

**KENSINGTON FIRE PROTECTION DISTRICT
AGENDA OF A MEETING OF THE
BOARD OF DIRECTORS**

Date of Meeting: November 18, 2015
Time of Meeting: 7:00 p.m.
Place of Meeting: **Kensington FIRE STATION
217 Arlington Avenue, Kensington, CA 94707**

Please Note: Copies of the agenda bills and other written documentation relating to each item of business referred to on the agenda are on file in the office of the Kensington Fire Protection District Administration Office, 217 Arlington Avenue, Kensington, and are available for public inspection. A copy of the Board of Directors packet can be viewed on the internet at www.kensingtonfire.org/agenda/index.shtml.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Manager, 510/527-8395. Notification 48 hours prior to the meeting will enable the Kensington Fire Protection District to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title 1).

7:00 p.m.

CALL TO ORDER

Directors: Joe de Ville, Don Dommer, Nina Harmon, Janice Kosel, and Laurence Nagel

1. **ADOPTION OF CONSENT ITEMS.** Items 3 & 4

All matters listed with the notation "CC" are consent items, which are considered to be routine by the Board of Directors and will be enacted by one motion. The Board of Directors has received and considered reports and recommendations prior to assigning consent item designations to the various items. Copies of the reports are on file in the Fire Protection District Administrative Office at 217 Arlington Avenue and are available to the public. The disposition of the item is indicated. There will be no separate discussion of consent items. If discussion is requested for an item, that item will be removed from the list of consent items and considered separately on the agenda. PLEASE NOTE: Public review copy of the agenda packet is available at the Directors' table at the Board meetings.

2. **ORAL COMMUNICATIONS.** (This place on the agenda is reserved for comments and inquiries from citizens and Board members concerning matters that do not otherwise appear on the agenda. Speakers shall be requested to provide their names and addresses prior to giving public comments or making inquiries.)

CC 3. **APPROVAL OF MONTHLY FINANCIAL REPORT.** September/October 2015
(APPROVE)

CC 4. **APPROVAL OF POLICY HANDBOOK CHANGES.** Amendment to Policy 1080 -
Board Meeting Conduct – Second Reading (ACTION)

5. **FIRE CHIEF'S REPORT**

- a. Review of operations.
- b. Regional issues and developments.

6. **PRESIDENT'S REPORT**

NEW BUSINESS

7. Understanding Special Districts Investments Presentation by Wells Fargo Advisors/
Proposal to utilize CalTrust for District Investments (ACTION)

8. KFPD Policy, Employee and Operations Handbook – Proposed Amendment to Policy 1160 – Investment of District Funds (ACTION)

9. **BOARD REPORTS**

Informational reports from Board members or staff covering the following assignments:

- a. Finance Committee (Kosel/Nagel): Copy of Transmittal #5
- b. Public Safety Building (de Ville/Harmon): Project complete and signed off on 10/27/15.
- c. Education (Kosel):
- d. Contra Costa County/California Special Districts Assoc. (Nagel):
- e. Diablo Fire Safe Council/Interface (Staff):
- f. Correspondence: thank you from Connie Andronico; thank you from Zoe Weintaub; thank you from Cheryl Ishida and Catherine Berner

ADJOURNMENT. The next regular meeting of the Board of Directors of the Kensington Fire Protection District will be held on Wednesday, December 9, 2015, at 7:00 p.m. at the Kensington Community Center, 51 Arlington Avenue, Kensington, CA 94707.

The deadline for agenda items to be included in the Board packet for the next regular meeting of 12/9/15 is Wednesday, 11/25/15 by 1:00 p.m. The deadline for agenda-related materials to be included in the Board packet is Wednesday, 12/2/15 by 1:00 p.m., Fire Protection District Administration Office, 217 Arlington Ave., Kensington.

IF YOU CHALLENGE A DECISION OF THE BOARD OF DIRECTORS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE BOARD MEETING OR IN WRITTEN CORRESPONDENCE DELIVERED AT, OR PRIOR TO, THE BOARD MEETING

CONSENT CALENDAR

Kensington Fire Protection District
Balance Sheet
As of October 12, 2015

	Oct 12, 15
ASSETS	
Current Assets	
Checking/Savings	
Petty Cash	200.00
KFPD Revolving Acct - Gen Fund	3,986.68
General Fund	558,008.49
Special Tax Fund	9,610.69
Capital Fund	4,980.77
Total Checking/Savings	576,786.63
Accounts Receivable	
Due from County for Reimb.	16,751.33
Accounts Receivable	1,706.49
Advance on Taxes	3,273,557.26
Advance on Supplemental Taxes	50,869.79
Total Accounts Receivable	3,342,884.87
Other Current Assets	
Prepaid Services - EC	1,777,147.49
Prepaid Exp.	9,577.92
Prepaid CERBT - Retiree Trust	979,439.97
Investments	
Capital Replacement Funds	1,368,947.00
Fire Protect. Contract Reserves	2,369,530.00
Investments - Other	-137,837.20
Total Investments	3,600,639.80
Total Other Current Assets	6,366,805.18
Total Current Assets	10,286,476.68
Fixed Assets	
Land	5,800.00
Equipment	1,363,137.14
Accumulated Depreciation-Equip	-778,846.15
Building and Improvements	2,032,063.85
Accumulated Depreciation - Bldg	-794,494.00
Current Capital Outlay	
Apparatus Bay Construction	230,619.17
Total Current Capital Outlay	230,619.17
Total Fixed Assets	2,058,280.01
TOTAL ASSETS	12,344,756.69
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Due to Revolving Acct - Gen Fnd	16,751.33
Due to Other - Issued by CCC	180,029.96
Total Accounts Payable	196,781.29
Other Current Liabilities	
El Cerrito Service Contract Pay	1,777,147.49
Total Other Current Liabilities	1,777,147.49
Total Current Liabilities	1,973,928.78
Total Liabilities	1,973,928.78
Equity	
Fund Equity - General	3,325,448.26
Fund Equity - Capital Projects	548,373.00

Kensington Fire Protection District

Balance Sheet

As of October 12, 2015

	Oct 12, 15
Fund Equity - Special Revenue	17,789.00
Fund Equity - Gen Fixed Asset	1,321,009.00
Fund Equity	2,427,211.90
Net Income	2,730,996.75
Total Equity	10,370,827.91
TOTAL LIABILITIES & EQUITY	12,344,756.69

Kensington Fire Protection District Revenue & Expense Prev Year Comparison

July 1 through October 12, 2015

	Jul 1 - Oct 12, 15	Jul 1 - Oct 12, 14	\$ Change	% Change
Ordinary Income/Expense				
Income				
Property Taxes	3,187,941.20	2,930,157.48	257,783.72	8.8%
Special Taxes	200,345.40	200,345.40	0.00	0.0%
Other Tax Income	0.00	153.26	-153.26	-100.0%
Salary Reimbursement Agreement	12,586.05	12,423.69	162.36	1.3%
Miscellaneous Income	0.00	11,191.57	-11,191.57	-100.0%
Total Income	3,400,872.65	3,154,271.40	246,601.25	7.8%
Expense				
OUTSIDE PROFESSIONAL SERVICES				
LAFCO Fees	1,801.11	1,796.45	4.66	0.3%
Contra Costa County Expenses	8.51	7.62	0.89	11.7%
EI Cerrito Contract Fee	592,382.54	603,834.63	-11,452.09	-1.9%
Water System Improvements	0.00	110,000.00	-110,000.00	-100.0%
Fire Abatement Contract	500.00	0.00	500.00	100.0%
Risk Management Insurance	11,491.00	11,523.00	-32.00	-0.3%
Professional Fees				
Accounting	633.75	812.50	-178.75	-22.0%
Audit	8,000.00	0.00	8,000.00	100.0%
Legal Fees	575.10	87.48	487.62	557.4%
Total Professional Fees	9,208.85	899.98	8,308.87	923.2%
Wildland Vegetation Mgmt	630.00	3,045.00	-2,415.00	-79.3%
Total OUTSIDE PROFESSIONAL SERVIC...	616,022.01	731,106.68	-115,084.67	-15.7%
RETIREE MEDICAL BENEFITS				
PERS Medical	9,003.84	6,656.72	2,347.12	35.3%
Delta Dental	851.64	851.72	-0.08	0.0%
Vision Care	231.64	231.72	-0.08	0.0%
Total RETIREE MEDICAL BENEFITS	10,087.12	7,740.16	2,346.96	30.3%
COMMUNITY SERVICE ACTIVITIES				
Public Education	3,123.10	3,952.74	-829.64	-21.0%
Comm. Pharmaceutical Drop-Off	0.00	344.16	-344.16	-100.0%
Total COMMUNITY SERVICE ACTIVITIES	3,123.10	4,296.90	-1,173.80	-27.3%
DISTRICT ACTIVITIES				
Firefighters' Expenses	0.00	1,078.95	-1,078.95	-100.0%
Staff Appreciation	0.00	21.05	-21.05	-100.0%
Professional Development	2,155.72	0.00	2,155.72	100.0%
Building Maintenance				
Janitorial Service	420.00	420.00	0.00	0.0%
Medical Waste Disposal	717.72	708.83	8.89	1.3%
Building alarm	180.00	0.00	180.00	100.0%
Gardening service	240.00	240.00	0.00	0.0%
Miscellaneous Maint.	3,487.56	3,798.58	-311.02	-8.2%
Total Building Maintenance	5,045.28	5,167.41	-122.13	-2.4%
Building Utilities/Service				
Garbage	346.40	336.28	10.12	3.0%
Gas and Electric	1,623.29	1,448.94	174.35	12.0%
Water/Sewer	1,200.43	847.01	353.42	41.7%
Total Building Utilities/Service	3,170.12	2,632.23	537.89	20.4%
Memberships	650.00	600.00	50.00	8.3%
Office				
Office Expense	323.07	815.52	-492.45	-60.4%
Office Supplies	113.44	380.16	-266.72	-70.2%
Telephone	2,137.87	1,821.70	316.17	17.4%
Total Office	2,574.38	3,017.38	-443.00	-14.7%
Total DISTRICT ACTIVITIES	13,595.50	12,517.02	1,078.48	8.6%
Staff				
Wages	19,528.32	18,776.88	751.44	4.0%
Longevity Pay	1,000.00	1,000.00	0.00	0.0%
Overtime Wages	168.99	0.00	168.99	100.0%
Medical/dental ins compensation	1,950.00	1,950.00	0.00	0.0%
Retirement Contribution	1,484.16	1,427.02	57.14	4.0%
Payroll Taxes	1,732.53	1,512.94	219.59	14.5%
Workers Compensation/Life Ins	840.79	298.46	542.33	181.7%
Payroll Processing	343.38	381.50	-38.12	-10.0%
Total Staff	27,048.17	25,346.80	1,701.37	6.7%
Total Expense	669,875.90	781,007.56	-111,131.66	-14.2%
Net Ordinary Income	2,730,996.75	2,373,263.84	357,732.91	15.1%
Other Income/Expense				
Other Income				
Transfers In - General	968.81	644.53	324.28	50.3%

**Kensington Fire Protection District
Revenue & Expense Prev Year Comparison**

July 1 through October 12, 2015

	Jul 1 - Oct 12, 15	Jul 1 - Oct 12, 14	\$ Change	% Change
Total Other Income	968.81	644.53	324.28	50.3%
Other Expense				
Transfers Out - Capital	968.81	644.53	324.28	50.3%
Total Other Expense	968.81	644.53	324.28	50.3%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	<u>2,730,996.75</u>	<u>2,373,263.84</u>	<u>357,732.91</u>	<u>15.1%</u>

Kensington Fire Protection District Profit & Loss Budget vs. Actual

July through September 2015

	Jul - Sep 15	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Property Taxes	3,089,565.11	3,328,995.00	-239,429.89	92.8%
Special Taxes	0.00	0.00	0.00	0.0%
Other Tax Income	0.00	0.00	0.00	0.0%
Lease Agreement	0.00	1.00	-1.00	0.0%
Interest Income	0.00	0.00	0.00	0.0%
Salary Reimbursement Agreement	12,586.05	12,896.49	-310.44	97.6%
Miscellaneous Income	0.00	0.00	0.00	0.0%
Total Income	3,102,151.16	3,341,892.49	-239,741.33	92.8%
Expense				
OUTSIDE PROFESSIONAL SERVICES				
LAFCO Fees	1,801.11	1,800.00	1.11	100.1%
Contra Costa County Expenses	8.51	0.00	8.51	100.0%
El Cerrito Contract Fee	592,382.54	592,382.49	0.05	100.0%
Water System Improvements	0.00	0.00	0.00	0.0%
Fire Abatement Contract	500.00	8,000.00	-7,500.00	6.3%
Risk Management Insurance	11,491.00	11,490.00	1.00	100.0%
Professional Fees				
Accounting	633.75	1,125.00	-491.25	56.3%
Actuarial Valuation	0.00	0.00	0.00	0.0%
Audit	0.00	0.00	0.00	0.0%
Legal Fees	575.10	7,500.00	-6,924.90	7.7%
Total Professional Fees	1,208.85	8,625.00	-7,416.15	14.0%
Wildland Vegetation Mgmt	630.00	2,499.99	-1,869.99	25.2%
Total OUTSIDE PROFESSIONAL SERVIC...	608,022.01	624,797.48	-16,775.47	97.3%
RETIREE MEDICAL BENEFITS				
PERS Medical	9,003.84	5,345.01	3,658.83	168.5%
Delta Dental	638.73	683.76	-45.03	93.4%
Vision Care	231.64	186.24	45.40	124.4%
Total RETIREE MEDICAL BENEFITS	9,874.21	6,215.01	3,659.20	158.9%
COMMUNITY SERVICE ACTIVITIES				
Public Education	3,078.10	3,249.99	-171.89	94.7%
Comm. Pharmaceutical Drop-Off	0.00	0.00	0.00	0.0%
CERT Emerg Kits/Sheds/Prepared	0.00	0.00	0.00	0.0%
Open Houses	0.00	0.00	0.00	0.0%
Total COMMUNITY SERVICE ACTIVITIES	3,078.10	3,249.99	-171.89	94.7%
DISTRICT ACTIVITIES				
Firefighters' Expenses	0.00	2,499.99	-2,499.99	0.0%
Staff Appreciation	0.00	0.00	0.00	0.0%
Professional Development	1,375.00	1,375.00	0.00	100.0%
Building Maintenance				
Janitorial Service	315.00	375.00	-60.00	84.0%
Medical Waste Disposal	717.72	999.99	-282.27	71.8%
Building alarm	180.00	200.00	-20.00	90.0%
Gardening service	240.00	500.01	-260.01	48.0%
Miscellaneous Maint.	3,374.56	3,125.01	249.55	108.0%
Total Building Maintenance	4,827.28	5,200.01	-372.73	92.8%
Building Utilities/Service				
Garbage	346.40	360.00	-13.60	96.2%
Gas and Electric	1,539.53	1,875.00	-335.47	82.1%
Water/Sewer	166.95	200.00	-33.05	83.5%
Total Building Utilities/Service	2,052.88	2,435.00	-382.12	84.3%
Election	0.00	0.00	0.00	0.0%
Memberships	650.00	650.00	0.00	100.0%
Office				
Office Expense	323.07	875.01	-551.94	36.9%
Office Supplies	113.44	624.99	-511.55	18.2%
Telephone	2,028.92	2,113.74	-84.82	96.0%
Total Office	2,465.43	3,613.74	-1,148.31	68.2%
Total DISTRICT ACTIVITIES	11,370.59	15,773.74	-4,403.15	72.1%
Staff				
Wages	19,528.32	19,526.01	2.31	100.0%
Longevity Pay	1,000.00	1,000.00	0.00	100.0%
Overtime Wages	168.99	324.99	-156.00	52.0%
Vacation Wages	0.00	0.00	0.00	0.0%
Medical/dental ins compensation	1,950.00	1,950.00	0.00	100.0%
Retirement Contribution	1,484.16	1,483.50	0.66	100.0%
Payroll Taxes	1,732.53	1,590.00	142.53	109.0%
Workers Compensation/Life Ins	840.79	1,000.00	-159.21	84.1%
Payroll Processing	286.15	376.26	-90.11	76.1%
Total Staff	26,990.94	27,250.76	-259.82	99.0%
Contingency				

**Kensington Fire Protection District
Profit & Loss Budget vs. Actual**

July through September 2015

	Jul - Sep 15	Budget	\$ Over Budget	% of Budget
General	0.00	6,249.99	-6,249.99	0.0%
Total Contingency	0.00	6,249.99	-6,249.99	0.0%
Total Expense	659,335.85	683,536.97	-24,201.12	96.5%
Net Ordinary Income	2,442,815.31	2,658,355.52	-215,540.21	91.9%
Other Income/Expense				
Other Income				
Transfers In - General	968.81	0.00	968.81	100.0%
Total Other Income	968.81	0.00	968.81	100.0%
Other Expense				
Transfers Out - Capital	968.81	0.00	968.81	100.0%
Total Other Expense	968.81	0.00	968.81	100.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	2,442,815.31	2,658,355.52	-215,540.21	91.9%

KENSINGTON FIRE PROTECTION DISTRICT POLICY HANDBOOK

POLICY TITLE: Board Meeting Conduct
POLICY NUMBER: 1080

1080.10 Meetings of the Board of Directors shall be conducted by the Chairperson in a manner consistent with the policies of the District. The latest edition of Sturgis' Standard Code of Parliamentary Procedure will also be used as a general guideline for meeting protocol. District policies shall prevail whenever they are in conflict with Sturgis' Standard Code of Parliamentary Procedure.

1080.20 All Board meetings shall commence at the time stated on the agenda and shall be guided by same. However, an agenda is flexible and items may be changed or moved by the Chairperson, or by general consent, or by a majority vote of the Board.

1080.30 The conduct of meetings shall, to the fullest possible extent, enable Directors to:

1080.31 Consider problems to be solved, weigh evidence related thereto, and make wise decisions intended to solve the problems; and,

1080.32 Receive, consider and take any needed action with respect to reports of accomplishment of District operations.

1080.40 Provisions for permitting any individual or group to address the Board concerning any item on the agenda of special meeting, or to address the Board at a regular meeting on any subject that lies within the jurisdiction of the Board of Directors, shall be as followed:

1080.41 Five (5) minutes may be allotted to each speaker and a maximum of twenty (20 minutes) to each subject matter;

1080.50 The normal time for adjournment shall be 10:00 p.m. The meeting may be extended by a majority vote of the Board.

CHIEF'S REPORT

**KENSINGTON FIRE PROTECTION DISTRICT
MEMORANDUM**

November 2015

TO: President and Board Members, Kensington Fire Protection District

FROM: Lance J. Maples, Fire Chief

SUBJECT: **Fire Chief's Report**

Fire Season Has Slowed But Is Far From Over

This past Saturday, at approximately 2:30 in the afternoon, El Cerrito Fire Engine 71 and Richmond Fire Engine 64 were dispatched to a fire at Central Avenue and Rydin Road. First in engine companies reported that there were 2 acres of brush burning with a moderate rate of spread. This fire was located between the Bay Trail and the water's edge just south of Central Avenue. It took a total of five engine companies and two Battalion Chiefs to extinguish this fire. I bring this to your attention to raise the awareness that fire season is far from over. We experienced substantial rain on November 2nd and the fuels in this area were already dried to a point where they burned very easily. It will take a much greater amount of participation to lessen the hazards we face due to the drought the State has faced.

KFPD Shredder Event

This past weekend we conducted our second shredder event for the year with a great success. The turnout was very good and citizens were sure to thank us for supporting this program. Brenda Navellier and Battalion Chief Carr stayed busy the entire time assisting citizens with unloading their materials to be shredded.

Sand Bags Now available In Kensington

We are happy to report that sand bags are now available for Kensington residents in the parking lot of the community center. 120 sand bags were delivered on November 5th and by November 7th, all 120 had been picked up by citizens preparing for this year's rainy season. Since this time, we have ordered more to be delivered. It will be the goal of the District to keep a supply of sand bags available at this location throughout the season. It should be noted, that at any time if we run out of sand bags in Kensington, sand bags will be available at the City of El Cerrito Corporation yard.

NEW BUSINESS

Understanding Special Districts Investments

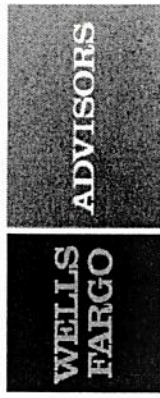
Sandra Wheeler

Associate Vice President – Investments

Catherine Hobbs

Vice President -Investments

Wells Fargo Advisors LLC



Together we'll go far



What we will cover

- Overview of your Investment Policy
- Bond Investing 101
- Interest Rate Environment
- County Investment Pool vs Investing Outside the County
- Questions & Answers

Understanding Your Investment Policy

The primary objectives, in priority order, of the District's investment activities shall be:

- **Safety:** safety of principal is the foremost objective of the investment program to ensure preservation of capital in the overall portfolio.
- **Liquidity:** portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated within six months.
- **Yield:** funds are managed to optimize the return on investments consistent with the two primary objectives of safety and liquidity and designed to obtain market rate of return within guidelines.

Delegation of Authority

Authority to manage the Kensington Fire Protection District's investment program is derived from California Government Code Sections 53600.3, et. seq. and is empowered by CGC 53601, et seq., to invest excess monies in various investments as stated in code.*Management responsibility of the investment program is vested solely in the Board of Trustee's. Board Members have the discretion to delegate to an Investment Committee (consisting of two Board Members and the General Manager) the authority to invest, reinvest, purchase, acquire, exchange and sell investments in accordance with policy.

Authorized Investments

- The District shall invest only in those financial instruments authorized by the California Government Code sections 16340, 16429.1, 53601, 53601.6, 53601.8, 53635, 53638 and 53684

(Investment Restrictions per California Code 53601.6
No funds shall be invested in inverse floaters, range notes, interest only strips that are derived from a pool of mortgages AND no funds shall be invested in any security that could result in zero interest accrual if held to maturity).

Policy further restricts the Permitted

Investments to those listed below:

- Bonds issued by the District or agency of the District
- United States Treasury notes, bonds or bills
- State Registered Warrants, Notes or Bonds
- Other CA State Local Agency bonds, notes, warrants
- Federal Agency or US Gov't sponsored enterprises
- Bankers Acceptances
- Commercial Paper of "Prime" quality
- Negotiable Certificates of Deposits
- Repurchase Agreements

continued permitted investments

- Reverse Repurchase Agreements
- Securities Lending
- Medium Term Corporate Notes
- Shares of beneficial interest, Mutual Bond Funds
- Any mortgage pass through security
- California Local Agency Investment Fund - LAIF
- County Investment Pool

*All percentage limitations will be valued/calculated at the time of purchase based on the most recently Board of Trustees approved report of investment balances.

Understanding Bonds 101

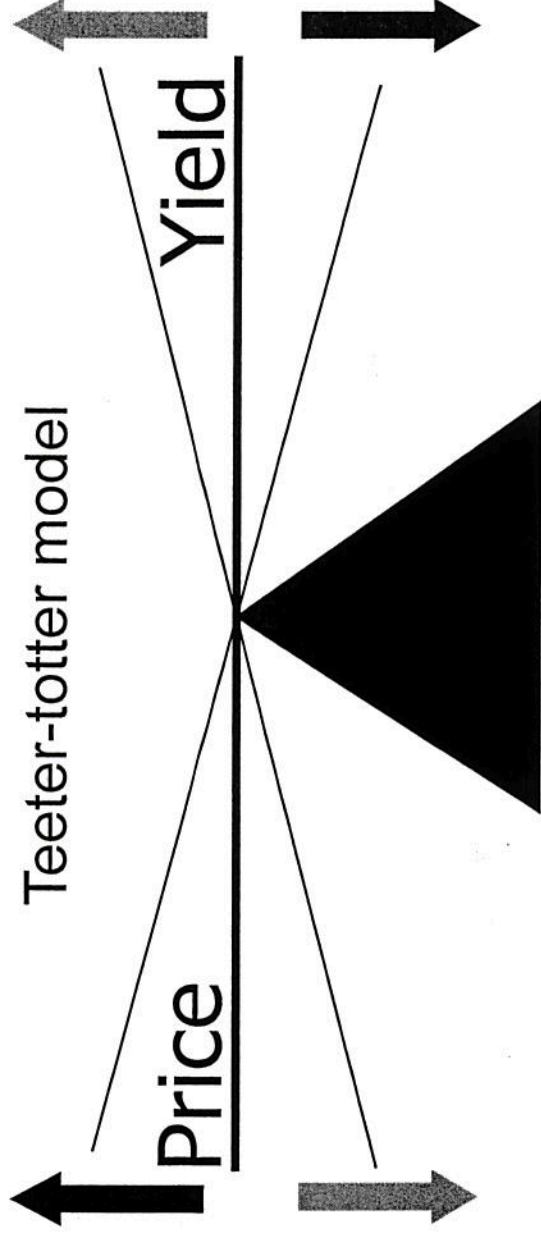
- When you purchase a bond, you are actually making a loan to the issuer.
- You receive interest in return
- Bonds are issued at Par Value and are generally bought in increments of \$1000/bond and are repaid to the bond holder if held to maturity at face value
- Bonds can be purchased at the initial offering or bought on the secondary market at market value which can be above or below \$1000/bond depending on the market
- Bonds can be sold prior to maturity on the secondary market at the current market price

What typically makes a bond price change?

- Interest rate change
- The issuer's credit rating changes
- Supply and Demand

Yield/price relationship

The yield/price teeter-totter is a simple way to visualize the relationship between yield and price. As prices rise, yields fall, and vice versa. This is a mathematical relationship between a fixed coupon rate (based on maturity) and a change in secondary market price.



Credit-quality ratings

	Moody's	S&P	Fitch
Investment grade	• Aaa	• AAA	• AAA
	• Aa	• AA	• AA
	• A	• A	• A
	• Baa	• BBB	• BBB
Below investment grade	• Ba	• BB	• BB
	• B	• B	• B
	• Caa	• CCC	• CCC
	• Ca	• CC	• CC
	• C	• C	• C
	• D (or defaulted)	• D (or defaulted)	• DDD (or defaulted) • DD (or defaulted) • D (or defaulted)

Credit quality and prices

- ↓ A downgrade, real or anticipated, could cause a bond's price to fall and its yield to rise. Potential investors are willing to accept additional risk in return for higher yield. Existing investors may incur losses.
- ↑ An upgrade could raise a bond's price and lower its yield. Potential investors are willing to accept lower yields and stability over higher potential returns. Existing investors may see gains in such securities.

Investment considerations

- Interest-rate risk
- Call risk/reinvestment risk
- Credit risk
- Inflation risk
- Taxes

Strategies for Bond Investing

- There are numerous strategies to help balance risk and return considerations in the fixed-income markets.
- Bond ladders are one simple strategy that can help mitigate certain, but not all, types of risk, including interest rate risk.

Bond Ladders

- A ladder is a portfolio of bonds with maturities spread across several years.

Maturity Value	Issuer	Coupon	Maturity	Price	Yield to Maturity	Cost
\$ 25,000	Bond A	2.13%	3/1/2024	\$100	2.13%	\$25,005.90
25,000	Bond B	2.5	8/15/2025	100	2.5	25,026.04
25,000	Bond C	2.75	8/1/2026	99.9	2.76	25,041.84
25,000	Bond D	3	6/15/2028	100.245	2.978	25,271.67
\$100,000		2.59%	11.48 Avg. Yrs. to Maturity	\$100.04	2.59%	\$100,345.45

Source: WFA Laddered Portfolio Example, as of 9/23/14
 This information is hypothetical and is provided for informational purposes only. It is not intended to represent any specific return, yield, or investment, nor is it indicative of future results.

Bond Ladder

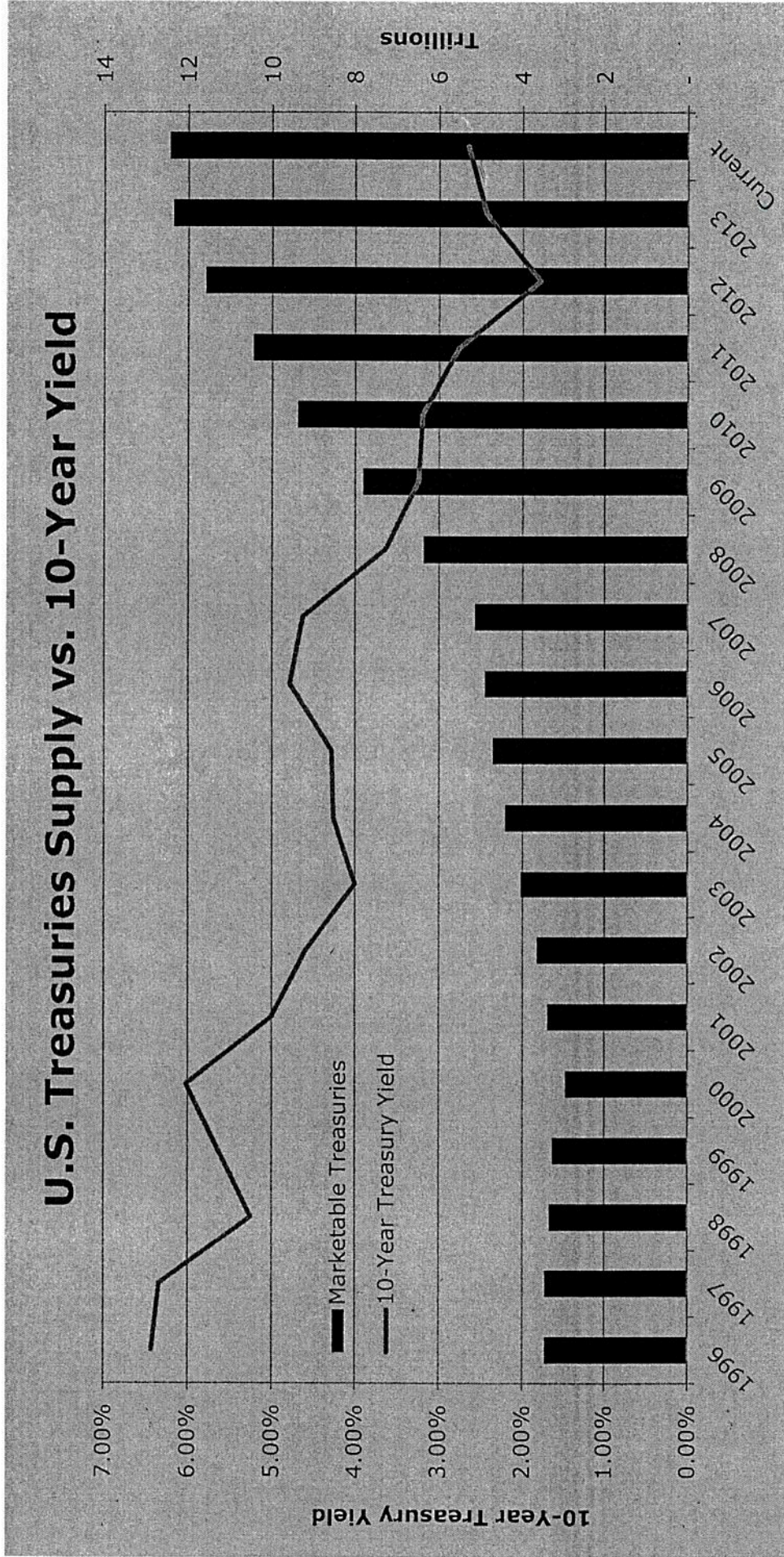
- Systematic Approach
 - provides discipline to your investing
 - helps reduce reinvestment rise
- Offset Interest Rate Risk
 - If rates rise, as bonds mature, you can reinvest back into the ladder in higher yielding bonds
 - If rates fall, a portion of the portfolio is invested in higher yielding bonds

Bond laddering does not assure a profit or protect against loss in a declining market.

State of the fixed income markets and a look into 2015

- Background on current environment
- Economic forces
- Duration

Background of current environment



Source: Bloomberg, Department of the Treasury, as of April 28, 2014

Past performance is not an indication of future results.

Background of current environment

- Bond investors may need to become more accustomed to increases in interest rates
- Although generally less volatile than equities, fixed income investments can and do lose money – often as a result of rising interest rates
- The Advisory Services Group (ASG) at Wells Fargo Advisors anticipates higher yields in future years
- Although we expect interest rates will move sideways in the near term, we expect modestly higher rates in the long term

Economic forces

Several forces can cause interest rates to change:

- Supply and demand
- Economic growth
- Inflation outlook
- Monetary policy
- Fiscal policy
- Risk on/off

Duration

- Used to approximate the percentage change in a bond's value that results from a 1% change in interest rates.
- The longer the duration, the more the price will fluctuate as a result of a change in interest rates.
- Also possible to determine duration of other fixed-income instruments, such as ETFs and bond funds.

Duration is a measure of a security's or portfolio's sensitivity to interest rate changes.

Duration

In the table below, you can see the duration and price performance of five generic bonds. The coupon levels (yields) are based on an upward-sloping interest-rate curve. We show the impact on each bond's price in three hypothetical interest rate scenarios.

	Yield	Duration	Par Value	+100bp*	+200bp*	+300bp*
30-year bond	3.50%	18.48	100	84	71	61
20-year bond	3.25%	14.62	100	87	75	66
10-year note	2.50%	8.80	100	92	84	77
5-year note	1.40%	4.81	100	95	91	87
2-year note	0.35%	1.99	100	98	96	94

Source: Wells Fargo Advisors

*Market value after instantaneous increase in the yield curve; 100 basis points (bps) equals 1 percent.

Examples are used for illustrative purposes only and do not reflect the rates for any investment available for purchase through Wells Fargo Advisors.

Duration is a measure used to determine a bond/s or bond portfolio's sensitivity to movements in interest rates. Generally, the longer the duration the more sensitive a bond or bond portfolio is to changes in interest rates.

County Treasury Pool vs Outside County Pool

- **Average County Treasurer's Investment Pool**
net effective annual return
(based off a >1 year duration bond ladder)
- **Wells Fargo Advisors -**
 - net effective annual return
(based on a >5 year duration bond ladder)

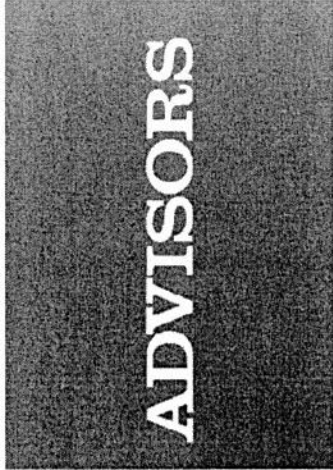
Important information

Wells Fargo Advisors is not a tax advisor.

Investing in fixed-income securities involves certain risks, such as: market risk, if sold prior to maturity; and credit risk, especially if investing in high-yield bonds, which have lower ratings and are subject to greater volatility. All fixed-income investments may be worth less than their original cost upon redemption or maturity.

Yields and market value will fluctuate so that your investment, if sold prior to maturity, may be worth more or less than its original cost.

Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline of the value of your investment.



Investment and Insurance Products: ▶ NOT FDIC Insured ▶ NO Bank Guarantee ▶ MAY Lose Value

Wells Fargo Advisors is the trade name used by two separate, registered broker-dealers: Wells Fargo Advisors, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, non-bank affiliates of Wells Fargo & Company.

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KENSINGTON FIRE PROTECTION DISTRICT POLICY HANDBOOK

POLICY TITLE: Investment of District Funds
POLICY NUMBER: 1160

1160.10 PREMISE

The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) §53600.6 and §53630.1); and,

Government Code Sections 5921 and 53601, et seq., allow the legislative body of a local agency to invest surplus monies not required for the immediate necessities of the local agency; and,

The treasurer or fiscal officer of a local agency is required to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, is to be considered by the local agency's legislative body at a public meeting (CGC §53646(a)).

1160.20 INVESTMENT POLICY

For these reasons, and to ensure prudent and responsible management of the public's funds, it is the policy of the Kensington Fire Protection District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of the Kensington Fire Protection District funds.

1160.30 SCOPE

This investment policy applies to all financial assets of the Kensington Fire Protection District. These funds are accounted for in the Independent Annual Financial Report and include:

Demand Account:
General Fund
Special Tax Fund
Capital Reserve Fund

Investments:
Local Agency Investment Fund
Qualified Broker, Dealer or Security Firm

1160.40 PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations for expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

1160.50 OBJECTIVES

As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives of the investment activities, in priority order, shall be:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Kensington Fire Protection District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- B. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the Kensington Fire Protection District to meet all operating requirements which might be reasonably anticipated.
- C. **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

1160.60 MANAGEMENT OF INVESTMENTS

Authority to manage the investment program is derived from California Government Code Sections 53600, et seq. Management responsibility for the investment program is hereby assigned to the Manager who shall act in consultation with the Finance Committee. District investments shall be maintained by the County Treasurer or *a qualified broker, dealer or security firm*. Under the provisions of California Government Code §53600.3, the Manager and the Finance Committee are trustees and fiduciaries subject to the prudent investor standard.

1160.70 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

1160.80 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

No public deposit shall be made except in a qualified public depository as established by state laws.

1160.90 INVESTMENT POLICY REVIEW

This Investment Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

BOARD REPORTS

TRANSMITTAL - APPROVAL

TO: Auditor Controller of Contra Costa County:
Forwarded herewith are the following invoices and claims for goods and services received which have been approved for payment:

		KENSINGTON FPD		PY/CY:	2170	
		TRANSMITTAL - APPROVAL		BATCH #:	11/10/2015	
		Invoices		DATE :	13	
				LOCATION #:	KENSINGTON	
				FILENAME:		
00982	Delta Dental	11/1/2015	BE001358346 Nov dental	7840	1061	1,189.07
01406	KFPD	11/6/2015	Reimburse revolving fund	7840	2490	17,297.99
01169	CalPERS	10/14/15	7072901257 Dec medical	7840	1061	7,946.12
01634	Vision Service Plan	10/21/15	001027770001 Nov vision	7840	1061	346.72
02120	City of El Cerrito	11/01/15	Nov fire protection	7840	2328	193,265.49
06042	EBMUD	10/14/15	MA14004 - Columbia final	7840	2490	220,000.00
11111	Mack5	10/31/15	3094 - project mgmt Oct	7840	2490	1,650.00
16281	CSDA	11/01/15	1374 - annual membership	7840	2490	5,659.00
16281	CSDA	10/20/15	35420 - Brown Act	7840	2490	154.53
50115	Evra Construction	10/31/15	3 - progress payment	7840	2490	107,405.49
TOTAL						554,914.41

[Signature] Kensington FPD Approval
Date: 11/10/2015
[Signature] Date: 11/16/15



Thanks



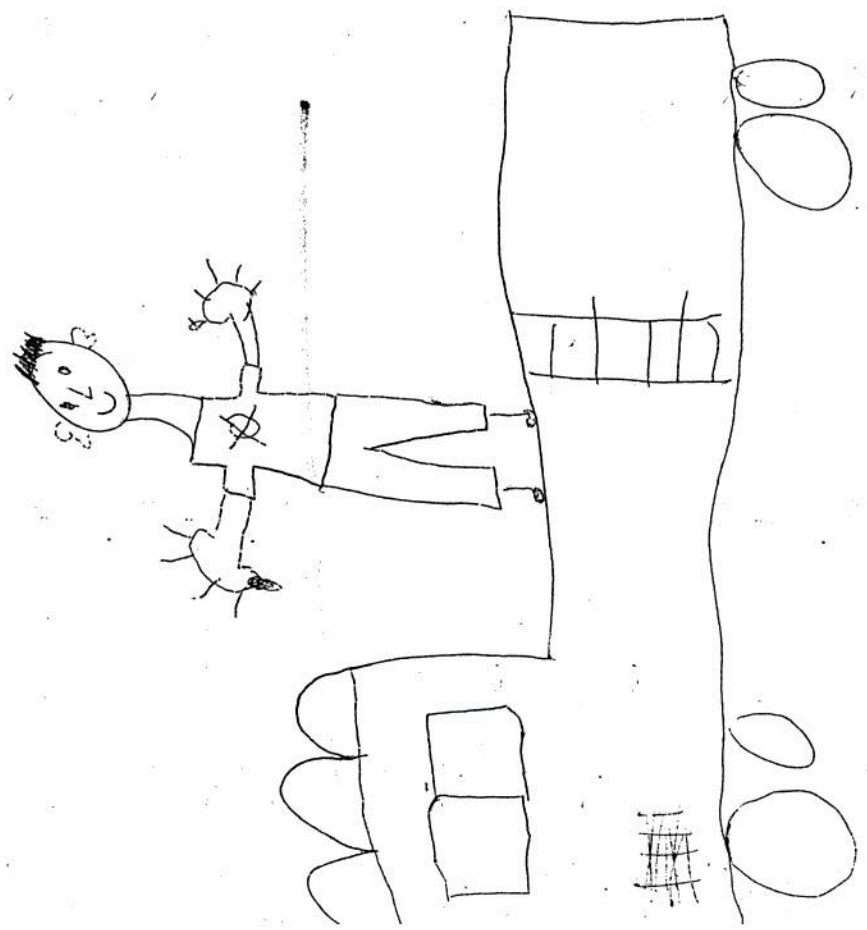
Very simply stated —
It was most appreciated!

Conni Anderson

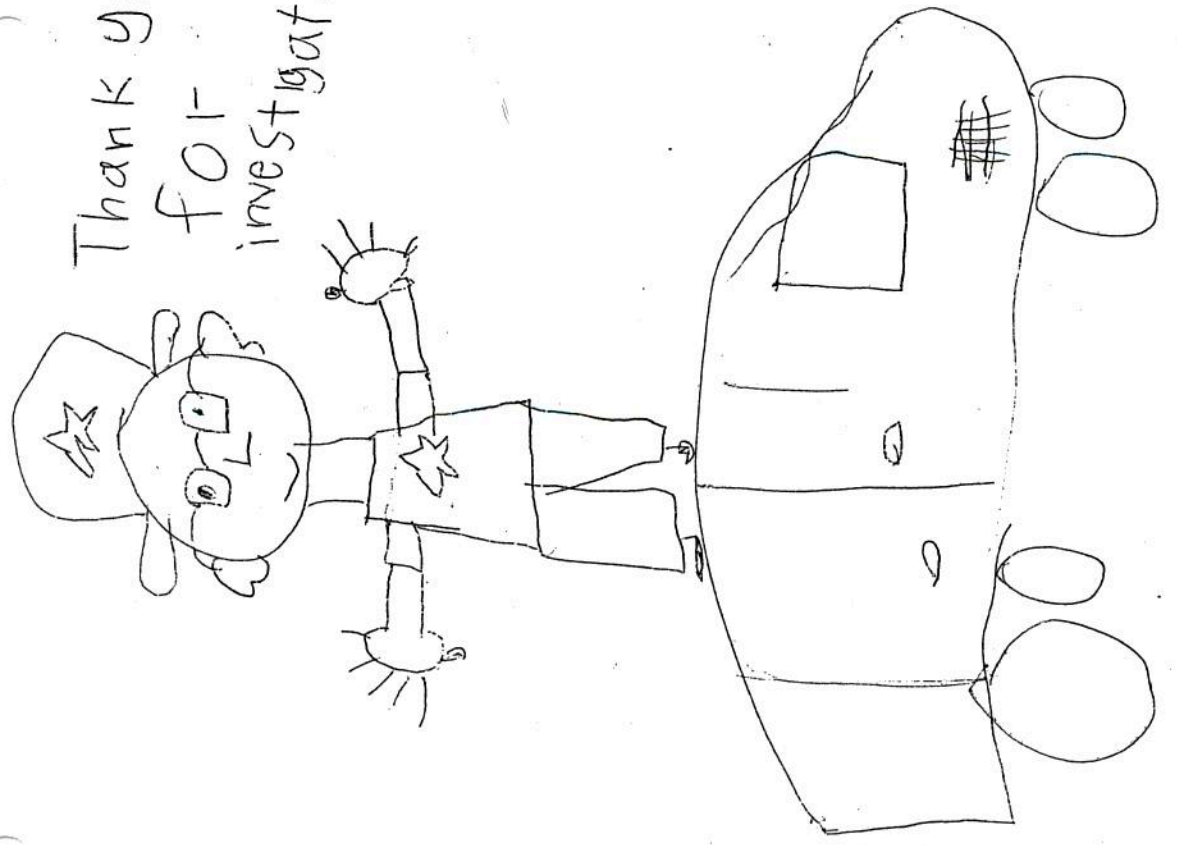
to police and
firefighters

from: Zoë Weintraub

Thank you for saving
out lives.



Thank you
for
investigating.



Brenda Navellier

From: cishidasan@aol.com
Sent: Sunday, November 08, 2015 12:20 PM
To: Brenda Navellier
Subject: CERT Boot Camp November 7, 2015

Dear Brenda,

I would greatly appreciate your forwarding the following note to the terrific team that presented the CERT Boot Camp yesterday! They were all truly fantastic, and we are very grateful to them!

Dear Dave (leader), Kathy, Dave and Travis:

My daughter and I thoroughly benefited from participating in the CERT Boot Camp yesterday! Although it was a long day, time went quickly because you presented interesting material, engaged us with asking and answering questions, triage exercises, fire extinguisher practice (we own an extinguisher, but neither of us had ever used one!), and the fire film clip really left a lasting image of how quickly fire spreads. You filled our day and our brains with lots of good material and, as we were getting to the end, I didn't want to have to skip or rush through any of the material! Leader Dave: Your skill in handling the next tenants coming in to use the building—despite their disrespectful behavior—was a great role model to watch! You were calm and respectful and made a potentially volatile situation turn out just fine! To you, to Kathy, and to Dave and Travis, who, each one of you presented your material so well: Hurrah! You folks were all so professional and good at getting your messages across to us. We will be reading through the manual and will use the OK/HELP signs. Thank you for helping us help ourselves, and hopefully, our community!

Sincerely,
Cheryl Ishida and Catherine Berner

*Battalion Chief David Gibson
Captain/Paramedic David Cioppa
Engineer Kathy Halligan
Engineer/Paramedic Travis Crumacker*