

BOARD OF DIRECTORS MEETING MINUTES

Thursday, July 9, 2020

Via Teleconference

Regular Meeting - 7:30 p.m.

CALL TO ORDER

President Deppe called to order the Regular Meeting of the Board of Directors at 7:35 p.m. Directors Rachelle Sherris-Watt, Eileen Nottoli, Sylvia Hacaj, and Cyrus Modavi were present at roll call.

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

GENERAL PUBLIC COMMENT

The following persons provided public comment: 1) Larry Nagel commended Officer Brad Harms for his work with the Fire District on setting up evacuation plans and procedures; and 2) Mark Altenberg commented that in January 2012 a Kensington Police Protection and Community Services (KPPCSD) Board committee studied the acquisition of paths, and he urged the current Board to reactivate this work as part of a future vision of Kensington.

BOARD/STAFF COMMUNICATION

General Manager's Report. General Manager Lindsay reported that discussion was underway between KPPCSD, Kensington Fire Protection District (KFPD), and Contra Costa County on improved traffic flow as part of emergency preparedness. He said that there is no specific proposal but that more information would be forthcoming. Next, Mr. Lindsay clarified questions raised about the timing of the vote on the pension obligation bond following the June 11, 2020 meeting. He said that the vote occurred within the timeframe in which the Board had extended the meeting. Additionally, the language of the motion was clear on the intent to approve the pension obligation bond and not just to vote.

Board of Directors Communication. Director Sherris-Watt reported there would be additional Public Safety Building items on the August agenda, and there will be an update in the next two weeks concerning the completion of the Community Center. President Deppe commented that the KFPD planned to make a video on the proposed traffic flow changes and that he would be providing input on behalf of KPPCSD. He said that he would like the Board's input on what should be included, so there might be the need for a special meeting.

CONSENT CALENDAR

Items 1-4 were presented as Consent Calendar items for a single motion and vote.

- The following persons presented public comment: 1) Lynn Wolter requested that staff distinguish Consent Calendar items when posting on the website (i.e. use of "cc").

Director Nottoli removed Item 2 and President Deppe removed Item 3 from the Consent Calendar for comment and discussion.

- It was moved by Director Sherris-Watt, seconded by Director Hacaj, to approve Item 1 (Minutes of the Regular Meeting of June 25) and Item 4 (Agreement with All City Management Services, Inc. to Provide Crossing Guard Services, carried (5-0) by the following roll call vote: AYES (Directors Modavi, Sherris-Watt, Hacaj, Nottoli, and Deppe); and NOES (None).

1. Consider Approval of Minutes for the Regular Board Meeting of June 25, 2020.

Item 1 was approved as part of the Consent Calendar.

2. Consider Approval of an Agreement with First Serve Productions, Inc. for Resurfacing of the Kensington Park Tennis Courts in the Amount of \$15,200.

Interim General Manager Lindsay summarized the staff recommendation. He reported that KPPCSD staff solicited proposals, and the lowest bid was received from First Serve Productions, Inc. The proposal included two additional options for installation of tape crack repair (Item 7) and for applying six layers of cushion to the courts (Item 8). Items 7 and 8 were not included in the \$15,200 amount and would increase the cost of the contract.

President Deppe asked about the warranty and Mr. Lindsay said that this was not in the proposal, but he would bring this up as part of the final contract process. Director Notolli expressed concerns about the problematic trees in the park that posed potential liability to the District. She pointed out that bids were approved for arborist services last year, but there had been no follow up. Mr. Lindsay said the FY 2020-21 budget includes funds for tree removal or trimming, and staff will focus on getting this work done. Director Sherris-Watt recommended including Option 7 of the proposal for tape crack repair to provide a more thorough renovation.

- It was moved by Director Sherris-Watt, seconded by Director Hacaj, that we approve the bid from First Serve Productions with Options 1-7 for the repair and resurfacing of the tennis courts, carried (4-1) by the following roll call vote: AYES (Directors Sherris-Watt, Modavi, Hacaj, and Deppe); and NOES (Director Notolli).

Approved an agreement with First Serve Productions, Inc. for resurfacing of the Kensington Park tennis courts in the amount of \$15,200 plus Option 7 to furnish and install 650-700 LF of Bamilex crack repair tape system in the amount of \$5,850-\$6,300.

3. Consider Authorizing the Purchase of Equipment and Related Installation and Maintenance Services to Upgrade Police Vehicle Communication System in an Amount not to Exceed \$13,000, Allowing for Migration of Communication Services to Verizon.

Interim Police Chief Schuld reported that staff recommended the purchase of equipment and related installation and maintenance services from Presidio to improve connectivity and eliminate "dead spots" associated with the police vehicle communication system. The total cost of this upgrade is \$12,566.23 plus a \$2,279.40 per year access fee for five computers. The

equipment proposed for purchase and installation will allow migration of communication services from Sprint to Verizon.

- The following person presented public comment: 1) Linda Lipscomb said she supported anything that can improve reception for our emergency personnel.

President Deppe had questions about the cost of the router installation and configuration. Chief Schuld explained that staff contacted other agencies who used the vendor, and they said this was the standard process. Director Hacaj suggested that the motion include a "not to exceed" provision and have Chief Schuld see if there is any give in the fees.

- It was moved by Director Hacaj, seconded by Director Modavi, that the KPPCSD Board authorize the purchase of equipment and related installation and maintenance services to upgrade the police vehicle communication system in an amount not to exceed \$15,000 with the contract subject to review and approval to form by our General Counsel, carried (4-0-1) by the following roll call vote: AYES (Directors Modavi, Hacaj, Nottoli, and Deppe); NOES (None); and ABSTAINED (Director Sherris-Watt citing her husband's potential conflict of interest).

Approved the purchase of equipment and related installation and maintenance services from Presidio to improve connectivity and eliminate "dead spots" associated with the Police vehicle communication system in an amount not to exceed \$15,000.

4. Approval of an Agreement with All City Management Services, Inc. to Provide Crossing Guard Services in an Amount Not to Exceed \$17,098.00.

Item 4 was approved as part of the Consent Calendar.

BOARD DISCUSSION AND DETERMINATION

5. Discuss and Consider Request by the Kensington Improvement Club for KPPCSD to Provide a \$2,000 Contribution to a Project to Construct a Kiosk at the Colusa Circle.

Sarah Paul, representing the Kensington Improvement Club, requested a \$2,000 contribution for constructing a kiosk at Colusa Circle. She said it would be a benefit to the community and would be a place to post official notices for the KPPCSD, KFPD and KMAC as well as personal announcements for residents of lower Kensington.

Director Hacaj suggested having our traffic officers look at the location for issues of visibility. Next, she asked General Counsel Danforth if there were any jurisdictional issues about spending taxpayer dollars on this project. Ms. Danforth said it is an acceptable expense as long as it serves the public and stays within the District's mandate (i.e., posting agendas and recreation notices). Director Modavi pointed out that the kiosk would serve public safety and help with disaster preparedness and public education.

- The following person presented public comment: 1) Linda Lipscomb thanked Ms. Paul for the club's work on this project, and said the Kensington Improvement Club would be grateful for the District's contribution.

- It was moved by Director Sherris-Watt, seconded by Director Modavi, that KPPCSD provide \$2,000 to contribute to the construction of a kiosk at Colusa Circle, carried (5-0) by the following roll call vote: AYES (Directors Sherris-Watt, Modavi, Hacaj, Nottoli, and Deppe); and NOES (None).

6. Discuss and Consider the Kensington Police Protection and Community Services District Proposed Fiscal Year 2020-21 Budget and Approve the Following Actions: (a) Adopt Resolution 2020-14 of the Board of Directors of the Kensington Police Protection and Community Services District Adopting the Budget for Fiscal Year 2020-21 and (b) Adopt Resolution 2020-10 of the Board of Directors of the Kensington Police Protection and Community Services District Adopting Affirming the Establishment of the Appropriations Limit for Fiscal Year 2020-21.

Finance and Business Manager Katherine Korsak presented highlights of the FY 2020-21 budget. In summary, the FY 2020-21 operating budget is balanced, with revenues of \$3,528,577 supporting operating and capital expenditures totaling \$3,464,644 in three service areas – Police, Parks and Recreation, and Administration. Revenues are projected to increase by 2.9% in the coming year, while expenditures are proposed to increase by 1.4% in FY 2020-21, generating an operating surplus of \$63,913. She pointed out that there are several policy-level projects that will be a focus for FY 2020-21 including: recruiting and retaining a permanent General Manager and permanent Police Chief, Public Safety Building and administrative facility planning, reviewing options for long term use of the Annex building, and planning for increased retirement/other post-employment benefit (OPEB) costs. Ms. Korsak noted that while the District issued pension obligation bonds that stabilized the cost to amortize the unfunded accrued liability as of June 30, 2020, the cost of pension and OPEB obligations remain long-term concerns, and are anticipated to have negative impacts on future budgets. Additionally, the Board should discuss whether or not to propose increasing the assessment levy for Kensington Park to reduce or eliminate the current general fund subsidy for ongoing maintenance activities at that location.

Ms. Korsak noted that income is allocated across all three departments more evenly to promote departments to adhere to their budgets and stay positive. The Police Department will receive 63% of the General Levy Tax plus all the designated police income. The Parks and Recreation Department will receive 6% of the General Levy Tax and the District Administration Department will receive 31% of the General Levy Tax. To create more transparency around actual expenses, we have expanded our Chart of Accounts. This will reduce the use of lumping expenses into "miscellaneous" categories. Next, she summarized other components of the budget expenditures for all three departments, solid waste program design, capital purchases/projects, General Fund cash balance projections, Community Center renovation status report, staffing and the appendix detail.

- At 9:46 p.m., it was moved, seconded, and carried (5-0) to extend the meeting to 10:30 p.m.

Interim General Manager Lindsay pointed out that \$6,300 should be added to the budget for the additional tennis court renovation (Option 7) based on earlier action by the Board. He thanked members of the KPPCSD staff, and especially Finance and Business Manager Katherine Korsak, for their work to prepare this budget.

Director Modavi asked for information on the total cost for the Community Center renovation, and Director Sherris-Watt said she would work with Ms. Korsak to produce an accurate assessment of actual costs once the project is completed. Director Hacaj commented that while the pension obligation bond was passed to address unfunded liability, the District needs to look for ways to reduce pension costs. She asked that staff provide the Board more information on the needed repairs to the recreation building and urged staff to have the work competitively bid. Director Hacaj suggested that the staff provide the Board a first quarter budget update in October. She also suggested that once the Community Center is completed, the Board designate the approximately \$80,000 projected surplus to a capital account for improvements to the park or park buildings.

Director Nottoli suggested staffing eight officers versus ten in FY2020-21 because the District has considerable upcoming expenses for relocating the police and communications along with any renovations for the temporary location. She also suggested that the Board needs to discuss permanent and temporary relocation of the police. Director Modavi noted a misspelling of his name in the budget. He commented that the budget does not accurately reflect the upcoming expenses for relocating the police, PSB costs, communications, and Annex renovation. He said the police protect the community and we should recruit and restock the Police Department.

- The following persons addressed the Board: 1) Lynn Wolter commented on KPPCSD repairs for Building E, suggested adding a footnote in the budget to noting new versus former accounts for future analysis, suggested producing a 5-year forecast, questioned the \$15K budget projection Community Center rental citing Covid-19, questioned costs for outsourcing payroll and preparing CalPERS reports, and questioned costs for legal expenses; and 2) Linda Lipscomb commented on factors that impact officer recruitment, said KPPCSD should be more involved with CalPERS to provide input on the pension obligation unfunded liability, and said she was pleased to see transition costs for police, design of the PSB, and recruitment for a full complement of police.
- It was moved by Director Hacaj, seconded by Director Sherris-Watt, that funds remaining after close out of the Community Center renovation remain in a capital account dedicated to capital improvement for the park or park buildings unless otherwise directed by the Board, carried (5-0) by the following roll call vote: AYES (Directors Modavi, Hacaj, Nottoli, Sherris-Watt, and Deppe); and NOES (None).
- It was moved by Director Sherris-Watt, seconded by Director Hacaj, to adopt Resolution 2020-14 of the Kensington Police Protection and Community Services to adopt the Budget for Fiscal Year 2020-21, carried (4-1) by the following roll call vote: AYES (Directors Sherris-Watt, Hacaj, Nottoli, and Deppe); and NOES (Director Modavi).

Resolution No. 2020-14 – A Resolution Of The Board Of Directors Of The Kensington Poice Protection And Community Services District to Adopt the Budget for Fiscal Year 2020-21.

- It was moved by Director Sherris-Watt, seconded by Director Hacaj, to adopt Resolution 2020-10 of the Kensington Police Protection and Community Services District affirming the establishment of the appropriations limit for Fiscal Year 2020-21, carried (5-0) by the following

roll call vote: AYES (Directors Modavi, Sherris-Watt, Hacaj, Notolli, and Deppe); and NOES (None).

Resolution No. 2020-10 – A Resolution Of The Board Of Directors Of The Kensington Poice Protection And Community Services District Affirming the Establishment of the Apprriations Limit for Fiscal Year 2020-21.

The Board thanked Mr. Lindsay and Ms. Korsak for their work on developing the budget.

- At 10:15 p.m., it was moved, seconded, and carried (5-0) to extend the meeting to 11:00 p.m.

7. Discuss and Consider Adopting Resolution 2020-15 of the Board of Directors of the Kensington Police Protection and Community Services District Affirming the Establishment of the Annual Supplemental Special Tax for Police Protection.

Interim General Manager Lindsay summarized the recommended action.

- The following person addressed the Board: 1) Lynn Wolter complimented Chief Schuld, provided background information on the special tax, and asked if former Interim Police Chief Steve Simpkins submitted a final report. Interim General Manager Lindsay said staff would upload the report on the website.
- It was moved by Director Sherris-Watt, seconded by Director Deppe, to adopt Resolution 2020-15 of the Board of Directors of the Kensington Police Protection and Community Services District affirming the establishment of the annual supplemental special tax for police protection, carried (5-0) by the following roll call vote: AYES (Directors Modavi, Sherris-Watt, Hacaj, Nottoli, and Deppe); and NOES (None).

Resolution No. 2020-15 – A Resolution Of The Board Of Directors Of The Kensington Poice Protection And Community Services District Establishing the Annual Supplemental Special Tax for Police Protection.

8. Discuss and Consider Approval to Execute a Five-Year Lease/Purchase Agreement for the Procurement and Equipping of Five (5) Ford Hybrid Police Vehicles for an Annual Cost of \$65,340 and a Total Five-Year Cost of \$326,725.

Interim Police Chief Schuld summarized the proposed lease plan for five new hybrid vehicles. He reported that all existing vehicles are past their life cycle and repairs costs have significantly increased. Additionally, these new cars would save approximately \$14,000 per year in fuel costs and have reduced CO2 emissions. He noted that it would take eight months for delivery and the cars would be fully equipped. Finance and District Business Manager Katherine Korsak reiewed the three finance options.

Director Hacaj asked if staff had considered replacing vehicles every five years. Interim Police Chief Schuld said that replacement is necessary because the District did not keep up with the fleet rotation program. Director Hacaj asked if the District had considered using bikes for

certain tasks. Chief Schuld said it is a great community tool, but Kensington needs a quicker response. He also said that he is developing a vehicle replacement policy.

- The following persons addressed the Board: 1) Lynn Wolter commented that KPPCSD used to purchase one vehicle per year, but this changed six years ago and noted that people raised concerns about safety; 2) Linda Lipscomb discouraged the idea of bicycles on the hillsides and supported having a fully outfitted police person in a proper patrol car for emergencies; and 3) David Bergen said he liked the idea of electric bicycles and asked if the police officers are taking cars home.

Director Sherris-Watt reported that the Finance Committee discussed this item, and the vote was 3-2. She said she was not comfortable purchasing five cars all at once and committing over \$300,000. She commented that she was comfortable replacing three cars now and two cars next year and then getting on a regular replacement schedule. Director Hacaj asked Chief Schuld if three cars this year and two cars next year would be workable. Chief Schuld replied that the budget would need to be increased for maintenance and gas costs. Director Modavi expressed support for the five vehicles as the current cars have become a liability issue for the District. Director Nottoli asked how much the budget would need to be increased for gas and maintenance costs. She also asked if there is any benefit or disadvantage to the financing if we purchase five cars now versus three cars now and ordering two cars within six months. Chief Schuld said repair costs would be an additional \$5,000-\$6,000.

- At 10:55 p.m., it was moved, seconded, and carried (5-0) to extend the meeting until 11:30 p.m.

Ms. Korsak said projected cost savings would be about \$12,000 per month. Director Nottoli recommended that staff perform analysis of purchasing three cars versus five cars and provide the information at the next Board meeting. There was a discussion of authorizing three vehicles versus five vehicles.

- It was moved by Director Sherris-Watt to approve to execute a 5-year lease purchase agreement for the procurement of three vehicles—whichever three vehicles the Chief wants.
- Director Modavi offered an amendment to the motion of purchasing three to five vehicles. The motion died for the lack of a second.

Director Nottoli seconded the main motion by Director Sherris-Watt to approve to execute a 5-year lease purchase agreement for the procurement of 3 vehicles, carried (5-0) by the following roll call vote: AYES (Directors Sherris-Watt, Hacaj, Nottoli, Modavi, and Deppe); and NOES (None).

Ms. Korsak will bring back the numbers for the additional two cars.

9. Discuss and Consider Approval of the Extra Service Request (ESR 001) from RossDrulisCusenbery for Undertaking Architectural Work to Determine Accessibility and Seismic Requirements for the Public Safety Building (PSB).

Interim General Manager Lindsay explained the recommendation for the ESR from RossDrulisCusenbery (RDC) for undertaking architectural work to determine accessibility and seismic requirements for the PSB. He reported that several technical design issues have arisen that require additional analysis and meetings with the Contra Costa County Building Official. These issues involve accessibility and seismic requirements for the renovated PSB and are outside of the original scope of work contracted for by KPPCSD. To continue this, an architectural analysis will require KPPCSD to fund an ESR 001. RDC estimates that the cost will be approximately \$25,000, which will be split between KPPCSD and KPFD.

Director Modavi raised concerns that the Board had not seen the plans that will be considered by the County, and Interim General Manager Lindsay explained that RDC would be exploring code compliance issues with the county but not approval of a plan. President Deppe remarked that once we have a decision from the County, the Board has a further discussion on plans.

- It was moved by Director Hacaj, seconded by Director Deppe, to approve the extra service request for architectural services from RossDrulisCusenbery to determine the accessibility and seismic requirements for the Public Safety Building with a cost not to exceed \$12,500 for the KPPCSD subject to the General Counsel's approval as to form. The motion carried (5-0) by the following roll call vote: AYES (Directors Hacaj, Sherris-Watt, Modavi, Nottoli, and Deppe); and NOES (None).
- The following persons addressed the Board: 1) Linda Lipscomb asked if KPPCSD has participated in the conceptual decisions of the PSB since it makes sense to house both agencies; 2) Lynn Wolter commented that the whole process of finding a place for the Police Department is critical to our community.
- At 11:26 p.m., it was moved, seconded, and carried (5-0) to extend the meeting to 11:45 p.m.

10. Discuss and Consider Approving the Comprehensive Salary Schedule as Required by CalPERS.

Interim General Manager Lindsay reported that CalPERS requires its member agencies to provide a publicly listed pay schedule. The proposed resolution and associated salary schedule comply with these requirements. The schedule implements all changes resulting from the negotiated agreement with the Kensington Police Officers Association. It establishes salary steps for other non-safety positions to facilitate consistency in salary administration throughout the District. Any changes to the salary schedule will require an updated resolution.

President Deppe asked about the promotional process and said that we need a policy on how employees get promoted up the various steps. Director Sherris-Watt noted that the Salary Schedule includes positions we do not have, and Director Nottoli commented that the Board approved these positions last July through Resolution No. 2019-12.

- It was moved by Director Deppe, seconded by Director Hacaj, that we adopt Resolution No. 2020-16 of the Kensington Police Protection and Community Center adopting a comprehensive salary schedule as of July 1, 2020, carried (5-0) by the following roll call vote: AYES (Directors Sherris-Watt, Hacaj, Nottoli, Modavi, and Deppe); and NOES (None).

Resolution No. 2020-16 – A Resolution Of The Board Of Directors Of The Kensington Police Protection And Community Services District Adopting A Comprehensive Salary Schedule as of July 1, 2020.

11. Discuss the Process to Recruit and Retain a General Manager and Provide Direction to Staff.

Interim General Manager Lindsay outlined a proposed process to recruit and retain a permanent General Manager. He suggested that the Board consider forming a two-person recruitment committee of the Board to oversee the details of the recruitment. He said he would solicit proposals from qualified firms to assist in the recruitment and candidate screening process, select the recruiting firm to be recommended to the Board for approval, prepare a job profile to be used to advertise the position, and establish a schedule for completing the recruitment process. Subject to Board approval, staff recommends that solicitation of proposals from recruiting firms begin immediately, and that the proposed contract for the recruiting firm, and the proposed job profile, be placed on the Board agenda for approval on August 13th. This would allow the process to advertise the position to begin immediately following the August Board meeting, with interviews of General Manager candidates to be completed in September.

- The following person addressed the Board: 1) Lynn Wolter suggested that the Board delay the hiring of a General Manager until after the November election of KPPCSD board members.

President Deppe appointed Directors Nottoli and Sherris-Watt to the two-person committee, and both Directors accepted the appointment.

12. Review the Independent Financial Audit for the Fiscal Year Ending June 30, 2019.
(This item was taken out of order)

Independent Auditor Steven Chang of Lamorena & Chang presented highlights of the fiscal performance for the fiscal year ending June 30, 2019. He said his review rendered a clean audit opinion and said there were no material findings related to internal controls. From the Statement of Net Position, he reported that the total net position for the years ended June 30, 2019 and 2018 are \$1,389,673 and \$599,598, respectively. He also reported that actual revenues and actual expenditures versus budget amounts showed a positive variance of \$793,276. Actual revenues exceeded budgeted revenues by \$699,077. The largest difference in 2019 revenues was a contribution to the Community Center of \$450,000 and an insurance reimbursement for \$75,000. Actual expenditures were less than final budgeted expenditures by \$94,199. The largest under budget amount was \$284,435 in police salaries and benefits, mostly made up of officer salaries. It was noted that the budget was for ten officers, but the District averaged seven. District expenses were over budget by just over \$163,000, and it was noted that the two largest items over budget were for legal expenses and consulting fees.

- The following person addressed the Board: 1) Catherine de Neergaard asked questions about legal expenditures and where the money from police salary savings was spent; 2) Linda Lipscomb asked if there are general rules or policies regarding setting reserves; 3) Lynn Wolter asked about budgeted versus actual expenditures for legal fees, what the net position

would be if contributions to the Community Center and the insurance payment were deducted, and she asked about the unrestricted fund balance; 4) Jim Watt asked if the auditor had received his email about the unassigned balance shown on page 34 and said that some members of the Finance Committee believed that the unassigned balance was overstated; 5) Paul Dorrah asked for clarification about the insurance recovery that was credited to the Community Center project; 6) David Spath asked about a discrepancy of an excess of revenue raised at the Finance Committee and whether it impacted any possible change to the general fund balance.

Director Sherri-Watt commented that the sentence on page 5 of the report under "Comments on General Fund Budget Comparisons" stating that nothing was budgeted for the Community Center is inaccurate. She pointed out that all financial decisions had been finalized on June 14, 2019 as part of the budget approval, so the notation should read that all the project funds should have been in a capital account. Director Hacaj also encouraged Mr. Chang to investigate this concern because it is not correct that nothing was budgeted. Mr. Chang said he would note and investigate this, and follow up with Mr. Lindsay and Ms. Korsak. Interim General Manager Lindsay said staff would follow up and make sure the narrative is factually correct. At the suggestion of President Deppe, Mr. Lindsay said staff would bring the modified audit back to the Board as a Consent Calendar agenda item to ensure all questions have been answered.

ADJOURNMENT

President Deppe adjourned the meeting at 11:40 p.m.

SUBMITTED BY:

Lynelle M. Lewis, District Clerk of the Board

APPROVED: August 13, 2020

Bill Lindsay, Interim General Manager

Chris Deppe, President of the Board