

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

AGENDA

A Special Meeting (Closed Session) of the Board of Directors of the Kensington Police Protection and Community Services District will be held **Monday August 14, 2017, at 6:00 P.M.** at the Community Center, 59 Arlington Avenue, Kensington, California. The Board will commence a Special Meeting in Open Session **Monday, August 14, 2017, at 7:30 P.M.**, at the Community Center, 59 Arlington Avenue, Kensington, California. If further Closed Session is required, the Board will return to Closed Session following the end of the Regular Meeting.

Note:

- All proceedings of the Open Session will be videotaped.

Note:

- Anyone wishing to address the Board during the "Appointment to Fill Director Vacancy" should complete a Public Comment Card.

1. Call to Order/Roll Call

2. Closed Session – Public Comments

- a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Possible initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: (1 potential case)
- b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant exposure to litigation pursuant to Government Code Section 54956.9: (2 potential cases)
- c. CONFERENCE WITH LABOR NEGOTIATOR: Pursuant to Government Code Section 54957.6.
Agency designated representative: General Manager Anthony Constantouros and John Holtzman
Employee organization: Kensington Police Officers Association (KPOA)

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

4. Board/Staff Comments

5. Appointment to Fill Director Vacancy Pg. 3

Candidates:

1. Simon Brafman
2. Christopher Deppe
3. David Spath
4. Kim Zvik

Process:

- Each candidate gives a 2-minute opening statement on their interest and specific experiences and skills that they will bring to the Board
- Candidates will have 2 – 3 minutes (depending on the number of candidates) to answer in rotation (i.e., Candidate 1 responds first to Question 1, then Candidate 2,....; Candidate 2 responds first to Question 2, then Candidate 3, and ending with Candidate 1).
- Suggested Candidate questions:
 1. What do you believe are the District's greatest short-term challenges? Long-term challenges?
 2. Describe an experience where you worked as part of a group on a complex problem. How did your participation improve the results?

3. Do you support investigating costs to provide police services through contracting with a nearby agency?
4. How do you think the District could improve how it communicates with and engages residents?
 - At the close of the Board's questions, the public may present their comments regarding the candidates to the Board. No one may speak more than once. There will be a twenty minute limit.
 - Candidates give 2-minute closing statements regarding their skills and background.
 - The Board deliberates and appoints (after motion and second).

6. Consent Calendar

- a) Minutes – July 27, 2017 Pg. 22
- b) Unaudited Profit and Loss Budget Performance Report for July 2017 Pg. 30
- c) Franchise Fees Report for July 2017 Pg. 33
- d) KPD Monthly Statistics for July Pg. 35
- e) Correspondence Pg. 40
- f) Recreation Report – None this meeting
- g) Monthly Calendar None this meeting
- h) General Manager's Report – None this meeting
- i) August 2017 CalPERS PEPRSA Safety Police Plan Annual Valuation Plan as of June 30, 2016 Pg. 66
- j) August 2017 CalPERS Safety Police Plan Annual Valuation Plan as of June 30, 2016 Pg. 92

ADJOURNMENT

NEXT MEETING: The August 24, 2017 meeting has been cancelled. The next meeting will be September 14, 2017.

General Information

- All proceedings of the Open Session will be audio and video taped.
- The Community Center has devices for hearing assistance. Please contact GM Anthony Constantouros for information about the equipment.
- The Community Center is Wi-Fi accessible. Terms and conditions are included in the Board Packet.
- 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:
General Manager Anthony Constantouros, Kensington Police Protection & Community Services District, 217 Arlington Ave, Kensington, CA 94707

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

General Manager Anthony Constantouros, Kensington Police Protection & Community Services District, 217 Arlington Ave, Kensington, CA 94707

POSTED: Public Safety Building-Colusa Food-Library-Arlington Kiosk- and at www.kensingtoncalifornia.org
Complete agenda packets are available at the Public Safety Building and the Library.

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

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

ITEM NUMBER: 5

AGENDA REPORT

MEETING DATE: August 14, 2017

SUBMITTED BY: Anthony Constantouros, General Manager

SUBJECT: Appointment of a Director to fill the current vacancy

Background

Former Director Vanessa Cordova resigned from the Board effective June 26, 2017. At its July 13, 2017 meeting, the Board discussed options to fill the vacancy and decided upon an appointment process, and a notice of vacancy was posted on July 18, 2017. At its July 27, 2017 meeting, the Board voted to approve the appointment process proposed by Vice President Nottoli. That process called for those interested in the position to submit a letter and a resume. The deadline for these to be submitted to me was 3:00 P.M. on August 7, 2017.

Applicants:

Four applications have been received. The applicants, in alphabetical order, are:

- Simon Brafman
- Chris Deppe
- David Spath
- Kim Zvik

Attached is a copy of Vice President Nottoli's July 27, 2017 Agenda Report regarding the appointment process.

Copies of the applicants' letters and resumes are attached.

KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT
AGENDA REPORT

MEETING Date: July 27, 2017

SUBMITTED BY: Vice President Eileen Nottoli

SUBJECT: Discuss and determine the process for appointment of a Director on August 14, 2017 to fill the current vacancy.

SUMMARY:

Director Vanessa Cordova resigned from the Board effective June 26, 2017. At the July 13, 2017 meeting of the Board of Directors, options to fill the vacancy were reviewed and discussed. The Board decided to establish an appointment process and invite interested residents to apply for the position. A Notice of Vacancy listing the application process, deadlines, qualifications and selection process has been posted. The Board of Directors will interview prospective candidates at a meeting scheduled for Monday, August 14, 2017. A draft agenda, timeframe and process for the meeting is listed below for discussion and consideration.

7:30apm - Public Comment for Items not on the agenda.

7:45pm - Each candidate gives a 2-minute opening statement on their interest and specific experiences and skills that they will bring to the Board.

8:00pm – Candidates will have 2-3 minutes (depending on the number of candidates) to answer in rotation (i.e., Candidate 1 responds first to Question 1, then Candidate 2, ...; Candidate 2 responds first to Question 2, then Candidate 3, and ending with Candidate 1).

SUGGESTED CANDIDATE QUESTIONS

- What do you believe are the District's greatest short-term challenges? Long-term challenges?
- Describe an experience where you worked as part of a group on a complex problem. How did your participation improve the results?
- Do you support investigating costs to provide police services through contracting with a nearby agency?
- How do you think the District could improve how it communicates with and engages residents?

No later than 9:00 pm: At the close of the Board's questions, the public may present their comments regarding the candidates to the Board. No one may speak more than once.

No later than 9:20 pm: Candidates give 2 minute closing statements re their skills and background.

No later than 9:30pm: Board deliberates and appoints (after motion and second).

RECOMMENDATION: After a discussion, determine the process that will be utilized to select a new member of the Board of Directors.

SIMON BRAFMAN

To Anthony Constantouros, General Manager, KPPCSD:

Please accept, and share with the KPPCSD Board, this document and the accompanying resume as introduction and application for the Open KPPCSD Board Member Position.

My family and I have lived in Kensington for over 4 years. As you may know, I was a candidate for the KPPCSD Board in both 2014 and in 2016.

Although I did not win a seat in either election, I remain committed to improving the quality of life in Kensington, as well as the effectiveness and efficiency of the KPPCSD Board and other Kensington Community Organizations. I applied for and was selected to serve as a member of the KPPCSD Finance Committee, the KPPCSD Technology Committee, the Ad Hoc Committee for Governance and Operations Structure's Bifurcation Sub-committee and the Kensington Community Council.

I withdrew my candidacy for the 2016 Election in order to help ensure that a new Board majority would be elected. I wanted to increase our community's positive involvement in Board decisions by ensuring that our community would be engaged by our Board in a constructive and positive manner. This is best accomplished by our Board actively listening to our community members' ideas and working with community members to deliver pragmatic, community focused solutions to address our current and future needs with accountability, creativity, and most importantly, openness and respect.

I am applying for the open KPPCSD Board position because I wish to maintain the current direction and progress made by our current Board to successfully continue their openness to our community's ideas and involvement.

As a Board member, I will apply my MBA education and extensive business experience to ensure our community obtains quality services, while maintaining both short and long term financial accountability and stability. I will work to ensure a sustainable, balanced budget, including a five-year financial plan, a viable reserves policy, as well as to develop strategies to address all unfunded liabilities threatening Kensington's financial health. I will apply reasonable pragmatism to manage our community-oriented police services, community's assets, garbage service contracts and all labor negotiations.

If selected, I will recommend that the following specific issues be investigated and/or, if deemed necessary, acted upon by the Board:

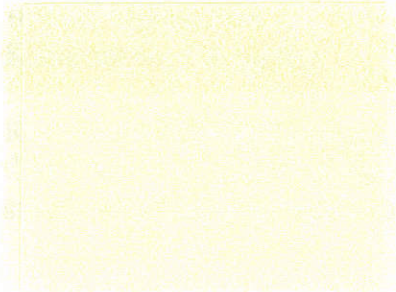
1. The Ad Hoc Committee for Governance and Operations Structure's final report on:
 - a. Contracting KPD services
 - b. KPPCSD consolidation with the KFPD
2. HR and financial issues dealing with the KPD
3. The costs, proposed upgrades and timing for the planned renovation of the Community Center and Safety Building
4. Pedestrian safety and traffic control issues
5. Coordination with utilities' repair/installation activities
6. User friendly KPPCSD agendas and KPPCSD website upgrade

Additional Information

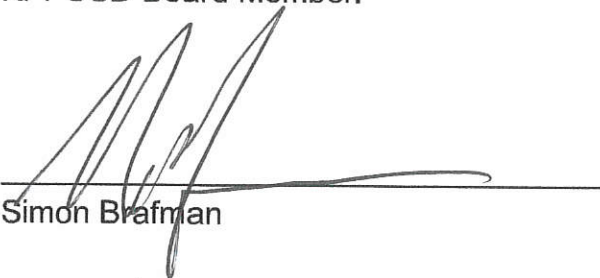
- I am a registered voter in Contra Costa County, moving to Kensington in April, 2013.

CONTACT INFORMATION

Simon Brafman



Thank you for your time and consideration of my application for the open position of KPPCSD Board Member.


Simon Brafman

SIMON BRAFMAN - RESUME

PROFESSIONAL EXPERIENCE

KPPCSD and other Kensington Community Organizations Member - 2015 - Present

- KPPCSD Finance Committee, KPPCSD Technology Committee, Ad Hoc Committee for Governance & Operational Structure (Bifurcation sub-committee) and the Kensington Community Council.

San Jose State University, 2009-2011

- Global Leader-In-Residence for the Social Innovation Institute (SI2), a division of The Global Leadership Advancement Center (GLAC).

Marketing and Business Development Consultant - 2002 - Present

- Developing and implementing financial, sales and marketing strategies programs for startups. Specifically, I help startups turn their offerings into commercially viable products and services.

Cadence Design Systems, San Jose, California - 1998 - 2002

- Director of Marketing Operations - I was responsible for marketing Quickturn's Services, as well as managing the MarCom, Channel Marketing, Sales Training and Strategic & Marketing groups. In addition, I managed the \$3M marketing budget.

OnDemand Inc., Redwood City, California - 1997 - 1998

- Director, Strategic Partnerships - I was responsible for managing and growing customer services for OnDemand's major strategic partners and clients.

Micro Focus, Palo Alto, California - 1996 - 1997

- Channel Program Manager - I managed OEM Channel Partner relationships for the joint development of COBOL runtime systems and developers' toolkits.

EDS UNIGRAPHICS; Santa Clara, California - 1994 -1996

- Project Manager, Client Migration Services - I managed internal and external migrations and data transfer programs from a CADAM mainframe based system to a workstation/client-server based system.

Fujitsu Systems Business of America; Santa Clara, California - 1992 - 1994

- Manager, Cad Group - I was responsible for Documentation & Training for the CAD product

Peterbilt Motors; Newark, California - 1986 - 1991

- Engineering Program Manager, Models Group - managing customer requirements

SIMON BRAFMAN - RESUME

EDUCATION

- **San Jose State University**
 - ❖ MBA in Marketing and Finance, 1991
- **UC, Santa Barbara**
 - ❖ BA in Literature, Philosophy and Art, 1975

CHRISTOPHER DEPPE

July 20, 2017

Christopher Deppe



To:

Anthony Constantouros
General Manager, KPPCSD

Dear Mr. Constantouros,

I wish to be considered for the vacant position on the KPPCSD board. I've attached my resume.

I've lived in Kensington since 1996, and recently served on the Ad Hoc Committee, being a member of the Consolidation sub-committee. I'm also a member of the Technology Committee. I'd be very honored to sit on the board and would welcome the opportunity to further serve this community.

Sincerely,

Christopher Deppe

Christopher Deppe

Experience

Managing Partner and Chief Technical Officer **2017 – Present**

Recently started a new company with two partners. We're creating an app for professional musicians. First version is scheduled for release around September.

Professional Musician **1981 – Present**

Specialized in playing classical music on the instruments used during the original period. Performed and recorded with many of the top early music groups and artists in Europe and America, including John Eliot Gardiner, Frans Brüggen, Christopher Hogwood, Ton Koopman, The Hanover Band, Musica Antiqua Köln, Sigiswald Kuijken, and the American Bach Soloists.

Principal Software Engineer, Apple Computer **2011 – 2017**

Worked on the Mail team, and then on the OS X Performance team. Contributed to both application-level and system-level components.

Senior Engineer and Development Lead, Microsoft **2006 – 2011**

Started as an engineer on Entourage, and then became development lead for Mac Outlook. Managed two teams of developers, one in Mountain View and one in Beijing.

Owner, TSE International **(Amsterdam, The Netherlands) 1985-1995** **(Kensington, CA) 1995-2006**

TSE was a software design and implementation firm that provided both technical and creative solutions to customers around the world. Developed and closed customer relationships, worked closely with clients on graphical design, user interface and application specification, and built custom solutions.

Community Service

KPPCSD Technology Committee **2017 - Present**

KPPCSD Ad Hoc Committee **2015 - 2016**

Served on the Ad Hoc committee, as well as a member of the Consolidation sub-committee.

Education

CalArts

BFA Music (Performance, Double Bass)

DAVID SPATH

Anthony Constantouros, General Manager
Kensington Police Protection & Community
Services District
217 Arlington Avenue
Kensington, CA 94707

RE: KPPCSD Board of Director Vacancy

Dear Mr. Constantouros

I am writing to express my interest in being considered for appointment to the vacant Director position on the Kensington Police Protection and Community Service District Board.

I am a 34 year resident of Kensington who, for many years, has taken a strong interest and had a personal involvement in both board activities and the Kensington community. I have more than four decades of professional experience in the public sector at the local, state and national level, working effectively with people of diverse opinions in an open public process.

I have considerable experience in public sector management, which can be useful for a Board member. I have managed state programs with both small and large multifaceted budgets and staff. I understand the challenges of balancing budgets with limited revenue sources while managing personnel costs including salaries, pension and medical benefits.

I believe my experience and my ability to work cooperatively and effectively with others toward consensus decision-making make me well suited to serve on the Board. I look forward to participating in the selection process and consideration for the vacant Director position.

Sincerely,



David P. Spath

Enclosure

Responsible for overseeing the technical and administrative functions of the Division

Career Executive Assignment (CEA 3): Chief, Division of Drinking Water and Environmental Management 1995 - 2005

Managed a multidisciplinary Division with a budget of \$20+Million and over 300 staff located in 13 offices throughout the state. Principal responsibility was to serve as the State Drinking Water Administrator with oversight and management of the State's Drinking Water Regulatory Program. Additional responsibilities included the oversight and management of the Department's Medical Waste Regulatory Program, Shellfish Sanitation Program, Nuclear Emergency Response Program, Radon Program, Department of Defense Program, Environmental Health Registration Program, Institutions Program, Recreational Health Program, Beaches and Recreational Waters Program as well as the Department's Sanitation and Radiation Laboratory.

As a CEA 3 served as a Skelly Hearing Officer responsible for hearing appeals to employee disciplinary actions and making recommendations as to whether there are reasonable grounds to proceed with the proposed discipline, or whether it should be modified or revoked.

Retired Annuitant, California Department of Public Health 2006 to 2014

Retired Annuitant, State Water Resources Control Board 2014 to Present

Other Activities

Chair, U.S. Environmental Protection Agency, National Drinking Water Advisory Council (2000 – 2003)

Past Member, AWWA Research Foundation, Public Council on Drinking Water Research

President (1999 & 2000), Association of State Drinking Water Administrators

National Research Council, Panel on Water System Security Research

National Research Council, Committee on Public Water Supply Distribution Systems: Assessing and Reducing Risks

President, California Public Health Association-North (2010 and 2011)

Chair, Kensington Police Protection & Community Services District, Ad Hoc Committee on Governance and Operations Structure (October, 2015 to October, 2016)

KIM ZVIK

Kim Zvik
223 Willamette Ave
Kensington, CA 94708

Anthony Constantourus
General Manager
217 Arlington Ave
Kensington, CA 94708

July 30, 2017

Re: Candidate for Vacancy on the KPPCSD

Dear Anthony,

First, thank you for taking a leadership role in our community and welcome! I would like to apply for the vacancy on the KPPCSD. Please consider this statement and let me know if you have any other questions.

Qualifications

Registered voter in Kensington since July 2000.

Background

I have over 30 years of Information Technology (IT) experience and a Bachelor of Science degree from UC Berkeley. I currently work for Here Technologies in Berkeley which works on autonomous vehicles. I recently introduced my company to John Gioia in his capacity on the California Air Quality Resources Board. I ran for election in 2010 and in 2012. I was considered for a vacancy in 2012 when Len Walsh was appointed in an illegal process. I served on the Kensington Property Owner's Association (KPOA) in 2006 and have served on the Kensington Municipal Advisory Council (KMAC) 2010-2012.

In 2016, I testified on the California Education Committeel in support of Sandy Bonilla's bill to limit illegal residency checks in school districts which was passed by Governor Brown. I worked with Contra Costa County in 2009 to get Highland and Kenyon to be one-way during school hours. I have served as a director on the Step One Preschool board and the Orinda Horsemen's Association board. I have worked with the Red Cross researching escape routes in the Berkeley Hills in the event of fire or earth quake. I worked closely with the East Bay Regional Park District and City of Orinda fire getting fire fighting planes into Orinda when a fire broke out in 2010.

I have 4 children 24, 22, 15, and 14 all who went to Kensington Hilltop. I am the current Disaster Preparedness Block Captain for Willamette Avenue and keep a safety kit on my property.

In the 2010 election, I recommended focusing on the Community aspects of our work on the board. My platform was to get the Kensington After School Enrichment Program (KASEP) online and get parents on the board. I worked with Marty then to start this process it went online several years after I started this initiative. I campaigned in 2010 and 2012 to get Kensington Hilltop parents on the KPPCSD and we now have 2 parents thanks to our efforts. I raised the issue that the KPPCSD operates without By-Laws which I would put into place.

I look forward to hearing from interviewing on August 14, 2017. I am attaching my resume for your reference. Thank you for your consideration,



Kim Zvik

KIM ZVIK

SUMMARY

I am a **Chief Technology Leader** with over 30 years in tiered web design and software security remediation in Financial Services. I have expertise in security tools administration, mentoring, and global vendor management. I have a proven track record of high profile remediation projects for Fortune 100 and start up companies. My significant accomplishments include Secure Software Development Lifecycle (SSDLC) transformation, continuous deployment, and Atlassian tool implementation. I have managed teams of over 50 and budgets of \$3M and more. I have forged relationships with public elected officials further my company's interests.

EXPERIENCE

HERE TECHNOLOGIES Berkeley, CA
Senior Development Operations Engineer

2017 – Present

Level 3 support in AWS for 3D mapping open platform for autonomous vehicles. Maps power Mercedes, BMWs, and other automobiles. Work with global teams in Mumbai, Berlin, and Chicago. Maps founded on NAVTEQ, the first onboard navigation systems used by Toyota.

- Global support for more than 20 Amazon Web Service accounts
- Forge relationships with public elected officials regarding air quality and autonomous vehicles
- Build automation for continuous deployment

MOODY'S CORPORATION San Francisco, CA
Associate Director, Development Operations Manager

2015 – 2017

Promoted to Direct Internal Applications team reporting to the Managing Director of Global DevOps.

- Closed 50% of vulnerabilities in 2016 receiving 5/5 on my performance evaluation
- Engaged Asian team to fix critical vulnerabilities despite their resource limitations within the Service Level Agreement (SLA)
- Replaced manual reporting system with Jira enabling CEO to drill down to code diff level for viewing fixes to pen test issues
- Transforming fractured global development process to unified Atlassian suite for over 2,500 employees with plans to go to grow to 7,000 employees this year.
- Lead cyber risk remediation of security issues for over 15 products and perform SSL hardening.
- Architect continuous deployment master plan for \$3.3B Enterprise Risk Solutions line of business including Fortify scans via Jenkins.
- Hardened penetration testing systems in the cloud and on servers with stronger ciphers and upgraded SSL certificates
- Prepared letters of attestation to customers requesting security warranty on their products.

Jira, Confluence, BitBucket, Perforce, Git, Centos, RedHat, Java, Python, MS SQL, PostGreSQL, Cyber Risk, AWS, Azure, Puppet, Security Center, Fortify

WESTERN UNION DIGITAL San Francisco, CA
Senior Manager, Build and Release

2012 – 2015

Directed build, release, and quality for \$5.5B online payment system. Reported to the Senior Director of Web and Mobile Platforms. Awarded employee of the month in December 2014.

- Escalated operational risk vulnerability regarding external vendors and use of GitHub.
- Leveraged social media platform Radian 6 to catch cyber how to YouTube posts about vulnerabilities posted in Vietnam
- Led initiative to automate Android and iOS mobile device testing in Jenkins and Soasta across 22 devices to achieve 4.5 star app rating.
- Enabled automation testers to perform virtual browser testing on 25 browsers using Jenkins and Sauce Labs for savings of over \$4M including Sonar scans in Jenkins.

- Spearheaded continuous deployment work with CA Nolio to automate 2 day long deployment process to 4 hours for fraud remediation releases.
- Architected automated black listing system using Jira as well as auto security vulnerability issue creations using a WhiteHat plug in.

Jira, Confluence, Jenkins, Fisheye/Crucible, Oracle, Apache, iOS, Android, Java, Java Script, Centos, Perforce, Savvis

VIGILENT CORPORATION, LLC., El Cerrito, CA
Member of Technical Staff

2011 – 2012

Started release quality and support groups for green energy company start up saving \$6M for Verizon Business. Reported to the Chief Technical Officer.

- Managed system administration at Verizon data centers to update over 800 smart mesh IoT remote controls running Linux for security patching in the Franchise Tax Board of California and Verizon Data Centers across the country.

Jira, Confluence, Bugzilla, Python, PHP, Firebird, Ubuntu, Smartmesh, Git

VERIZON WIRELESS, Walnut Creek, CA
Senior Ecosystem Analyst

2010 – 2011

Managed app catalog ingesting over 1,200 apps a day at the Long Term Evolution (LTE) Application Innovation Center. Reported to the Ecosystem Director.

- Built multi-factor quality assurance model to predict app risk saving \$2M.
- Used LookSmart to run security tests on inbound apps

Python, Django Perl, MySQL, Selenium, Ubuntu, Android, Git, LookSmart

BARR ROSENBERG RESEARCH CENTER (AXA), Orinda, CA
Technical Release Manager

2005 – 2010

Controlled monthly software programs for Equity Money Manger firm with over \$150B in assets. Reported to the Director of Software Engineering.

- Performed Access Level Control (ALC) auditing.
- Led Technical Steering Committee implementing SOX 404 IT Controls.
- Initiated firm's Secure SDLC department with over \$3M in hardware resulting in less "leakages" to production which saved \$10M in compensation to clients.
- Chaired change control committee for quantitative valuation, optimization, and trading applications.
- Orchestrated weekly releases of 250+ applications and 50 application owners trading very 3 minutes.

Eiffel, Python, MS SQL Server, Windows, Java, Perforce

EDUCATION

Bachelors of Science, University of California, Berkeley, CA

RedHat Linux, Chartered Financial Analyst study, Scrum Training, Artificial Intelligence, Object Oriented Database Design, User Interface Design

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

Meeting Minutes for 7/27/17

A Special Meeting (Closed Session) of the Board of Directors of the Kensington Police Protection and Community Services District was held Thursday, July 27, 2017, at 6:30 P.M., at the Community Center, 59 Arlington Ave., Kensington, California. A Regular Meeting (Open Session) followed.

ATTENDEES

<u>Elected Members</u>	<u>Speakers/Presenters</u>
Rachelle Sherris-Watt, President	Jeff Sloan, Renne Sloan Sakai
Eileen Nottoli, Vice President	Paul Dorroh
Len Welsh, Director	Anthony Knight
Sylvia Hacaj, Director	Vida Dorroh
	Linda Lipscomb
	Karl Kruger
<u>Staff Members</u>	Gail Feldman
Anthony Constantouros, General Manager	Peter Liddell
Rickey Hull, Interim Chief of Police	Andrew Gutierrez
Lynn Wolter, District Administrator	Farhat Doud
	Bill Glass
<u>Press</u>	Jim Watt
	Kevin Fitzsimmons
	David Bergen
	Simon Brafman

President Sherris-Watt called the meeting to order at 6:33 P.M. President Sherris-Watt, Vice President Nottoli, Director Welsh, Director Hacaj, GM Constantouros, ICOP Hull, and District Administrator Wolter were present. President Sherris-Watt noted there was an absence on the Board.

President Sherris-Watt announced that Item 2a. had been removed from the agenda and that the Board would consider only Item 2b.

CLOSED SESSION PUBLIC COMMENTS

None.

The Board entered into Closed Session at 6:34 P.M.

CLOSED SESSION

- 2b. Public Performance evaluation: Title, General Manager. Government Code Section 54957.

The Board returned to Open Session at 7:45 P.M.

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

President Sherris-Watt took roll call. She, Vice President Nottoli, Director Welsh, and Director Hacaj were present. President Sherris-Watt announced that there was a vacancy for the fifth Director position.

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

PUBLIC COMMENTS

Paul Dorroh said that it had been almost a year since one of the officers had been placed on paid administrative leave and that this struck him as a long time for this status to continue without resolution. He said he believed this was costing the District about \$100,000 a year, plus benefits: accrued vacation and sick time that might have to be cashed out and retirement obligations. He urged the Board to bring the matter to a conclusion as promptly as possible.

Mr. Dorroh noted that, at its July 13th meeting, ICOP Hull had given a status report on the process of transferring dispatch and records management functions to Albany. He said he hoped a further update would be provided. He noted that, at the last update, there had been some question about the fiber optic versus VPN and that there had been an indication that the transfer of records was not a simple as inserting a thumb drive in one computer and then sticking it into another one. He asked how this process was going and if staff could provide an update.

Anthony Knight said that he'd attended the Fire Board meeting the prior night and that, at that meeting, the Fire Board had discussed the KFPD-KPPCSD Public Safety Building lease agreement. He said that one of the allegations made by the Fire Board was that it couldn't overlook the KPPCSD's obligation to pay for its occupancy of the building. He noted that the Fire Board also cited a legal opinion, made some time ago, that said it would be a gift of public funds, from one agency to the other, if this obligation were to be overlooked. He said he remembered that, about four years earlier, the KPPCSD had requested a legal opinion on this matter and had been informed that this did not constitute a gift of public funds. He asked if this legal opinion was on file. Director Welsh responded that the Board had been requested to find out whether a lease, for an amount less than market value, would be a gift of public funds and that the answer had been, "no." Director Welsh explained that the opinion had cited the funding and expenditure mandates of the Fire District and that one of the things noted had been that the police department's use of the building actually promoted fire service – there's close cooperation between the firefighters and the police officers. He said he believed that the two districts could fund both the Public Safety Building and the Community Center. Director Welsh noted that the legal opinion had indicated that, with respect to the lease, it would not be a gift of public funds if the rent were \$1.00 per year.

Mr. Knight asked what staff reporting was, now that a GM had been hired – specifically he wanted to know if the ICOP reported to the GM and the GM reported to the Board. President Sherris-Watt responded in the affirmative. Mr. Knight asked if this included the ability to hire and fire the COP. GM Constantouros responded that he supervised all staff and that this included hiring and firing.

Vida Dorroh said that she, too, had attended the Fire Board meeting and that one of the Fire Directors had explained that he had voted for the lease because he felt it would be illegal to make a gift of public funds to the KPPCSD. She said the Fire District used the Community Center for its meetings and asked if the KPPCSD was making a gift of public funds by letting the Fire District use the Community Center free of charge. She noted that, if it worked one way, it should work the other way. President Sherris-Watt responded that the KPPCSD made use of the Community Center free of charge to all K-Groups. She said such groups included KMAC, the Kensington Education Fund, the Kensington Public Safety Council, etc. Ms. Dorroh responded that these were all volunteer groups and said she was talking about the other District, which was charging the KPPCSD rent, and asked why the KPPCSD wouldn't do the same. Director Welsh responded that this point had been well taken and asked how the citizens of Kensington could be making a gift to themselves.

Ms. Dorroh also noted that the KPPCSD was in charge of waste management and that the KPPCSD was paying for utilities for the Public Safety Building. She asked if the Fire District would be contributing

toward the waste management costs. Director Welsh responded that the KPPCSD was stuck because it needed the space and that the question was one that should be posed to the Fire Board. Ms. Dorroh said that she and many others had tried to influence the Fire Board's decision but that their comments had fallen on deaf ears.

Linda Lipscomb said it was not a gift of public funds because it was not a gift without a public purpose. She said there was a bigger issue – the continuing argument about various amounts of money, which was happening because there were two districts that weren't acting as one community. She said Kensington needed to move into the 21st century and become a single community and act as though it had one revenue stream and a set of expenditures for public safety and recreation. She noted that the young people who were moving in and paying high prices deserved nothing less than a comprehensive governmental system. She said she appealed, again, for the \$1.00 lease because Kensington taxpayers were on both sides of the equation.

Karl Kruger said that he was disgusted with the lease, that the KPPCSD Directors had done a poor job in handling it, and that the Fire Board had been greedy. He said that, at the prior meeting, he'd also asked the Directors to give him an answer on something, but they hadn't done so – they'd ignored it: He said they should have responded.

Gail Feldman said that she'd attended the Fire Board's regularly scheduled meeting two weeks earlier to address that Board about the lease but had not had a chance to address the KPPCSD Board about it because she'd been out of town. She said that, given the situation in Kensington, asking the KPPCSD to pay rent in amount greater than \$1.00 per year didn't make sense: In the current Fire District budget, revenue would exceed expenses by over \$800,000. She said that she understood that the KFPD had facility issues to address, but that, at this time, it didn't have a project and wouldn't know the cost until it did. She said that, at the same time, the KPPCSD, which was in a deficit budget, would be pulling money out of reserves to pay for its Community Center project. She said this was one tax-paying community and that taxpayers might end up having to pay more in taxes because the KPPCSD didn't have enough money for operations, while the Fire Board had excess revenue plus over \$5 million in reserves. She said this was the reason for going to the Fire Board and saying that, although they have a right to ask their tenants to pay rent, doing so would put the KPPCSD and the community in a bad position. She concluded by saying there could be a benefit from pooling the community's dollars.

Peter Liddell announced that the Kensington Public Safety Council (KPSC) had recently learned that the County had a Hazard Mitigation Plan that needed to be updated every five years and that all cities and special districts contributed towards it. He noted that the KPSC would be helping in this endeavor. He said that the County had hired consultants to help with this project and that a version of the report would be on the District's website soon. He encouraged Kensington residents to take a look at it and said that, as it was further developed, there would be a chance for community input.

Paul Dorroh said that one of the reasons the Fire Board Directors had given for approving the \$35,000 lease was that the KPPCSD Board had already voted unanimously to approve it – so it was a done deal.

Andrew Gutierrez noted that the next election was already in progress: There were signs on the street that said to make Kensington's police independent. He said people were "hung up" on a fairly small amount. He said the cost of the police mismanagement of the past had cost the community roughly a couple of hundred thousand dollars per year. At the same time, he said the disunity in the police department continued. He said to have negotiations for a small amount of money should go forward. He said that, to use this to divert attention from the real issues – the police dysfunction, how much it was costing, and how inefficient it was. He asked if it wasn't too independent. He said the closed meetings had to do with these kinds of issues. He also noted the large sums of money spent by previous Boards and said this had been irresponsible. He said \$35,000 was a reasonable amount and that the real issue was what the community should be doing about police services. He asked why it would be good to combine the Fire District and the KPPCSD when one had been functioning well and the other hadn't.

BOARD COMMENTS

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President Sherris-Watt announced that the Board's next meeting would be August 10th and that the District was accepting applications for the vacancy on the Board. She said that the applications would be due by 3:00 P.M. on August 7th and that the appointment process would occur on August 14th.

STAFF COMMENTS

ICOP Hull responded to the questions asked about the dispatch transition: status of the fiber optic cable and the VPN and pulling that data from Richmond. ICOP Hull said the fiber optic cable project was just about complete; once the switch was installed, the RMS program would be installed on the workstations inside the department. He said that, once this was done, the department would have access to information it currently didn't. He said that the department was no longer going through the Contra Costa County switch and that once the fiber optic cable project was complete, the department would transition to the Alameda County switch, through the Albany Police Department.

With respect to pulling data from Richmond, ICOP Hull said this had been a somewhat anticipated issue but had been an unanticipated cost. He said that the cost to complete this would be \$25,600, which would negate the \$26,000 in savings he'd been able to negotiate for the first year of the Albany contract. He reported that scripts were currently being written for the San Pablo Police Department and that Kensington was behind San Pablo in obtaining its data. He said he anticipated having Kensington data pulled and in its possession by the beginning of November. He said he'd anticipated that, going into this process, it would be five or six months down the line before the data conversion took place. He reiterated that the only surprising aspect of this was the associated bill and that he'd had no way to foresee it. Director Hacaj said that the reason Albany had given Kensington a discount was because it had anticipated that there would be unanticipated costs.

CONSENT CALENDAR

President Sherris-Watt asked if anyone wanted to pull anything from the Consent Calendar. In the absence of any requests, she made the following motion:

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

Motion passed: 4 – 0.

AYES: Sherris-Watt, Nottoli, Welsh, Hacaj

NOES:

ABSENT:

7. The Board reviewed the first phase design concepts of the Community Center renovation to address seismic upgrade, ADA compliance, and improved energy efficiency. The presentation was made by Glass Associates.

Director Hacaj introduced the item by welcoming Glass Associates. She reported that, beginning in 2015, President Sherris-Watt had chaired the Park Buildings Committee, which began to examine the needs for the building and learned that needed seismic work would trigger the Americans with Disabilities Act (ADA) and energy efficiency requirements. Director Hacaj reported that the 18-month process, led by President Sherris-Watt, had culminated in the Committee unanimously selecting Glass Associates. She said Glass would be presenting some conceptual designs. She noted that these were not design drawings – they were concepts to address needed solutions.

Bill Glass introduced himself as a principal with Glass Associates and reported that, to begin the process, members of his firm had met with various community groups and members of the Board to learn how people used the building and what their expectations were and then had assembled a program

based on this. He noted that the underlying purpose of the work was seismic rehabilitation. He said that there were three aspects and that the seismic work would trigger the other two elements.

- Seismic
- Energy
- Accessibility

He reported that, in addition, there was a wish list of things people would like to have to facilitate the use of the building. He said these would be structured as bid alternates, which would be addressed if the basic work came in under the \$750,000 construction budget. He said he had concerns that the three main aspects could be completed for the budgeted amount.

Mr. Glass introduced his associate, Farhat Doud, who is also a Kensington resident. He reported that she would make the slide presentation. Ms. Doud thanked the Board for the opportunity to show the progress that had been made. She said that, as part of the pre-design process, consultants had come to evaluate the building and Glass Associates had met with various K-groups and spoke with local architects Bart Jones and Deborah Lane.

Ms. Doud gave a brief history of the Community Center: It had been constructed in 1955; and a 1988 renovation had added space, upgraded several elements, and achieved some seismic and energy improvements.

Ms. Doud provided a PowerPoint presentation to highlight relevant information. She reiterated that the size and cost of the needed seismic work would trigger the ADA requirements and energy compliance. She reported that the front wall was cantilevered but had no lateral support and that the roof lacked sufficient shear resistance. She also noted that the building needed to be insulated.

Ms. Doud continued her PowerPoint presentation, which showed various options that could address the building's and the community's needs. She noted that, because the front wall was south-facing, glazing could be added that would be beneficial from an energy efficiency standpoint and that, if opened up for this purpose, a steel beam could be added to provide needed seismic strength. She reported that the roof would need to be tied into the walls and that the building would need to be re-roofed to add shear-ply to accomplish additional needed seismic upgrades. She noted that re-roofing would also provide the opportunity to add needed insulation. In describing the walls, Ms. Doud explained that the cinderblock walls were mortar-less: There wasn't concrete and rebar in every cell.

With respect to ADA, Ms. Doud said the path of travel would be the biggest issue with which to deal: From the parking space, there would have to be a path of travel to the front door through the main egress of the building; and everything inside the building would have to comply with ADA. She noted that this would include people in wheelchairs and those who were visually impaired. She cited the amount of uneven ground between the parking lot and the front door as something that would need a lot of re-grading and re-paving to achieve the proper slope and cross-slope. She said there also would need to be the proper amount of signage at the front door and hardware to ensure automatic door opening and closing. She noted that, because of the slope, it was unlikely that more than one compliant parking space could be installed. Bill Glass noted that all the entrances would have to be accessible.

Ms. Doud reported that the bathrooms and the kitchen would have also have to be ADA compliant. She said the bathrooms were close to compliance but would need new stalls and new fixtures, and a few things would have to be moved. In the kitchen, she said the counters would need to be lowered from 36 to 34 inches, new cabinets would be needed, and she suggested installing a pullout table.

As far as the energy component is concerned, Ms. Doud reported that the roof wasn't insulated, and the heating, windows, and lighting didn't comply with current code. She said that ventilation and LED lighting would be considered and that new energy efficient windows would be installed. She also suggested installing a trellis along the front wall to offset the energy gain.

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Ms. Doud reported that Glass Associates had met with a number of groups that used the Community Center, as well as the custodian, and had received a lot of good feedback about things they'd like to see: Among the needs cited was more storage and better lighting. She showed a slide that proposed storage on either side of the fireplace and another one that showed the front wall opened up with glass (for which there were many options) to provide better flow from the inside to the outside, as well as more light. Ms. Doud said that some had suggested that there be some sort of separation between the side rooms and the main room: she showed a slide with a freestanding partition just outside the doors of the side rooms. She noted that the addition of a trellis along the front of the building would also better define the front door and that the addition of coverings for the skylights to help modulate the light.

Simon Brafman asked if Glass Associates had looked into solar panels. Mr. Glass responded that the tall trees surrounding the building would diminish the effect of solar panels and that the building responded well already, from an energy standpoint. He said the community could always do solar, but it might not provide good payback.

Jim Watt said he assumed that Glass Associates' engineer had concluded that the Community Center could not be brought up to an essential services standard. Mr. Glass responded that the work to accomplish this standard would be significant. He said that the code required that the Community Center meet the life safety standard, which meant that, in the event of a catastrophic earthquake, people would get out of the building alive, but the building might not be useable. By contrast, he said a police or fire station or hospital would have to function after a major event.

With respect to the structural upgrade, Mr. Watt asked what the brace along the front wall would look like. Mr. Glass responded that this would be a beam from one end to the other to carry the vertical load. He said there also would need to be foundation work to provide needed support. Ms. Doud added that there would be beams between every other window.

Mr. Watt asked why the uphill area wouldn't be excavated to make room for another accessible parking space. Ms. Doud responded that this was because the space would have to have level access to the entrances and that, to build such a space would require a lot of excavating. Mr. Watt asked how access to the kitchen door would be accomplished, given its narrow passageway. Ms. Doud responded that the area was actually wide enough.

Anthony Knight asked for more information about the status of the front wall, citing that it was a driving factor in the need to seismically upgrade the building. Mr. Glass responded that the blocks were 24 inches long, nominally 8 inches wide, and nominally 8 inches tall and that, at the joints, the blocks were shaped like the letter "W." He noted that the two center cells of each block were not filled with concrete and that only the cell at each joint was filled with concrete and rebar. Mr. Knight asked how much risk the wall would pose in the event of a major earthquake. Mr. Glass responded that, although the wall wouldn't collapse in a Loma Prieta-sized event, we hadn't had the "big one," and the Hayward Fault was close to the Community Center. Mr. Glass reiterated that the front wall was cantilevered and wasn't braced and that this was why it was subject to failure. He also said the front wall didn't meet current code.

Gail Feldman asked if Glass Associates had done any analysis of what the cost would be to replace the front wall with another wall, as opposed to a glazed wall. Ms. Doud responded that, because of the wall's construction, it would need to be removed and replaced. She said that, once the needed bracing was in place, either a glazed wall or a wall similar to the existing one could be installed. Ms. Feldman said that, because of the cost, she had thought the community would receive options that would have taken cost into consideration. Ms. Doud responded that options for the front wall were up for discussion and would be determined once costs were known. Mr. Glass interjected that, if the front wall were to be kept, it would need to be buttressed and Director Hacaj noted that, if the front wall were to be glazed, it would provide passive solar benefits.

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With respect to the kitchen, Ms. Feldman asked why the cabinets would need to be replaced. Mr. Glass responded that this was because the counters would have to be lowered to meet ADA requirements and that this would drive the need for new, lower cabinets.

Ms. Feldman asked if the heaters would be replaced. Mr. Glass responded that the heaters don't meet current code.

David Bergen asked if it would be cheaper to tear the Community Center down and to re-build it "from scratch." Mr. Glass responded that, if the District were to do this for the defined use, it could not do so for less than the cost of the proposed renovation work.

Kevin Fitzsimmons asked if gender-neutral bathrooms had been considered. Mr. Glass responded that, if the community wanted to go the gender-inclusive bathrooms route, Glass Associates would design for this. President Sherris-Watt added that the Park Buildings Committee had looked at a gender-neutral bathroom, it was an idea she had liked, but that architects on the Committee had determined it would be very expensive, especially in terms of having to change plumbing.

Andrew Gutierrez asked if the existing flooring would remain and whether there would be improved equipment for PowerPoint presentations. Ms. Doud responded that these would probably be on the wish list, but that some of the floor would need to be replaced in Room 3 and in the kitchen because of its condition. With respect to changing the floor in other rooms, Mr. Glass said Glass Associates was concerned that three basic elements were already over the budgeted amount.

In response to a question about the kitchen counters, Ms. Doud responded that, because the kitchen would not be a commercial one, the counters likely would be plastic laminate.

Director Hacaj thanked Bill Glass, Farhat Doud, and their colleague for presenting their design and asked that the presentation be posted on the District's website.

President Sherris-Watt introduced Jeff Sloan, an attorney with Renne, Sloan, Sakai (PLG), and explained that he was filling in for the District's legal counsel, Anne Danforth, who was on vacation.

8. The Board discussed and determined the process for an appointment on August 14, 2017 of a Director to fill the current vacancy.

Vice President Nottoli introduced the item and said the proposed procedure was the same one that had been used when there had been prior Board vacancies. She reported that applications would be due by 3:00 P.M. on August 7th and that there would be a meeting on August 14th, which would begin at 7:30 P.M. She reported that, following public comments, each candidate would give a two-minute opening statement and would then answer some suggested questions, four of which were provided. She said that, after the Board had finished its process, the public could make comments regarding the candidates to the Board, and then the candidates would make two-minute closing statements. She said this would be followed by Board deliberation and an appointment, following a motion and a second.

Simon Brafman asked if the Board would make a decision on August 14th and if the vote would be made in public. President Sherris-Watt answered both questions in the affirmative.

MOTION: President Sherris-Watt moved, and Director Hacaj seconded, to accept the Board member report and conclude this would be the process for the appointment of a Director on August 14th.

Motion passed: 4 – 0.

AYES: Sherris-Watt, Nottoli, Welsh, Hacaj

NOES:

ABSENT:

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**MOTION: President Sherris Watt moved to adjourn the meeting.
Motion passed: 4 – 0.**

AYES: Sherris-Watt, Nottoli, Welsh, Hacaj

NOES:

ABSENT:

The meeting was adjourned at 9:32 P.M.

Rachelle Sherris-Watt
KPPCSD Board President

Lynn Wolter
District Administrator

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KPPCSD

Unaudited Profit & Loss Budget Performance

July 2017

	Jul 17	Budget	Jul 17	YTD Budget	Annual Bu...
Ordinary Income/Expense					
Income					
400 · Police Activities Revenue					
401 · Levy Tax	0.00	0.00	0.00	0.00	0.00
402 · Special Tax-Police	0.00	0.00	0.00	0.00	0.00
403 · Misc Tax-Police	0.00	0.00	0.00	0.00	0.00
404 · Measure G Supplemental Tax Rev	0.00	0.00	0.00	0.00	0.00
409 · Asset seizure forfeit/WEST NET	0.00	0.00	0.00	0.00	0.00
410 · Police Fees/Service Charges	220.00	0.00	220.00	0.00	0.00
411 · Kensington Hilltop Srvcs Reimb	0.00	0.00	0.00	0.00	0.00
412 · Special Assignment Revenue	0.00	0.00	0.00	0.00	0.00
413 · West County Crossing Guard Reim	0.00	0.00	0.00	0.00	0.00
414 · POST Reimbursement	0.00	0.00	0.00	0.00	0.00
415 · Grants-Police	0.00	0.00	0.00	0.00	0.00
416 · Interest-Police	0.00	0.00	0.00	0.00	0.00
418 · Misc Police Income	547.08	0.00	547.08	0.00	0.00
419 · Supplemental W/C Reimb (4850)	4,413.16	0.00	4,413.16	0.00	0.00
Total 400 · Police Activities Revenue	5,180.24	0.00	5,180.24	0.00	0.00
420 · Park/Rec Activities Revenue					
424 · Special Tax-L&L	0.00	0.00	0.00	0.00	0.00
427 · Community Center Revenue	1,462.00	0.00	1,462.00	0.00	0.00
437 · Contributions for Sound System	0.00	0.00	0.00	0.00	0.00
438 · Misc Park/Rec Rev	40.00	0.00	40.00	0.00	0.00
420 · Park/Rec Activities Revenue - Other	7,903.85		7,903.85		
Total 420 · Park/Rec Activities Revenue	9,405.85	0.00	9,405.85	0.00	0.00
440 · District Activities Revenue					
448a · Franchise Fees Gross	4,082.43	0.00	4,082.43	0.00	0.00
448b · less Franchise Fees Paid Out	-1,749.61		-1,749.61		
456 · Interest-District	0.00	0.00	0.00	0.00	0.00
458 · Misc District Revenue	0.00	0.00	0.00	0.00	0.00
Total 440 · District Activities Revenue	2,332.82	0.00	2,332.82	0.00	0.00
Total Income	16,918.91	0.00	16,918.91	0.00	0.00
Expense					
500 · Police Sal & Ben					
502 · Salary - Officers	73,703.58	0.00	73,703.58	0.00	0.00
504 · Compensated Absences	4,527.80	0.00	4,527.80	0.00	0.00
506 · Overtime	10,450.12	0.00	10,450.12	0.00	0.00
508 · Salary - Non-Sworn	9,979.29	0.00	9,979.29	0.00	0.00
516 · Uniform Allowance	533.28	0.00	533.28	0.00	0.00
518 · Safety Equipment	0.00	0.00	0.00	0.00	0.00
521-A · Medical/Vision/Dental-Active	27,369.20	0.00	27,369.20	0.00	0.00
521-R · Medical/Vision/Dental-Retired	20,755.66	0.00	20,755.66	0.00	0.00
521-T · Medical/Vision/Dental-Trust	0.00	0.00	0.00	0.00	0.00
522 · Insurance - Police	761.00	0.00	761.00	0.00	0.00
523 · Social Security/Medicare	1,422.28	0.00	1,422.28	0.00	0.00
524 · Social Security - District	1,053.15	0.00	1,053.15	0.00	0.00
527 · PERS - District Portion	14,113.14	0.00	14,113.14	0.00	0.00
528 · PERS - Officers Portion	156,371.24	0.00	156,371.24	0.00	0.00
530 · Workers Comp	91,391.75	0.00	91,391.75	0.00	0.00
Total 500 · Police Sal & Ben	412,431.49	0.00	412,431.49	0.00	0.00
550 · Other Police Expenses					
552 · Expendable Police Supplies	0.00	0.00	0.00	0.00	0.00

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Unaudited Profit & Loss Budget Performance

	Jul 17	Budget	Jul 17	YTD Budget	Annual Bu...
553 · Range/Ammunition Supplies	5,645.75	0.00	5,645.75	0.00	0.00
560 · Crossing Guard	247.80	0.00	247.80	0.00	0.00
562 · Vehicle Operation	210.22	0.00	210.22	0.00	0.00
564 · Communications (RPD)	80,621.03	0.00	80,621.03	0.00	0.00
566 · Radio Maintenance	181.69	0.00	181.69	0.00	0.00
568 · Prisoner/Case Exp./Booking	84.94	0.00	84.94	0.00	0.00
570 · Training	2,139.31	0.00	2,139.31	0.00	0.00
572 · Recruiting	0.00	0.00	0.00	0.00	0.00
574 · Reserve Officers	1,249.49	0.00	1,249.49	0.00	0.00
576 · Misc. Dues, Meals & Travel	0.00	0.00	0.00	0.00	0.00
580 · Utilities - Police	332.30	0.00	332.30	0.00	0.00
581 · Bldg Repairs/Maint.	168.35	0.00	168.35	0.00	0.00
582 · Expendable Office Supplies	185.32	0.00	185.32	0.00	0.00
588 · Telephone(+Rich. Line)	420.53	0.00	420.53	0.00	0.00
590 · Housekeeping	299.21	0.00	299.21	0.00	0.00
592 · Publications	0.00	0.00	0.00	0.00	0.00
594 · Community Policing	736.95	0.00	736.95	0.00	0.00
596 · WEST-NET/CAL I.D.	0.00	0.00	0.00	0.00	0.00
599 · Police Taxes Administration	871.43	0.00	871.43	0.00	0.00
Total 550 · Other Police Expenses	93,394.32	0.00	93,394.32	0.00	0.00
600 · Park/Rec Sal & Ben					
601 · Park & Rec Administrator	760.85	0.00	760.85	0.00	0.00
602 · Custodian	1,750.00	0.00	1,750.00	0.00	0.00
623 · Social Security/Medicare - Dist	0.00	0.00	0.00	0.00	0.00
Total 600 · Park/Rec Sal & Ben	2,510.85	0.00	2,510.85	0.00	0.00
635 · Park/Recreation Expenses					
640 · Community Center Expenses					
642 · Utilities-Community Center	366.92	0.00	366.92	0.00	0.00
643 · Janitorial Supplies	0.00	0.00	0.00	0.00	0.00
646 · Community Center Repairs	0.00	0.00	0.00	0.00	0.00
Total 640 · Community Center Expenses	366.92	0.00	366.92	0.00	0.00
660 · Annex Expenses					
662 · Utilities - Annex	0.00	0.00	0.00	0.00	0.00
666 · Annex Repairs	0.00	0.00	0.00	0.00	0.00
668 · Misc Annex Expenses	0.00	0.00	0.00	0.00	0.00
Total 660 · Annex Expenses	0.00	0.00	0.00	0.00	0.00
672 · Kensington Park O&M	6,148.71	0.00	6,148.71	0.00	0.00
678 · Misc Park/Rec Expense	0.00	0.00	0.00	0.00	0.00
Total 635 · Park/Recreation Expenses	6,515.63	0.00	6,515.63	0.00	0.00
800 · District Expenses					
808 · District Salaries	6,246.25		6,246.25		
810 · Computer Maintenance	1,089.00	0.00	1,089.00	0.00	0.00
820 · Cannon Copier Contract	413.35	0.00	413.35	0.00	0.00
830 · Legal (District/Personnel)	26,762.85	0.00	26,762.85	0.00	0.00
835 · Consulting	7,126.00	0.00	7,126.00	0.00	0.00
840 · Accounting	2,470.00	0.00	2,470.00	0.00	0.00
850 · Insurance	37,070.96	0.00	37,070.96	0.00	0.00
860 · Election	0.00	0.00	0.00	0.00	0.00
865 · Police Bldg. Lease	2,955.67	0.00	2,955.67	0.00	0.00
870 · County Expenditures	0.00	0.00	0.00	0.00	0.00
890 · Waste/Recycle	0.00	0.00	0.00	0.00	0.00
898 · Misc. Expenses	4,313.56	0.00	4,313.56	0.00	0.00

Unaudited Profit & Loss Budget Performance

July 2017

	<u>Jul 17</u>	<u>Budget</u>	<u>Jul 17</u>	<u>YTD Budget</u>	<u>Annual Bu...</u>
899 · Depreciation Expense	0.00	0.00	0.00	0.00	0.00
Total 800 · District Expenses	88,447.64	0.00	88,447.64	0.00	0.00
950 · Capital Outlay					
961 · Police Bldg Improvements	0.00	0.00	0.00	0.00	0.00
962 · Patrol Cars	0.00	0.00	0.00	0.00	0.00
963 · Patrol Car Accessories	0.00	0.00	0.00	0.00	0.00
965 · Personal Police Equipment-Asset	0.00	0.00	0.00	0.00	0.00
966 · Police Traffic Equipment	0.00	0.00	0.00	0.00	0.00
967 · Station Equipment	0.00	0.00	0.00	0.00	0.00
968 · Office Furn/Eq	0.00	0.00	0.00	0.00	0.00
969 · Computer Equipment	0.00	0.00	0.00	0.00	0.00
972 · Park Buildings Improvement	0.00	0.00	0.00	0.00	0.00
974 · Other Park Improvements	0.00	0.00	0.00	0.00	0.00
978 · Pk/Rec Furn/Eq	215.66	0.00	215.66	0.00	0.00
Total 950 · Capital Outlay	215.66	0.00	215.66	0.00	0.00
Total Expense	603,515.59	0.00	603,515.59	0.00	0.00
Net Ordinary Income	-586,596.68	0.00	-586,596.68	0.00	0.00
Other Income/Expense					
Other Expense					
700 · Bond Issue Expenses					
710 · Bond Admin.	2,500.55	0.00	2,500.55	0.00	0.00
715 · Bond Interest Income	0.00	0.00	0.00	0.00	0.00
730 · Bond Interest	0.00	0.00	0.00	0.00	0.00
Total 700 · Bond Issue Expenses	2,500.55	0.00	2,500.55	0.00	0.00
Total Other Expense	2,500.55	0.00	2,500.55	0.00	0.00
Net Other Income	-2,500.55	0.00	-2,500.55	0.00	0.00
Net Income	-589,097.23	0.00	-589,097.23	0.00	0.00

10:50 AM

07/31/17

Accrual Basis

KPPCSD
Transaction Detail By Account
 July 2017

Date	Num	Name	Memo	Split	Amount
440 · District Activities Revenue					
448a · Franchise Fees Gross					
07/26/2017	0542		Bay View Ref...	112 · General ...	4,082.43
Total 448a · Franchise Fees Gross					4,082.43
Total 440 · District Activities Revenue					4,082.43
TOTAL					4,082.43

KPPCSD
 Transaction Detail By Account
 July 2017

Date	Num	Name	Memo	Split	Amount
440 · District Activities Revenue					
448b · less Franchise Fees Paid Out					
07/14/2017	18091	CCC Community D...	3% Franchis...	112 · General ...	-1,749.61
Total 448b · less Franchise Fees Paid Out					-1,749.61
Total 440 · District Activities Revenue					-1,749.61
TOTAL					-1,749.61



KENSINGTON POLICE DEPARTMENT

Page 1

PATROL STATISTICS REPORTING PERIOD: JULY 2017

8/2/2017

Statistic	Count
Total Incidents	249
Calls for Service	194
Officer Initiated Incidents	55
Traffic Stops	14
Other OIA Incidents	41
Bus/Building checks	12
Veh/Ped Check	10
Total Officer Reports	160
Accident	7
Crime	102
Criminal Accident	4
Missing Person	1
Trial by Declaration	0
Utility	35
Vehicle	9
Unclassified Reports	2
Total Misdemeanor & Felony Arrests	43
Misdemeanor Arrests	34
Felony Arrests	9
Total Citations	139
Moving	83
Parked	48
Person	7
Unclassified	1
FIs	1



KENSINGTON POLICE DEPARTMENT

INCIDENTS BY INCIDENT TYPE

07/04/2017 - 08/02/2017

08/02/2017

INCIDENT TYPE	DESCRIPTION	NUMBER THIS TYPE
10-33	Alarm	24
11-24	Abandoned Vehicle	10
11-81	Vehicle Accident - Injury	1
11-82	Vehicle Accident - No Injury	4
20002 VC	Hit and Run - Property Damage	3
23103 VC	Reckless Driving	2
245 PC	Assault w/Deadly Weapon or Force Likely To Produce GBI	1
415 PC	415 PC - Disturbance of Peace	10
459 PC	Burglary	3
488 PC	Petty Theft	4
5150WI	Dangerous or Gravely Disabled Person	1
530.5 PC	Identity Theft	3
594 PC	Vandalism	1
911CALL	911 Call	10
ADVICE	Person Seeking Advice From PD	2
ANIMAL	Animal Call	7
AREACHK	Area Security Check	2
CITECORR	Citation Correction	2
DUI	Driving Under the Influence	1
EXTPATRL	Request for Extra Patrol	5
FDAMBRUN	Medical - Illness, injury, accident, 5150	3
FOLLOWUP	Case/Incident Follow-Up Activity	5
FOOTPTRL	Foot Patrol	1
INFO	INFORMATION	8
MISCAMC	Misc Albany Muni Code Violation	2
MPAIDED	Citizen Assist	33
MPAUTO	Mis Pub Auto	6
MPCIVIL	Misc Civil Matter	3
MPJUV	Juvenile Problem	4
NARCOACT	Info on Drug Activity	1
OTHER	Unclassified	1
OUTASST	Assistance to an Outside Agency	2
PARKER	Parking Citation	10
RECVEH	Recovered Stolen Vehicle	2
RESTORDR	Restraining Order	1
SECURITY	Security or Business Chk	9
SUSCIRC	Suspicious Circumstance	7
SUSPERS	Suspicious Person/s	3
SUSVEH	Suspicious Vehicle	2
TRFHAZ	Traffic Hazard	4
TRIP	Check Vehicle Registration & Status	6
VEHSTOP	Vehicle Stop	15
WELFARE	Welfare Check	3
Total Incidents		227

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KENSINGTON POLICE DEPARTMENT

INCIDENTS BY OFFICER BY INCIDENT TYPE

JULY 2017

08/02/2017

OFFICER	NO. THIS OFFICER	INCIDENT TYPE	NUMBER THIS TYPE
Barrow, Keith	30	415 PC - Disturbance of Peace	2
		911 Call	4
		Alarm	3
		Animal Call	4
		Check Vehicle Registration & Status	1
		Citizen Assist	5
		Juvenile Problem	3
		Medical - Illness, injury, accident, 5150	1
		Recovered Stolen Vehicle	1
		Suspicious Circumstance	1
		Suspicious Person/s	1
		Suspicious Vehicle	2
		Traffic Hazard	1
		Welfare Check	1
		Foley, Theodore	88
911 Call	3		
Abandoned Vehicle	5		
Alarm	11		
Animal Call	3		
Burglary	1		
Check Vehicle Registration & Status	3		
Citizen Assist	14		
Hazard	1		
Hit and Run - Property Damage	1		
INFORMATION	5		
Identity Theft	2		
Mis Pub Auto	1		
Parking Citation	6		
Person Seeking Advice From PD	1		
Petty Theft	3		
Reckless Driving	1		
Request for Extra Patrol	1		
Security or Business Chk	4		
Suspicious Person/s	3		
Traffic Hazard	3		
Vehicle Stop	10		
Welfare Check	3		
Hull, Rickey	10	Alarm	1
		Case/Incident Follow-Up Activity	2
		Misc Albany Muni Code Violation	1
		Misc Civil Matter	1
		Petty Theft	1

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KENSINGTON POLICE DEPARTMENT

INCIDENTS BY OFFICER BY INCIDENT TYPE

JULY 2017

08/02/2017

OFFICER	NO. THIS OFFICER	INCIDENT TYPE	NUMBER THIS TYPE
		Request for Extra Patrol	1
		Security or Business Chk	1
		Unclassified	1
		Vehicle Stop	1
Martinez, Rodney	16	415 PC - Disturbance of Peace	1
		Case/Incident Follow-Up Activity	2
		Check Vehicle Registration & Status	1
		Citizen Assist	1
		Dangerous or Gravely Disabled Person	1
		Driving Under the Influence	1
		Foot Patrol	1
		Hit and Run - Property Damage	1
		INFORMATION	1
		Identity Theft	1
		Mis Pub Auto	1
		Security or Business Chk	3
		Vehicle Accident - No Injury	1
Ramos, Juan	54	911 Call	3
		Abandoned Vehicle	3
		Alarm	8
		Animal Call	1
		Arson	1
		Assistance to an Outside Agency	3
		Burglary	1
		Case/Incident Follow-Up Activity	1
		Check Vehicle Registration & Status	1
		Citation Correction	1
		Citizen Assist	8
		Hit and Run - Property Damage	1
		INFORMATION	2
		Mis Pub Auto	3
		Misc Albany Muni Code Violation	1
		Misc Civil Matter	1
		Parking Citation	2
		Reckless Driving	1
		Security or Business Chk	3
		Suspicious Circumstance	3
		Suspicious Person/s	2
		Vehicle Accident - Injury	1
		Vehicle Stop	2
		Welfare Check	1



KENSINGTON POLICE DEPARTMENT

INCIDENTS BY OFFICER BY INCIDENT TYPE

JULY 2017

08/02/2017

OFFICER	NO. THIS OFFICER	INCIDENT TYPE	NUMBER THIS TYPE
Wilkins, Stephanie	2	Citation Correction	1
		Restraining Order	1
Wilson, Douglas	19	415 PC - Disturbance of Peace	2
		Abandoned Vehicle	1
		Burglary	1
		Check Vehicle Registration & Status	1
		Citizen Assist	3
		Parking Citation	2
		Person Seeking Advice From PD	1
		Request for Extra Patrol	1
		Security or Business Chk	1
		Suspicious Circumstance	1
		Suspicious Person/s	1
		Suspicious Vehicle	1
		Vehicle Accident - No Injury	2
		Vehicle Stop	1

Lynn Wolter

From: Rickey L. Hull
Sent: Thursday, August 03, 2017 10:51 AM
To: Lynn Wolter
Cc: Tony Constantouros
Subject: FW: NNO 2017
Attachments: National Night Out Poster 20170801.pdf; National Night Out Sign-In 20170801.pdf

Cudos for Stephanie can this go in correspondence?
RLH

From: Larry Nagel [mailto:lwn@att.net]
Sent: Wednesday, August 02, 2017 10:00 PM
To: Stephanie Wilkens <swilkens@Kensingtoncalifornia.org>
Cc: Rickey L. Hull <rhull@Kensingtoncalifornia.org>; Marlene Keller <marlenekeller9577@comcast.net>; Kevin Janes <KJanes@ci.el-cerrito.ca.us>
Subject: Re: NNO 2017

Stephanie:

Congratulations on running another successful (if somewhat scaled down) National Night Out!!! I have attached a copy of the poster we distributed for this year's event as well as a PDF scan of the Sign-In list. We actually had one more couple who didn't sign in and one couple who are just renting for the summer, so we really had 15 people attend our party. We were very thrilled to have Chief Hull stop by for a while and chat and we also had a visit from the duty crew aboard Engine 65. So I would say it was a very successful evening.

Thanks!!!

Larry

Larry Nagel
Director, Kensington Fire Protection District
Kensington CERT Area 2 Coordinator

Kensington, CA 94708

(510) 558-0842

lwn@att.net

Lynn Wolter

From: vida dorroh <vidafd@aol.com>
Sent: Saturday, July 29, 2017 12:06 PM
To: Rachelle Sherris-Watt; Eileen Nottoli; Len Welsh GMail; Sylvia Hacaj
Cc: Tony Constantouros; Lynn Wolter
Subject: Correspondence

Ladies and Gentlemen,

During public comments at the July 27 District Board meeting, I and a number of other people spoke against the \$35,000 per year rent under the lease with the Fire District. One of the points I raised was that it is incongruous for KPPCSD to pay rent to the Fire District for occupancy of the Public Safety Building, while KFPD uses the facilities of the Community Center without any payment whatsoever.

President Sherris-Watt responded to my comment by stating that there are many K-groups that are allowed to use the community center free of charge. While this is true, it is irrelevant - none of the K-groups are charging KPPCSD rent or anything else, and the K-groups are private nonprofit organizations, while KFPD is a special district. As one of the Fire Board members pointed out during their discussion of the lease on July 26, it is common practice for government agencies to charge each other rent for use of facilities.

Along the same line, I also asked whether the negotiation of the rent amount had taken account of the fact that KPPCSD provides garbage service to the Public Safety Building at no cost to the Fire District. There was no responsive comment to that question.

Some have suggested that \$35,000 is a relatively small matter. At a time when KPPCSD is trying to figure out how to fund the Community Center renovation to the tune of \$750,000 plus, that doesn't seem small to me. Indeed, it's a substantial part of the shortfall between funds KPPCSD already has available, and what will be needed for the renovation.

Vida Dorroh

Lynn Wolter

From: Sylvia Elsbury <sylviaelsbury@yahoo.com>
Sent: Tuesday, July 25, 2017 12:21 AM
To: Lynn Wolter
Subject: Fwd: Public Safety Building cost sharing agreement

Typo in your address ... please publish w correspondence, thanks!

Begin forwarded message:

From: Sylvia Elsbury <sylviaelsbury@yahoo.com>
Date: July 25, 2017 at 12:14:07 AM PDT
To: TConstantouros@Kensingtoncalifornia.org
Cc: lwolter@kensingtoncalifornia.org, rsherriswatt@kensingtoncalifornia.org, Sylvia Hacaj <shacaj@kensingtoncalifornia.org>, Eileen Nottoli <enottoli@kensingtoncalifornia.org>, lwelsh@kensingtoncalifornia.org
Subject: Public Safety Building cost sharing agreement

Dear Tony:

Earlier this month, residents learned of the vote by KPPCSD directors to pay \$35K/yr in "market rate rent" to the Fire District for space in the Public Safety Building. It was reported in meeting minutes that the Fire Board had been offered something like \$26K by President Sherris-Watt; Director Kosel countered with a demand for \$60K before the two settled on \$35K.

Underlying this negotiation was an emphasis on the "market rate" value of the space occupied by KPPCSD. Concerned residents contacted the Fire Board and spoke at their meeting to suggest a different approach: the Fire and Police districts should share the building's actual maintenance costs. Rather than casting the Fire Board in the role of landlord collecting rent, the two districts should collaborate on a data-driven cost-sharing agreement.

I'm not sure you were copied on residents' correspondence with the two Boards. Now that you're in place I want you to know my thoughts on this, which are shared by others.

As you no doubt perceived immediately, Kensington is served by two volunteer boards with great aptitude and dedication. Adding you to the mix promises innovation. Welcome to Kensington, and thank you in advance for your assistance as the two boards revisit this matter at their meetings this week.

Regards,
Sylvia Elsbury

Lynn Wolter

From: Eileen Nottoli
Sent: Wednesday, August 09, 2017 12:02 PM
To: Lynn Wolter
Subject: Fwd: Appointment of New KPPCSD Board Member

Eileen Nottoli

Begin forwarded message:

From: Andrew Reed <ajpr@sonic.net>
Date: August 5, 2017 at 9:05:58 PM PDT
To: <eileen.nottoli@kensingtoncalifornia.org>
Subject: Fwd: Appointment of New KPPCSD Board Member

Director Nottoli,

Please pardon the first email attempt with an incorrect spelling of your name.

Sincerely,

Andrew and Kay Reed

Begin forwarded message:

From: Andrew Reed <ajpr@sonic.net>
Subject: Appointment of New KPPCSD Board Member
Date: August 5, 2017 at 8:54:01 PM PDT
To: rsherriswatt@kensingtoncalifornia.org,
eileen.nottoli@kensingtoncalifornia.org, lwelsh@kensingtoncalifornia.org,
sylvia.hacaj@kensingtoncalifornia.org

Honorable KPPCSD Board Members:

Please allow us to suggest that you appoint Mr. David Spath as the replacement board member for the vacated seat. We believe that Mr. Spath is the strongest candidate because:

1. He ran the ad-hoc committee on district structure and as a result has an extraordinary grasp on and understanding of the critical issues facing how we might best organize the district;
2. He is ready to start strong on the work needed given his long standing involvement with the community and attendance at every board meeting for the last several years; and
3. He is very popular among the electorate - having placed highly in the last

election. The community obviously feels good about his talents and contributions.

Thank you for your consideration.

And thank you for your own efforts on behalf of the community.

Sincerely,

Andrew and Kay Reed

Lynn Wolter

From: Eileen Nottoli
Sent: Wednesday, August 09, 2017 12:01 PM
To: Lynn Wolter
Subject: Fwd: my thoughts re KPPCSD Board vacancy notice
Attachments: spath-votes.jpeg

Eileen Nottoli

Begin forwarded message:

From: Marek Jeziorek <marekjez@gmail.com>
Date: August 6, 2017 at 8:09:58 PM PDT
To: <eileen.nottoli@kensingtoncalifornia.org>
Subject: my thoughts re KPPCSD Board vacancy notice

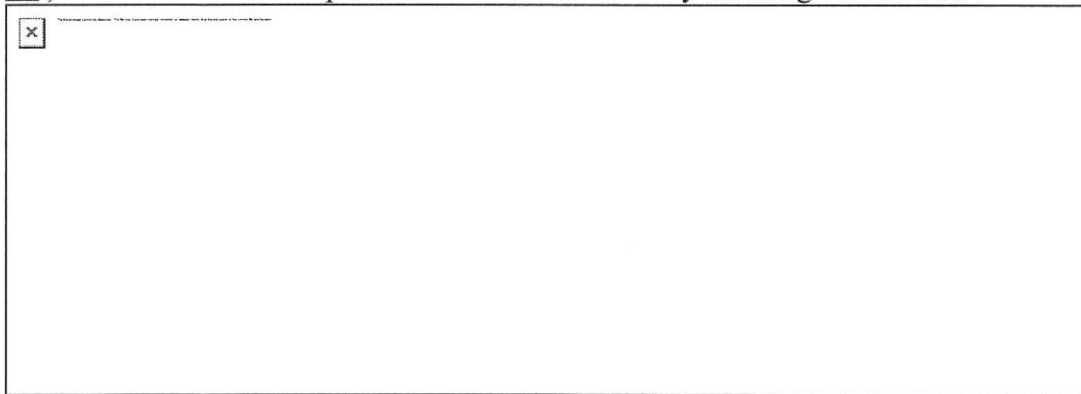
Dear Eileen,

I'm a Kensington resident and with interest I saw a vacancy notice (<http://kensingtoncalifornia.org/download/misc-kppcsd-documents/2017-07-18-KPPCSD-Board-Vacancy-Notice.pdf>). It wasn't for me, but I thought it would be a perfect position for David Spath, if he applied for this vacancy.

Why?

** he was a temporary chair of the Kensington Ad Hoc Governance Committee where he worked with a very diverse group of Kensington residents; in my opinion the Kensington Ad Hoc Governance Committee demonstrated that Kensington residents can work together to discover a better future. David Spath was very much part of this (I'd love to see "we can do it together" spirit in the KPPCSD Board)

** he was the third vote getter in the recent elections (image captured from http://votersedge.org/ca/en/ballot/election/area/42/section/candidates?election_authority_id=7) ... as such he has respect and mandate from many Kensington residents



** While David Spath demonstrated that we "can work together", he also will be able to add diversity to the KPPCSD Board's opinions. We all have diverse perspectives, work experiences, life styles and cultures. I like the quote which I found on the web "Diversity fosters creativity".

Creativity with a pragmatic way of resolving the differences will get us much further as a community than appointing "Yet Another Yes-Person" :-) to the KPPCSD Board.

Just my 2c,

Best regards
Marek

PS. Yet another quote from the web "**Board of directors that that embrace diversity and inclusion in all aspects of their business statistically outperform their peers**" (paraphrased from "Companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers" attributed to Josh Bersin on <https://ideal.com/diversity-and-inclusion/>)

Kensington Police Protection and Community Services District

➤ Director

 Chuck Toombs 918 votes (15.11%)

 Simon Brafman 87 votes (1.43%)

 Eileen M. Nottoli 2,073 votes (34.12%) **Winning** ✓

 David P. Spath 1,093 votes (17.99%)

 Sylvia Hacaj 1,892 votes (31.14%) **Winning** ✓

Lynn Wolter

From: Eileen Nottoli
Sent: Wednesday, August 09, 2017 11:17 AM
To: Lynn Wolter
Subject: Fwd: Letter of Support for David Spath

Eileen Nottoli

Begin forwarded message:

From: Garen Corbett <glcorbett@gmail.com>
Date: August 7, 2017 at 1:43:58 PM PDT
To: Sylvia Hacaj <shacaj@kensingtoncalifornia.org>, Len Welsh <lwelsh@kensingtoncalifornia.org>, <rsherriswatt@kensingtoncalifornia.org>, <eileen.nottoli@kensingtoncalifornia.org>
Subject: Letter of Support for David Spath

Dear KPPCSD Board Members:

I am writing (without David asking or knowing), in strong support of David Spath as a candidate for the vacant Director position. I learned from someone else that he had applied.

I offer this strong endorsement from the lens of watching him successfully lead, research, facilitate; not through any political or ideological prism. I spent nearly a year on the Ad Hoc Committee, considering models for managing the District and researching best practices related to contacting for police services. I worked very closely on this with David (who chaired) through the entire endeavor. I also worked with him in researching and writing for the same subcommittee (options, based on best practices, for the Manager position). Despite the Ad Hoc Committee being a large group of strong personalities with very divergent views, temperaments, and levels of experience, Dave calmly and professionally facilitated a very robust and challenging series of tasks to successful conclusion. He respected everyone, and kept his cool despite all kinds of pressures. We informed and engaged the broader community repeatedly and consistently, and delivered our promised results. This was no small task. It was achieved largely because of Dave's skills, temperament, and experience. I believe this commitment to our community is laudable and well-proven. I also believe that it would be in our collective interests to both recognize him with this interim role and benefit from all that he has to offer us.

Dave's knowledge, public sector contracting and finance experience, and reasonable demeanor would, in my view be a complement to the Board. As you all know, there are some complex decisions before you in the coming months, and I think there would be little to no learning curve for Dave. That is a rare gift.

I would be happy to answer any questions, whether formally or informally.

Thank you for your dedicated service and for moving expeditiously to fill the 5th seat.

Sincerely,

Garen Corbett
11 Camelot Ct
glcorbett@gmail.com

Lynn Wolter

From: Eileen Nottoli
Sent: Wednesday, August 09, 2017 10:41 AM
To: Lynn Wolter
Subject: Fwd: Endorsement for Chris Deppe to fill vacancy on Kensington Board
Attachments: ChrisDeppe-letter.pdf; ATT00001.htm

Eileen Nottoli

Begin forwarded message:

From: Paul Adamson <pwadamson@gmail.com>
Date: August 8, 2017 at 10:03:24 PM PDT
To: Rachelle Sherris-Watt <rsherriswatt@Kensingtoncalifornia.org>, Eileen Nottoli <ENottoli@Kensingtoncalifornia.org>, Len Welsh <lwelsh@Kensingtoncalifornia.org>, Sylvia Hacaj <shacaj@Kensingtoncalifornia.org>
Subject: Endorsement for Chris Deppe to fill vacancy on Kensington Board

Dear Board Member,

Please find attached my letter of endorsement of Chris Deppe to fill the vacant seat on the KCCP Board of Directors.

Regards,
Paul Adamson

PAUL ADAMSON FAIA LEED AP
pwadamson@gmail.com
c. 415.297.8019
AIASF BOARD OF DIRECTORS



Paul Adamson, FAIA

Attention: Board Member

KPPCSD

217 Arlington Ave, Kensington, CA 94707

Date: 08/08/17

SUBJECT: Support for Chris Deppe to fill the vacancy on our Board of Directors

Paul Adamson, FAIA
30 Reed Place
Kensington, CA 94707
T 510-528-8849
C 415-297-8019
pwadamson@gmail.com

Dear KPPCSD Board Member,

I have known Chris Deppe for 17 years. He and Maria Adriaans are our neighbors, and we've enjoyed their companionship and generous hospitality these many years. We've also been the beneficiaries of Chris and Maria's conscientious observation and critique of policies and operations of our governance. They've alerted us to issues affecting our immediate neighborhood and the community at large. And together they hosted get-togethers with board candidates at election times, and invited me and my wife to their house for discussions with our potential representatives.

At these gatherings Chris demonstrated a keen understanding of the issues at hand, the relevant policies and the political mechanics by which citizen's concerns are manifest, communicated to representatives and ultimately translated into advocacy or action. Chris is a brilliant, ethical and continuously engaged member of our community, and his participation on the Board would be of unqualified benefit to Kensington's residents.

I wholeheartedly endorse his decision to seek this position, and should he be successful in this effort, will be thereafter a more conscientious and engaged citizen myself, as I will have every faith that his participation will ensure me and my family of an earnest and consistently conscientious voice on behalf of our community.

I thank you for your kind attention, and for the opportunity to write to you on his behalf.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Paul Adamson", written in a cursive style.

Paul Adamson, FAIA

Lynn Wolter

From: Susan Garfin <garfin@sonic.net>
Sent: Wednesday, August 09, 2017 10:56 AM
To: Rachelle Sherris-Watt; Len Welsh GMail; Eileen Nottoli; Sylvia Hacaj
Cc: Tony Constantouros; Lynn Wolter; David Spath
Subject: Recommendation for David Spath for KppCSD board position
Attachments: Recommendation for David Spath 08_09_2017.pdf

112 Kenyon Avenue
Kensington, CA 94708
August 9, 2017

To the KPPCSD Board:

I am writing an unsolicited letter on behalf of Mr. David Spath whom I would like to see be appointed to fill the current vacancy on the KPPCSD Board of Directors. I do not feel that anyone in Kensington is better qualified to fill that vacancy, nor has anyone in Kensington shown more consistent, dedicated commitment to researching and trying to find answers to the structural problems our town is now facing. Finally, Mr. Spath ran for that position in November, 2016. He was the runner-up in that election.

Throughout 2017 national politics have demonstrated the importance of selecting candidates with relevant professional experience and the ability to work successfully with people of divergent points of view. Kensington, no less than the country at large, needs to be governed by skilled professionals who possess these qualifications. David Spath is such a person. This is not a time for Kensington to select a board member with a set objective of furthering one side or the other's position on restructuring our town.

Specifically, here are some of the things I find relevant in David Spath's resume.

1. Spath has been deeply involved in Kensington issues over the past few years most notably by chairing the KPPCSD's Ad Hoc Committee on governance, which produced a detailed report that, from my point of view, has not been thoroughly enough reviewed and discussed by the community at large.
2. Because of his committee chairmanship Spath has comprehensive knowledge about the following topics:
 - a. bifurcation of the general manager/chief of police position,
 - b. contracting out police services,
 - c. consolidation of the KPPCSD (police, parks and recreation, and solid waste services) with the KFPD (fire services),
3. Spath has had long experience at both the State and federal management level.

Please, for the benefit of our beleaguered and divided community, begin to heal the wounds by appointing David Spath to the KPPCSD Board.

Sincerely,

Susan Garfin

Cc: David Spath

Lynn Wolter

From: Eileen Nottoli
Sent: Wednesday, August 09, 2017 10:40 AM
To: Lynn Wolter
Subject: Fwd: Filling the Vacancy on the KPPCSD Board

Eileen Nottoli

Begin forwarded message:

From: Lewis Conner <lgconner@gmail.com>
Date: August 9, 2017 at 9:06:59 AM PDT
To: <rsherriswatt@kensingtoncalifornia.org>, <eileen.nottoli@kensingtoncalifornia.org>, <lwelsh@kensingtoncalifornia.org>, <sylvia.hacaj@kensingtoncalifornia.org>
Subject: Filling the Vacancy on the KPPCSD Board

Dear KPPCSD Directors,

I support the appointment of Chris Depp as KPPCSD Director.

Mr. Depp's service on the Ad Hoc Committee and his continued efforts to raise important local governance issues in the NextDoor Kensington forum evidence his commitment to our community. His insistence that discussion on such issues (where reasonable people may disagree) be civil and respectful shows his support for the democratic process.

Sincerely,

Lewis Conner

Kensington resident

Lynn Wolter

From: Eileen Nottoli
Sent: Wednesday, August 09, 2017 10:40 AM
To: Lynn Wolter
Subject: Fwd: Support for Christopher Deppel

Eileen Nottoli

Begin forwarded message:

From: "Kaplan, Andrea" <akaplan@argosy.edu>
Date: August 9, 2017 at 10:32:10 AM PDT
To: "rsherriswatt@kensingtoncalifornia.org" <rsherriswatt@kensingtoncalifornia.org>, "eileen.nottoli@kensingtoncalifornia.org" <eileen.nottoli@kensingtoncalifornia.org>, "lwelsh@kensingtoncalifornia.org" <lwelsh@kensingtoncalifornia.org>, "sylvia.hacaj@kensingtoncalifornia.org" <sylvia.hacaj@kensingtoncalifornia.org>
Subject: Support for Christopher Deppel

I am writing this letter to support the appointment of Christopher Deppe to the open seat on the KPPCSD Board. Chris has been my neighbor for more than a decade and I have rarely had the pleasure to meet a finer, more responsible and more reasonable person. Chris is always available to lend a helping hand. In the rare case where problems have arisen, for example, costs for cleaning up a fallen tree or repairing a damaged fence, Chris is an excellent problem solver. He remains calm, logical, and dedicated to finding a fair solution to the problem. This is exactly the set of skills we can use to calm the troubled dynamics on our Board. Chris is the model of a fine neighbor and would work for the benefit of our entire community.

Chris is highly intelligent and familiar with all the pressing issues we have been facing in Kensington recently. He has relevant experience because he has been functioning on the ad hoc Committee the Board commissioned.

Chris, by virtue of his character, experience and intelligence is uniquely suited to become a member of our Board. We would be fortunate to have him working for all of us.

Andrea Kaplan, Ph.D.
Professor, Clinical Psychology
American School of Professional Psychology
1005 Atlantic Avenue
Alameda, CA 945001
(510) 604-2280 (Mobile)
(510) 217-4800 (Fax)
akaplan@argosy.edu

Lynn Wolter

From: Comcast <enottoli@comcast.net>
Sent: Wednesday, August 09, 2017 3:10 PM
To: Lynn Wolter
Subject: Fwd: please select Chris Deppe

Eileen

Begin forwarded message:

From: Mabry Benson <benson@acm.org>
Date: August 9, 2017 at 3:00:19 PM PDT
To: Rachelle Sherris-Watt sbcglobal <shwatt@sbcglobal.net>, "enottoli@comcast.n et" <enottoli@comcast.net>, Sylvia Hacaj <shacaj@comcast.net>
Cc: Chris Deppe <cdeppe@tseint.com>
Subject: please select Chris Deppe
Reply-To: benson@acm.org

I am asking you to select Chris Deppe as the new KPPSCD director. I worked with him on the Ad Hoc committee and found that he was open minded, dedicated to making a contribution in spite of the difficulties that he had making it to meetings due to his long commute. and made positive contributions to the the matters we looked at.

He would bring a fresh outlook to working on the affairs in the community.

And a strong reason for me is that he supports investigating contracting and would favor doing it if it was feasible.

Mabry

Lynn Wolter

From: Eileen Nottoli
Sent: Wednesday, August 09, 2017 4:14 PM
To: Lynn Wolter
Subject: Fwd: Recommendation for the Board, August 9

Eileen Nottoli

Begin forwarded message:

From: Marilyn Stollon <mstollon@sonic.net>
Date: August 9, 2017 at 4:12:11 PM PDT
To: <Rsherriswatt@kensingtoncalifornia.org>, Sylvia Hacaj <shacaj@kensingtoncalifornia.org>, Eileen Nottoli <ENottoli@kensingtoncalifornia.org>, "lwelsh@kensingtoncalifornia.org Welsh" <lwelsh@kensingtoncalifornia.org>
Cc: John G office <studiojvg@sonic.net>, mary mark <wegorn@sbcglobal.net>, Frances McCosker <frances_ffm@yahoo.com>, "bjctrains@aol.com" <bjctrains@aol.com>
Subject: Recommendation for the Board, August 9

Dear Board Members:

I am writing this letter of reference on behalf of Chris Deppe who has submitted his application to replace Ms. Cordova as a board member of the KPPCSD.

I know Chris for several years in our collaborative efforts to educate and inform the previous board on community issues in an unbiased manner. He has analyzed and presented data to the board on traffic issues, made suggestions, has expressed his concerns about police performance and oversight, as well as commenting on budget/finance items at numerous board meetings.

Additionally, he volunteered to participate on the AdHoc committee where he competently researched, analyzed and presented information to the residents on splitting the GMCOP, contracting for police services and consolidation. During that process, I was impressed with his resolute efforts to remove bias from the study group methodology and to keep the process as open and fair as he could. He has a high level of integrity and is a personable team player, necessary attributes for a board member.

In terms of his skills, I have found Chris to be highly intelligent, analytical, articulate, thorough and logical in his approach to researching and resolving complex issues with well thought out solutions. He is a good listener, highly organized, and is committed to improving Kensington. He has an understanding of the past, current and upcoming problems and is well informed.

It is with great enthusiasm that we highly recommend Chris for consideration and approval by the board. We believe he will add value to the team.

Sincerely,

Marilyn Stollon
John Gaccione
Mary Kron
Mark Wegner
Carolyn Wegner
Frances McCosker
Ben Clow
Bernard Suessmeier

To the KPPCSD Board members:

I understand we may have four candidates who have put their name in the ring for the open position on the board – Dave Spath, Chris Deppe, Kim Zwik, and Simon Brafman. If that is true, I ask that you consider the following analysis.

Three of these candidates have run for this board before. That is significant because by running for office they have indicated to their friends and neighbors that they care enough about our town to publicly acknowledge their willingness to devote the time and energy necessary to get elected and, if elected, to serve. That takes courage and commitment. Three of these candidates have demonstrated these qualities – Kim, Simon and Dave. Chris has not.

Two of the candidates have attended meetings on a regular or semi-regular basis. Simon came to meetings frequently – but his attendance has fallen off since 2016; Dave has come to every meeting for the past 9 years at least – unless he was out of town. Chris and Kim have not been at any more than a handful of meetings over that the 6 years I have been attending board meetings.

One of the candidates has come to every Finance Committee meeting for the last 9 years – unless he was out of town, contributing his voice and expertise to help us through our financial challenges. He knows the budget, has managed budgets previously in his career, and is conversant with all of the financial issues facing our community. That is Dave. Chris, Kim and Simon have not.

One of the candidates has led a committee that addressed the biggest issue to face our community – how we should structure our police department. He had to work with community members with differing points of view and different constituencies. He did so with grace and competence. While Simon and Chris were on that committee, it was Dave who led the charge, mustered the forces, and ensured a written product that was collaborative, comprehensive and neutral. And he continued to be involved with this Board after the Ad Hoc Committee's work was completed. None of the other candidates contributed to this process at the level Dave did.

One of the candidates garnered 1093 votes from the citizens of Kensington in the last election, coming in third, with broad based support. That person is Dave. Neither Simon nor Kim had more than a few hundred votes when they ran several years ago. And Chris has never received any votes from anyone.

In short, Dave is the only person who can step into this empty seat with the knowledge, experience and support necessary to do this job on day one. There is no ramp up time; there is no learning curve.

At a time when our community needs balanced, measured and competent people to navigate the daunting issues before us, Dave is the candidate who stands out. He knows

Kensington's history because, unlike the other candidates, he has lived here for most of his adult life and he has put in the time to learn about the challenges we face currently.

I urge you to be courageous and to show your commitment to our town by choosing someone who 1093 people already supported for this board. I urge you to choose Dave.

Thanks.

Pat Gillette

August 10, 2017

Lynn Wolter

From: Len Welsh <lenwelsh@gmail.com>
Sent: Thursday, August 10, 2017 7:26 PM
To: Lynn Wolter
Subject: Fwd: Fw: Dave Spath

Hi Lynn. For the board packet in case no one has asked you.

----- Forwarded message -----

From: Pancho Huddle <fphuddle@hotmail.com>

Date: Thu, Aug 10, 2017 at 7:01 PM

Subject: Fw: Dave Spath

To: "lwelsh@kensingtoncalifornia.org" <lwelsh@kensingtoncalifornia.org>,
"syviahacaj@kensingtoncalifornia.org" <syviahacaj@kensingtoncalifornia.org>,
"eileenotali@kensingtoncalifornia.org" <eileenotali@kensingtoncalifornia.org>

Please see below...please consider this as a first-hand endorsement. Much appreciated. Pancho Huddle, 211 Arlington Avenue

From: Pancho Huddle <fphuddle@hotmail.com>

Sent: Thursday, August 10, 2017 6:57 PM

To: rsherriswatt@kensingtoncalifornia.org

Subject: Dave Spath

Just wanted to put in a plug of Dave Spath who looks to have the ideal background -- ad hoc committee experience, years of direct familiarity with Kensington issues, and a common-sense approach to tricky issues. warm regards Pancho Huddle (Ambassador Franklin Huddle)

Lynn Wolter

From: Glenda Flaim <glendaflaim@gmail.com>
Sent: Thursday, August 10, 2017 10:17 AM
To: Rachelle Sherris-Watt; Len Welsh GMail; Eileen Nottoli; Sylvia Hacaj
Cc: Tony Constantouros; Lynn Wolter; dspath@yahoo.com
Subject: Endorsement for David Spath

To the KPPCSD Board:

I am writing to urge the appointment of David Spath to fill the current vacancy on the KPPCSD Board of Directors. I believe that Dr. Spath is completely qualified to fill that vacancy. He has shown consistent and dedicated commitment to service on behalf of the citizens of Kensington at the many KPPCSD Board meetings at which he appears and participates, and in his committee work. Spath has a proven record of professional experience and the ability to work successfully with people of divergent points of view. At this critical time, Kensington needs to be governed by skilled professionals who possess these qualifications. David Spath is that person.

David Spath has been deeply involved in Kensington issues over the years. His chairmanship of the KPPCSD Ad Hoc Committee on governance resulted in a detailed report examining the structure of government in Kensington, and alternatives and improvements. He has comprehensive knowledge about the bifurcation of the general manager-chief of police position, contracting out police services, consolidation of the police district with its fire district. Both are our main protection districts. Moreover, he has extensive experience in managing and interfacing with government agencies on a state and federal level.

Please appoint Dave Spath to the vacant seat on the Board for the benefit of our community.

Very truly yours,

Glenda Flaim
97 Highland Blvd.

Lynn Wolter

From: Kristina Rivers <luckyklr18@gmail.com>
Sent: Thursday, August 10, 2017 10:22 AM
To: Rachelle Sherris-Watt; Len Welsh GMail; Eileen Nottoli; Sylvia Hacaj
Cc: Tony Constantouros; Lynn Wolter
Subject: Recommendation for Appointment to KPPCSD Board

To the KPPCSD Board:

I am writing to urge the appointment of David Spath to fill the current vacancy on the KPPCSD Board of Directors. I believe that Dr. Spath is completely qualified to fill that vacancy. He has shown consistent and dedicated commitment to service on behalf of the citizens of Kensington at the many KPPCSD Board meetings at which he appears and participates, and in his committee work. Spath has a proven record of professional experience and the ability to work successfully with people of divergent points of view. At this critical time, Kensington needs to be governed by skilled professionals who possess these qualifications. David Spath is that person.

David Spath has been deeply involved in Kensington issues over the years. His chairmanship of the KPPCSD Ad Hoc Committee on governance resulted in a detailed report examining the structure of government in Kensington, and alternatives and improvements. He has comprehensive knowledge about the bifurcation of the general manager-chief of police position, contracting out police services, consolidation of the police district with its fire district. Both are our main protection districts. Moreover, he has extensive experience in managing and interfacing with government agencies on a state and federal level.

Please appoint Dave Spath to the vacant seat on the Board for the benefit of our community.

Kind regards,

Kristina Rivers
luckyklr18@gmail.com

You must be the change you wish to see in the world. by Mahatma Gandhi.

Lynn Wolter

From: Paul Dorroh <pedorroh@aol.com>
Sent: Friday, August 11, 2017 11:37 AM
To: Lynn Wolter
Subject: Fwd: The Board vacancy

Hi Lynn, sorry I meant to copy you on this for the agenda packet.

-----Original Message-----

From: Paul Dorroh <pedorroh@aol.com>
To: sylvia.hacaj <sylvia.hacaj@kensingtoncalifornia.org>
Sent: Fri, Aug 4, 2017 1:52 pm
Subject: The Board vacancy

Hi Sylvia,

With interviews and selection of a new Board member coming up next week, I'd like to ask what you see as the most important qualifications for the position, and offer my thoughts on that question.

The qualifications high on my list are:

- Commitment to the Kensington Community's overall best interests, as demonstrated by ongoing participation in both districts' and various community groups' activities
- Experience in government, budgeting, management and finance
- Objective approach to issues and pragmatic approach to resolving differences
- Collegial and respectful style of engagement

I'd welcome your thoughts on these and any other qualifications on your list.

I hope David Spath will apply for the vacancy, and think he would fill the bill and be very helpful to you and the other Board members in addressing the significant matters you have on your plate.

Look forward to seeing you at the meeting next week.

Paul Dorroh

64

Lynn Wolter

From: Julie Stein <drjul@aol.com>
Sent: Friday, August 11, 2017 12:07 PM
To: Rachelle Sherris-Watt; Eileen Nottoli; Len Welsh; Sylvia Hacaj
Cc: Lynn Wolter; Tony Constantouros
Subject: Support for Mr. Spath's application

11 August 2017
cc: Agenda Packet

Dear Members of the KPPCSD Board of Directors,

I am pleased to endorse Mr. David Spath's application to fill the vacancy on the KPPCSD Board of Directors. I have first-hand knowledge that Mr. Spath has submitted an application and was delighted to hear that he has thrown his well-qualified hat into the ring. I have heard, second-hand, that at least two other Kensington residents have applied, both of whom I know and respect very much. Even so, I'd like to focus on why I support Mr. Spath's application for this open position, and to explain why I believe he is extremely well qualified for the role while also enjoying evidence-based strong public support.

As noted in Mr. Spath's application, which he shared with me, he has extensive experience managing public programs at local, state, and national levels, and in stewarding the investment public funds for the benefit of California citizens at all levels of government. As part of his public fund management experience, he managed public employees and their compensation. He fully understands the impact of post-employment benefits on the long-term budget of a public program and the degree of financial planning required for delivering sound judgments on hiring and promoting to ensure solvency of the program's budget in the years to come.

Mr. Spath has taken an extremely active role in Kensington affairs for a long time. While Mr. Spath has been a "regular" at KPPCSD and KFPD board meetings for many years, I was first exposed to him during his tenure as chair of the KPPCSD Ad Hoc Committee on Governance in 2015-16. As I watched him in action on the committee over the course of a year, I was very impressed by his consistent reporting on the committee's progress at Board meetings. He displayed an even-handed approach to leading this diverse group of volunteers, who produced a thorough set of recommendations with an impressive report that will serve the community well as a reference document for years to come.

As a testament to his character and resiliency, I note that Mr. Spath immediately jumped back into the ring after the 2016 election, without skipping a beat and with a congenial positive attitude, to serve on the Community Outreach Committee chaired by Director Hacaj.

In closing, I return to my opening suggestion that Mr. Spath enjoys evidence-based strong public support in Kensington. Mr. Spath received almost 1100 votes from Kensington residents in a hard-fought 2016 election. This is an undisputed fact and a non-trivial endorsement from a very significant number of Kensington residents who took action and voted for him. The return on Mr. Spath's candidacy clearly demonstrates that his reach into the Kensington community is deep and extends well beyond the relatively small number of residents who both regularly and occasionally attend KPPCSD Board meetings.

I hope that you will agree, by voting for Mr. Spath on Monday night, that this level of documented and very recent public support for Mr. Spath deserves to be recognized in the selection process for filling the vacancy on the KPPCSD Board.

Thank you for dedicating your time and consideration toward making a thoughtful decision.

Best wishes,

Julie Stein
Ardmore Road

W5



California Public Employees' Retirement System
 Actuarial Office
 P.O. Box 942709
 Sacramento, CA 94229-2709
 TTY: (916) 795-3240
 (888) 225-7377 phone – (916) 795-2744 fax
 www.calpers.ca.gov

August 2017

**PEPRA SAFETY POLICE PLAN OF THE KENSINGTON COMMUNITY SERVICES DISTRICT
 (CalPERS ID: 7381511111)
 Annual Valuation Report as of June 30, 2016**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2016 actuarial valuation report of the pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2016.

Section 2 can be found on the CalPERS website at (www.calpers.ca.gov). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool Report" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2016 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2017.

The exhibit below displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2018-19 along with estimates of the required contributions for Fiscal Years 2019-20 and 2020-21. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.**

Required Contribution

Fiscal Year	Employer Normal Cost Rate	Employer Payment of Unfunded Liability
2018-19	12.141%	\$1,687
<i>Projected Results</i>		
2019-20	12.4%	\$1,500
2020-21	13.1%	\$55

The actual investment return for Fiscal Year 2016-17 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.375 percent. **If the actual investment return for Fiscal Year 2016-17 differs from 7.375 percent, the actual contribution requirements for the projected years will differ from those shown above.**

Moreover, the projected results for Fiscal Years 2019-20 and 2020-21 also assume that there are no future plan changes, no further changes in assumptions other than those recently approved, and no liability gains or losses. Such changes can have a significant impact on required contributions. Since they cannot be predicted in advance, the projected employer results shown above are estimates. The actual required employer contributions for Fiscal Year 2019-20 will be provided in next year's report.

For additional details regarding the assumptions and methods used for these projections please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section.

The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios.

WV

Changes since the Prior Year's Valuation

On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2018-19 determined in this valuation were calculated using a discount rate of 7.375 percent. The projected employer contributions on Page 5 are calculated assuming that the discount rate will be lowered to 7.25 percent next year and to 7.00 percent the following year as adopted by the Board.

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. This Policy has been temporarily suspended during the period over which the discount rate is being lowered. More details on the Risk Mitigation Policy can be found on our website.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report.

We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their results, we ask that you wait until after August 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or **(888-225-7377)**.

Sincerely,



SCOTT TERANDO
Chief Actuary



**ACTUARIAL VALUATION
as of June 30, 2016**

**for the
PEPRA SAFETY POLICE PLAN
of the
KENSINGTON COMMUNITY SERVICES
DISTRICT
(CalPERS ID: 7381511111)**

**REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2018 - June 30, 2019**

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Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**Plan Specific Information
for the
PEPRA SAFETY POLICE PLAN
of the
KENSINGTON COMMUNITY SERVICES
DISTRICT**

**(CalPERS ID: 7381511111)
(Rate Plan: 25859)**

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ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2016 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2016 provided by employers participating in the Safety Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuary has certified that, in their opinion, the valuation of the risk pool containing your PEPRA SAFETY POLICE PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that Unfunded Accrued Liability amortization bases as of June 30, 2016 and employer contribution as of July 1, 2018, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Fritzie Archuleta

FRITZIE ARCHULETA, ASA, MAAA
Senior Pension Actuary, CalPERS
Plan Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **CHANGES SINCE THE PRIOR YEAR'S VALUATION**
- **SUBSEQUENT EVENTS**

Introduction

This report presents the results of the June 30, 2016 actuarial valuation of the PEPRA SAFETY POLICE PLAN of the KENSINGTON COMMUNITY SERVICES DISTRICT of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for Fiscal Year 2018-19.

Purpose of Section 1

This Section 1 report for the PEPRA SAFETY POLICE PLAN of the KENSINGTON COMMUNITY SERVICES DISTRICT of the California Public Employees' Retirement System (CalPERS) was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2016;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2018 through June 30, 2019; and
- Provide actuarial information as of June 30, 2016 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 9.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0 percent, 7.0 percent and 8.0 percent.

Required Employer Contribution

Required Employer Contribution	Fiscal Year
Employer Normal Cost Rate	2018-19
	12.141%
<i>Plus Either</i>	
1) Monthly Employer Dollar UAL Payment	\$ 140.61
<i>Or</i>	
2) Annual Lump Sum Prepayment Option	\$ 1,628
<p><i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).</i></p> <p><i>Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.</i></p> <p><i>§ 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.</i></p>	

	Fiscal Year 2017-18	Fiscal Year 2018-19
Development of Normal Cost as a Percentage of Payroll¹		
Base Total Normal Cost for Formula	0.000%	24.141%
Surcharge for Class 1 Benefits ²		
None	0.000%	0.000%
Phase out of Normal Cost Difference ³	0.000%	0.000%
Plan's Total Normal Cost	0.000%	24.141%
Plan's Employee Contribution Rate	0.000%	12.000%
Employer Normal Cost Rate	0.000%	12.141%
Projected Payroll for the Contribution Fiscal Year	\$ 0	\$ 77,495
Estimated Employer Contributions Based on Projected Payroll		
Plan's Estimated Employer Normal Cost	\$ 0	\$ 9,409
Plan's Payment on Amortization Bases ⁴	0	1,687
% of Projected Payroll (illustrative only)	0.000%	2.177%
Estimated Total Employer Contribution	\$ 0	\$ 11,096
% of Projected Payroll (illustrative only)	0.000%	14.318%

¹ The results shown for Fiscal Year 2017-18 reflect the prior year valuation and may not take into account any lump sum payment, side fund payoff, or rate adjustment made after June 30, 2016.

² Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

³ The normal cost difference is phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year. This is non-zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

⁴ See page 9 for a breakdown of the Amortization Bases.

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Plan's Funded Status

	June 30, 2015	June 30, 2016
1. Present Value of Projected Benefits (PVB)	\$ 0	\$ 246,696
2. Entry Age Normal Accrued Liability (AL)	0	4,457
3. Plan's Market Value of Assets (MVA)	0	4,131
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	0	326
5. Funded Ratio [(3) / (2)]	0.0%	92.7%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows projected employer contributions (before cost sharing) for the next six fiscal years. Projected results reflect the adopted changes to the discount rate described in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report. The projections also assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period.

Fiscal Year	Required Contribution	Projected Future Employer Contributions (Assumes 7.375% Return for Fiscal Year 2016-17)					
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Normal Cost %	12.141%	12.4%	13.1%	13.1%	13.1%	13.1%	13.1%
UAL Payment	\$1,687	\$1,500	\$55	\$110	\$170	\$240	\$310

Changes in the UAL due to actuarial gains or losses as well as changes in actuarial assumptions or methods are amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of Section 2. This method phases in the impact of unanticipated changes in UAL over a 5-year period and attempts to minimize employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years where there is a large increase in UAL the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

Due to the adopted changes in the discount rate for the next two valuations in combination with the 5-year phase-in ramp, the increases in the required contributions are expected to continue for seven years from Fiscal Year 2018-19 through Fiscal Year 2024-25.

For projected contributions under alternate investment return scenarios, please see the "Analysis of Future Investment Return Scenarios" in the "Risk Analysis" section.

Changes since the Prior Year's Valuation

Benefits

None. This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of Section 2 for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2018-19 determined in this valuation were calculated using a discount rate of 7.375 percent. The projected employer contributions on Page 5 are calculated assuming that the discount rate will be lowered to 7.25 percent next year and 7.00 percent the following year as adopted by the Board. The decision to reduce the discount rate was primarily based on reduced capital market assumptions provided by external investment consultants and CalPERS investment staff. The specific decision adopted by the Board reflected recommendations from CalPERS staff and additional input from employer and employee stakeholder groups. Based on the investment allocation adopted by the Board and capital market assumptions, the reduced discount rate assumption provides a more realistic assumption for the long term investment return of the fund.

Notwithstanding the Board's decision to phase into a 7.0 percent discount rate, subsequent analysis of the expected investment return of CalPERS assets or changes to the investment allocation may result in a change to this three year discount rate schedule. A comprehensive analysis of all actuarial assumptions and methods including the discount rate will be conducted in 2017.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2016. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the required contribution, while investment returns above the assumed rate of return will decrease the actuarial cost of the plan.

This actuarial valuation report reflects statutory changes, regulatory changes and CalPERS Board actions through January 2017. Any subsequent changes or actions are not reflected.

ASSETS AND LIABILITIES

- **BREAKDOWN OF ENTRY AGE NORMAL ACCRUED LIABILITY**
- **ALLOCATION OF PLAN'S SHARE OF POOL'S EXPERIENCE/ASSUMPTION CHANGE**
- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA**
- **SCHEDULE OF PLAN'S AMORTIZATION BASES**
- **30-YEAR AMORTIZATION SCHEDULE AND ALTERNATIVES**
- **EMPLOYER CONTRIBUTION HISTORY**
- **FUNDING HISTORY**

Breakdown of Entry Age Normal Accrued Liability

1. Active Members	\$	603
2. Transferred Members		3,854
3. Terminated Members		0
4. Members and Beneficiaries Receiving Payments		0
5. Total	\$	4,457

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1. Plan's Accrued Liability	\$	4,457
2. Projected UAL balance at 6/30/16		0
3. Pool's Accrued Liability	\$	19,698,755,513
4. Sum of Pool's Individual Plan UAL Balances at 6/30/16		4,661,724,814
5. Pool's 2015/16 Investment & Asset (Gain)/Loss		996,431,536
6. Pool's 2015/16 Other (Gain)/Loss		(166,972,696)
7. Plan's Share of Pool's Asset (Gain)/Loss $[(1)-(2)]/[(3)-(4)] * (5)$		295
8. Plan's Share of Pool's Other (Gain)/Loss $[(1)]/[(3)] * (6)$		(38)
9. Plan's New (Gain)/Loss as of 6/30/2016 $[(7)+(8)]$	\$	258
10. Increase in Pool's Accrued Liability due to Change in Assumptions		301,461,845
11. Plan's Share of Pool's Change in Assumptions $[(1)]/[(3)] * (10)$	\$	68

Development of the Plan's Share of Pool's Market Value of Assets

1. Plan's Accrued Liability	\$	4,457
2. Plan's UAL	\$	326
3. Plan's Share of Pool's MVA $[(1)-(2)]$	\$	4,131

Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2016.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date: Fiscal Year 2018-19.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the payment on the UAL for the fiscal year and adjusting for interest.

Reason for Base	Date Established	Amortization Period	Balance 6/30/16	Payment 2016-17	Balance 6/30/17	Payment 2017-18	Balance 6/30/18	Amounts for Fiscal 2018-19	
								Scheduled Payment	for 2018-19
FRESH START	06/30/16	1	\$326	\$(575)	\$945	\$(592)	\$1,628		\$1,687
TOTAL			\$326	\$(575)	\$945	\$(592)	\$1,628		\$1,687

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed on the previous page. These (gain)/loss bases will be amortized according to Board policy over 30 years with a 5-year ramp-up.

If the total Unfunded Liability is negative (i.e., plan has a surplus), the scheduled payment is \$0, because the minimum required contribution under PEPPRA must be at least equal to the normal cost.

30-Year Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze the current amortization schedule and illustrate the advantages of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on: 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternate "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. Note that the payments under each alternate scenario increase by 3 percent for each year into the future. **The schedules do not attempt to reflect any experience after June 30, 2016 that may deviate from the actuarial assumptions. Therefore, future amortization payments displayed in the Current Amortization Schedule may not match projected amortization payments shown in connection with Projected Employer Contributions provided elsewhere in this report.**

The Current Amortization Schedule typically contains individual bases that are both positive and negative. Positive bases result from plan changes, assumption changes or plan experience that result in increases to unfunded liability. Negative bases result from plan changes, assumption changes or plan experience that result in decreases to unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years such as:

- A positive total unfunded liability with a negative total payment,
- A negative total unfunded liability with a positive total payment, or
- Total payments that completely amortize the unfunded liability over a very short period of time

In any year where one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy. For purposes of this display, total payments include any negative payments. Therefore, the amount of estimated savings may be understated to the extent that negative payments appear in the current schedule.

30-Year Amortization Schedule and Alternatives

Date	<u>Current Amortization Schedule</u>		<u>Alternate Schedules</u>			
	Balance	Payment	0 Year Amortization		0 Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2018	1,628	1,687	N/A	N/A	N/A	N/A
6/30/2019	0	0				
6/30/2020	0	0				
6/30/2021	0	0				
6/30/2022	0	0				
6/30/2023	0	0				
6/30/2024	0	0				
6/30/2025	0	0				
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6/30/2042	0	0				
6/30/2043	0	0				
6/30/2044	0	0				
6/30/2045	0	0				
6/30/2046	0	0				
6/30/2047	0	0				
Totals		1,687		N/A		N/A
Interest Paid		59		N/A		N/A
Estimated Savings				N/A		N/A

* This schedule does not reflect the impact of adopted discount rate changes that will become effective beyond June 30, 2016. For Projected Employer Contributions, please see Page 5.

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Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made during a fiscal year.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment (\$)
2018 - 19	12.141%	\$1,687

Funding History

The funding history below shows the plan's actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2016	\$ 4,457	\$ 4,131	\$ 326	92.7%	\$ 70,919

RISK ANALYSIS

- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **VOLATILITY RATIOS**
- **HYPOTHETICAL TERMINATION LIABILITY**

Analysis of Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2016-17, 2017-18, 2018-19 and 2019-20). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Each of the five investment return scenarios assumes a return of 7.375 percent for fiscal year 2016-17. For fiscal years 2017-18, 2018-19, and 2019-20 each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are -3.0 percent, 3.0 percent, 7.0 percent (7.25 percent for 2017-18), 11.0 percent and 17.0 percent.

Alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four year period ending June 30, 2020. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced ten thousand stochastic outcomes for this period. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all of the 4-year outcomes generated in the stochastic analysis, approximately 25 percent of them had an average annual return of 3.0 percent or less.

Required contributions outside of this range are also possible. In particular, while it is unlikely that investment returns will average less than -3.0 percent or greater than 17.0 percent over this four year period, the possibility of a single investment return less than -3.0 percent or greater than 17.0 percent in any given year is much greater.

Assumed Annual Return From 2017-18 through 2019-20	Projected Employer Contributions			
	2019-20	2020-21	2021-22	2022-23
(3.0%)				
Normal Cost	12.4%	13.1%	13.1%	13.1%
UAL Contribution	\$1,500	\$62	\$130	\$210
3.0%				
Normal Cost	12.4%	13.1%	13.1%	13.1%
UAL Contribution	\$1,500	\$58	\$120	\$190
Assumed Discount Rate				
Normal Cost	12.4%	13.1%	13.1%	13.1%
UAL Contribution	\$1,500	\$55	\$110	\$170
11.0%				
Normal Cost	12.4%	13.1%	13.2%	13.4%
UAL Contribution	\$1,500	\$53	\$110	\$160
17.0%				
Normal Cost	12.4%	13.1%	13.6%	14.1%
UAL Contribution	\$1,500	\$49	\$94	\$1,800

Given the temporary suspension of the Risk Mitigation Policy during the period over which the discount rate assumption is being phased down to 7.0 percent, the projections above were performed without reflection of any possible impact of this Policy for Fiscal Years 2019-20 and 2020-21.

Analysis of Discount Rate Sensitivity

Shown below are various valuation results as of June 30, 2016 assuming alternate discount rates. Results are shown using the current discount rate of 7.375 percent as well as alternate discount rates of 6.0 percent, 7.0 percent, and 8.0 percent. The alternate rate of 7.0 percent was selected since the Board has adopted this rate as the final discount rate at the end of the three year phase-in of the reduction in this assumption. The rates of 6.0 percent and 8.0 percent were selected since they illustrate the impact of a 1 percent increase or decrease to the 7.0 percent assumption. This analysis shows the potential plan impacts if the PERF were to realize investment returns of 6.0 percent, 7.0 percent, or 8.0 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to required contributions. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Sensitivity Analysis				
As of June 30, 2016	Plan's Total Normal Cost	Accrued Liability	Unfunded Accrued Liability	Funded Status
7.375% (current discount rate)	24.141%	\$4,457	\$326	92.7%
6.0%	32.671%	\$6,460	\$2,329	63.9%
7.0%	26.159%	\$4,903	\$772	84.3%
8.0%	21.198%	\$3,829	\$(302)	107.9%

Volatility Ratios

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset-to-payroll ratio of 4. Shown below is the asset volatility ratio, a measure of the plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures. Since the liability volatility ratio is a long-term measure, it is shown below at the current discount rate (7.375 percent) as well as the discount rate the Board has adopted to determine the contribution requirement in the June 30, 2018 actuarial valuation (7.00 percent).

Rate Volatility	As of June 30, 2016	
1. Market Value of Assets	\$	4,131
2. Payroll		70,919
3. Asset Volatility Ratio (AVR) [(1) / (2)]		0.1
4. Accrued Liability	\$	4,457
5. Liability Volatility Ratio (LVR) [(4) / (2)]		0.1
6. Accrued Liability (7.00% discount rate)		4,903
7. Projected Liability Volatility Ratio [(6) / (2)]		0.1

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2016. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while funding risk is limited. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 2-year period centered around the valuation date.

Market Value of Assets (MVA)	Hypothetical Termination Liability ^{1,2} @ 1.75%	Funded Status	Unfunded Termination Liability @ 1.75%	Hypothetical Termination Liability ^{1,2} @ 3.00%	Funded Status	Unfunded Termination Liability @ 3.00%
\$4,131	\$27,590	15.0%	\$23,459	\$19,999	20.7%	\$15,868

¹ The hypothetical liabilities calculated above include a 7 percent mortality contingency load in accordance with Board policy. Other actuarial assumptions can be found in Appendix A.

² The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 1.75 percent on June 30, 2016, and was 2.75 percent on January 31, 2017.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2015		June 30, 2016	
Reported Payroll	\$	0	\$	70,919
Projected Payroll for Contribution Purposes	\$	0	\$	77,495
Number of Members				
Active		0		1
Transferred		0		1
Separated		0		0
Retired		0		0

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

PLAN'S MAJOR BENEFIT OPTIONS

SECTION 1 – PLAN SPECIFIC INFORMATION FOR THE PEPRSA SAFETY POLICE PLAN OF THE KENSINGTON COMMUNITY SERVICES DISTRICT

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

	Contract package
Benefit Provision	Active Police
Benefit Formula Social Security Coverage Full/Modified	2.7% @ 57 No Full
Employee Contribution Rate	11.50%
Final Average Compensation Period	Three Year
Sick Leave Credit	Yes
Non-Industrial Disability	Standard
Industrial Disability	Yes
Pre-Retirement Death Benefits Optional Settlement 2W 1959 Survivor Benefit Level Special Alternate (firefighters)	Yes level 4 Yes No
Post-Retirement Death Benefits Lump Sum Survivor Allowance (PRSA)	\$500 No
COLA	2%

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Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**Section 2 may be found on the CalPERS website
(www.calpers.ca.gov) in the Forms and
Publications section**



California Public Employees' Retirement System
 Actuarial Office
 P.O. Box 942709
 Sacramento, CA 94229-2709
 TTY: (916) 795-3240
 (888) 225-7377 phone – (916) 795-2744 fax
 www.calpers.ca.gov

August 2017

**SAFETY PLAN OF THE KENSINGTON COMMUNITY SERVICES DISTRICT
 (CalPERS ID: 7381511111)
 Annual Valuation Report as of June 30, 2016**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2016 actuarial valuation report of the pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2016.

Section 2 can be found on the CalPERS website at (www.calpers.ca.gov). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool Report" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2016 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2017.

The exhibit below displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2018-19 along with estimates of the required contributions for Fiscal Years 2019-20 and 2020-21. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.**

Required Contribution

Fiscal Year	Employer Normal Cost Rate	Employer Payment of Unfunded Liability
2018-19	20.556%	\$202,139
<i>Projected Results</i>		
2019-20	21.4%	\$252,000
2020-21	23.2%	\$290,000

The actual investment return for Fiscal Year 2016-17 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.375 percent. **If the actual investment return for Fiscal Year 2016-17 differs from 7.375 percent, the actual contribution requirements for the projected years will differ from those shown above.**

Moreover, the projected results for Fiscal Years 2019-20 and 2020-21 also assume that there are no future plan changes, no further changes in assumptions other than those recently approved, and no liability gains or losses. Such changes can have a significant impact on required contributions. Since they cannot be predicted in advance, the projected employer results shown above are estimates. The actual required employer contributions for Fiscal Year 2019-20 will be provided in next year's report.

For additional details regarding the assumptions and methods used for these projections please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section.

The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios.

Changes since the Prior Year's Valuation

On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2018-19 determined in this valuation were calculated using a discount rate of 7.375 percent. The projected employer contributions on Page 5 are calculated assuming that the discount rate will be lowered to 7.25 percent next year and to 7.00 percent the following year as adopted by the Board.

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. This Policy has been temporarily suspended during the period over which the discount rate is being lowered. More details on the Risk Mitigation Policy can be found on our website.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report.

We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their results, we ask that you wait until after August 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or **(888-225-7377)**.

Sincerely,



SCOTT TERANDO
Chief Actuary



**ACTUARIAL VALUATION
as of June 30, 2016**

**for the
SAFETY PLAN
of the
KENSINGTON COMMUNITY SERVICES
DISTRICT
(CalPERS ID: 7381511111)**

**REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2018 - June 30, 2019**

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SECTION 2 – RISK POOL ACTUARIAL VALUATION INFORMATION

Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**Plan Specific Information
for the
SAFETY PLAN
of the
KENSINGTON COMMUNITY SERVICES
DISTRICT**

**(CalPERS ID: 7381511111)
(Rate Plan: 921)**

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ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2016 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2016 provided by employers participating in the Safety Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuary has certified that, in their opinion, the valuation of the risk pool containing your SAFETY PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that Unfunded Accrued Liability amortization bases as of June 30, 2016 and employer contribution as of July 1, 2018, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Fritzie Archuleta

FRITZIE ARCHULETA, ASA, MAAA
Senior Pension Actuary, CalPERS
Plan Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **CHANGES SINCE THE PRIOR YEAR'S VALUATION**
- **SUBSEQUENT EVENTS**

Introduction

This report presents the results of the June 30, 2016 actuarial valuation of the SAFETY PLAN of the KENSINGTON COMMUNITY SERVICES DISTRICT of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for Fiscal Year 2018-19.

Purpose of Section 1

This Section 1 report for the SAFETY PLAN of the KENSINGTON COMMUNITY SERVICES DISTRICT of the California Public Employees' Retirement System (CalPERS) was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2016;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2018 through June 30, 2019; and
- Provide actuarial information as of June 30, 2016 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 9.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0 percent, 7.0 percent and 8.0 percent.

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Breakdown of Entry Age Normal Accrued Liability

1. Active Members	\$	2,516,111
2. Transferred Members		716,477
3. Terminated Members		50,852
4. Members and Beneficiaries Receiving Payments		<u>9,555,532</u>
5. Total	\$	12,838,972

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1. Plan's Accrued Liability	\$	12,838,972
2. Projected UAL balance at 6/30/16		3,087,484
3. Pool's Accrued Liability	\$	19,698,755,513
4. Sum of Pool's Individual Plan UAL Balances at 6/30/16		4,661,724,814
5. Pool's 2015/16 Investment & Asset (Gain)/Loss		996,431,536
6. Pool's 2015/16 Other (Gain)/Loss		(166,972,696)
7. Plan's Share of Pool's Asset (Gain)/Loss $[(1)-(2)]/[(3)-(4)] * (5)$		646,184
8. Plan's Share of Pool's Other (Gain)/Loss $[(1)]/[(3)] * (6)$		(108,827)
9. Plan's New (Gain)/Loss as of 6/30/2016 $[(7)+(8)]$	\$	537,357
10. Increase in Pool's Accrued Liability due to Change in Assumptions		301,461,845
11. Plan's Share of Pool's Change in Assumptions $[(1)]/[(3)] * (10)$	\$	196,482

Development of the Plan's Share of Pool's Market Value of Assets

1. Plan's Accrued Liability	\$	12,838,972
2. Plan's UAL	\$	3,821,324
3. Plan's Share of Pool's MVA $[(1)-(2)]$	\$	9,017,648

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Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2016.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date: Fiscal Year 2018-19.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the payment on the UAL for the fiscal year and adjusting for interest.

Reason for Base	Date Established	Amortization Period					Amounts for Fiscal 2018-19	
			Balance 6/30/16	Payment 2016-17	Balance 6/30/17	Payment 2017-18	Balance 6/30/18	Scheduled Payment for 2018-19
SIDE FUND	2013 or Prior	1	\$191,980	\$198,997	\$(66)	\$0	\$(71)	\$(73)
SHARE OF PRE-2013 POOL UAL	06/30/13	19	\$1,235,802	\$90,507	\$1,233,157	\$93,223	\$1,227,503	\$94,864
ASSET (GAIN)/LOSS	06/30/13	27	\$1,386,921	\$37,895	\$1,449,939	\$58,548	\$1,496,203	\$79,240
NON-ASSET (GAIN)/LOSS	06/30/13	27	\$(16,368)	\$(447)	\$(17,112)	\$(691)	\$(17,658)	\$(935)
ASSET (GAIN)/LOSS	06/30/14	28	\$(943,277)	\$(13,267)	\$(999,096)	\$(27,330)	\$(1,044,459)	\$(41,587)
NON-ASSET (GAIN)/LOSS	06/30/14	28	\$12,104	\$170	\$12,821	\$351	\$13,403	\$534
ASSUMPTION CHANGE	06/30/14	18	\$666,635	\$12,698	\$702,641	\$26,158	\$727,355	\$39,968
ASSET (GAIN)/LOSS	06/30/15	29	\$555,774	\$0	\$596,762	\$8,403	\$632,066	\$17,035
NON-ASSET (GAIN)/LOSS	06/30/15	29	\$(2,087)	\$0	\$(2,241)	\$(32)	\$(2,373)	\$(64)
ASSET (GAIN)/LOSS	06/30/16	30	\$646,184	\$0	\$693,840	\$0	\$745,011	\$10,326
NON-ASSET (GAIN)/LOSS	06/30/16	30	\$(108,827)	\$0	\$(116,853)	\$0	\$(125,471)	\$(1,739)
ASSUMPTION CHANGE	06/30/16	20	\$196,482	\$(7,321)	\$218,559	\$(7,541)	\$242,492	\$4,571
TOTAL			\$3,821,323	\$319,232	\$3,772,351	\$151,089	\$3,894,001	\$202,140

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed on the previous page. These (gain)/loss bases will be amortized according to Board policy over 30 years with a 5-year ramp-up.

If the total Unfunded Liability is negative (i.e., plan has a surplus), the scheduled payment is \$0, because the minimum required contribution under PEPPRA must be at least equal to the normal cost.

30-Year Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze the current amortization schedule and illustrate the advantages of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on: 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternate "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. Note that the payments under each alternate scenario increase by 3 percent for each year into the future. **The schedules do not attempt to reflect any experience after June 30, 2016 that may deviate from the actuarial assumptions. Therefore, future amortization payments displayed in the Current Amortization Schedule may not match projected amortization payments shown in connection with Projected Employer Contributions provided elsewhere in this report.**

The Current Amortization Schedule typically contains individual bases that are both positive and negative. Positive bases result from plan changes, assumption changes or plan experience that result in increases to unfunded liability. Negative bases result from plan changes, assumption changes or plan experience that result in decreases to unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years such as:

- A positive total unfunded liability with a negative total payment,
- A negative total unfunded liability with a positive total payment, or
- Total payments that completely amortize the unfunded liability over a very short period of time

In any year where one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy. For purposes of this display, total payments include any negative payments. Therefore, the amount of estimated savings may be understated to the extent that negative payments appear in the current schedule.

30-Year Amortization Schedule and Alternatives

Date	<u>Current Amortization Schedule</u>		<u>Alternate Schedules</u>			
	Balance	Payment	20 Year Amortization		15 Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2018	3,894,001	202,139	3,894,001	291,086	3,894,001	354,182
6/30/2019	3,971,723	250,362	3,879,554	299,819	3,814,173	364,808
6/30/2020	4,005,208	280,451	3,854,993	308,813	3,717,448	375,752
6/30/2021	4,009,984	312,515	3,819,301	318,078	3,602,248	387,024
6/30/2022	3,981,887	336,699	3,771,376	327,620	3,466,872	398,635
6/30/2023	3,926,657	346,800	3,710,028	337,449	3,309,481	410,594
6/30/2024	3,856,886	357,204	3,633,972	347,572	3,128,089	422,912
6/30/2025	3,771,190	367,920	3,541,817	357,999	2,920,556	435,599
6/30/2026	3,668,069	378,958	3,432,060	368,739	2,684,571	448,667
6/30/2027	3,545,906	390,327	3,303,079	379,802	2,417,641	462,127
6/30/2028	3,402,952	402,037	3,153,124	391,196	2,117,077	475,991
6/30/2029	3,237,322	414,098	2,980,303	402,931	1,779,980	490,271
6/30/2030	3,046,979	426,521	2,782,575	415,019	1,403,226	504,979
6/30/2031	2,829,725	439,316	2,557,739	427,470	983,445	520,128
6/30/2032	2,583,189	432,344	2,303,419	440,294	517,007	535,732
6/30/2033	2,325,696	424,558	2,017,055	453,503		
6/30/2034	2,057,281	408,582	1,695,885	467,108		
6/30/2035	1,785,625	391,265	1,336,930	481,121		
6/30/2036	1,511,878	372,541	936,982	495,555		
6/30/2037	1,237,346	209,358	492,581	510,421		
6/30/2038	1,111,659	207,384				
6/30/2039	978,749	213,605				
6/30/2040	829,589	220,014				
6/30/2041	662,789	187,979				
6/30/2042	516,883	181,641				
6/30/2043	366,782	156,987				
6/30/2044	231,159	112,171				
6/30/2045	131,973	64,525				
6/30/2046	74,844	58,708				
6/30/2047	19,529	20,236				
Totals		8,567,245		7,821,596		6,587,402
Interest Paid		4,673,245		3,927,596		2,693,402
Estimated Savings				745,649		1,979,843

* This schedule does not reflect the impact of adopted discount rate changes that will become effective beyond June 30, 2016. For Projected Employer Contributions, please see Page 5.

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Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made during a fiscal year.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment (\$)
2016 - 17	19.536%	\$229,208
2017 - 18	19.723%	\$263,331
2018 - 19	20.556%	\$202,139

Funding History

The funding history below shows the plan's actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2011	\$ 10,054,247	\$ 7,523,025	\$ 2,531,222	74.8%	\$ 824,273
06/30/2012	10,541,771	7,426,501	3,115,270	70.5%	813,883
06/30/2013	10,843,346	8,086,814	2,756,532	74.6%	919,632
06/30/2014	11,792,904	9,247,977	2,544,927	78.4%	963,888
06/30/2015	12,506,997	9,447,142	3,059,855	75.5%	945,713
06/30/2016	12,838,972	9,017,648	3,821,324	70.2%	903,513

RISK ANALYSIS

- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **VOLATILITY RATIOS**
- **HYPOTHETICAL TERMINATION LIABILITY**

Analysis of Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2016-17, 2017-18, 2018-19 and 2019-20). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Each of the five investment return scenarios assumes a return of 7.375 percent for fiscal year 2016-17. For fiscal years 2017-18, 2018-19, and 2019-20 each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are -3.0 percent, 3.0 percent, 7.0 percent (7.25 percent for 2017-18), 11.0 percent and 17.0 percent.

Alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four year period ending June 30, 2020. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced ten thousand stochastic outcomes for this period. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all of the 4-year outcomes generated in the stochastic analysis, approximately 25 percent of them had an average annual return of 3.0 percent or less.

Required contributions outside of this range are also possible. In particular, while it is unlikely that investment returns will average less than -3.0 percent or greater than 17.0 percent over this four year period, the possibility of a single investment return less than -3.0 percent or greater than 17.0 percent in any given year is much greater.

Assumed Annual Return From 2017-18 through 2019-20	Projected Employer Contributions			
	2019-20	2020-21	2021-22	2022-23
(3.0%)				
Normal Cost	21.4%	23.2%	23.2%	23.2%
UAL Contribution	\$252,000	\$305,000	\$380,000	\$464,000
3.0%				
Normal Cost	21.4%	23.2%	23.2%	23.2%
UAL Contribution	\$252,000	\$296,000	\$355,000	\$414,000
Assumed Discount Rate				
Normal Cost	21.4%	23.2%	23.2%	23.2%
UAL Contribution	\$252,000	\$290,000	\$337,000	\$377,000
11.0%				
Normal Cost	21.4%	23.2%	23.6%	24.1%
UAL Contribution	\$252,000	\$285,000	\$319,000	\$342,000
17.0%				
Normal Cost	21.4%	23.2%	24.5%	25.8%
UAL Contribution	\$252,000	\$276,000	\$292,000	\$286,000

Given the temporary suspension of the Risk Mitigation Policy during the period over which the discount rate assumption is being phased down to 7.0 percent, the projections above were performed without reflection of any possible impact of this Policy for Fiscal Years 2019-20 and 2020-21.

Analysis of Discount Rate Sensitivity

Shown below are various valuation results as of June 30, 2016 assuming alternate discount rates. Results are shown using the current discount rate of 7.375 percent as well as alternate discount rates of 6.0 percent, 7.0 percent, and 8.0 percent. The alternate rate of 7.0 percent was selected since the Board has adopted this rate as the final discount rate at the end of the three year phase-in of the reduction in this assumption. The rates of 6.0 percent and 8.0 percent were selected since they illustrate the impact of a 1 percent increase or decrease to the 7.0 percent assumption. This analysis shows the potential plan impacts if the PERF were to realize investment returns of 6.0 percent, 7.0 percent, or 8.0 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to required contributions. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Sensitivity Analysis				
As of June 30, 2016	Plan's Total Normal Cost	Accrued Liability	Unfunded Accrued Liability	Funded Status
7.375% (current discount rate)	29.545%	\$12,838,972	\$3,821,324	70.2%
6.0%	40.743%	\$15,164,910	\$6,147,262	59.5%
7.0%	32.185%	\$13,412,271	\$4,394,623	67.2%
8.0%	25.703%	\$11,969,477	\$2,951,829	75.3%

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Volatility Ratios

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset-to-payroll ratio of 4. Shown below is the asset volatility ratio, a measure of the plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures. Since the liability volatility ratio is a long-term measure, it is shown below at the current discount rate (7.375 percent) as well as the discount rate the Board has adopted to determine the contribution requirement in the June 30, 2018 actuarial valuation (7.00 percent).

Rate Volatility	As of June 30, 2016	
1. Market Value of Assets	\$	9,017,648
2. Payroll		903,513
3. Asset Volatility Ratio (AVR) [(1) / (2)]		10.0
4. Accrued Liability	\$	12,838,972
5. Liability Volatility Ratio (LVR) [(4) / (2)]		14.2
6. Accrued Liability (7.00% discount rate)		13,412,271
7. Projected Liability Volatility Ratio [(6) / (2)]		14.8

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Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2016. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while funding risk is limited. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 2-year period centered around the valuation date.

Market Value of Assets (MVA)	Hypothetical Termination Liability^{1,2} @ 1.75%	Funded Status	Unfunded Termination Liability @ 1.75%	Hypothetical Termination Liability^{1,2} @ 3.00%	Funded Status	Unfunded Termination Liability @ 3.00%
\$9,017,648	\$24,912,362	36.2%	\$15,894,713	\$21,606,119	41.7%	\$12,588,471

¹ The hypothetical liabilities calculated above include a 7 percent mortality contingency load in accordance with Board policy. Other actuarial assumptions can be found in Appendix A.

² The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 1.75 percent on June 30, 2016, and was 2.75 percent on January 31, 2017.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

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Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2015		June 30, 2016
Reported Payroll	\$ 945,713	\$	903,513
Projected Payroll for Contribution Purposes	\$ 1,033,406	\$	987,293
Number of Members			
Active	10		9
Transferred	5		6
Separated	2		2
Retired	29		28

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- One Year Final Compensation (FAC 1)

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PLAN'S MAJOR BENEFIT OPTIONS

SECTION 1 – PLAN SPECIFIC INFORMATION FOR THE SAFETY PLAN OF THE KENSINGTON COMMUNITY SERVICES DISTRICT

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

Benefit Provision	Contract package	
	Active Police	Receiving Police
Benefit Formula Social Security Coverage Full/Modified	3.0% @ 50 No Full	
Employee Contribution Rate	9.00%	
Final Average Compensation Period	One Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	Yes	
Pre-Retirement Death Benefits Optional Settlement 2W	Yes level 4	
1959 Survivor Benefit Level Special	Yes	
Alternate (firefighters)	No	No
Post-Retirement Death Benefits Lump Sum	\$500 No	\$500 No
Survivor Allowance (PRSA)	2%	2%
COLA		

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Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**Section 2 may be found on the CalPERS website
(www.calpers.ca.gov) in the Forms and
Publications section**