

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

DRAFT

FINANCE COMMITTEE MEETING MINUTES

May 21, 2019

Finance Committee Chair Eileen Nottoli opened the meeting 3:18. Finance Committee members Rob Firmin, Karl Kruger, Mike Logan, Rachele Sherris-Watt, and Jim Watt were present and Paula Black joined shortly after the meeting began. General Manager Tony Constantouros and District Administrator Lynn Wolter were present as were Bill Zenoni and Debbie Russell.

March 19 Minutes. Chair Nottoli asked if there were any changes to the May 2, 2019 draft minutes. Director Sherris-Watt noted corrections to Debbie Russell's name; there were no other changes and the minutes were approved by unanimous voice vote.

Draft Budget. General Manager Constantouros noted that much effort had been made to present a balance budget and to do so, he had to cut many deserving projects such as the proposed budget for tree trimming in the park. There were additional complications due to the personnel positions. As examples, budget has a temporary Chief, a new Captain position, an additional sergeant, and an additional officer. He noted that the Chief would not receive benefits and while the proposed salary is significant although below market. He further noted that CalPERS limits the salary for this type of position. He noted that new Captain position would be an exempt position and would have the same salary as the current salary for the Interim Chief position. This position is needed because the new temporary Chief would likely need additional assistance. He reported that there were two people in background and are progressing. He said that the plan would be to give a sergeant exam to one of the candidates and current officers to add a second sergeant.

General Manager noted the three new administration positions and that they would be filled with the aid of a recruiter for a fixed fee of \$15,000 which is in the budget. He proposed reducing his hours as the new administrative positions were filled. Debbie Russell said that there was a CPI increase of 3.5% for administrative staffing and there would be an overlap during the month of October with the new and current positions.

There is no proposed increase in police salaries in the draft budget because the District is still in negotiations with the police.

Bill Zenoni noted that there were more challenges to balance the budget with the new positions, and the draft shows an exceedance of approximately \$7,000 after removing several items in the budget. He noted that in addition to tree pruning, a proposed audit of Bay View was excluded. General Manager Constantouros said that if Bay View had a financial audit done by a Certified Public Accountant may be acceptable in lieu of the District having an audit. Debbie Russell said that the audit had to be done by an independent auditor and if it were an external audit, it would likely be acceptable.

Rob Firmin request that instead of including the budget for the current year, have a column instead that would have the costs to date and possibly costs to date and projected year-to-date expenses (i.e., estimated actual expenses). There was consensus to have an additional page with this information along with last year's budget and this year's budget with dollar and percent changes.

On revenue, Jim Watt noted that the levy tax was up and Bill Zenoni said that it was projected up by 4%. Director Sherris-Watt asked about the assumptions in Measure G increase and Debbie Russell said she thought it was the Bay Area CPI.

Jim Watt noted that account 527 showed a required CalPERS contribution of \$405,090 and asked whether there was any additional amount that would be contributed. Debbie Russell responded that there was no monies that were set aside under the current budget. Bill Zenoni noted that the direction from the last meeting was to set up a 115 trust. At present, there is no money reserved for this.

Debbie Russell said that the numbers in Accounts 521-A and 521-R for active and retiree health are actual numbers and the number in Account 521-T, the OPEB trust, is a calculated number. She noted that any additional contributions would need to come from reserves.

Karl Kruger asked for more money for training officers to address some of the criticism of our department. General Manager said that training is important as is improved standards for hiring.

There is a projected increase in legal for administration and a decrease in consulting costs.

Karl Kruger noted the increase in general liability insurance and Debbie Russell explained it was based on claims made with an increase in deductible to \$25,000.

Debbie Russell explained that the increase in waste in the draft budget was largely a result of the hazardous waste removal during the Community Center renovations. General Manager Constantouros noted that there was \$30,000 in the current budget for this project and would be earmarked for this use in this fiscal year. As a result, the \$30,000 that had been dedicated to waste removal in the draft budget could be used for tree trimming in the FY19/20 budget.

With respect to solid waste, the monies for hazardous waste disposal will be included and the listed goals to include composting will remain although there is no funding to conduct a rate review or contract extension at the present time.

At present, there is a shortfall of approximately \$370,000 for the Community Center renovations which includes the \$158,000 from the WW grant that will eventually be reimbursed. Some of the shortfall will be from a loan and some from reserves. The funds from the WW grant can be applied for once the ADA work is completed and the contractor has been paid and may be realized in 2019. There may be money from the surety bond from Eagle Builders but it may not be for the full amount of the contract.

Next Meeting. The general consensus was that we would need another meeting to review suggested changes the budget and that meeting would likely be at 3 pm on June 4.

Motion to Adjourn. Paula Black moved to adjourn the meeting and Member Sherris-Watt seconded. Members Black, Firmin, Kruger, Logan, Nottoli, Sherris-Watt, and Watt voted in favor and the motion passed 5-0. Jim Watt had left the meeting a few minutes before it had adjourned.

Prepared by: Eileen Nottoli

Date approved by the Board:

Tony Constantouros, General Manager

Eileen Nottoli, Board President