



Date: April 14, 2022

To: Board of Directors

From: Rick Benson, Interim General Manager

Subject: Termination of Agreement with the Kensington Community Council (KCC)

Recommendation:

Terminate the 2016 agreement and the 2002 agreement with the Kensington Community Council effective July 1, 2022 and authorize the Board President to sign the letter notifying KCC of the termination.

Rationale for Recommendation:

There are aspects of the 2016 agreement with KCC which warrant review and renegotiation. In order to do so, it is necessary to terminate the prior agreement.

Background:

The Kensington Police Protection & Community Services District entered into an agreement with the Kensington Community Council commencing July 1, 2016 in order to provide programs of recreational and educational activities to Kensington residents. Among the terms of that agreement KPPCSD agreed to make available the Community Center, tennis courts, Building E and other recreation property. The district further agreed to maintain these facilities and grounds in a safe usable condition. Concurrently, KCC agreed to a contribution of \$15,000 to the KPPCSD adjusted annually to reflect increases in the Bay Area Consumer Price Index. These funds were to be used exclusively towards the maintenance of the recreational facilities.

Discussion and Analysis:

The agreement automatically renews annually unless either party chooses to terminate and gives the other party a 45-day notice prior to the commencement of the next fiscal year. The agreement also calls for a review every three years. The terms of the financial commitment from KCC included a renegotiation of the base rate in 2021.

The agreement has achieved the intended results. Both organizations have worked well together in offering services to the public. However, many circumstances have changed since 2016 and the agreement is in need of revisions. The current agreement lacks clarity in several areas that should be addressed. The agreement does not adequately provide for indemnification of the District nor does it

clearly spelled out insurance requirements. In general, the agreement is vague on specific responsibilities of each party. Therefore, a review and renegotiation of the agreement is warranted. This requires a formal termination of the current agreement, with the intent to negotiate a new agreement.

In researching the current agreement, it was discovered that an agreement entered into in 2002. Although, by all appearances, the 2016 agreement was intended to be the successor, it was never formally terminated. Counsel has advised that it is in the best interest of the District to formally terminate that agreement at this time, as well

Fiscal Impact:

Unless a new agreement is put into place, the potential loss to the District is in excess of \$15,000 annually. The actual fiscal impact of the termination will depend upon the terms of the new agreement.

Attachment:

- Termination Letter



April 14, 2022

Kensington Community Council
59 Arlington Ave.
Kensington, CA 94707

Dear Council Members:

In accordance with the terms of the agreement between the Kensington Police Protection & Community Services District (KPPCSD) and the Kensington Community Council (KCC) dated January, 2017 this letter is to serve as notice of the intention of the KPPCSD to terminate the agreement effective July 1, 2022. Additionally, this will also serve as formal notice to terminate the agreement entered into in March 2002.

We look forward to continue working with the KCC in developing a new agreement which will be beneficial to both organizations and, more importantly, to the young people and all citizens of Kensington.

Sincerely,

Sylvia Hacaj
President
Kensington Police Protection & Community Services District