	\$32	\$18.61	\$121	\$14.32	\$89
Interior Construction	\$9	\$57.69	\$374	\$58.72	\$365
Stairs	\$10	\$6.17	\$40	\$4.83	\$30
Interior Finishes	\$39	\$46.15	\$299	\$41.89	\$260
Conveying		-	-	-	-
Plumbing	\$3	\$16.58	\$107	\$16.86	\$105
Heating, Ventilation, & Air Conditioning	\$20	\$75.00	\$486	\$75.00	\$466
Fire Protection	\$3	\$10.00	\$65	\$10.00	\$62
Electrical	\$23	\$85.00	\$551	\$85.00	\$528
Equipment		-	-	-	-
Furnishings	\$3	\$4.69	\$30	\$4.46	\$28
Subtotal - Building Construction	\$206	\$435.46	\$2,822	\$420.99	\$2,616
Site Preparation		\$0.77	\$5	\$0.80	\$5
Site Improvement		\$15.85	\$103	\$16.53	\$103
Site Mechanical Utilities		\$1.54	\$10	\$1.61	\$10
Site Electrical Utilities		\$2.31	\$15	\$2.41	\$15
Subtotal - Sitework		\$20.48	\$133	\$21.36	\$133
Total - Building and Sitework Constr	\$206	\$455.93	\$2,954	\$442.35	\$2,748
Bonds & Insurance	\$7	\$13.68	\$89	\$13.20	\$82
General Conditions	\$38	\$82.18	\$533	\$79.67	\$495
Contractor's Overhead & Profit	\$13	\$27.59	\$179	\$26.72	\$166
Contingency for Design Development	\$39	\$86.91	\$563	\$84.34	\$524
Cost Escalation	\$42	\$40.28	\$261	\$35.25	\$219
TOTAL CONSTRUCTION BUDGET	\$344	\$706.57	\$4,579	\$681.52	\$4,234
GROSS FLOOR AREA	267 SF	6,480 SF		6,213 SF	

County To Sweep Kensington Streets

From Supervisor John Gioia's Office:
 For years we've had requests from the residents to sweep the streets in Kensington. We've been told residents have discussed this at neighborhood meetings and all agreed that sweeping would be beneficial. Their primary concern is sweeping leaves in the winter to prevent storm drains from being clogged and creating local flooding. Our staff reviewed the roads in the field and can sweep certain streets, but other streets are too steep for sweeping. At right is a map showing the streets that can be

swept and that have been added to the street sweeping program. We also notified residents by mail, informing them of the new program. We have since received several phone calls complaining about having to move cars for the street sweeper. We will not be installing street signs prohibiting parking, nor will there be any enforcement of parking. The bottom line is that the street sweepers will sweep whatever portions of the street they can, go around any parked cars that are not moved, and do the best they can. (*Good enough! - Ed.*)

Everything You Wanted to Know About the Public Safety Building But Were Afraid to Ask

Discussions about the terms of the recent renewal of the Police District's lease of space in the Public Safety Building has prompted some residents to wonder about the history of the building – and the landlord/tenant relationship between the two Districts. (The Fire District owns the building and leases out part of it to the Police District.)

We caught up with Fire District Administrator, Brenda Navellier, and asked her to tell us what she knew about the building. Here's what we found out:

The Kensington Public Safety Building, located at 217 Arlington Avenue, was constructed in 1970 by the Kensington Fire Protection District. The 5,790 s.f. facility currently houses both the community police department and fire departments.

Extensive renovation for seismic strengthening was completed in 1999 at a cost of approximately \$600,000. Total construction costs were paid by KFPD from its general fund. The KPCCSD agreed to pay \$127,000 of the costs - \$12,700 payable every year for ten years in lieu of rent during that period.

In 2005, KFPD renovated the living quarters and office space of the firefighters and administrator. Each firefighter now has his or her own bedroom. The 35-year old kitchen was modernized and better equipped to accommodate rotating shift usage. The administrator now has an office, rather than occupying a seat in the conference room. The total cost for the renovation, which included structural

strengthening over the apparatus bay, was approximately \$320,000.

KFPD is currently proceeding with seismically shoring up the front of the building, correcting the parking area driveway to street grade, and upgrading the building siding and windows. The building requires several piers to be placed under its west side where it is pulling toward the street. The driveway grade is currently not conducive to police patrol car traffic and causes the cruisers to scrape the street as they enter and exit.

The 40-year old wood shingle siding will be replaced with fire-rated cement board shingles and many of the original windows will be replaced with dual pane. The estimated cost for these improvements is approximately \$350,000 and has been provided for in KFPD's FY 09-10 budget.

All of the improvements to the Public Safety Building have been paid from general funds. No bond indebtedness was incurred...and thanks for asking!

Thirstbusters Still Hungry

Last month in these pages we invited readers to check out local Kensington lad, Ryan Thomas, his Berkeley band boys – *Thirstbusters* – and their wildly popular YouTube video. Ryan has just informed us that the Disney Channel will be airing their video for the next 3 to 6 months! Coincidence? We don't think so! Go Ryan! Remember – we knew you when!



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COMMUNITY COUNCIL CELEBRATION

09

July 13, 1998

**Lease Agreement between Kensington Fire Protection District and
Kensington Police Protection and Community Service District for Occupancy of
Kensington Public Safety Building**

The purpose of this document is to define a lease agreement between the Kensington Fire Protection District (KFPD), "lessor" and the Kensington Police Protection and Community Services District (KCSD), "lessee" for office space in the public safety building located at 215/217 Arlington Avenue, Kensington, California.

Description of Leased Area

1. The "leased area" is defined as that area designated for the lessee's use described as "Police Department" or "Police Department Assigned" in the Schematic Design dated April 2, 1998, submitted by Marcy Li Wong, Architects (attachment #1). Additional areas included in this lease for nonexclusive use are the exterior common areas of the parking lot, the driveway and the front entrance of the building and the interior common areas described in the Schematic Design.

Dedicated Parking Spaces

2. There are currently nine (9) parking spaces in the rear parking lot. Five (5) spaces shall be dedicated for use by the lessee and its employees; three (3) shall be dedicated for use by the lessor and its employees, and one (1) shall be used in common.

Term of Lease

3. The term of this lease shall be ten (10) years, from July 1, 1999 to June 30, 2009.

Annual Cost of the Lease

4. The annual cost of the lease to the lessee shall be \$16,300; this amount is divided between renovation cost and maintenance fee.

The annual cost of renovation to the lessee shall be \$12,700 (\$127,000 over ten years).

The annual maintenance fee shall be \$3,600 adjusted in accordance with *Section 5*. This fee shall be used exclusively for the costs of maintenance and capital improvements to common areas of the property and building, both interior and exterior (as defined in *Section 8* of this document). The KFPD shall deposit the maintenance fee into a separate bank account to be known as "Kensington Public Safety Building Maintenance and Capital Improvement Fund" (MCI Fund) and shall provide a separate annual accounting of all transactions to the KCSD.

Two equal payments of \$8,150 adjusted in accordance with *Section 5* shall be due in advance and payable on January 1st and July 1st of each year for the duration of the lease. The first

*Lease agreement between KFPD and KCSD for occupancy of Kensington Public Safety building
July 13, 1998*

payment shall be due on July 1, 1999 for the period July 1 to December 31, 1999 provided renovation work has been completed.

During the period if any between the end of renovation work and the start of FY 1999-2000, the maintenance portion of the lease shall be prorated at \$300 per month and shall be the only payment required.

If renovation is not complete by the beginning of FY 1999-2000, the maintenance portion of the lease, during the period between the date occupancy takes place and the date of the next six month remittance, shall be prorated at \$300 per month. However, the renovation payment of \$6,350 (one half [1/2] the annual renovation cost) shall be due on July 1, 1999 as stated in this section.

Annual Lease Cost Accelerator

5. Beginning July 1, 2000 and continuing for the remaining life of the lease, the maintenance fee shall be adjusted annually by any change in the Bay Area Consumer Price Index as established by the United States Department of Labor in March of each year. The adjustment shall be effective for the ensuing July 1st - June 30th fiscal year.

Termination of Lease Agreement

6. This agreement may be terminated for cause by either lessor or lessee, in writing, with twelve (12) months advance notice of intent. Should the lessor terminate the lease, the balance of the KCSD renovation obligation shall be forgiven. Should the lessee terminate the lease, the balance of KCSD's renovation obligation, as specified in *Section 4*, would immediately become due and payable.

Provisions for Maintenance of Interior Leased Area

7. The lessee agrees to make tenant improvements to and to maintain the interior features of the KCSD leased space; the MCI Fund shall not be used for such purpose. Any improvements to the leased space must be approved by the Board of Directors of both Districts.

Costs of Capital Improvements and Maintenance of Common Areas

8. The lessee agrees to pay one half (1/2) the cost of capital improvements to any portion of the interior or exterior of the building and property that is common in nature. Capital improvements are defined as having at least a five year life and cost of at least \$5,000. The lessee also agrees to share one half (1/2) the cost of maintaining the interior and exterior common areas of the building and property. The MCI Fund may be used for such purposes as are described in this section.

The costs referred to in this section include, but are not limited to, exterior painting; the repair or replacement of the roof, parking lot, driveway; the repair or replacement of common area electrical, sewer, water services; the repair or replacement of common area air conditioning, heating, emergency generator.

The KFPD shall submit a copy of its most recently updated Capital Improvement Budget to KCSD on or before May 15th each year. Barring an emergency, the amount that may be asked of the KCSD in any year for such expenses as defined in this section shall be limited to \$10,000 adjusted by the CPI as described in *Section 5*.

If no payment is received 90 days after the date on the invoice, the KFPD may withdraw the invoiced amount from the MCI Fund. If sufficient funds are not available, the KFPD shall bill the KCSD for any remaining balance.

The lessor and lessee shall endeavor to agree on methods to achieve proper resolution of common area maintenance and capital improvement needs taking into consideration the existing balance in the MCI Fund.

Shared Cost of Utilities

9. The lessee shall pay to the lessor the cost of one half (½) the monthly cost of utilities such as gas, electricity, and water, except when such utilities are separately metered. In the case of separate meters for a particular utility, the party served by the meter will pay the entire bill. Lessee shall pay one half (½) the yearly sewer charge. Each party shall pay its own telephone bills. A copy of the applicable invoice shall be presented to the lessee upon receipt, and payment by the lessee shall be made on that invoice within thirty (30) calendar days.

Use of Public Safety Building

10. Use of the Public Safety building, other than by police and fire personnel or for their respective business and operations, shall be subject to the approval of the Police Chief and the Fire Chief.

Insurance

11. The lessor and lessee shall each maintain a minimum of \$1 million liability insurance coverage for their respective portions of the building and the interior and exterior common areas of the building and property. The lessor shall be endorsed as an "additional insured" on the lessee's liability policy, and the lessee shall be endorsed as an "additional insured" on the lessor's liability policy. Both parties to this agreement shall maintain adequate coverage for their respective personal and business activity and property. Both parties to this agreement shall provide the other with a certificate of insurance that indicates the insurance will not be canceled without 30 days notice. Neither party shall be responsible to the other for any property damage or loss, unless such damage or loss results from the sole negligence of the other party.

Lessee shall pay one half (½) the cost of insurance for the real property at 215/217 Arlington Avenue, Kensington should the KFPD become liable for such insurance. A copy of the invoice shall be presented to the lessee upon receipt, and payment by the lessee shall be made on that invoice within thirty (30) calendar days.

Indemnification

12. Lessee shall indemnify and hold harmless lessor from any and all claims or liability for any injury, or damage to any person or property whatsoever, including reasonable attorneys fees for defense thereof: (1) occurring in, on or about the leased area, or (2) occurring in, or about any common area inside or outside the property or building, when such injury or damage is caused in whole or in part by the act, neglect, fault of or omission of any duty with respect to the same by the lessee, its employees, officers, agents, volunteers, or its visitors. Lessor shall indemnify and hold harmless lessee from any and all claims or liability for any injury, or damage to any person or property whatsoever, including reasonable attorneys fees for defense thereof: (1) occurring outside the leased area either on the property or in the building, or (2) occurring in, or about any common area inside or outside the property or building, when such injury or damage is caused in whole or in part by the act, neglect, fault of or omission of any duty with respect to the same by the lessor, its employees, officers, agents, volunteers, or its visitors.

Dispute Resolution

12. Should any disagreement arise regarding any part of this agreement, both boards shall attempt to solve the dispute through negotiations. Should negotiations fail, the two parties agree to mediation and to share costs. Should mediation fail, the two parties agree to binding arbitration by American Arbitration Association. The losing party shall pay the costs incurred with such action.

Dated 7-15-98


Kensington Fire Protection District


Kensington Police Protection and CSD



5/12/09

Distribution: Chuck Toombs, KPPCSD Director
Fr: Brenda Navellier, KFPD Administrator
Re: KFPD/KPPCSD Lease

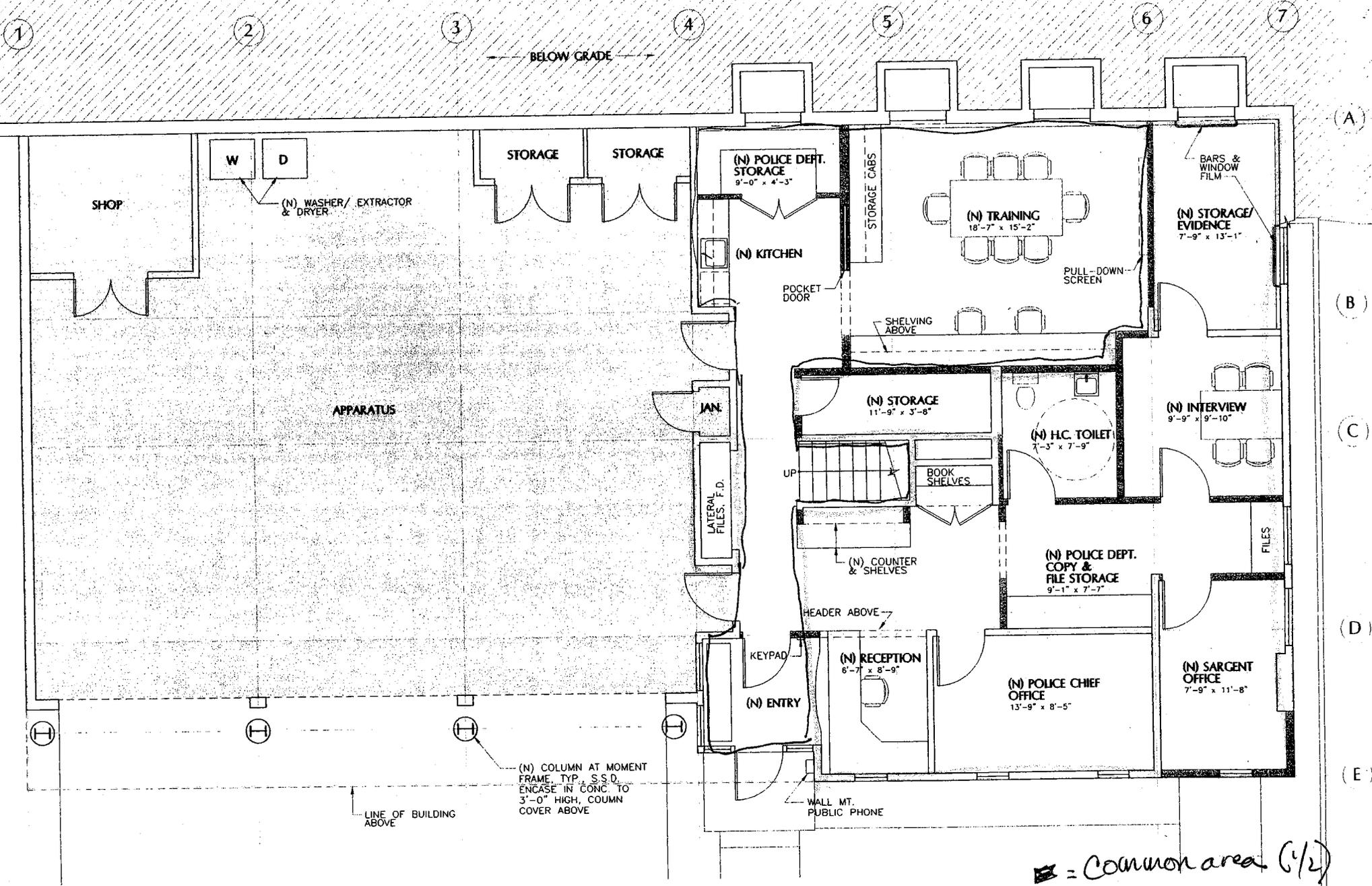
Chuck,

Enclosed are the schematic drawings referred to in the lease (not the final layout), a copy of the Board's April 14, 2009 letter to KPPCSD in case of you, a schedule of our insurance coverages with the Contra Costa County Fire Districts JPA, and a first draft of our FY09-10 budget.


Enclosure

RECEIVED
MAY 18 2009
McINERNEY & DILLON, P.C.

COPY

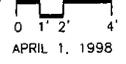


= Common area (1/2)
 = Police Dept

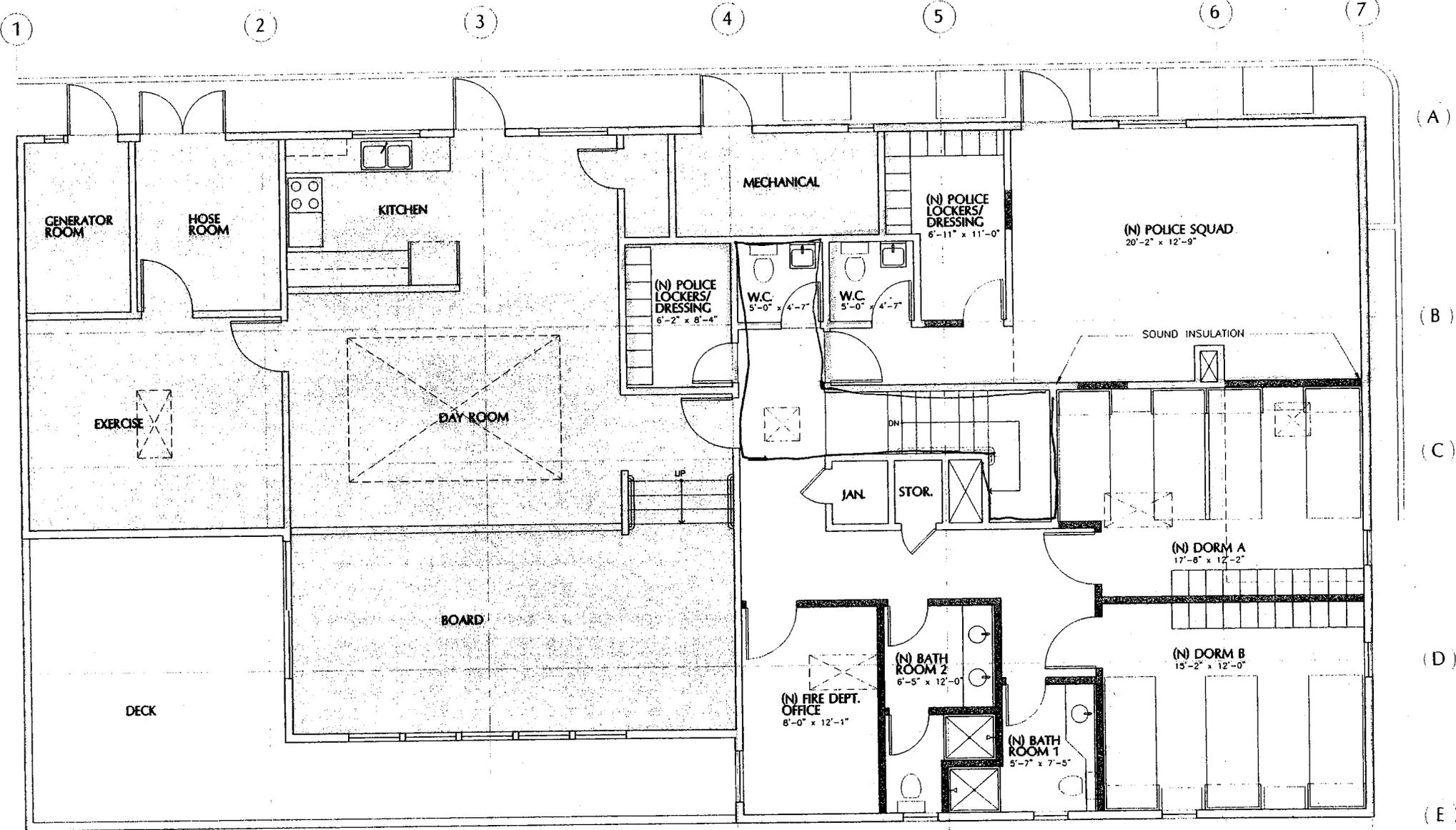
KEY

	NEW PARTITION		FIRE DEPARTMENT	14 SF
	EXISTING WALL		POLICE DEPARTMENT	566 SF
			COMMON AREA	800 SF
			UNTOUCHED AREA	1,474 SF

1 FIRST FLOOR PLAN



MARCY LI WONG
 ARCHITECTS
 2251 Fifth Street
 Berkeley, CA 94710
 TEL: (510) 843-0916
 FAX: (510) 843-0949



= Common area (1/2)
 = Police Dept.

KEY	
	NEW PARTITION
	EXISTING WALL
	FIRE DEPARTMENT 729 SF
	POLICE DEPARTMENT 509 SF
	COMMON AREA 168 SF
	UNTOUCHED AREA 1,252 SF

2 SECOND FLOOR PLAN N
 0 1' 2' 4'
 APRIL 1, 1998

MARCY LI WONG
 ARCHITECTS
 2251 Fifth Street
 Berkeley, CA 94710
 TEL: (510) 843-0916
 FAX: (510) 843-0949

Lease Agreement between Kensington Fire Protection District and Kensington Police Protection and Community Services District for Occupancy of Kensington Public Safety Building

This Lease ("Lease") is made and entered into, as of 12-14, 2009, by and between the Kensington Fire Protection District ("KFPD" or "Landlord") and the Kensington Police Protection and Community Services District ("KPPCSD" or "Tenant"), who agree as follows:

Lease Provisions

1. Landlord leases to Tenant and Tenant leases from Landlord the Premises, as defined below, within the public safety building located at 215/217 Arlington Avenue, Kensington, California ("the Building"). The "Premises" is defined as that area within the Building designated for the Tenant's use and described as "Police Department" or "Police Department Assigned" in the Schematic Design dated April 2, 1998, submitted by Marcy Li Wong, Architects, which is attached hereto as Exhibit A. Additional areas included in this lease for nonexclusive use are the exterior common areas of the parking lot, the driveway and the front entrance of the building and the interior common areas described in the Schematic Design. Landlord, however, has the sole discretion to determine the manner in which those public and common areas are maintained, operated and used. Tenant acknowledges that the Landlord has made no representation or warranty regarding the condition of the Real Property except as specifically stated in this Lease.

Dedicated Parking Spaces

2. There are currently ten (10) parking spaces in the rear parking lot. Six (6) spaces shall be dedicated for use by the Tenant and its employees, and four (4) shall be dedicated for use by the Landlord and its employees and agents. Use of the apparatus bay apron for parking is prohibited.

Term of Lease

3. The term of this Lease shall be five (5) years commencing on July 1, 2009 ("the Commencement Date") and expiring on June 30, 2014, unless this Lease is sooner terminated as provided in this Lease ("the Lease Term").

Rent

4. Beginning with the Commencement Date, Tenant shall pay to Landlord annual rent of \$28,000 in semiannual installments due in advance and payable on January 1st and July 1st of each year for the duration of the Lease Term, without any prior demand, abatement, setoff, or deduction. Concurrently with its execution of this Lease, Tenant has made the semiannual installment payment of \$14,000 that would have been payable on July 1, 2009 had the Lease then been effective.

5. Beginning on the first anniversary of the Lease Commencement Date and on each successive anniversary thereafter during the Lease Term, the annual rent shall be adjusted by the percentage change, if any, in the Consumer Price Index for All Urban Consumers, All Items (base years 1982-1984 = 100) for the San Francisco-Oakland-San Jose CMSA, published by the United States Department of Labor, for the month of March as compared with the month of March in the immediately preceding calendar year. Notwithstanding the foregoing, each annual adjustment shall result in an increase of not less than three percent (3%) and not greater than six percent (6%).

Permitted Use

6. Tenant shall use the Premises solely as administrative offices for the provision of the governmental

services provided by Tenant, including those customarily associated with a police station. Tenant shall not use or permit the Premises to be used for any other purpose without Landlord's prior written consent, which may be granted or withheld in Landlord's sole discretion.

The parties further agree that use of the Building, other than by police and fire personnel or for their respective business and operations, shall be subject to the approval of the Police Chief and the Fire Chief.

Repair and Maintenance Obligations

7. *Landlord's Obligations.* Landlord shall repair and maintain in good order and condition (reasonable wear and tear excepted) (a) the structural portions of the Premises; (b) the Building; (c) The Base Building Systems (as defined below) located outside the Premises; (d) the exterior portions of the Building and Real Property; and (e) All other common areas located in the Building, or in or on the Real Property, including the parking facilities serving the Building. "Base Building Systems" means all systems and equipment (including plumbing, HVAC, electrical, fire/life-safety, elevator, and security systems) that serve the entire Building or portions of the Building other than simply the Premises, excluding all Premises Systems. "Premises Systems" means all systems and equipment that serve only the Premises, regardless of whether such systems or equipment are located within or outside the Premises.

8. *Tenant's Obligations.* Tenant shall, at Tenant's sole expense and in accordance with the terms of this Lease, keep the Premises (including all tenant improvements, Alterations, fixtures, and furnishings) in good order, repair, and condition at all times during the Lease Term. Under Landlord's supervision, subject to Landlord's prior approval, and within any reasonable period specified by Landlord, Tenant shall, at Tenant's sole expense and in accordance with the terms of this Lease promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and other leasehold improvements. At Landlord's option or if Tenant fails to make such repairs, Landlord may, but need not, make the repairs and replacements. On receipt of an invoice from Landlord, Tenant shall pay Landlord Landlord's out-of-pocket costs incurred in connection with such repairs and replacements. Tenant waives and releases its rights, including its right to make repairs at Landlord's expense, under California Civil Code sections 1941-1942 or any similar law, statute, or ordinance now or hereafter in effect.

Alterations and Additions

9. Tenant may not make any improvements, alterations, additions, or changes to the Premises ("Alterations") without first obtaining Landlord's prior written consent.

Damage and Destruction

10. Tenant agrees to notify Landlord in writing promptly of any damage to the Premises resulting from fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature ("Casualty"). If the Premises are damaged by a Casualty or any common areas of the Building providing access to the Premises are damaged to the extent that Tenant does not have reasonable access to the Premises, the Parties shall as soon as reasonably possible meet and confer to determine whether the Premises should be repaired or whether the Lease should be terminated. In the event of such a Casualty, either party shall have the right to terminate the Lease upon the giving of notice to the other party, which notice shall be given within 10 days of the meeting required by the preceding sentence. The determination of whether the Premises are repaired shall be within the Landlord's sole discretion, after conferring with Tenant, but among the factors that Landlord shall consider are whether the estimated repair cost exceeds the insurance proceeds, if any, available for such repair (not including the deductible, if any, on Landlord's property insurance), plus any amount that Tenant is obligated or elects to pay for such repair; whether the estimated repair cost of the Premises or the Building, even though covered by insurance, exceeds fifty percent (50%) of the full replacement cost; or whether the Building cannot be restored except in a substantially different structural or architectural form than existed before the Casualty.

Shared Cost of Utilities

11. The Tenant shall pay to the Landlord one half (1/2) the monthly cost of utilities such as gas, electricity, and water, except when such utilities are separately metered. In the case of separate meters for a particular utility, the party served by the meter will pay the entire bill. Tenant shall pay one half (1/2) the yearly sewer charge. Each party shall pay its own telephone bills. A copy of the applicable invoice shall be presented to the Tenant upon receipt, and payment by the Tenant shall be made on that invoice within thirty (30) calendar days.

Insurance

12. The Tenant shall procure, at its sole expense, and maintain in full force and effect during the term of this lease, the following insurance naming the Landlord as additional insured and/or loss payee: Comprehensive General Liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the lease of the Premises with a policy limit of at least One Million Dollars (\$1,000,000) per occurrence.

The Tenant shall provide the Landlord with a certificate of insurance that indicates the insurance will not be canceled without 30 days written notice. Neither party shall be responsible to the other for any property damage or loss, unless such damage or loss results from the sole negligence of the other party.

13. Landlord and Tenant agree to cause the insurance companies issuing their respective property (first party) insurance to waive any subrogation rights that those companies may have against Tenant or Landlord, respectively, as long as the insurance is not invalidated by the waiver. If the waivers of subrogation are contained in their respective insurance policies, Landlord and Tenant waive any right that either may have against the other on account of any loss or damage to their respective property to the extent that the loss or damage is insured under their respective insurance policies.

Indemnification

14. Tenant shall indemnify and hold harmless Landlord from any and all claims or liability for any injury, or damage to any person or property whatsoever, including reasonable attorneys fees for defense thereof: (1) occurring in, on or about the Premises, or (2) occurring in, or about any common area inside or outside the property or building, when such injury or damage is caused in whole or in part by the act, neglect, fault of or omission of any duty with respect to the same by the Tenant, its employees, officers, agents, volunteers, or its visitors. Landlord shall indemnify and hold harmless Tenant from any and all claims or liability for any injury, or damage to any person or property whatsoever, including reasonable attorneys fees for defense thereof: (1) occurring outside the Premises either on the property or in the building, or (2) occurring in, or about any common area inside or outside the property or building, when such injury or damage is caused in whole or in part by the act, neglect, fault of or omission of any duty with respect to the same by the Landlord, its employees, officers, agents, volunteers, or its visitors.

Assignment and Subleasing

15. Tenant shall obtain the Landlord's written consent before entered into or permitting any Transfer. A Transfer ("Transfer") consists of any of the following, whether voluntary or involuntary and whether effected by death, operation of law, or otherwise:

- (a) Any assignment, mortgage, pledge, encumbrance, or other transfer of any interest in this Lease;
- (b) Any sublease or occupancy of any portion of the Premises by any persons other than Tenant and its employees; and

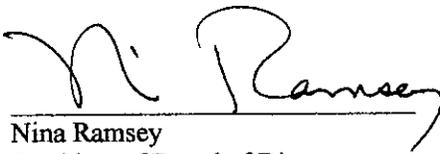
(c) Any of change of organization, under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code sections 56000 et seq.), that substantially changes the corporate nature of Tenant.

Dispute Resolution

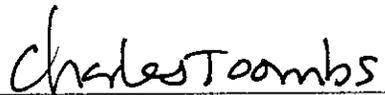
16. Should any disagreement arise regarding any part of this agreement, both boards shall attempt to solve the dispute through negotiations. Should negotiations fail, the two parties agree to mediation, and to share the costs of the mediation. Each party further agrees to be responsible for its own legal costs associated with the mediation.

Should mediation fail, the two parties agree to binding arbitration by the American Arbitration Association. The losing party shall pay the costs incurred in such action, including the legal costs of the other party.

KENSINGTON FIRE PROTECTION DISTRICT, a California special district

by: 
Nina Ramsey
President of Board of Directors

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT, a California special district

by: 
Charles Toombs
President of Board of Directors

**Lease Agreement between Kensington Fire Protection District and Kensington Police Protection and
Community Services District for Occupancy of Kensington Public Safety Building**

This Lease ("Lease") is made and entered into, as of _____ June, 2014, by and between the Kensington Fire Protection District ("KFPD" or "Landlord") and the Kensington Police Protection and Community Services District ("KPPCSD" or "Tenant"), who agree as follows:

Lease Provisions

1. Landlord leases to Tenant and Tenant leases from Landlord the Premises, as defined below, within the public safety building located at 215/217 Arlington Avenue, Kensington, California ("the Building"). The "Premises" is defined as that area within the Building designated for the Tenant's use and described as "Police Department" or "Police Department Assigned" in the Schematic Design dated April 2, 1998, submitted by Marcy Li Wong, Architects, which is attached hereto as Exhibit A. Additional areas included in this lease for nonexclusive use are the exterior common areas of the parking lot, the driveway and the front entrance of the building and the interior common areas described in the Schematic Design. Landlord, however, has the sole discretion to determine the manner in which those public and common areas are maintained, operated and used. Tenant acknowledges that the Landlord has made no representation or warranty regarding the condition of the Real Property except as specifically stated in this Lease.

Dedicated Parking Spaces

2. There are currently ten (10) parking spaces in the rear parking lot. Six (6) spaces shall be dedicated for use by the Tenant and its employees, and four (4) shall be dedicated for use by the Landlord and its employees and agents. Use of the apparatus bay apron for parking is prohibited.

Term of Lease

3. The term of this Lease shall be three (3) years commencing on July 1, 2014 ("the Commencement Date") and expiring on June 30, 2017, unless this Lease is sooner terminated as provided in this Lease ("the Lease Term").

Rent

4. Beginning with the Commencement Date, Tenant shall pay to Landlord annual rent of \$1.00 in one installment due in advance and payable on July 1st of each year for the duration of the Lease Term, without any prior demand, abatement, setoff, or deduction.

Permitted Use

5. Tenant shall use the Premises solely as administrative offices for the provision of the governmental services provided by Tenant, including those customarily associated with a police station. Tenant shall not use or permit the Premises to be used for any other purpose without Landlord's prior written consent, which may be granted or withheld in Landlord's sole discretion.

The parties further agree that use of the Building, other than by police and fire personnel or for their respective business and operations, shall be subject to the approval of the Police Chief and the Fire Chief.

Repair and Maintenance Obligations

6. *Landlord's Obligations.* Landlord shall repair and maintain in good order and condition (reasonable wear and tear excepted) (a) the structural portions of the Premises; (b) the Building; (c) The Base Building Systems (as defined below) located outside the Premises; (d) the exterior portions of the Building and Real Property; and (e) All other common areas located in the Building, or in or on the Real Property, including the parking facilities serving the Building. "Base Building Systems" means all systems and equipment (including plumbing, HVAC, electrical, fire/life-safety, elevator, and security systems) that serve the entire Building or portions of the Building other than simply the Premises, excluding all Premises Systems. "Premises Systems" means all systems and equipment that serve only the Premises, regardless of whether such systems or equipment are located within or outside the Premises.

7. *Tenant's Obligations.* Tenant shall, at Tenant's sole expense and in accordance with the terms of this Lease, keep the Premises (including all tenant improvements, Alterations, fixtures, and furnishings) in good order, repair, and condition at all times during the Lease Term. Under Landlord's supervision, subject to Landlord's prior approval, and within any reasonable period specified by Landlord, Tenant shall, at Tenant's sole expense and in accordance with the terms of this Lease promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and other leasehold improvements. At Landlord's option or if Tenant fails to make such repairs, Landlord may, but need not, make the repairs and replacements. On receipt of an invoice from Landlord, Tenant shall pay Landlord Landlord's out-of-pocket costs incurred in connection with such repairs and replacements. Tenant waives and releases its rights, including its right to make repairs at Landlord's expense, under California Civil Code sections 1941-1942 or any similar law, statute, or ordinance now or hereafter in effect.

Alterations and Additions

8. Tenant may not make any improvements, alterations, additions, or changes to the Premises ("Alterations") without first obtaining Landlord's prior written consent.

Damage and Destruction

9. Tenant agrees to notify Landlord in writing promptly of any damage to the Premises resulting from fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature ("Casualty"). If the Premises are damaged by a Casualty or any common areas of the Building providing access to the Premises are damaged to the extent that Tenant does not have reasonable access to the Premises, the Parties shall as soon as reasonably possible meet and confer to determine whether the Premises should be repaired or whether the Lease should be terminated. In the event of such a Casualty, either party shall have the right to terminate the Lease upon the giving of notice to the other party, which notice shall be given within 10 days of the meeting required by the preceding sentence. The determination of whether the Premises are repaired shall be within the Landlord's sole discretion, after conferring with Tenant, but among the factors that Landlord shall consider are whether the estimated repair cost exceeds the insurance proceeds, if any, available for such repair (not including the deductible, if any, on Landlord's property insurance), plus any amount that Tenant is obligated or elects to pay for such repair; whether the estimated repair cost of the Premises or the Building, even though covered by insurance, exceeds fifty percent (50%) of the full replacement cost; or whether the Building cannot be restored except in a substantially different structural or architectural form than existed before the Casualty.

Shared Cost of Utilities

10. The Tenant shall pay to the Landlord one half (1/2) the monthly cost of utilities such as gas, electricity, and water, except when such utilities are separately metered. In the case of separate meters for a particular utility, the party served by the meter will pay the entire bill. Tenant shall pay one half (1/2) the yearly sewer charge. Each party shall pay its own telephone bills. A copy of the applicable invoice shall be presented to the Tenant upon receipt, and payment by the Tenant shall be made on that invoice within thirty (30) calendar days.

Insurance

11. The Tenant shall procure, at its sole expense, and maintain in full force and effect during the term of this lease, the following insurance naming the Landlord as additional insured and/or loss payee: Comprehensive General Liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the lease of the Premises with a policy limit of at least One Million Dollars (\$1,000,000) per occurrence.

The Tenant shall provide the Landlord with a certificate of insurance that indicates the insurance will not be canceled without 30 days written notice. Neither party shall be responsible to the other for any property damage or loss, unless such damage or loss results from the sole negligence of the other party.

12. Landlord and Tenant agree to cause the insurance companies issuing their respective property (first party) insurance to waive any subrogation rights that those companies may have against Tenant or Landlord, respectively, as long as the insurance is not invalidated by the waiver. If the waivers of subrogation are contained in their respective insurance policies, Landlord and Tenant waive any right that either may have against the other on account of any loss or damage to their respective property to the extent that the loss or damage is insured under their respective insurance policies.

Indemnification

13. Tenant shall indemnify and hold harmless Landlord from any and all claims or liability for any injury, or damage to any person or property whatsoever, including reasonable attorneys fees for defense thereof: (1) occurring in, on or about the Premises, or (2) occurring in, or about any common area inside or outside the property or building, when such injury or damage is caused in whole or in part by the act, neglect, fault of or omission of any duty with respect to the same by the Tenant, its employees, officers, agents, volunteers, or its visitors. Landlord shall indemnify and hold harmless Tenant from any and all claims or liability for any injury, or damage to any person or property whatsoever, including reasonable attorneys fees for defense thereof: (1) occurring outside the Premises either on the property or in the building, or (2) occurring in, or about any common area inside or outside the property or building, when such injury or damage is caused in whole or in part by the act, neglect, fault of or omission of any duty with respect to the same by the Landlord, its employees, officers, agents, volunteers, or its visitors.

Assignment and Subleasing

14. Tenant shall obtain the Landlord's written consent before entered into or permitting any Transfer. A Transfer ("Transfer") consists of any of the following, whether voluntary or involuntary and whether effected by death, operation of law, or otherwise:

- (a) Any assignment, mortgage, pledge, encumbrance, or other transfer of any interest in this Lease;
- (b) Any sublease or occupancy of any portion of the Premises by any persons other than Tenant and its employees; and
- (c) Any of change of organization, under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code sections 56000 et seq.), that substantially changes the corporate nature of Tenant.

Dispute Resolution

15. Should any disagreement arise regarding any part of this agreement, both boards shall attempt to solve the dispute through negotiations. Should negotiations fail, the two parties agree to mediation, and to share the costs of the mediation. Each party further agrees to be responsible for its own legal costs associated with the mediation.

Should mediation fail, the two parties agree to binding arbitration by the American Arbitration Association. The losing party shall pay the costs incurred in such action, including the legal costs of the other party.

KENSINGTON FIRE PROTECTION DISTRICT, a California special district

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT, a California special district

by: _____
Janice Kosel
President of Board of Directors

by: _____
Len Welsh
President of Board of Directors

Lease Agreement between Kensington Fire Protection District and Kensington Police Protection and Community Services District for Occupancy of Kensington Public Safety Building

This Lease ("Lease") is made and entered into, as of 28 July, 2017, by and between the Kensington Fire Protection District ("**KFPD**" or "**Landlord**") and the Kensington Police Protection and Community Services District ("**KPPCSD**" or "**Tenant**"), who agree as follows:

Lease Provisions

1. Landlord leases to Tenant and Tenant leases from Landlord the Premises, as defined below, within the public safety building located at 215/217 Arlington Avenue, Kensington, California ("the Building"). The "Premises" is defined as that area within the Building designated for the Tenant's use and described as "Police Department" or "Police Department Assigned" in the Schematic Design dated April 2, 1998, submitted by Marcy Li Wong, Architects, which is attached hereto as Exhibit A. Additional areas included in this lease for nonexclusive use are the exterior common areas of the parking lot, the driveway and the front entrance of the building and the interior common areas described in the Schematic Design. Landlord, however, has the sole discretion to determine the manner in which those public and common areas are maintained, operated and used. Tenant acknowledges that the Landlord has made no representation or warranty regarding the condition of the Real Property except as specifically stated in this Lease.

Dedicated Parking Spaces

2. There are currently ten (10) parking spaces in the rear parking lot. Six (6) spaces shall be dedicated for use by the Tenant and its employees, and four (4) shall be dedicated for use by the Landlord and its employees and agents. Use of the apparatus bay apron for parking is prohibited.

Term of Lease

3. The term of this Lease shall be for eighteen months commencing on July 1, 2017 ("the Commencement Date") and expiring on December 31, 2018, unless this Lease is sooner terminated as provided in this Lease ("the Lease Term"). The lease may be terminated by Landlord or Tenant with ninety (90) days written notice.

Rent

4. Beginning with the Commencement Date, Tenant shall pay to Landlord monthly rent of \$2,955.67 in monthly installments, payable on the 1st of each month for the duration of the Lease Term, without any prior demand, abatement, setoff, or deduction.

Permitted Use

5. Tenant shall use the Premises solely as administrative offices for the provision of the governmental services provided by Tenant, including those customarily associated with a police station. Tenant shall not use or permit the Premises to be used for any other purpose without Landlord's prior written consent, which may be granted or withheld in Landlord's sole discretion.

The parties further agree that use of the Building, other than by police and fire personnel or for their respective business and operations, shall be subject to the approval of the Police Chief and the Fire Chief.

Repair and Maintenance Obligations

6. *Landlord's Obligations.* Landlord shall repair and maintain in good order and condition (reasonable wear and tear excepted) (a) the structural portions of the Premises; (b) the Building; (c) The Base Building Systems (as defined below) located outside the Premises; (d) the exterior portions of the Building and Real Property; and (e) All other common areas located in the Building, or in or on the Real Property, including the parking facilities serving the Building. "Base Building Systems" means all systems and equipment (including plumbing, HVAC, electrical, fire/life-safety, elevator, and security systems) that serve the entire Building or portions of the Building other than simply the Premises, excluding all Premises Systems. "Premises Systems" means all systems and equipment that serve only the Premises, regardless of whether such systems or equipment are located within or outside the Premises.

7. *Tenant's Obligations.* Tenant shall, at Tenant's sole expense and in accordance with the terms of this Lease, keep the Premises (including all tenant improvements, Alterations, fixtures, and furnishings) in good order, repair, and condition at all times during the Lease Term. Under Landlord's supervision, subject to Landlord's prior approval, and within any reasonable period specified by Landlord, Tenant shall, at Tenant's sole expense and in accordance with the terms of this Lease promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and other leasehold improvements. At Landlord's option or if Tenant fails to make such repairs, Landlord may, but need not, make the repairs and replacements. On receipt of an invoice from Landlord, Tenant shall pay Landlord Landlord's out-of-pocket costs incurred in connection with such repairs and replacements. Tenant waives and releases its rights, including its right to make repairs at Landlord's expense, under California Civil Code sections 1941-1942 or any similar law, statute, or ordinance now or hereafter in effect.

Alterations and Additions

8. Tenant may not make any improvements, alterations, additions, or changes to the Premises ("Alterations") without first obtaining Landlord's prior written consent.

Damage and Destruction

9. Tenant agrees to notify Landlord in writing promptly of any damage to the Premises resulting from fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature ("Casualty"). If the Premises are damaged by a Casualty or any common areas of the Building providing access to the Premises are damaged to the extent that Tenant does not have reasonable access to the Premises, the Parties shall as soon as reasonably possible meet and confer to determine whether the Premises should be repaired or whether the Lease should be terminated. In the event of such a Casualty, either party shall have the right to terminate the Lease upon the giving of notice to the other party, which notice shall be given within 10 days of the meeting required by the preceding sentence. The determination of whether the Premises are repaired shall be within the Landlord's sole discretion, after conferring with Tenant, but among the factors that Landlord shall consider are whether the estimated repair cost exceeds the insurance proceeds, if any, available for such repair (not including the deductible, if any, on Landlord's property insurance), plus any amount that Tenant is obligated or elects to pay for such repair; whether the estimated repair cost of the Premises or the Building, even though covered by insurance, exceeds fifty percent (50%) of the full replacement cost; or whether the Building cannot be restored except in a substantially different structural or architectural form than existed before the Casualty.

Shared Cost of Utilities

10. The Tenant shall pay to the Landlord one half (1/2) the monthly cost of utilities such as gas, electricity, and water, except when such utilities are separately metered. In the case of separate meters for a particular utility, the party served by the meter will pay the entire bill. Tenant shall pay one half (1/2) the yearly sewer charge. Each party shall pay its own telephone bills. A copy of the applicable invoice shall be presented to the Tenant upon receipt, and payment by the Tenant shall be made on that invoice within thirty (30) calendar days.

Insurance

11. The Tenant shall procure, at its sole expense, and maintain in full force and effect during the term of this lease, the following insurance naming the Landlord as additional insured and/or loss payee: Comprehensive General Liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the lease of the Premises with a policy limit of at least One Million Dollars (\$1,000,000) per occurrence.

The Tenant shall provide the Landlord with a certificate of insurance that indicates the insurance will not be canceled without 30 days written notice. Neither party shall be responsible to the other for any property damage or loss, unless such damage or loss results from the sole negligence of the other party.

12. Landlord and Tenant agree to cause the insurance companies issuing their respective property (first party) insurance to waive any subrogation rights that those companies may have against Tenant or Landlord, respectively, as long as the insurance is not invalidated by the waiver. If the waivers of subrogation are contained in their respective insurance policies, Landlord and Tenant waive any right that either may have against the other on account of any loss or damage to their respective property to the extent that the loss or damage is insured under their respective insurance policies.

Indemnification

13. Tenant shall indemnify and hold harmless Landlord from any and all claims or liability for any injury, or damage to any person or property whatsoever, including reasonable attorneys fees for defense thereof: (1) occurring in, on or about the Premises, or (2) occurring in, or about any common area inside or outside the property or building, when such injury or damage is caused in whole or in part by the act, neglect, fault of or omission of any duty with respect to the same by the Tenant, its employees, officers, agents, volunteers, or its visitors. Landlord shall indemnify and hold harmless Tenant from any and all claims or liability for any injury, or damage to any person or property whatsoever, including reasonable attorneys fees for defense thereof: (1) occurring outside the Premises either on the property or in the building, or (2) occurring in, or about any common area inside or outside the property or building, when such injury or damage is caused in whole or in part by the act, neglect, fault of or omission of any duty with respect to the same by the Landlord, its employees, officers, agents, volunteers, or its visitors.

Assignment and Subleasing

14. Tenant shall obtain the Landlord's written consent before entered into or permitting any Transfer. A Transfer ("Transfer") consists of any of the following, whether voluntary or involuntary and whether effected by death, operation of law, or otherwise:

- (a) Any assignment, mortgage, pledge, encumbrance, or other transfer of any interest in this Lease;
- (b) Any sublease or occupancy of any portion of the Premises by any persons other than Tenant and its employees; and
- (c) Any of change of organization, under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code sections 56000 et seq.), that substantially changes the corporate nature of Tenant.

Dispute Resolution

15. Should any disagreement arise regarding any part of this agreement, both boards shall attempt to solve the dispute through negotiations. Should negotiations fail, the two parties agree to mediation, and to share the costs of the mediation. Each party further agrees to be responsible for its own legal costs associated with the mediation.

Should mediation fail, the two parties agree to binding arbitration by the American Arbitration Association. The losing party shall pay the costs incurred in such action, including the legal costs of the other party.

KENSINGTON FIRE PROTECTION DISTRICT, a California special district

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT, a California special district

by: _____
Don Dommer
President of Board of Directors

by: _____
Rachelle Sherris-Watt
President of Board of Directors

Lease Agreement between Kensington Fire Protection District and Kensington Police Protection and Community Services District for Occupancy of Kensington Public Safety Building

This Lease ("Lease") is made and entered into, as of 25th October, 2018, by and between the Kensington Fire Protection District ("KFPD" or "Landlord") and the Kensington Police Protection and Community Services District ("KPPCSD" or "Tenant"), who agree as follows:

Lease Provisions

1. Landlord leases to Tenant and Tenant leases from Landlord the Premises, as defined below, within the public safety building located at 215/217 Arlington Avenue, Kensington, California ("the Building"). The "Premises" is defined as that area within the Building designated for the Tenant's use and highlighted in the Permit Submittal dated September 10, 1998, submitted by Marcy Li Wong, Architects, which is attached hereto as Exhibit A. Additional areas included in this lease for nonexclusive use are the exterior common areas of the parking lot, the driveway and the front entrance of the building and the interior common areas as highlighted in the Permit Submittal. Landlord, however, has the sole discretion to determine the manner in which those public and common areas are maintained, operated and used. Tenant acknowledges that the Landlord has made no representation or warranty regarding the condition of the Real Property except as specifically stated in this Lease.

Dedicated Parking Spaces

2. There are currently ten (10) parking spaces in the rear parking lot. Six (6) spaces shall be dedicated for use by the Tenant and its employees, and four (4) shall be dedicated for use by the Landlord and its employees and agents. Use of the apparatus bay apron for parking is prohibited.

Term of Lease

3. The term of this Lease shall be for eighteen months commencing on January 1, 2019 ("the Commencement Date") and expiring on June 30, 2020, unless this Lease is sooner terminated as provided in this Lease ("the Lease Term"). The lease may be terminated by Landlord or Tenant with ninety (90) days written notice.

Rent

4. Beginning with the Commencement Date, Tenant shall pay to Landlord monthly rent of \$3,050.25 in monthly installations, payable on the 1st of each month for the duration of the Lease Term, without any prior demand, abatement, setoff, or deduction.

Permitted Use

5. Tenant shall use the Premises solely as administrative offices for the provision of the governmental services provided by Tenant, including those customarily associated with a police station. Tenant shall not use or permit the Premises to be used for any other purpose without Landlord's prior written consent, which may be granted or withheld in Landlord's sole discretion.

The parties further agree that use of the Building, other than by police and fire personnel or for their respective business and operations, shall be subject to the approval of the Police Chief and the Fire Chief.

Repair and Maintenance Obligations

6. *Landlord's Obligations.* Landlord shall repair and maintain in good order and condition (reasonable wear and tear excepted) (a) the structural portions of the Premises; (b) the Building; (c) The Base Building Systems (as defined below) located outside the Premises; (d) the exterior portions of the Building and Real Property; and (e) All other common areas located in the Building, or in or on the Real Property, including the parking facilities serving the Building. "Base Building Systems" means all systems and equipment (including plumbing, HVAC, electrical, fire/life-safety, elevator, and security systems) that serve the entire Building or portions of the Building other than simply the Premises, excluding all Premises Systems. "Premises Systems" means all systems and equipment that serve only the Premises, regardless of whether such systems or equipment are located within or outside the Premises.

7. *Tenant's Obligations.* Tenant shall, at Tenant's sole expense and in accordance with the terms of this Lease, keep the Premises (including all tenant improvements, Alterations, fixtures, and furnishings) in good order, repair, and condition at all times during the Lease Term. Under Landlord's supervision, subject to Landlord's prior approval, and within any reasonable period specified by Landlord, Tenant shall, at Tenant's sole expense and in accordance with the terms of this Lease promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and other leasehold improvements. At Landlord's option or if Tenant fails to make such repairs, Landlord may, but need not, make the repairs and replacements. On receipt of an invoice from Landlord, Tenant shall pay Landlord Landlord's out-of-pocket costs incurred in connection with such repairs and replacements. Tenant waives and releases its rights, including its right to make repairs at Landlord's expense, under California Civil Code sections 1941-1942 or any similar law, statute, or ordinance now or hereafter in effect.

Alterations and Additions

8. Tenant may not make any improvements, alterations, additions, or changes to the Premises ("Alterations") without first obtaining Landlord's prior written consent.

Damage and Destruction

9. Tenant agrees to notify Landlord in writing promptly of any damage to the Premises resulting from fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature ("Casualty"). If the Premises are damaged by a Casualty or any common areas of the Building providing access to the Premises are damaged to the extent that Tenant does not have reasonable access to the Premises, the Parties shall as soon as reasonably possible meet and confer to determine whether the Premises should be repaired or whether the Lease should be terminated. In the event of such a Casualty, either party shall have the right to terminate the Lease upon the giving of notice to the other party, which notice shall be given within 10 days of the meeting required by the preceding sentence. The determination of whether the Premises are repaired shall be within the Landlord's sole discretion, after conferring with Tenant, but among the factors that Landlord shall consider are whether the estimated repair cost exceeds the insurance proceeds, if any, available for such repair (not including the deductible, if any, on Landlord's property insurance), plus any amount that Tenant is obligated or elects to pay for such repair; whether the estimated repair cost of the Premises or the Building, even though covered by insurance, exceeds fifty percent (50%) of the full replacement cost; or whether the Building cannot be restored except in a substantially different structural or architectural form than existed before the Casualty.

Shared Cost of Utilities

10. The Tenant shall pay to the Landlord one half (1/2) the monthly cost of utilities such as gas, electricity, and water, except when such utilities are separately metered. In the case of separate meters for a particular utility, the party served by the meter will pay the entire bill. Tenant shall pay one half (1/2) the yearly sewer charge. Each party shall pay its own telephone bills. A copy of the applicable invoice shall be presented to the Tenant upon receipt, and payment by the Tenant shall be made on that invoice within thirty (30) calendar days.

Insurance

11. The Tenant shall procure, at its sole expense, and maintain in full force and effect during the term of this lease, the following insurance naming the Landlord as additional insured and/or loss payee: Comprehensive General Liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the lease of the Premises with a policy limit of at least One Million Dollars (\$1,000,000) per occurrence.

The Tenant shall provide the Landlord with a certificate of insurance that indicates the insurance will not be canceled without 30 days written notice. Neither party shall be responsible to the other for any property damage or loss, unless such damage or loss results from the sole negligence of the other party.

12. Landlord and Tenant agree to cause the insurance companies issuing their respective property (first party) insurance to waive any subrogation rights that those companies may have against Tenant or Landlord, respectively, as long as the insurance is not invalidated by the waiver. If the waivers of subrogation are contained in their respective insurance policies, Landlord and Tenant waive any right that either may have against the other on account of any loss or damage to their respective property to the extent that the loss or damage is insured under their respective insurance policies.

Indemnification

13. Tenant shall indemnify and hold harmless Landlord from any and all claims or liability for any injury, or damage to any person or property whatsoever, including reasonable attorneys fees for defense thereof: (1) occurring in, on or about the Premises, or (2) occurring in, or about any common area inside or outside the property or building, when such injury or damage is caused in whole or in part by the act, neglect, fault of or omission of any duty with respect to the same by the Tenant, its employees, officers, agents, volunteers, or its visitors. Landlord shall indemnify and hold harmless Tenant from any and all claims or liability for any injury, or damage to any person or property whatsoever, including reasonable attorneys fees for defense thereof: (1) occurring outside the Premises either on the property or in the building, or (2) occurring in, or about any common area inside or outside the property or building, when such injury or damage is caused in whole or in part by the act, neglect, fault of or omission of any duty with respect to the same by the Landlord, its employees, officers, agents, volunteers, or its visitors.

Assignment and Subleasing

14. Tenant shall obtain the Landlord's written consent before entered into or permitting any Transfer. A Transfer ("Transfer") consists of any of the following, whether voluntary or involuntary and whether effected by death, operation of law, or otherwise:

(a) Any assignment, mortgage, pledge, encumbrance, or other transfer of any interest in this Lease;

(b) Any sublease or occupancy of any portion of the Premises by any persons other than Tenant and its employees; and

(c) Any of change of organization, under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code sections 56000 et seq.), that substantially changes the corporate nature of Tenant.

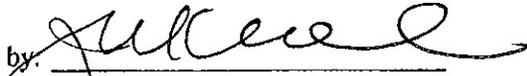
Dispute Resolution

15. Should any disagreement arise regarding any part of this agreement, both boards shall attempt to solve the dispute through negotiations. Should negotiations fail, the two parties agree to mediation, and to share the costs of the mediation. Each party further agrees to be responsible for its own legal costs associated with the mediation.

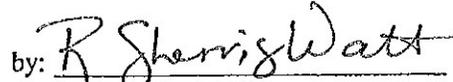
Should mediation fail, the two parties agree to binding arbitration by the American Arbitration Association. The losing party shall pay the costs incurred in such action, including the legal costs of the other party.

KENSINGTON FIRE PROTECTION DISTRICT, a California special district

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT, a California special district

by: 

Janice E. Kosei
President of Board of Directors

by: 

Raphelle Sherris-Watt
President of Board of Directors

**FIRST AMENDMENT TO LEASE AGREEMENT BETWEEN
KENSINGTON FIRE PROTECTION DISTRICT AND
KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
FOR OCCUPANCY OF KENSINGTON PUBLIC SAFETY BUILDING**

THIS FIRST AMENDMENT is hereby entered into this 11th day of June, 2020 by and between the Kensington Police Protection and Community Services District, a public agency (“KPPCSD”), and Kensington Fire Protection District, a public agency (“KFPD”).

RECITALS

A. KPPCSD and KFPD are parties to a Lease Agreement dated October 25, 2018 (“the Lease”) regarding that certain Premises within the public safety building located at 215/217 Arlington Avenue, Kensington, California.

B. The current term of the Lease ends on June 30, 2020.

C. The parties desire to extend the term of the Lease until September 30, 2020, after which the Lease will continue as a month-to-month tenancy until notice of non-renewal is timely given, subject to the terms and conditions set forth below.

NOW, THEREFORE, KPPCSD and KFPD hereby agree as follows:

1. Recitals. The Recitals are incorporated into this First Amendment as if fully set forth in this Section 1.

2. Definitions. Any and all capitalized terms used herein, unless otherwise specified, shall have the meanings ascribed to them in the Lease.

3. Extension of Lease Term. The Lease Term is hereby extended through to and including September 30, 2020, under the same terms and conditions as set forth in the Lease, except as otherwise provided in this First Amendment. On October 1, 2020, the Lease Term will be month-to-month until either party delivers thirty (30) days advance written notice of termination. Any such termination shall be effective at the end of the month following the delivery of the notice.

4. Other Provisions. All other provisions of the Lease shall remain in effect.

5. Severability. The parties hereto intend and believe that each provision in this First Amendment comports with all applicable local, state and federal laws and judicial decisions. However, if any provision in this First Amendment is found by a court of law to be in violation of any applicable ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such provision to be illegal, void or unenforceable as

First Amendment to Lease Agreement between
Kensington Fire Protection District and
Kensington Police Protection and Community Services District for
Occupancy of Kensington Public Safety Building

written, then such provision shall be given force to the fullest possible extent that the same is legal, valid and enforceable and the remainder of this First Amendment shall be construed as if such provision was not contained therein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

KENSINGTON FIRE PROTECTION DISTRICT

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

DocuSigned by:
Mary Morris-Mayorga
3BEA9E6763934A6...
Mary Morris-Mayorga, Interim General Manager

DocuSigned by:
William A. Lindsay
B5C9ED880F154E8...
Bill Lindsay, General Manager

Approved as to form:
DISTRICT COUNSEL

DocuSigned by:
[Signature]
4D338DE7E6D8453...
John Bakker

First Amendment to Lease Agreement between
Kensington Fire Protection District and
Kensington Police Protection and Community Services District for
Occupancy of Kensington Public Safety Building

KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT

Board of Directors Meeting

April 8, 2021

Item 5

Receive Financial Reports for the Months of January 2021 and February 2021

Summary of Recommendation

Receive and accept financial reports for the months of January and February 2021

Attachments:

January 2021 Financial Reports include:

1. Summary Balance Sheet as of January 31, 2021
2. Budget to Actual Snapshot July 2020 through January 2021
3. Income & Expense Report – Detailed July 2020 through January 2021

February 2021 Financial Reports include:

1. Summary Balance Sheet as of February 28, 2021
2. Budget to Actual Snapshot July 2020 through February 2021
3. Income & Expense Report – Detailed July 2020 through February 2021
4. Statement of Net Position of February 2021 (prepared by Jessie Kim, Maze & Associates)

Submitted by:



Katherine Korsak

Finance & Business Manager

January 2021
Financial Package

Kensington Police Protection & Community Services District
Summary Balance Sheet
As of January 31, 2021

	<u>Jan 31, 21</u>
ASSETS	
Current Assets	
Checking/Savings	1,898,421.40
Accounts Receivable	1,541,753.92
Other Current Assets	<u>146,074.01</u>
Total Current Assets	3,586,249.33
Fixed Assets	5,404,005.32
Other Assets	<u>5,679,723.53</u>
TOTAL ASSETS	<u><u>14,669,978.18</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	<u>3,245.13</u>
Total Current Liabilities	3,245.13
Long Term Liabilities	<u>11,941,184.38</u>
Total Liabilities	11,944,429.51
Equity	<u>2,725,548.67</u>
TOTAL LIABILITIES & EQUITY	<u><u>14,669,978.18</u></u>

Kensington Police Protection Community Services District
Budget to Actual Snapshot
 July 2020 through January 2021

	Jul '20 - Jan 21	YTD Budget	Annual Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
400 · Police Activities Revenue	3,381,721.56	3,290,539.00	3,405,057.00	91,182.56	102.77%
405 · Restricted Lost/Found/Misc	5,309.17				
420 · Park/Rec Activities Revenue	42,110.06	44,000.00	56,500.00	(1,889.94)	95.71%
440 · District Activities Revenue	22,913.49	30,000.00	67,000.00	(7,086.51)	76.38%
Total Income	3,452,054.28	3,364,539.00	3,528,557.00	87,515.28	102.6%
Gross Profit	3,452,054.28	3,364,539.00	3,528,557.00	87,515.28	102.6%
Expense					
500 · Police Sal & Ben	1,115,968.94	1,325,096.46	2,214,567.00	(209,127.52)	84.22%
550 · Other Police Expenses	262,344.32	312,175.70	432,509.00	(49,831.38)	84.04%
600 · Park/Rec Sal & Ben	3,900.00	5,622.90	9,639.00	(1,722.90)	69.36%
635 · Park/Recreation Expenses	68,114.44	102,386.90	148,379.00	(34,272.46)	66.53%
800 · District Expenses	325,603.19	375,078.00	614,433.00	(49,474.81)	86.81%
950 · Capital Outlay	177,057.65	39,075.35	45,117.00	137,982.30	453.12%
Total Expense	1,952,988.54	2,159,435.31	3,464,644.00	(206,446.77)	90.44%
Net Ordinary Income	1,499,065.74	1,205,103.69	63,913.00	293,962.05	124.39%
Other Income/Expense					
Other Expense					
700 · Bond Issue Expenses	253,113.39	0.00	0.00	253,113.39	100.0%
Total Other Expense	253,113.39	0.00	0.00	253,113.39	100.0%
Net Other Income	(253,113.39)	0.00	0.00	(253,113.39)	100.0%
Net Income	1,245,952.35	1,205,103.69	63,913.00	40,848.66	103.39%

Kensington Police Protection & Community Services District
Income & Expense Report - Detailed
 July 2020 through January 2021

	Jul '20 - Jan 21
Ordinary Income/Expense	
Income	
400 · Police Activities Revenue	
401 · Levy Tax	2,013,957.79
402 · Special Tax-Police	685,710.00
404 · Measure G Supplemental Tax Rev	598,395.70
410 · Police Fees/Service Charges	485.00
414 · POST Reimbursement	2,194.98
415 · Grants-Police	76,150.02
416 · Interest-Police	2,620.19
417 · Police Asset Sale	209.37
418 · Misc Police Income	1,998.51
	3,381,721.56
Total 400 · Police Activities Revenue	3,381,721.56
405 · Restricted Lost/Found/Misc	5,309.17
420 · Park/Rec Activities Revenue	
424 · Special Tax-L&L	41,529.06
438 · Misc Park/Rec Rev	181.00
439 · Contributions for Community Ctr	400.00
	42,110.06
Total 420 · Park/Rec Activities Revenue	42,110.06
440 · District Activities Revenue	
448a · Franchise Fees Gross	38,078.21
448b · less Franchise Fees Paid Out	(16,319.23)
456 · Interest-District	1,154.51
	22,913.49
Total 440 · District Activities Revenue	22,913.49
Total Income	3,452,054.28
Gross Profit	3,452,054.28
Expense	
500 · Police Sal & Ben	
502 · Salary - Officers	659,044.88
506 · Overtime	61,294.16
508 · Salary - Non-Sworn	23,899.37
516 · Uniform Allowance	5,259.48
518 · Safety Equipment	1,307.43
521-A · Medical/Vision/Dental-Active	94,196.20
521-R · Medical/Vision/Dental-Retired	120,889.81
521-T · Medical/Vision/Dental-Trust	0.00
522 · Insurance - Police	3,263.00
523 · Social Security/Medicare	1,668.50
524 · Social Security - District	6,889.75
527 · PERS - District Portion	105,253.19

Kensington Police Protection & Community Services District
Income & Expense Report - Detailed
 July 2020 through January 2021

	Jul '20 - Jan 21
528 · PERS - Officers Portion	2,883.66
530 · Workers Comp	30,119.51
	1,115,968.94
Total 500 · Police Sal & Ben	1,115,968.94
550 · Other Police Expenses	
552 · Expendable Police Supplies	2,171.67
553 · Range/Ammunition Supplies	2,714.96
554 · Traffic Safety	4,319.41
561 · Vehicle Fuel	8,700.23
562 · Vehicle Operation	7,981.99
563 · Vehicle Lease	4,120.28
564 · Communications	145,021.69
566 · Radio Maintenance	(5,620.51)
567 · Alarm	465.78
568 · Prisoner/Case Exp./Booking	2,298.99
570 · Training	11,728.68
571 · Records	450.00
572 · Hiring	7,931.73
576 · Misc. Dues, Meals & Travel	2,094.00
578 · POST - Reimburse	(150.00)
580 · Utilities - Police	5,775.90
582 · Expendable Office Supplies	1,705.67
587 · IT Contract	11,115.64
588 · Telephone	12,017.00
590 · Janitorial	2,139.18
591 · General Liability Insurance	28,657.30
592 · Publications	3,121.00
594 · Community Policing	120.00
595 · Legal/Consulting - Police	1,190.60
599 · Police Taxes Measure G Admin	2,009.82
550 · Other Police Expenses - Other	263.31
	262,344.32
Total 550 · Other Police Expenses	262,344.32
600 · Park/Rec Sal & Ben	
602 · Custodian	3,900.00
	3,900.00
Total 600 · Park/Rec Sal & Ben	3,900.00

Kensington Police Protection & Community Services District
Income & Expense Report - Detailed
 July 2020 through January 2021

	Jul '20 - Jan 21
635 · Park/Recreation Expenses	
640 · Community Center Expenses	
641 · General Maintenance	280.00
642 · Utilities-Community Center	3,732.86
644 · Landscaping	2,760.00
645 · General Liab./Workers Comp	6,431.71
646 · Community Center Repairs	135.00
	13,339.57
Total 640 · Community Center Expenses	
650 · Park	
652 · Repairs	1,067.00
653 · Landscaping	10,845.00
656 · Utilities	8,443.54
657 · General Liab./Workers Comp	6,431.71
658 · Levy Administration	2,673.56
659 · Misc	124.06
	29,584.87
Total 650 · Park	
660 · Annex Expenses	
667 · Annex Landscaping	1,640.00
	1,640.00
Total 660 · Annex Expenses	
672 · Kensington Park O&M	2,050.00
674 · Tennis Courts (new title)	21,500.00
	23,550.00
Total 635 · Park/Recreation Expenses	68,114.44
800 · District Expenses	
808 · District Salaries	107,696.64
809 · District Payroll Taxes	10,709.16
810 · IT Contract	6,409.64
815 · Admin Communications	3,783.09
816 · Office Supplies	810.86
817 · Postage	467.03
819 · Dues/Subscriptions	7,371.94
820 · Copier Contract	2,370.04
826 · Board Meetings	35.97
830 · Legal (District/Personnel)	30,028.58
835 · Consulting	20,491.85
840 · Accounting	59,725.00
850 · Insurance	24,309.17
851 · Workers Comp	9,402.12
861 · LAFCO	1,728.55
865 · Police Bldg. Lease	21,351.50
870 · County Expenditures	6,756.06

Kensington Police Protection & Community Services District
Income & Expense Report - Detailed
 July 2020 through January 2021

	Jul '20 - Jan 21
890 · Waste/Recycle	1,550.00
891 · COVID	5,517.16
898 · Misc. Expenses	5,088.83
Total 800 · District Expenses	325,603.19
950 · Capital Outlay	
965 · Personal Police Equipment-Asset	2,849.29
966 · Police Traffic Equipment	0.00
968 · Office Furn/Eq	861.67
969 · Computer Equipment	2,044.78
975 · Community Center Loan Repaym...	0.00
985 · Comm. Ctr Renovation (Cap Fund)	140,210.86
950 · Capital Outlay - Other	31,091.05
Total 950 · Capital Outlay	177,057.65
Total Expense	1,952,988.54
Net Ordinary Income	1,499,065.74
Other Income/Expense	
Other Expense	
700 · Bond Issue Expenses	
710 · Bond Admin.	5,806.56
715 · Bond Interest Income	(346.28)
720 · Bond Principal	150,662.12
730 · Bond Interest	96,990.99
Total 700 · Bond Issue Expenses	253,113.39
Total Other Expense	253,113.39
Net Other Income	(253,113.39)
Net Income	1,245,952.35

February 2021 Financial Package

Kensington Police Protection & Community Services District
Summary Balance Sheet
As of February 28, 2021

	<u>Feb 28, 21</u>
ASSETS	
Current Assets	
Checking/Savings	1,692,252.99
Accounts Receivable	1,539,913.83
Other Current Assets	<u>146,074.01</u>
Total Current Assets	3,378,240.83
Fixed Assets	5,404,005.32
Other Assets	<u>5,682,963.71</u>
TOTAL ASSETS	<u><u>14,465,209.86</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	<u>4,045.01</u>
Total Current Liabilities	4,045.01
Long Term Liabilities	<u>11,941,184.38</u>
Total Liabilities	11,945,229.39
Equity	<u>2,519,980.47</u>
TOTAL LIABILITIES & EQUITY	<u><u>14,465,209.86</u></u>

Kensington Police Protection & Community Services District
Budget to Actual Snapshot
 July 2020 through February 2021

	Jul '20 - Feb 21	YTD Budget	Annual Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
400 · Police Activities Revenue	3,403,932.88	3,304,664.00	3,405,057.00	99,268.88	103.0%
405 · Restricted Lost/Found/Misc	5,309.17				
420 · Park/Rec Activities Revenue	42,110.06	46,500.00	56,500.00	(4,389.94)	90.56%
440 · District Activities Revenue	20,554.05	32,000.00	67,000.00	(11,445.95)	64.23%
Total Income	3,471,906.16	3,383,164.00	3,528,557.00	88,742.16	102.62%
Gross Profit	3,471,906.16	3,383,164.00	3,528,557.00	88,742.16	102.62%
Expense					
500 · Police Sal & Ben	1,264,239.68	1,624,033.68	2,214,567.00	(359,794.00)	77.85%
550 · Other Police Expenses	285,133.59	336,042.36	432,509.00	(50,908.77)	84.85%
600 · Park/Rec Sal & Ben	4,600.00	6,426.12	9,639.00	(1,826.12)	71.58%
635 · Park/Recreation Expenses	74,741.05	111,585.32	148,379.00	(36,844.27)	66.98%
800 · District Expenses	372,060.25	422,949.00	614,433.00	(50,888.75)	87.97%
950 · Capital Outlay	177,634.05	40,283.68	45,117.00	137,350.37	440.96%
Total Expense	2,178,408.62	2,541,320.16	3,464,644.00	(362,911.54)	85.72%
Net Ordinary Income	1,293,497.54	841,843.84	63,913.00	451,653.70	153.65%
Other Income/Expense					
Other Expense					
700 · Bond Issue Expenses	253,113.39	0.00	0.00	253,113.39	100.0%
Total Other Expense	253,113.39	0.00	0.00	253,113.39	100.0%
Net Other Income	(253,113.39)	0.00	0.00	(253,113.39)	100.0%
Net Income	1,040,384.15	841,843.84	63,913.00	198,540.31	123.58%

Kensington Police Protection & Community Services District
Income & Expense Report - Detailed
 July 2020 through February 2021

	Jul '20 - Feb 21
Ordinary Income/Expense	
Income	
400 · Police Activities Revenue	
401 · Levy Tax	2,012,086.87
402 · Special Tax-Police	685,710.00
404 · Measure G Supplemental Tax Rev	598,395.70
410 · Police Fees/Service Charges	485.00
414 · POST Reimbursement	8,256.46
415 · Grants-Police	93,802.31
416 · Interest-Police	2,620.19
417 · Police Asset Sale	209.37
418 · Misc Police Income	2,366.98
	3,403,932.88
Total 400 · Police Activities Revenue	3,403,932.88
405 · Restricted Lost/Found/Misc	5,309.17
420 · Park/Rec Activities Revenue	
424 · Special Tax-L&L	41,529.06
438 · Misc Park/Rec Rev	181.00
439 · Contributions for Community Ctr	400.00
	42,110.06
Total 420 · Park/Rec Activities Revenue	42,110.06
440 · District Activities Revenue	
448a · Franchise Fees Gross	38,078.21
448b · less Franchise Fees Paid Out	(18,708.67)
456 · Interest-District	1,154.51
458 · Misc District Revenue	30.00
	20,554.05
Total 440 · District Activities Revenue	20,554.05
Total Income	3,471,906.16
Gross Profit	3,471,906.16
Expense	
500 · Police Sal & Ben	
502 · Salary - Officers	756,462.68
506 · Overtime	61,294.16
508 · Salary - Non-Sworn	26,721.06
516 · Uniform Allowance	8,502.37
518 · Safety Equipment	1,307.43
521-A · Medical/Vision/Dental-Active	107,088.17
521-R · Medical/Vision/Dental-Retired	135,521.48
521-T · Medical/Vision/Dental-Trust	0.00
522 · Insurance - Police	2,675.74
523 · Social Security/Medicare	1,668.50
524 · Social Security - District	8,478.63

Kensington Police Protection & Community Services District
Income & Expense Report - Detailed
 July 2020 through February 2021

	Jul '20 - Feb 21
527 · PERS - District Portion	121,086.93
528 · PERS - Officers Portion	3,313.02
530 · Workers Comp	30,119.51
	1,264,239.68
Total 500 · Police Sal & Ben	1,264,239.68
550 · Other Police Expenses	
552 · Expendable Police Supplies	2,229.36
553 · Range/Ammunition Supplies	2,714.96
554 · Traffic Safety	5,216.27
561 · Vehicle Fuel	10,419.97
562 · Vehicle Operation	8,609.05
563 · Vehicle Lease	8,240.23
564 · Communications	145,021.69
566 · Radio Maintenance	(4,122.62)
567 · Alarm	698.67
568 · Prisoner/Case Exp./Booking	2,298.99
570 · Training	11,728.68
571 · Records	641.02
572 · Hiring	7,931.73
574 · Reserve Officers	517.11
576 · Misc. Dues, Meals & Travel	2,094.00
578 · POST - Reimburse	(150.00)
580 · Utilities - Police	6,548.40
582 · Expendable Office Supplies	1,963.63
587 · IT Contract	12,491.64
588 · Telephone	13,986.95
590 · Janitorial	2,380.09
591 · General Liability Insurance	28,657.30
592 · Publications	3,121.00
594 · Community Policing	2,163.74
595 · Legal/Consulting - Police	1,190.60
596 · CAL I.D.	6,268.00
599 · Police Taxes Measure G Admin	2,009.82
550 · Other Police Expenses - Other	263.31
	285,133.59
Total 550 · Other Police Expenses	285,133.59
600 · Park/Rec Sal & Ben	
602 · Custodian	4,600.00
	4,600.00
Total 600 · Park/Rec Sal & Ben	4,600.00

Kensington Police Protection & Community Services District
Income & Expense Report - Detailed
 July 2020 through February 2021

	Jul '20 - Feb 21
635 · Park/Recreation Expenses	
640 · Community Center Expenses	
641 · General Maintenance	280.00
642 · Utilities-Community Center	4,368.31
644 · Landscaping	3,427.50
645 · General Liab./Workers Comp	6,431.71
646 · Community Center Repairs	135.00
	14,642.52
650 · Park	
652 · Repairs	1,067.00
653 · Landscaping	15,417.50
656 · Utilities	8,749.70
657 · General Liab./Workers Comp	6,431.71
658 · Levy Administration	2,673.56
659 · Misc	124.06
	34,463.53
660 · Annex Expenses	
667 · Annex Landscaping	2,085.00
	2,085.00
672 · Kensington Park O&M	2,050.00
674 · Tennis Courts (new title)	21,500.00
	74,741.05
800 · District Expenses	
808 · District Salaries	127,502.13
809 · District Payroll Taxes	12,132.94
810 · IT Contract	7,982.19
815 · Admin Communications	4,333.07
816 · Office Supplies	884.15
817 · Postage	467.03
819 · Dues/Subscriptions	7,371.94
820 · Copier Contract	2,607.44
826 · Board Meetings	47.96
830 · Legal (District/Personnel)	30,757.28
835 · Consulting	20,491.85
840 · Accounting	74,215.00
850 · Insurance	24,309.17
851 · Workers Comp	9,402.12
860 · Election	4,990.83
861 · LAFCO	1,728.55
865 · Police Bldg. Lease	24,401.75

Kensington Police Protection & Community Services District
Income & Expense Report - Detailed
 July 2020 through February 2021

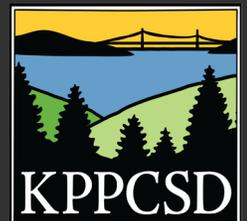
	Jul '20 - Feb 21
870 · County Expenditures	6,756.06
890 · Waste/Recycle	1,750.00
891 · COVID	4,749.91
898 · Misc. Expenses	5,178.88
Total 800 · District Expenses	372,060.25
950 · Capital Outlay	
963 · Patrol Car Accessories	212.74
965 · Personal Police Equipment-Asset	2,849.29
966 · Police Traffic Equipment	0.00
968 · Office Furn/Eq	1,225.33
969 · Computer Equipment	2,044.78
975 · Community Center Loan Repaym...	0.00
985 · Comm. Ctr Renovation (Cap Fund)	140,210.86
950 · Capital Outlay - Other	31,091.05
Total 950 · Capital Outlay	177,634.05
Total Expense	2,178,408.62
Net Ordinary Income	1,293,497.54
Other Income/Expense	
Other Expense	
700 · Bond Issue Expenses	
710 · Bond Admin.	5,806.56
715 · Bond Interest Income	(346.28)
720 · Bond Principal	150,662.12
730 · Bond Interest	96,990.99
Total 700 · Bond Issue Expenses	253,113.39
Total Other Expense	253,113.39
Net Other Income	(253,113.39)
Net Income	1,040,384.15

Kensington Police Department 2020 Annual Report

Kensington Police Protection and
Community Service District



*Integrity, Empathy, Courage,
& Professionalism*





Message from the Chief

It is my pleasure to present to you the Kensington Police Department's Annual Report for the calendar year 2020.

Kensington PD has gone through many challenges and positive changes this past year as we continue to improve the service to our community. The Police Department strives to maintain Kensington as one of the safest and best places to live in California. We do this by our new mission which requires us to be "Fully Engaged" in everything we do; from the day to day, to the life threatening. We focus those efforts on the Community, Quality Service, Crime Prevention, Traffic Safety, Quality of Life Issues, and Responsive Patrol Operations.

In the last half of this year, the police department became fully staffed for the first time in many years. We have also hired a Volunteer Reserve Officer and started our volunteer program with two volunteers in the hiring process. Once Covid-19 is behind us our Community Engagement Program will come into full swing with our Community Police Academy, Enhanced Volunteer Program, Coffee with a Cop, Community Meetings, and Problem-Solving sessions.

We have focused this year on improving the efficiency and quality of the police department through technology, policies and procedures, training, and positive community relations. This report gives a snapshot of KPD, its accomplishments, and its future goals and objectives.

We welcome feedback so please feel to contact us anytime.

Sincerely,

Walt Schuld
Interim Chief of Police





Mission Statement

**“PUBLIC SAFETY REQUIRES US
TO BE FULLY ENGAGED.”**

The Kensington Police Department strives to be “fully engaged” in everything we do; from the day to day, to the life threatening. We focus our efforts and resources on several key areas:

- Community,
- Quality Service,
- Crime Prevention,
- Traffic Safety,
- Quality of Life Issues, and
- Responsive Patrol Operations.

Core Values

Integrity, Empathy, Courage, & Professionalism

Members



Interim Chief Walt Schuld



Captain Mike Gancasz



Sergeant Keith Barrow



Detective Sergeant Amit Nath



Officer Juan Ramos



Officer Theodore Foley



Officer Tamiko Fodor



Officer Brad Harms



Officer Jose Fajardo



Officer Roy Bang



Reserve Officer Thang Ho

ACCOMPLISHMENTS

- Designed and implemented a contemporary police patch and logo that is consistent with the KPPCSD brand and logo.
- Upgraded computers.
- Increased Traffic Safety Patrols.
- Changed KPD's reporting on Traffic Collisions to conform to SWITRS making the PD eligible for Traffic Grants.
- Revised and updated entire policy manual (e.g., 50 policies).
- Updated Field Training Manual and received certification from the California Police Officers Standards and Training (P.O.S.T.).
- Implemented Traffic Warning Citations.
- Revised and updated Department and Community forms.
- Purchased and outfitted three new PD vehicles.
- Improved graphics on new patrol cars.
- Improved Evacuation Safety.
- Implemented Body Worn Cameras.
- Hosted more than twenty community/neighborhood meetings.
- Received no formal citizen complaints and there have been no new lawsuits or legal fees.

Crime Analysis and Crime View

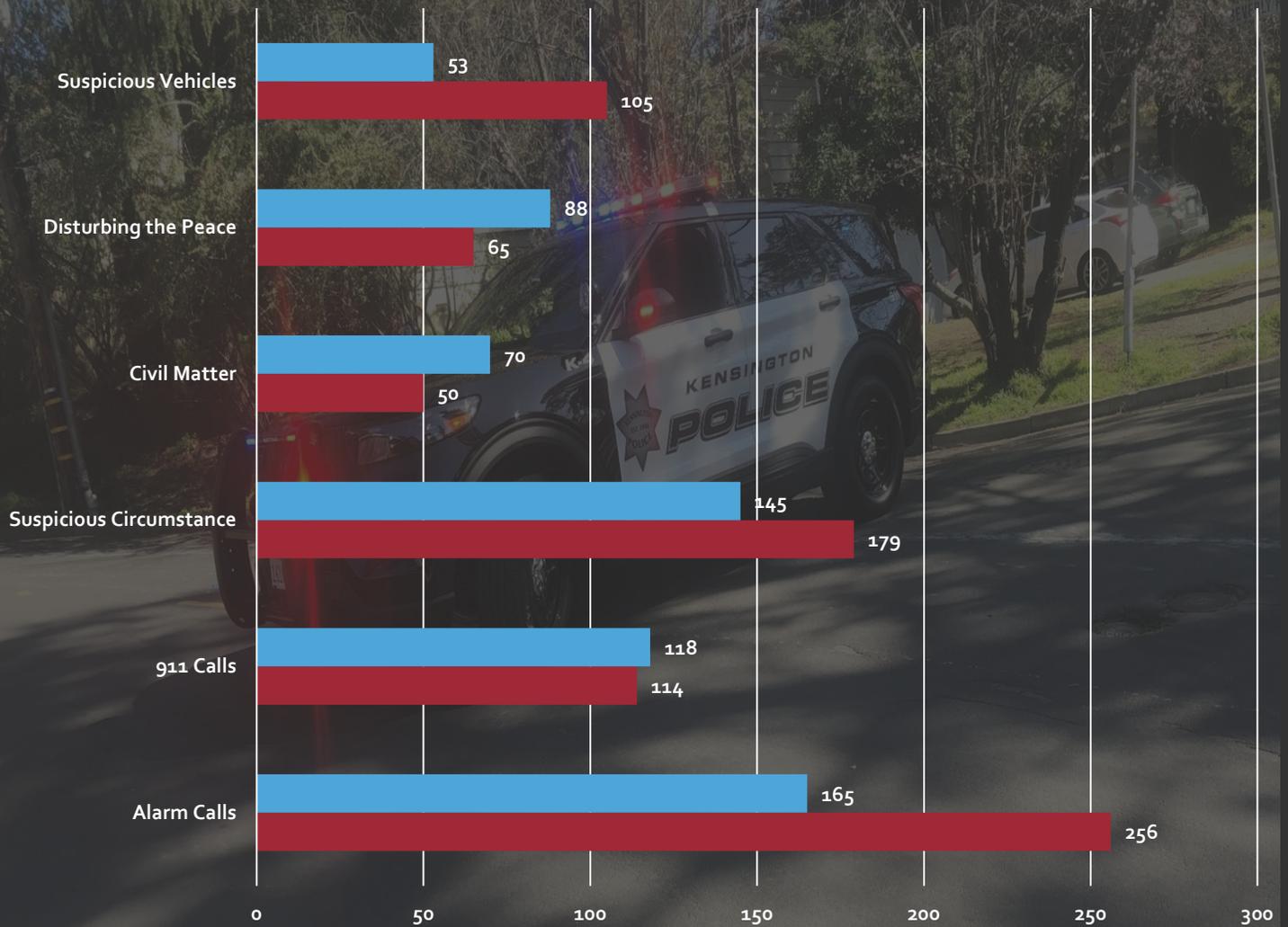
The Kensington Police Department handled 9299 incidents, which is 43% higher than 2019 (6520 incidents). There has been a 164% increase in thefts compared to the previous year due to thefts from vehicles and of catalytic converters, as well as mail theft.

Reported Crimes



2019 2020

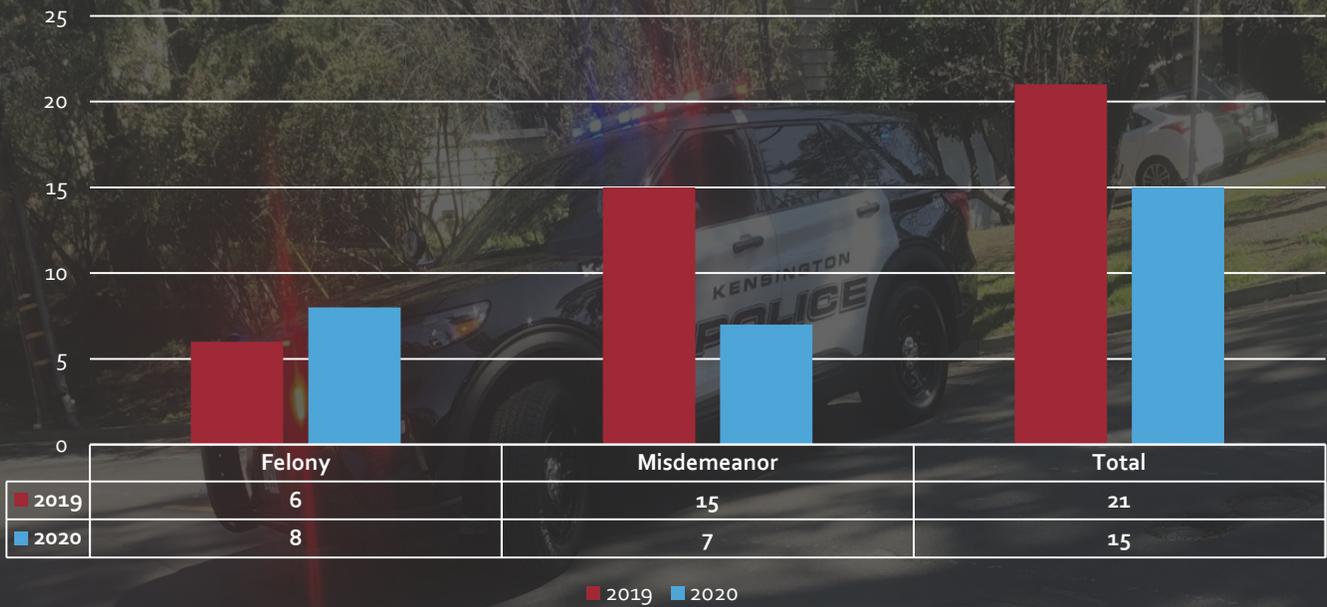
Common Calls for Service



	Alarm Calls	911 Calls	Suspicious Circumstance	Civil Matter	Disturbing the Peace	Suspicious Vehicles
2020	165	118	145	70	88	53
2019	256	114	179	50	65	105

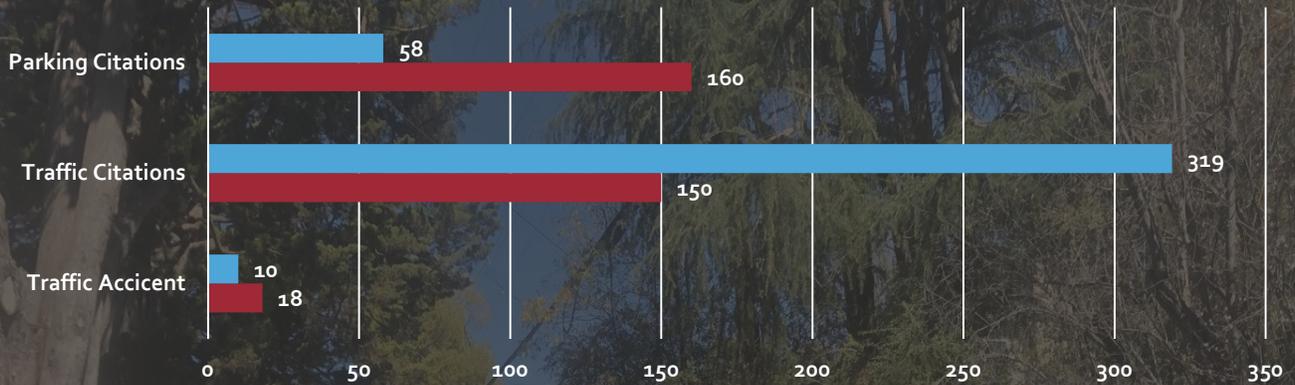
■ 2020 ■ 2019

Arrests



There was a slight increase in felony arrests from 2019. However, there was an overall decline in total arrests for 2020 versus 2019.

Traffic Enforcement



	Traffic Accident	Traffic Citations	Parking Citations
2020	10	319	58
2019	18	150	160

2020 2019

There has been a 44% decrease in traffic accidents compared to the previous year.

KPD officers have written a total of 319 traffic related citations compared to the previous year's 150 citations.



New Hires



**Captain
Mike Gancasz**

Mike comes to Kensington PD with over 20 years of experience in law enforcement including experience as a Commander. He supervised numerous units including Youth Education & Services Unit, Code Enforcement Unit, Traffic Division, Detective Division, and Gang Unit. He is a decorated homicide detective and has participated in numerous multi-agency high profile cases. He has command level experience in the Patrol Division, Community Outreach Unit, Administration, Training, and Internal Affairs. He holds a Bachelor's Degree in Criminal Justice Management and will be graduating with a Master's Degree in Organizational Leadership in 2021. He is a graduate of the Sherman Block Supervisory Leadership Institute and will graduate from the POST Command College, Class 67 in 2021.



**Officer
Jose Fajardo**

Jose attended Mt. Diablo Valley High School where he played baseball and upon graduation attended Diablo Valley College where he studied Administration of Justice. While going to college he worked for his father in construction and trained dogs. He attended the Contra Costa County Sheriff's Academy before being hired with the Concord Police Department. He worked as a Concord Police Officer and a Recycling Theft Prevention Specialist before joining the Kensington Police Department. Jose is bi-lingual and fluent in Spanish.



New Hires



Officer Roy Bang

Roy worked as an EMT for 5 years before becoming interested in law enforcement. He entered the Police Academy in 2015 and was hired by the Oakland Housing Authority Police Department before being hired by Kensington PD. By incorporating his EMT skills into policing, Roy has occasionally provided medical treatment during 911 calls. Most notably, he delivered premature twin babies inside a vehicle while on a call for which he was awarded a commendation. Roy is bi-lingual and speaks fluent Korean.



**Reserve Officer
Thang Ho**

Thang was raised in the Bay Area and he is currently working full time at NASA Ames in Mountain View for its Protective Services Department. Thang was a former Stockton Unified School District Police Officer where he was assigned to numerous schools within the district. Thang is currently in the Field Training Program and volunteers over 10-hours per week.



Promotion



**Detective Sergeant
Amit Nath**

Amit was promoted to Police Sergeant on January 4, 2021. He has prior experience with the Richmond Police Department and has done an outstanding job for the Kensington Police Department. He has been instrumental in assisting the Chief of Police in improving the operations of the department. He has received several letters of appreciation and commendations during his career and was recently presented with a leadership award. He has two Associate Degrees in General Education and Electronic Engineering. Amit holds a Bachelor of Science Degree in Criminal Justice and is registering for classes for his Master's Degree in Administrative Leadership.

Retirement



Captain Rickey Hull

Rickey officially retired on December 30th, 2020. He was hired in 1997. Prior to working with the KPD, he spent six years in the United States Air Force and was a jailer for the Concord Police Department. During his 23-year career with Kensington PD he held the ranks of Police Officer, Sergeant, Master Sergeant, Interim Chief of Police, and Captain. Rickey has received numerous letters of appreciation throughout his tenure and is well-known in the community. We wish him the best in his retirement!



Recognition and Awards

Officer of the Year – Officer Brad Harms

The recipient of this award is nominated by members of the department and submitted to the Chief of Police. The Officer must demonstrate consistent exemplary and sustained performance throughout the year.

Leadership Award - Detective Sergeant Amit Nath

This award is granted to any department staff for exemplary service, dedication, and leadership. It is awarded to those who perform their duties with dedicated professionalism, operational excellence, exhibit zeal in their attitude, inspire enthusiasm in their fellow colleagues, and demonstrate a sense of community awareness.

Chief's Award Officer Tamiko Fodor & Officer Roy Bang

The Chief's award is granted by the Chief of Police to an employee who significantly contributes to and assists the Chief of Police in achieving the overall goals and objectives of the Police Department.

Kensington Evacuation

With the dangers of wildfires in California, Kensington PD is working hard to prepare the District and community. This past year, Officer Brad Harms worked closely with Sunset View Cemetery as part of these preparation efforts.

During an emergency and should an evacuation be necessary, Sunset View Cemetery will provide access to and through the cemetery at Sunset Drive and Franciscan Way offering an additional evacuation route for residents. Adding this evacuation route will reduce traffic congestion by 30% in the event of an emergency.



Interim Chief of Police Schuld, Officer Harms and Sgt. Nath installing evacuation signs.

2021 GOALS & OBJECTIVES

- Develop a formal Community Outreach Plan.
- Initiate the process for Kensington PD to become certified through the Commission on Accreditation for Law Enforcement (CALEA).
- Initiate a long-term Strategic Planning Process, which will include input from the Community, Board, and Employees.
- Improve preparedness and professionalism by increasing training.
- Complete a department-wide Team Building Workshop professionally facilitated by P.O.S.T.
- Increase the use of technology to improve service delivery and efficiency.
- Institute Succession Planning for future department leadership.

KENSINGTON
CALIFORNIA



EST. 1946
POLICE



Kensington Police Department



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