



Central Marin Police Authority

Staff Report

TO: Central Marin Police Council

FROM: Management Committee

DATE: March 27, 2017

RE: RESOLVING DEFICIT OF THE CENTRAL MARIN POLICE AUTHORITY'S INSURANCE FUND

ACTION REQUESTED

Approve attached resolution authorizing the Management Committee to move monies from the Reserve Fund and the Equipment Fund to help address a deficit in the Insurance Fund. The resolution also acknowledges that the Authority had a cash deficit at the end of the Fiscal Year 2015/16 and effectively borrowed funds from the City of Larkspur, which serves as the treasury for the Authority. The resolution directs the Management Committee to work with the member agencies to address their share of the cash deficit.

BACKGROUND AND FISCAL ANALYSIS

The Authority practices fund accounting, with certain monies designated to funds for restricted purposes. The Authority maintains an Insurance Fund to address payment of liability claims and worker's compensation matters. Independent auditors have determined that the Authority's deficit in its Insurance Fund stood at \$1,083,427 at the close of FY15/16. This deficit developed due to a large number of claims in FY14/15 and FY15/16. The Management Committee was aware of the developing deficit and reported it to the Police Council last year, recommending that the issue be resolved once the Authority's independent auditors completed their review of FY15/16. At the time of this recommendation, it was believed the Authority would have sufficient (or nearly sufficient) cash in other reserve funds to address the deficit without asking for contributions from the member agencies. The Authority closed FY15/16 with \$961,594 total between its (General) Reserve Fund¹ and its Equipment Fund. If the Insurance Fund is to be brought to a zero balance, the member agencies need to contribute \$121,833.

¹ CMPA has typically referred to the "Reserve Fund" when speaking about the fund that covers its operating budget. Staff is inserting "General" in this report to help distinguish the Reserve Fund from the other reserves.



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Additionally, the independent auditors have determined that the Authority’s Operating Fund (CMPA’s General Fund) completed FY15/16 in a negative position of \$268,797, due primarily to the Authority failing to receive anticipated revenues for asset forfeiture and grants. The Authority typically addresses a shortfall of this nature by applying money from the Reserve Fund and/or the COPS Fund. If the entire Reserve Fund is applied to the negative position in the Insurance Fund, the deficit in the Operating Fund can only be partially offset by applying \$109,855 in the COPS Fund.

The columns below illustrate the various funds before and after the proposed transfer. In sum, at the end of FY15/16, the Authority had a total cash deficit across all funds of \$1,242,370 and a total of \$961,954 of available reserves, resulting in a draw from the Larkspur treasury (pooled cash account) of \$280,776.

FUNDS*	RESERVES	
	FY15/16 ending	FY15/16 ending
Operating	(268,797)	(General) Reserve 902,454
COPS	109,855	Equipment 59,139
Insurance	(1,083,427)	
TOTAL	\$ (1,242,370)	TOTAL \$ 961,594

*The Authority has a fourth fund, the Building Fund, that is not available to transfer to reserves. The Building Fund is collected by the special assessment that pays for the main station in Larkspur.

While the fund deficits are shared equally between the member agencies, the current reserve balances are not. When San Anselmo joined the Authority, the member agencies agreed to allow San Anselmo to build its share of the Authority’s reserves (\$375,000) over a period of five years by making annual contributions of \$75,000. San Anselmo makes these contributions on a monthly basis. At the close of FY15/16, San Anselmo’s share of the Reserve was \$150,291. Corte Madera and Larkspur had \$376,082 each in the General Reserve account and a combined \$59,139 in the Equipment Reserve (\$32,594 for Corte Madera and \$26,546 for Larkspur.)



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ANALYSIS

The Authority can eliminate most of the deficit it is showing in the Operating and Insurance Funds by transferring the monies in the General and Equipment Reserves to these funds. Transferring all monies from these reserves will minimize the fiscal impact to the member agencies to reconcile these accounts. Because the reserves will not cover the entire deficit in the two funds, each member agency will need to commit to a plan to pay its share of the outstanding balance. In addition, implementation of this proposal will leave the Authority without reserves for the remainder of FY16/17. Any overages in FY16/17 will have to be covered by the member agencies and the agencies will need to formulate a plan to rebuild the reserves and build up the Insurance Fund. The Management Committee is comfortable operating for the remainder of this fiscal year without reserves and is preparing proposals and options for the rebuilding these accounts that will be discussed at the Council’s budget meeting in May.

If the Council approves the attached resolution, the transfer of monies from reserves will leave the Authority in a deficit position of \$280,776. Effectively, CMPA has borrowed this amount from the City of Larkspur, which is the role Larkspur essentially agreed to play by serving as the treasury for the Authority. The apportionment of the outstanding balance is shown in the table below.

APPORTIONMENT OF CMPA OUTSTANDING CASH DEFICIT				
as of 6/30/16				
	Agency Share of Fund Deficits	From Equipment Reserve	From (General) Reserve	OUTSTANDING
Corte Madera	(414,123)	32,594	376,082	(5,448)
Larkspur	(414,123)	26,546	376,082	(11,496)
San Anselmo	(414,123)	-	150,291	(263,833)

The Corte Madera and Larkspur managers have indicated that their agencies will directly pay their outstanding balances. San Anselmo will require more time and analysis to determine how



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best to address its share. The primary reason that there is a large difference between the amounts owed by the three agencies is because San Anselmo has been building its share of the Reserve on a monthly basis over a five-year period. As of June 30, 2016, San Anselmo still owed \$225,000 to the Reserve. Since that date, San Anselmo has contributed an additional \$50,000 (as of the end of February 2017) to the Reserve. The attached resolution authorizes the Management Committee to apply San Anselmo's FY16/17 contributions to the Reserve to its outstanding balance if requested to do so by the San Anselmo Town Council. The Corte Madera and Larkspur managers will work directly with the San Anselmo manager to prepare options for the San Anselmo Town Council to consider.

STAFF RECOMMENDATION

Approve the attached resolution

Respectfully submitted,

Dan Schwarz
On behalf of the Management Committee

Attachments:

1. Staff report and attachments for FY 2016-17
2. Resolution No. 2017/07

TO: Central Marin Police Council

FROM: Management Committee
Todd Cusimano, Chief of Police

DATE: January 4, 2016

RE: **AMENDING MINIMUM BALANCES FOR THE CENTRAL MARIN POLICE
AUTHORITY RESERVE FUND AND AUTHORIZING ITS FISCAL OFFICER TO APPLY
EXCESS MONIES FROM THE RESERVE FUND AND ITS YEARLY BUDGET TO THE
INSURANCE FUND**

ACTION REQUESTED

That Council hear the staff report, take comment, and adopt Resolution No. 2016/01.

REFERENCE

Resolution 2016/01.

FISCAL IMPACT

The Authority's current policy is to maintain a dry period reserve for the General Fund of \$750,000 or ten percent (10%) of expenditures, whichever is greater. Ten percent of this year's budgeted expenditures is \$1,099,561. The Authority projected reserve at year end is \$825,000, with plans to reach the policy's target by the end of Fiscal Year 2018-19.

The proposed action would establish a policy that the reserve will be five percent (5%) of budgeted expenditures. The proposed action would free money currently held in the dry period reserve for transfer to the Authority's Insurance Fund. The net result is no overall fiscal impact, but a shift in where monies are held and under what restrictions.

DISCUSSION

An audit for Fiscal Year 2014-15 identified an emerging deficit in the Insurance Fund as an issue that should be addressed as soon as possible. The Central Marin Police Authority maintains a dry period reserve for the General Fund to help provide fiscal stability by holding monies to cover cash flow and budget challenges created by unanticipated changes in revenues and expenditures.

In 2014, the Central Marin Police Council set forth a minimum dry period reserve budget under Central Marin Police Authority Resolution No. 04/14. This resolution set the dry period reserve at \$750,000 or ten percent (10%) of the current budget, whichever is greater. Industry practices with respect to reserve policies vary greatly, with anywhere from five to ten percent being a common goal for a joint powers authority to have in reserve. The ten-percent target was selected consistent with the Authority's longstanding practice of being extremely conservative in its fiscal practices.

When San Anselmo became part of the Authority, the two existing member agencies, Corte Madera and Larkspur, had contributed \$375,000 to the Authority's reserve. To smooth the fiscal impact on San Anselmo of building the Authority's reserve, it was decided that the dry period reserve would run below the required ten-percent threshold while San Anselmo made annual contributions of \$75,000 for five years (through Fiscal Year 2018-19). Corte Madera and Larkspur would only be asked to make new payments to the reserve if their respective one-third shares would exceed \$375,000 before Fiscal Year 2018-19. At the end of the current fiscal year, it is anticipated that the dry period reserve will hold \$825,000.

Recently, the Management Committee, working with the Chief of Police and the Authority's Finance Director, considered the historical trends of the Authority's budget (dating back to Twin Cities Police Authority) and concluded a policy of holding five percent of expenditures in a dry period reserve should be more than sufficient to meet the intent and purpose of establishing such a reserve. Concurrently, the Management Committee, Police Chief, and Finance Director evaluated long-standing practices with respect to the Authority's Insurance Fund, a reserve for addressing claims against the Authority (including workers compensation claims), and concluded that a change in practice and the establishment of clear policy is in order. The amount of money that the Authority should have in its insurance fund is evaluated annually by actuaries working for the Bay Cities Joint Powers Insurance Authority, a risk pool of which the Authority is a member. A high number of workers compensation claims in the past few years have depleted the Insurance Fund.

Staff has been monitoring this issue with the Insurance Fund for some time, but has not proposed addressing it until now because of the Authority's need to resolve issues relating to pension and OPEB liabilities. Staff now believes the Insurance Fund should be addressed.

ANALYSIS

Based on current year numbers, reducing the Authority's dry period reserve from ten to five percent will lower the amount required to be held in reserve from \$1,099,561 to \$549,782. The collective assessment of the Management Committee, Chief, and Finance Director is that \$549,782 will be sufficient for the Authority in a dry period.

The Authority needs to take action to begin meeting the Insurance Fund targets established by the Authority's risk pool. For Fiscal Year 2015-16, the Insurance Fund should have \$300,000 in it. A first step in meeting this goal was to budget \$200,000 in contributions from the member agencies the current year budget. A second step in meeting this goal would be to assign dry period reserve monies in excess of \$549,782 to the Insurance Fund. This amount would be \$275,220.

The Authority also has \$65,000 sitting in its Equipment Replacement Fund that the Chief does not believe will be needed in the near term. He is recommending – and the Management Committee concurs – that this money should be moved to Insurance Fund.

Further, the Authority has approximately \$100,000 in excess revenues from Fiscal Year 14-15 that have not been assigned by the Council. Staff is recommending these monies be placed in the Insurance Fund.

Taking these various steps means that at the Fiscal Year's end, the Insurance Fund will hold \$640,220 minus claims paid.

The attached resolution would authorize these steps and establish as policy that the Finance Director should move excess monies at the end of a fiscal year to the Insurance Fund.

If the Police Council approves of these changes to the policies guiding the dry period reserve and the Insurance Fund, there should be some clarification regarding the annual \$75,000 contributions required of San Anselmo. The goal of these contributions remains to have San Anselmo contribute \$375,000 over five years to the Authority's reserve programs, as \$375,000 is the amount both Corte Madera and Larkspur had contributed at the time San Anselmo joined the Authority.

If the Police Council approves the attached resolution making staff's recommended changes, staff would consider and documents would reflect that San Anselmo is a full, one-third partner in the Authority's dry-period reserve at the end of Fiscal Year 2016-17, rather than Fiscal Year 2018-19. The \$75,000 payments made in Fiscal Years 2017-18 and 2018-19 would be applied to the Insurance Fund (which is essentially what the proposed actions of this resolution will do with a portion of the monies previously contributed by Corte Madera and Larkspur).

STAFF RECOMMENDATION

It is recommended for the Council to adopt Resolution 2016/01.

Attachments:

1. Resolution No. 2016/01

**CENTRAL MARIN POLICE AUTHORITY
RESOLUTION NO. 2016/01**

**A RESOLUTION OF THE CENTRAL MARIN POLICE COUNCIL OF THE CENTRAL
MARIN POLICE AUTHORITY AMENDING MINIMUM BALANCES FOR THE
CENTRAL MARIN POLICE AUTHORITY RESERVE FUND AND AUTHORIZING
ITS FISCAL OFFICER TO APPLY EXCESS MONIES FROM THE RESERVE FUND
AND ITS YEARLY BUDGET TO THE INSURANCE FUND**

WHEREAS, the Central Marin Police Council has established an unrestricted reserve that provides fiscal stability to the organization during cash flow fluctuations and against unanticipated changes in revenues and expenditures; and

WHEREAS, the Central Marin Police Authority has a current deficit in its insurance fund due to worker's compensation claims; and

WHEREAS, under Central Marin Police Council Resolution No. 04/14, the Authority has a reserve policy that set forth a minimum dry period reserve of \$750,000 or ten percent (10%) of the Authority's annual adopted budget, whichever is greater; and

WHEREAS, the Central Marin Police Authority would like to lower this percentage rate from ten percent (10%) to five percent (5%) and would like to authorize its fiscal officer to apply excess funds from the reserve fund to its insurance fund, created by the lowering of the reserve fund's percentage rate; and

WHEREAS, the Central Marin Police Authority would like to authorize its fiscal officer to apply any future excess Central Marin Police Authority budgetary monies which exist at the end of each fiscal year to the insurance fund, if those funds are in excess of the new reserve fund cap; and

NOW, THEREFORE, IT IS HEREBY RESLOVED, that the Central Marin Police Council rescinds Resolution No. 04/14 and hereby authorizes the establishment of the new reserve structure and payments to the Reserve Fund for the Central Marin Police Authority; and

IT IS HEREBY CERTIFIED, that the forgoing resolution was duly introduced and adopted at a public meeting of the Central Marin Police Council of the Central Marin Police Authority held on the 7th day of January 2016 by the following vote, to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ATTEST:

Zaneta Feleo, Authority Clerk
Central Marin Police Authority

Tom McInerney, Council Chair
Central Marin Police Authority

CENTRAL MARIN POLICE COUNCIL

HELD AT
CENTRAL MARIN POLICE AUTHORITY BUILDING
250 DOHERTY DRIVE
LARKSPUR, CA 94939
ON
THURSDAY, JANUARY 7, 2016
AT 6:00 P.M.

SPECIAL MEETING MINUTES

ROLL CALL

The Central Marin Police Council Special Meeting was called to order at 6:02 p.m.

COUNCIL MEMBERS PRESENT:

Tom McInerney, Chair/Council Member, City of San Anselmo
Ford Greene (Alternate for John Wright), Council Member, City of San Anselmo
Catherine Way (Alternate for Larry Chu), Council Member, City of Larkspur
Ann Morrison, Council Member, City of Larkspur
Carla Condon, Council Member, Town of Corte Madera
Diane Furst, Council Member, Town of Corte Madera

COUNCIL MEMBERS ABSENT:

None

STAFF PRESENT:

Debbie Stutsman, San Anselmo Town Manager
David Bracken, Corte Madera Town Manager/Town Engineer
Todd Cusimano, Chief of Police
Cathy Orme, Finance Director
Michael Norton, Captain
Jim Shirk, Captain
Hamid Khalili, Lieutenant
Theo Mainaris, Lieutenant
Tom Bertrand, Legal Counsel
Zaneta Feleo, Administrative Assistant

STAFF ABSENT:

Dan Schwarz, Larkspur City Manager

46 **PLEDGE OF ALLEGIANCE**

47
48 The Pledge of Allegiance was recited.

49
50 **OPEN TIME FOR PUBLIC EXPRESSION**

51
52 Chair McInerney asked if any members of the public would like to address the Council, and
53 there were none.

54
55 **REPORTS AND COMMENTS**

56 **A. COUNCIL MEMBERS**

57
58 Council Member Greene referred to the Marin Independent Journal letter this week regarding a
59 complaint from Charles Kelly of Fairfax. The matter had to do with solicitation Mr. Kelly
60 received from the Marin County Deputy Sheriff’s Association asking for a monetary contribution
61 based on the unprecedented wave of violence against fellow officers in Ferguson, Baltimore and
62 New York. He said that while he understands the deference that one fraternal organization gives
63 to another, there are issues having to do with police violence and he thinks it would behoove all
64 people to recognize that no one is perfect and not to play the victim and scapegoat others.

65
66 Council Member Condon thanked the CMPA for their support of Age-Friendly Corte Madera’s
67 “Are You Okay” program.

68
69 **B. MANAGEMENT COMMITTEE – No report**

70
71 **C. CHIEF CUSIMANO**

72
73 Chief Cusimano thanked the Management Committee for allowing him to take almost two
74 months’ leave for child rearing purposes. He expressed gratitude for being able to be on leave
75 and to know that everything is taken care of. He recognized Captains Norton and Shirk and
76 CMPA’s amazing team of employees.

77
78 Chief Cusimano then stated he would provide an overview of the events leading to awarding
79 Lifesaving Medals to Officer Jared Boss and Corporal Jenna McVeigh-Ford. He stated that
80 Corporal McVeigh-Ford was unfortunately unable to be present due to illness.

81
82 Chief Cusimano relayed that a dispatch call was received regarding a non-breathing male and he
83 discussed the immediate response by Officer Boss, noting that the female caller was extremely
84 upset. Officer Boss evaluated the situation, deployed his automated defibrillator and after no
85 pulse began CPR and arranged for units to arrive.

86
87 Shortly after, Corporal McVeigh-Ford arrived and applied the AED pads which recommended a
88 shock be applied. After 2 minutes of CPR the AED recommended a second shot and CPR was
89 continued. Fire personnel arrived and after several minutes a pulse was found. The victim was
90 taken to Marin General Hospital and is alive today thanks to the commitment and excellent work
91 of these two officers.

92 Chief Cusimano then introduced and awarded Officer Boss with the Lifesaving Medal, noting
93 that he will award Corporal McVeigh-Ford the Lifesaving Medal at a time she could be present
94 at a meeting.

95
96 Chief Cusimano commented that AEDs were purchased and distributed from the Measure B
97 funds. He recognized over 15 saves as a result of the AEDs and he voiced appreciation to
98 officers.

99
100 Captain Norton then recognized CMPA's Traffic Unit for doing an outstanding job, particularly
101 in the last six months. He introduced and provided a brief background on Corporal Rob French
102 who heads up the unit, Officer Anthony Shaw and Officer Scott Niklewicz.

103
104 Captain Norton explained that in July 2015 the unit was expanded from 3 to 5 officers which
105 enabled the team to be more effective and also gave them the ability to work different shifts
106 which was not able to be done in the past. Since that time, traffic citations have risen
107 considerably.

108
109 Additionally, in October 2015 a \$175,000 grant was awarded to the Authority which allowed
110 officers to target specific enforcement projects involving pedestrian stings, DUI enforcement,
111 bike enforcement, and other related work. The grant has also enabled the Authority to purchase
112 equipment. He said a year-end report will be provided to the Council outlining the many
113 activities. Captain Norton stated that Officer Shaw has been working on a grant to expand it
114 further, and a round of applause was given to all officers in the Traffic Unit.

115
116 **CONSENT CALENDAR**

117 **A. Approval of Minutes: September 3, 2015 and October 15, 2015.**

118
119 Chair McInerney requested separating the items for adoption on the Consent Calendar noting an
120 amendment to the September 3, 2015 minutes:

- 121
122
 - Page 2, Line 65: Delete the incomplete sentence: "Who has been here 4 years and"

123
124 ACTION: It was M/S/C (Condon/Morrison) to approve the Minutes of September 3, 2015, as
125 amended and October 15, 2015 minutes as submitted, which carried by the following vote: 6-0
126 (Ayes: Condon, Furst, Greene, Morrison, Way and McInerney; Noes: None).

127
128 **B. Acknowledge Central Marin Police Authority's Warrant List –July 1, 2015 to**
129 **September 30, 2015.**

130
131 ACTION: It was M/S/C (Furst/Condon) to approve the CMPA's Warrant List – July 1, 2015 to
132 September 30, 2015, which carried by the following vote: 6-0 (Ayes: Condon, Furst, Greene,
133 Morrison, Way and McInerney; Noes: None).

134
135 **BUSINESS ITEMS**

136 **A. The Central Marin Police Council of the Central Marin Police Authority on the**
137 **financial audit of the Authority.**

138 *Recommendation: that Council hear and receive presentation regarding the audit*
139 *report.*

140
141 Chief Cusimano introduced the item and said annually the Authority reviews its financial
142 records. Due to unusual circumstances, the FY 2014/15 audit was delayed and as a result, Maze
143 & Associates would present the Basic Financial Statements for FY 2013/14 and FY 2014/15. He
144 explained that Maze & Associates has conducted the Authority's and the City of Larkspur's
145 audits and the Authority is especially pleased with the detailed nature of it. He then introduced
146 Mark Wong from Maze & Associates to provide a presentation.

147
148 Mark Wong, Maze & Associates, gave a background of their work and said a new team of
149 accountants worked in order for the Authority to receive a "fresh" review, unaffected by prior
150 years' examinations. He stated he will describe four reports which will cover CMPA's basic
151 Financial Statements and Memorandum on Internal Controls for FY's 2013/14 and 2015/16.

152
153 Mr. Wong described steps involved in conducting the audit and directed the Council's attention
154 to the Basic Financial Statements for the year ended June 30, 2014. He stated the first two pages
155 provide the independent auditors' report and remaining reports follow auditing procedures and
156 standards.

157
158 The City of Larkspur keeps the financial information on their General Ledger. Staff tests this and
159 at year end, Finance Director Cathy Orme will pull the General Ledger, audit numbers, make
160 adjustments as needed, and close them.

161
162 Mr. Wong referred to Management's responsibility for the Financial Statements and briefly
163 addressed work by auditors to review and conduct internal control testing, noting that their role is
164 not to test all things, but review current and prior year information, any new accounting
165 standards, conduct brainstorming, risk assessment, and identify higher auditing material
166 statement or anything materially misstated.

167
168 He said Maze believes that the audit's evidence and information they have obtained is sufficient
169 and appropriate to provide a basis for their audit opinions. Their opinion is that the financial
170 statements referred to present fairly, in all material respects, the respective financial position of
171 the governmental activities, each major fund, and the aggregate remaining fund information of
172 the Authority as of June 30, 2014, and the respective changes in financial position and, where
173 applicable, cash flows and respective budgetary comparisons listed as part of the basic financial
174 statements for the year.

175
176 Mr. Wong stated that for FY 2014 numbers, the new audit team conducted a much more
177 thorough audit. He said vacation pay was reviewed extensively. What resulted was that CMPA's
178 financial statements required an additional \$700,000 in liabilities, and this amount is in line for
179 public safety practices. He emphasized that compressed absences did not affect the General
180 Fund.

181
182 Mr. Wong then referred to page 6 and pointed out that the Statement of Net Position is basically
183 the balance sheet. Cash and investments total \$360,568 as of June 30, 2014. Auditors look at this

184 as a higher risk and they take the amount and divide it against General Fund expenditures. They
185 believe this amount is a bit low but this is pointed out in the Management Letter.

186
187 Mr. Wong referred to Liabilities and Net OPEB Obligation and recommended that both items
188 should be reviewed under retiree health care. He pointed out that all governmental agencies that
189 offer retiree health care will have this liability.

190
191 On page 7 is a change in net position. Full accrual accounting does not affect cash flow year to
192 year, but as auditors it is good to look at this for long-term financial planning. He noted that the
193 \$1,568,027 is caused by retiree health care liabilities (or OPEB) increasing unless these are fully
194 funded as recommended by a rule. He pointed out and explained that CMPA would need to hire
195 a consultant or actuary that would calculate the OPEB liability.

196
197 Mr. Wong then referred to page 10 which is the General Fund Balance Sheet, and said cash
198 investments are the same item as discussed earlier, but the fifth item called "Due from other
199 Funds (Note 4A) is the amount from the Insurance Internal Fund. Tonight, the Council is
200 considering action to resolve this as agendized. The fund has not been funded and the audit seeks
201 to highlight this for the Council to think about future budgeting.

202
203 Council Member Greene asked why the Council was addressing outdated financial statements
204 from 2014 in 2016. Finance Director Orme briefly provided an overview of complications and
205 unfortunate situations that led to delay of the work. She explained that staff thought it best to
206 bring them together when they were finished with both years. She said they are back on track and
207 each layer of the review goes through different layers in the audit in partnership.

208
209 Mr. Wong referred back to the Memorandum for 2014 and stated page 3 identifies items
210 recommended. These items are not deemed as a deficiency but a potential benefit to the
211 Authority. The first item is purchasing policy compliance. Testing reveals that the current policy
212 requires informal bids be conducted for work between \$2,500 and \$45,999. From his experience
213 and policies tested, many cities do not comply strictly to the letter because some policies might
214 have been adopted many years ago. Currently, it may not be cost beneficial to hold an open bid
215 for a threshold so low. He recommended that the Authority either follow its current purchasing
216 policy or update it to whatever the current best practice is.

217
218 Regarding Funding for OPEB, page 4 recommends developing a plan for the Insurance Fund and
219 similar comments are reflected for FY 2014/15.

220
221 Mr. Wong then reviewed the fiscal year ending June 30th 2015. He said what happened to all
222 cities was that accounting for pension liabilities remains a huge undertaking. As long as any
223 government entity that provides a defined pension plan, that entity will have some liability. He
224 stated Page 2 is a clean opinion and they emphasize CMPA implemented GASB 68 and 71
225 which all government agencies were required to do.

226
227 Regarding the impact of the implementation of the pension liability on page 10, of the \$11.5
228 million, this is a new liability for June 30, 2015 for CMPA. It is a huge impact for all city
229 governments, along with GASB 68 and 71 and the other items of outflows and inflows related to

230 pension. He said the majority are outflows which is a new accounting concept. It is basically an
231 asset but not recognized as one.
232

233 Regarding different inflows, Mr. Wong stated a big portion of it was how pension liability was
234 measured, given the fact that all pensions are administered by CalPERS. CalPERS measured it as
235 of June 30, 2014 and are not working fast enough to have current numbers for 2015. Therefore,
236 GASB allows them to use June 30, 2014 numbers.
237

238 Mr. Wong referred to page 11 and Change of Net Position, stating this is a negative \$1.5 million
239 which is due to OPEB and depreciation of capital assets, He pointed out that generally in
240 changing net position, CMPA will ideally want it to be a positive number and this is something
241 the Council and the Management Committee can review for long-term budgeting to address. If
242 nothing is done for funding it, the net position and the deficit will continue to increase.
243

244 Council Member Greene confirmed that some of OPEB is health care, but also pensions. Mr.
245 Wong explained that the Authority set up an OPEB Irrevocable Trust but it was not funded from
246 two years ago. The Authority put enough money in the trust account but the money was used to
247 pay the annual health care premiums.
248

249 Mr. Wong then referred to Note 7E on page 34 and said GASB 71 was implemented by the
250 Authority which required that the Authority go back and do certain calculations to treat it as
251 though a 2014 ending net position. The beginning position was reduced by \$12.7 million which
252 he said again is a material number. He discussed how it is calculated and said pension liabilities
253 are calculated by CalPERS' actuaries that audit these numbers. When CalPERS feels
254 comfortable about the numbers they establish pension liability amounts for all of its members,
255 and these are provided to the Authority and used for auditing purposes by Maze & Associates.
256

257 Mr. Wong then referred to the bottom of page 34's footnote and said in comparing the pension
258 plan with 2014 financial statements, they are entirely different. The pension plan in 2015 under
259 the new accounting standard has completely changed.
260

261 Mr. Wong then referred to page 36 and the Pension Plan B Table, stating one would see a
262 proportionate share of pension liabilities as indicated through the different employee groups.
263

264 He then discussed the Memorandum of Internal Control and said between 2014 and 2015 Maze
265 compared the statements and the 2015 position, cash, new accounting standards, and new
266 conditional liabilities of \$11.5 million. On page 1, Maze must follow the professional auditing
267 standards to make a determination and identify reasons for information found. In 2015, they
268 looked at actual cash of about \$179,000 whereas in 2014 it was 50% higher. The General Fund
269 has an advanced receivable from the insurance internal fund; however, this fund still does not
270 have cash in it, leaving more liability for pensions. Therefore, based on the financial condition
271 and not based on internal controls, Maze provided a comment for a material weakness because of
272 this.
273

274 Regarding page 3 of the Memorandum of Internal Control, under Schedule of Material
275 Weakness, Maze looked at financial weakness and long-term liabilities. He said he identified

276 these earlier, noting that the General Fund cash has increased, the Insurance Fund has a deficit,
277 the Authority has a minimum dry period reserve policy in the General Fund, and therefore, the
278 requirement requires the higher of \$750,000 or 10% of the annual adopted budget, whichever is
279 greater.

280
281 Maze therefore took total expenditures, multiplied it by 10% which is \$1 million. They compared
282 it against the General Fund and assigned balance and found the amount to be low, or \$88,000 to
283 \$1 million below the minimum dry period funding.

284
285 Mr. Wong echoed 2014 items regarding health care and pension liabilities, and said he thinks the
286 Authority will definitely be able to address long-term items. He noted that these items are
287 already identified on the agenda tonight for discussion and the Authority is proactively taking
288 steps to address them.

289
290 Mr. Wong referred to the recommendations on Page 4 and stated the Authority should
291 incorporate a sound funding plan to reduce the OPEB liability and to monitor and reduce the
292 Insurance Liability Fund because ideally every year, this fund should balance to zero. It is for
293 internal service funds which accumulate and roll over for certain purposes and in this case, it
294 should be accumulating enough assets to offset the Insurance Liability Fund so it is zero.

295
296 He said Page 5 is the Purchasing Policy and the Authority is considering changing this in an
297 upcoming agenda item, as well as funding the Insurance Fund.

298
299 Mr. Wong referred to Page 7 which indicates new GASB announcements, and this alerts the
300 Authority of new accounting standards it must follow. The one most affecting the Authority is on
301 page 8 at the bottom. He stated that in 2017/18, GASB 75 accounting and financial reporting for
302 post-employment benefits other than pension will be implemented. The expectation is that OPEB
303 liability will also go up. He stated that what Maze suggests is for the Authority to start thinking
304 about and talking to retired health care actuaries about the potential impact in numbers.

305
306 On page 9 under Required Implementations, Maze is required to talk with the Police Council
307 about various elements and they did this, and he thinks there is nothing out of the ordinary to
308 report.

309
310 In conclusion, Mr. Wong especially thanked Larkspur Finance Department and Cathy Orme,
311 noting that implementing GASB 68 was challenging for both the Finance Department and for all
312 cities and auditors. These are large numbers and they want to be sure they are correct.

313
314 Council Member Condon referred to the dry period and asked if this is proposed to be reduced
315 from 10% to 5%. Chair McInerney stated that this is an item on the agenda tonight and it will
316 address the Insurance Fund.

317
318 Chair McInerney asked Chief Cusimano and Finance Director Orme to address progress on the
319 OPEB liability.

320

321 Chief Cusimano referred back to page 10 of the Financial Audit and said this is something the
322 Management Committee has discussed with Ms. Orme since their consolidation. They took this
323 in steps and took assumptions which were correct on the \$11 million police budget of what they
324 needed to handle for day-to-day operations. These assumptions have held true and they go back
325 10 fiscal cycles.

326
327 Chief Cusimano explained that as they started to approach FY 2014/15 they began to talk about
328 unfunded liabilities. This is a snapshot in time in 2015 and liabilities are now higher. On April
329 23, 2015 the Council approved a financial plan moving forward to ensure the Authority is
330 sustainable.

331
332 He stated CalPERS has somewhat solved their pension issue but now the Authority pays a lump
333 sum payment into the 2015/16 budget of \$1.2 million towards unfunded pension liabilities. This
334 was through savings of \$500,000 towards what they are paying and also toward lump sum
335 payments. They have 5 accounts of unfunded liabilities totaling \$16 million, pay \$1.2 million
336 annually to pay that down, and this is the first step.

337
338 Chief Cusimano said secondly the Authority approached OPEB and he said with the PEPRAs
339 changes, 15 new employees out of 52 are now under PEPRAs. The organization does not have
340 those OPEB liabilities which others do and the budget is \$450,000 and they pay as they go. He
341 added that in this fiscal year they moved an additional \$150,000 to put it in the OPEB
342 Irrevocable Trust. The Council will review this and the Authority will continue to add additional
343 monies until they get to the estimated ARC (Annual Required Contribution).

344
345 He said when reviewing the OPEB last year, the ARC was estimated at \$800,000. When the
346 Authority consolidated dispatch with Marin County, it took 8 employees off of the books.
347 Therefore, during the next actuarial it will be 8 less employees under the Authority's liability
348 which is a very positive step.

349
350 Additionally, Chief Cusimano stated that the POA entered into a recent contract and in years 2
351 and 3 they will begin to pay monthly payments toward the OPEB Irrevocable Trust on a monthly
352 basis of \$30/employee starting in July and \$60/employee in the following year. This is a great
353 first step and the foundation has been set to ensure CMPA is sustainable. He pointed out that he
354 is proud they did this in April 2015 and kept their budget where it is supposed to be.

355
356 Thirdly, Chief Cusimano stated that the Insurance Fund will be discussed under the next item,
357 but the reason why the Authority has not dealt with it at this point is because they had other
358 issues to attend to. They set the reserve fund at \$700,000 in San Anselmo and they kept this
359 whole to use the money.

360
361 Council Member Greene likened the accounting standards imposed on municipal agencies as a
362 nightmare. His sense is they must be accountable for unfunded liabilities which are increasing
363 faster than is their ability to meet them. He thinks the Authority can work at meeting them, but
364 getting to zero will be challenging.

365

366 Chief Cusimano said it is a difficult task and challenge, but he reminded the Council that the
367 Authority is not like a City where they have significant reserves and assets. He said he is proud
368 and hopeful that the Authority will be able to meet this. They saved a lot of money with the
369 consolidation and started paying the \$1.5 million while not increasing taxpayer dollars. It is not
370 lasting and something has to change. The reform has changed and helped them along with
371 consolidation, but employees will need to start meeting the obligation, thinks they will be able to
372 do it, and said employees understand that.

373
374 In looking at the audit and the budget, these are issues the Council needs to address. The
375 Management Committee has a plan which has been an ongoing conversation. He also noted that
376 the Authority did not issue any bond financing or place any measures on the ballot to pay this
377 down, so if CalPERS changes the game they can be flexible. Lastly, he said he has confidence
378 they are heading down this path and will be okay.

379
380 Council Member Greene commended the Management Committee and said it seems like the
381 Authority is doing a great job, given the daunting obligation.

382
383 Council Member Furst said the Chief referenced new employees coming in at a lower tier which
384 was the result of PEPRA (Public Employees' Pension Reform Act) and negotiations. She said as
385 a larger percentage of staff is under the lower tiers, the rate of growth of unfunded liabilities
386 should slow down, but she has yet to see any long-term projection for any agency that shows
387 how that will slow down. She asked what kind of timeframe Mr. Wong was anticipating,
388 recognizing some turnover.

389
390 Mr. Wong said the liability depends on year to year and how CalPERS investments perform.
391 Based on PEPRA, employees also are responsible to pay 7.5% toward their retirement benefits.
392 If investments go down or the 7.5% employee contribution is decreased, this will affect OPEB.

393
394 Council Members thanked Mr. Wong for his presentation and CMPA Management staff for their
395 work leading to finalization of the financial audit of the Authority.

396
397 **B. Resolution 2016/01. The Central Marin Police Council of the Central Marin**
398 **Police Authority on amending the minimum balances for the CMPA Reserve**
399 **Fund and authorizing its fiscal officer to apply excess monies from the reserve**
400 **fund and its yearly budget to the insurance fund.**

401 *Recommendation: that Council receive presentation on the following report, discuss,*
402 *and pass resolution 2016/01, allowing the Authority's excess funds from the fiscal*
403 *year to be put into the Insurance Fund.*

404
405 Chief Cusimano gave the staff report, stating the Authority's current policy is to maintain a dry
406 period reserve for the General Fund of \$750,000 or 10% of expenditures, whichever is greater.
407 Ten percent of this year's budgeted expenditures is \$1,099,561. The Authority projected reserve
408 at year end is \$825,000 with plans to reach the policy's target by the end of FY 2018/19.
409 The proposal would establish a policy that the reserve will be 5% of budgeted expenditures. The
410 action would free money currently held in the dry period reserve for transfer to the Authority's

411 Insurance Fund, resulting in no overall fiscal impact but a shift in where monies are held and
412 under what restrictions.

413
414 Chief Cusimano stated that when San Anselmo became part of the Authority, the two existing
415 member agencies of Corte Madera and Larkspur had contributed \$375,000 to the Authority's
416 reserve. To smooth the fiscal impact on San Anselmo of building the Authority's reserve, it was
417 decided that the dry period reserve would run below the required 10% threshold while San
418 Anselmo made annual contributions of \$75,000 for five years. Corte Madera and Larkspur would
419 only be asked to make new payments to the reserve if their respective one-third shares would
420 exceed \$375,000 before FY 2018/19. At the end of the current fiscal year, it is anticipated that
421 the dry period reserve will hold \$825,000.

422
423 Her stated the audited fiscal year report identified an emerging deficit to the insurance fund and
424 the Management Committee, himself and the Finance Director evaluated long standing practices
425 with respect to the Insurance Fund, a reserve for addressing claims against the Authority
426 including workers' compensation claims, and concluded that a change in practice and
427 establishment of a clear policy was in order.

428
429 He noted that a high number of workers' compensation claims in the past few years have
430 depleted the Insurance Fund. This has been monitored for some time, but the Management
431 Committee has not proposed addressing it until now because of the Authority's need to resolve
432 issues relating to pension and OPEB liabilities.

433
434 Based on current year numbers, reducing the dry period reserve from 10% to 5% will lower the
435 amount needed to be held in reserve from \$1,099,561 to \$549,782. This amount was deemed to
436 be sufficient by the Management Committee, himself and the Finance Director in a dry period.

437
438 For FY 2015/16, Chief Cusimano stated the Insurance Fund should have \$300,000 in it. A first
439 step was to budget \$200,000 in contributions from the member agencies in the current year
440 budget. A second step would be to assign dry period reserve monies in excess of \$549,782 to the
441 Insurance Fund, and this amount would be \$275,220. The Authority also has approximately
442 \$100,000 in excess revenues from FY 2014/15 that has not been assigned by the Council, and
443 staff recommends these funds be placed in the Insurance Fund, as well.

444
445 By taking these steps, at the end of the fiscal year, the Insurance Fund will have \$640,220 minus
446 claims paid. If this recommendation is approved, Chief Cusimano referred to page 3 of the staff
447 report and clarified an item regarding the contribution of San Anselmo. He noted that San
448 Anselmo is in their second year of the 5 installments and these would go to FY 2018/19.
449 Currently, Corte Madera and Larkspur have \$75,000 each and they would not pay more. All
450 remaining monies would be moved to the Insurance Fund. He said staff will consider San
451 Anselmo to be a full partner at the end of FY 2016/17. The 75,000 made in 2017/18 and 2018/19
452 would be applied to the Insurance Fund.

453
454 Chief Cusimano concluded his report and said he was available for questions of the Council.
455

456 Council Member Condon asked if the change from 10% to 5% bring down the Insurance Fund to
457 zero after another cycle.

458
459 Chief Cusimano stated it would be very close, stating their goal is to fund it over the next two
460 fiscal year cycles. He reiterated that the Insurance Fund covers workers' compensation claims
461 and civil liability claims. The Authority has been lucky in that it has not been civilly sued, versus
462 the workers' compensation claims which have put the fund into a negative. He stated the
463 Authority will pay down the fund quickly and he believes it will be a \$300,000 line item moving
464 forward.

465
466 Chair McInerney asked if the Authority anticipates workers' compensation claims will be
467 reduced or stay the same. Chief Cusimano stated he believes these claims will move downward.
468 Staff thoroughly and regularly reviews all employees and tries to foresee any potential issues as
469 well as remediation efforts. He believes this is the appropriate funding level and believes it will
470 be reduced.

471
472 Chair McInerney asked if any members of the public would like to address the Council, and
473 there were none.

474
475 ACTION: It was M/S/C (Greene/Morrison) to adopt Resolution 2016/01 allowing the
476 Authority's excess funds form the fiscal year to be put into the Insurance Fund, which carried by
477 the following vote: 6-0 (Ayes: Condon, Furst, Greene, Morrison, Way and McInerney; Noes:
478 None).

479
480 Chief Cusimano asked and Council Members confirmed for staff to move up Item D on the
481 agenda ahead of Item C.

482
483 **D. Resolution No. 2016/03. The Central Marin Police Council of the Central**
484 **Marin Police Authority to enter into a contract with a Public Information**
485 **Officer.**

486 *Recommendation: that Council receive presentation and pass resolution 2016/03*
487 *entering into a contract for a Public Information Officer.*

488
489 Chief Cusimano introduced Margo Rohrbacher and her husband, John Rohrbacher, newly
490 appointed Police Chief for the City of Sausalito.

491
492 Chief Cusimano gave a detailed background on Mrs. Rohrbacher's professional public
493 information experience and noted she was formerly employed by the City of San Rafael. He said
494 CMPA has the opportunity to hire her as a part-time contractor. He stated this follows up with
495 the conversation from last year which was identified in the Authority's recent performance audit.

496
497 The item has been held back because of budget constraints; however, the cost of Mrs.
498 Rohrbacher's services is \$20,000 per year. An estimate of 10-11 hours would be required per
499 week at a rate of \$35/hour. He stated this is a contractor arrangement and no benefits are
500 involved. The Authority wishes to bring in Mrs. Rohrbacher immediately and for her to evaluate
501 everything the Authority is doing such as press releases and press conferences, policies for

502 *NextDoor*, training employees how to be good public information communicators for high
503 profile cases, and other communications involving the Authority. Their approach is to be
504 proactive with the community and staff has attempted PIO work over the years, which has fallen
505 short, and he asked for approval of the contract.

506
507 Chief Cusimano added that before the Council is a revised resolution and agreement with
508 wording changes relating to the use of the word “employee” versus “contractor”, and he noted
509 that Town Manager David Bracken is recommended as being given the authority to enter into the
510 agreement.

511
512 Legal Counsel Tom Bertrand concurred that the main changes have to do with changing the
513 words “employment agreement” and “employee” throughout the resolution and agreement and
514 having Town Manager Bracken enter into it.

515
516 Chair McInerney asked if any members of the public would like to address the Council, and
517 invited Mrs. Rohrbacher to introduce and speak a bit about her background.

518
519 Mrs. Rohrbacher thanked Chief Cusimano, the Council and staff for giving her this opportunity.
520 She said she looks forward to the chance to serve the three communities of Corte Madera,
521 Larkspur and San Anselmo. What makes this extra special is that she is a former San Anselmo
522 resident and her first ride-along was with the San Anselmo Police Department, so this hits close
523 to home. She said she would be happy to join the CMPA family and thanked everybody.

524
525 Council Member Way asked Mrs. Rohrbacher to share an example of community outreach. Mrs.
526 Rohrbacher referred to the extensive use of social media today and said there are several avenues
527 with which to approach effective communication. The Chief has spoken to her about starting a
528 Police Academy and she has experience with that forum through her former employer, the City
529 of San Rafael. There are also a host of other avenues to connect with people such as *NextDoor*
530 groups, email, websites, and telephone and she will work to achieve and retain the Authority’s
531 positive position and reputation.

532
533 Council Member Morrison asked and confirmed with Mrs. Rohrbacher that she is a member of
534 *NextDoor* as a resident, but she would want to learn more about its professional application in
535 dealing with the community.

536
537 Council Member Way voiced her support of the recommendation. She said she chairs the Twin
538 Cities Disaster Preparedness Committee which is comprised off Corte Madera and Larkspur
539 residents. She hopes to expand to San Anselmo and suggested Mrs. Rohrbacher consider being a
540 speaker at an upcoming meeting.

541
542 Chief Cusimano added that fiscally staff was not asking for a budget amendment as this is within
543 the Authority’s Contract Services budget.

544
545 ACTION: It was M/S/C (Condon/Morrison) to adopt Resolution 2016/03, as amended, entering
546 into a contract with Margo Rohrbacher as part-time Public Information Officer; which carried

547 by the following vote: 6-0 (Ayes: Condon, Furst, Greene, Morrison, Way and McInerney; Noes:
548 None).

549

550 **C. Resolution 2016/02. The Central Marin Police Council of the Central Marin**
551 **Police Authority on the amendment of the Authority's Purchasing Policy.**

552 *Recommendation: that Council receive presentation and pass resolution 2016/02 to*
553 *the proposed amended purchasing policy.*

554

555 Chief Cusimano stated that review of the Authority's Purchasing Policy was recommended for
556 update in the audit. He said one key recommendation for revision is included in the attachment,
557 page 2 under Open Market and formal bid procedures. The Contracts wording was eliminated
558 and replaced and he requested the Council consider the revised wording which states, "Prior to
559 awarding a bid, all federally funded vendors must be checked to ensure they have not been
560 debarred or suspended for the purchases of goods or services."

561

562 Chief Cusimano referred to pages 4 and 5 of the attached Purchasing Policy and said the auditor
563 recommended revised wording under Sole Source Procurement, which is before the Council, as
564 well.

565

566 He said the Authority's policy was approved two years ago and followed the City of Larkspur's
567 purchasing policy. In listening to the audit today, under the Open Market and formal bid
568 procedures, \$2,500 or at least 3 bids must be obtained. In speaking with the Finance Director, he
569 recommended revising this amount to \$5,000 or possibly higher, as it becomes counter-intuitive
570 to receive 3 informal bids. He stated the Authority always makes an effort to get the lowest cost
571 possible and they are sensitive to taxpayer and Authority budget monies.

572

573 Chair McInerney asked if any members of the public would like to address the Council.

574

575 Steve Lamb clarified that the resolution number used in the staff report and agenda differ, and he
576 confirmed the Resolution number should be reflected as Resolution 2016/02.

577

578 Chair McInerney voiced his support for raising the amount to \$5,000.

579

580 Council Member Condon asked if there is a policy of how high one can go before going out to
581 bid. Legal Counsel Tom Bertrand stated he has seen some larger cities with amounts of \$10,000
582 and this could be proposed or returned in the future for Council consideration.

583

584 Chair McInerney asked and confirmed with the Management Committee that they believed their
585 cities were currently at \$10,000, and Chair McInerney supported this amount and proposed a
586 motion.

587

588 ACTION: It was M/S/C (Furst/ Condon) to adopt Resolution 2016/02 approving the Authority's
589 Amended Purchasing Policy, to increase the floor for purchases without going to public bid to
590 \$10,000, which carried by the following vote: 6-0 (Ayes: Condon, Furst, Greene, Morrison, Way
591 and McInerney; Noes: None).

592

593 **E. Resolution No. 2016/04. The Central Marin Police Council to set meeting**
594 **schedule for 2016.**

595 *Recommendation: that Council discuss and approve resolution 2016/04 on setting a*
596 *schedule of Regular Police Council meetings for calendar year 2016.*
597

598 Chief Cusimano stated the meetings are typically held on the first Thursdays in February, June,
599 September and November. In accordance with the Brown Act, meetings are noticed 72 hours and
600 staff's recommendation is to keep or change the meeting schedule.

601
602 Chair McInerney asked if any members of the public would like to address the Council, and
603 there were none.

604
605 ACTION: It was M/S/C (Greene/Morrison) to adopt Resolution 2016/04 setting the schedule of
606 Regular Police Council meetings for calendar year 2016, which carried by the following vote: 6-
607 0 (Ayes: Condon, Furst, Greene, Morrison, Way and McInerney; Noes: None).
608

609 **F. The Central Marin Police Council on the election of new Police Council**
610 **officers**

611 *Recommendation: that Council discuss and elect new council members including*
612 *Chair and Vice Chair positions.*
613

614 Chief Cusimano thanked Chair McInerney for leading the Council over the last 18 months. As a
615 past practice in 2013 when the Authority consolidated it was the intent to rotate amongst the
616 Chair and Vice Chair in towns. Larkspur began as Chair and San Anselmo as Vice Chair. In
617 continuing with this practice, Corte Madera would be in line for Chair and Larkspur as Vice
618 Chair.

619
620 Chair McInerney asked and confirmed that Council Member Furst has served previous as Vice
621 Chair prior to former member Bob Ravasio.

622
623 Chair McInerney asked if any members of the public would like to address the Council, and
624 there were none.

625
626 ACTION: It was M/S/C (McInerney/Way) to elect Diane Furst as Chair, which carried by the
627 following vote: 6-0 (Ayes: Condon, Furst, Greene, Morrison, Way and McInerney; Noes: None).
628

629 ACTION: It was M/S/C (Way/Furst) to elect Ann Morrison as Vice Chair, which carried by the
630 following vote: 6-0 (Ayes: Condon, Furst, Greene, Morrison, Way and McInerney; Noes: None).
631

632 **ADJOURNMENT**

633 The Council adjourned the meeting at 7:50 p.m. to the next regular meeting on February 4, 2016.
634

635
636 _____
637 Lisa Harper, Minute Taker
638 c/o Central Marin Police Council

**CENTRAL MARIN POLICE AUTHORITY
RESOLUTION NO. 2017/07**

EXHIBIT A

**APPORTIONMENT OF CMPA OUTSTANDING CASH DEFICIT
as of 6/30/16**

	Agency Share of Fund Deficits	From Equipment Reserve	From (General) Reserve	OUTSTANDING
Corte Madera	(414,123)	32,594	376,082	(5,448)
Larkspur	(414,123)	26,546	376,082	(11,496)
San Anselmo	(414,123)	-	150,291	(263,833)

**CENTRAL MARIN POLICE AUTHORITY
RESOLUTION NO. 2017/07**

**A RESOLUTION OF THE CENTRAL MARIN POLICE COUNCIL OF THE CENTRAL
MARIN POLICE AUTHORITY RESOLVING DEFICIT OF THE CENTRAL MARIN
POLICE AUTHORITY'S INSURANCE FUND**

WHEREAS, the Central Marin Police Council, at its meeting of March 27, 2017, reviewed a report from staff concerning the financial status of various Authority funds and reserves for the year ending June 30, 2016; and

WHEREAS, it is the desire of the Police Council to eliminate any fund balances in deficit; and

WHEREAS, the Authority's independent auditor determined that at the end of Fiscal Year 2015-16, two of the Authority's funds, the Insurance Fund and the Operating Fund, closed with deficits of \$1,083,427 and \$268,797, respectively; and

WHEREAS, the total deficit of \$1,352,224 is shared equally by the member agencies; and

WHEREAS, the Authority has \$109,855 in its COPS Fund that is shared equally by the member agencies and can be applied to this deficit, leaving a net deficit of \$1,242,370; and

WHEREAS, the Authority maintains two cash reserves that can further offset these deficits, the Reserve Fund and the Equipment Reserve; and

WHEREAS, the Authority's independent auditor determined that at the end of Fiscal Year 2015/16, the total cash in these reserve accounts was \$961,594; and

WHEREAS, each of the member agencies has a different share of the total cash in these reserve accounts, as depicted in the attached Exhibit A; and

WHEREAS, after applying these cash reserves to the Authority's deficit, there remains a net negative balance of \$280,776; and

WHEREAS, each of the member agencies has a different share of the net negative balance, as depicted in the attached Exhibit A.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Central Marin Police Council authorizes the Management Committee, for account balances on June 30, 2016,

to apply all cash in the COPS Fund, the Reserve Fund, and the Equipment Reserve to the deficits in the Insurance Fund and the Operating Fund.

BE IT FURTHER RESOLVED, that the Central Marin Police Council assigns responsibility for the outstanding negative balance of \$280,776 as depicted in Exhibit A and calls upon the member agencies to develop and, if possible, implement a plan to address their shares of the negative balance prior to the adoption of the Authority's Fiscal Year 2017/18 budget in May 2017.

IT IS HEREBY CERTIFIED, that the foregoing resolution was duly introduced and adopted at a public meeting of the Central Marin Police Authority Council on the 27th day of March 2017 by the following vote, to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

ATTEST:

Zaneta Feleo, Authority Clerk
Central Marin Police Authority

Ann Morrison, Council Chair
Central Marin Police Authority