



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Sheriff's Office



DATE: October 12, 2011

BOARD MEETING DATE: November 15, 2011

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Sheriff Greg Munks

SUBJECT: Amendment Four to the Law Enforcement Services Agreement with the City of San Carlos

RECOMMENDATION:

Adopt a Resolution authorizing the:

1. President of the Board to execute Amendment Four to the Law Enforcement Services Agreement with the City of San Carlos adding the provisions of the Retirement – Unfunded Actuarial Accrued Liabilities (UAAL); and
2. Sheriff to include such provisions in current and future agreements for law enforcement services where contracting agency has an ongoing commitment for related accrued unfunded liabilities. Any related amendments to current agreements will be brought back to this Board for approval.

BACKGROUND:

On September 28, 2010, the County and City of San Carlos entered into an Agreement for Law Enforcement Services provided by the Sheriff's Office, for the term commencing on October 31, 2010 through June 30, 2015. Since then, the following amendments to the contract have been approved by the City and Sheriff under the authority delegated by the Board:

- Amendment One, dated December 2010, outlines the City's obligation to maintain the contract for the RIMS system and reimburse the County for the CJIS Systems;
- Amendment Two, dated June 2011, outlines the FY 2011-12 reimbursement rates to the Sheriff's Office; and
- Amendment Three, dated September 2011, adds language clarifying the fee collection process and replaces the Office Assistant position with a Records Supervisor.

DISCUSSION:

The retirement rates reflected in the Law Enforcement Services Agreement are calculated using the County's employer contribution rate which is comprised of a normal cost component and amortization of the County's Unfunded Actuarial Accrued Liability (UAAL) component.

The UAAL is the difference between the actuarial accrued liability for current and future retirees and the value of assets accumulated to finance the County's pension obligations. In brief, UAAL is the shortfall between pension promises and the value of assets. Although the San Carlos Police Department was disbanded, CalPERS still retains Pension Trust responsibilities and the administration of accrued liabilities for the City's safety members up to the time the County/City agreement took effect. For this reason, the City is also required to continue funding its existing CALPERS UAAL. Because the original agreement called for the City to compensate the Sheriff's Office for the fully-loaded retirement costs, the City is in effect making double UAAL payments. The City has requested they be provided relief from the UAAL component of the County's retirement rates. The City's view is that the new agreement between the two agencies did not impact the County's unfunded liability.

SamCERA contacted Milliman, the largest independent actuarial and consulting firm, to research the issue at hand. Milliman's recommendation was to have the City reimburse the County for the normal cost component for 15 years, which is the County's UAAL amortization period. After this 15 year period, the City would pay the fully-loaded retirement cost. Milliman finds this approach theoretically equitable. By charging the City normal cost each year, the City is paying for the estimated cost of benefits being earned each year by the employee's providing services.

After discussing Milliman's analysis with City representatives, staff recommends that the agreement be amended, whereby the City would pay the County's full retirement contribution less the annual amount due from the City to CalPERS for the UAAL payment made on behalf of the safety members for prior law enforcement. Under no circumstances will this credit exceed the County's total UAAL attributed to the City's Agreement or result in City obligations for retirement costs to the County falling below the County's normal cost as reflected in the annual actuarial valuation provided by SamCERA.

This approach is more practical than Milliman's recommendation in that the 15 year amortization period exceeds the current contract term and the provision that the City would pay the fully loaded rate following year 15 could not be included. However, the amended language could be carried forward into future agreements without requiring substantial modifications. As the obligation to CalPERS decreases, the City's payments to the County would increase and once the CalPERS obligation expires, the City would assume paying the County's fully loaded rate.

This same issue exists for the City of Half Moon Bay, and due to the current economic downturn, other cities within the County may decide to contract with the Sheriff for law enforcement services. Since this issue may exist for all contracting agencies that disband their police department, the Sheriff is requesting authorization to incorporate this provision in future contracting discussions and negotiations.

The proposed Amendment Four to the Agreement incorporates the provisions of the UAAL component. County Counsel has reviewed and approved the Resolution and Amendment Four as to form.

Approval of Amendment Four contributes to the Shared Vision 2025 outcome of a Healthy Community by ensuring the neighborhoods of San Carlos and other contract cities are safe.

FISCAL IMPACT:

The credit to be applied to the City for FY 2010-11 is \$300,000 which is the amortization of side fund payment made to CalPERS on behalf of police in FY 2010-11. The total UAAL applied to the contract is approximately \$1.3 million; based on the City's June 30, 2009 CalPERS reports, the credit for FY2011-12 will be \$617,397 subject to the terms of the amended agreement. The additional cost to the County General Fund will be the amount the City contributes to CalPERS during the length of the agreement, but under no circumstances will this amount exceed the County's UAAL attributed to this agreement.

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION:

1. AUTHORIZING THE PRESIDENT OF THE BOARD TO EXECUTE AMENDMENT FOUR TO THE LAW ENFORCEMENT SERVICES AGREEMENT WITH THE CITY OF SAN CARLOS ADDING THE PROVISIONS OF THE RETIREMENT – UNFUNDED ACTUARIAL ACCRUED LIABILITIES (UAAL); AND
2. AUTHORIZING THE SHERIFF TO INCLUDE SUCH PROVISIONS IN CURRENT AND FUTURE AGREEMENTS FOR LAW ENFORCEMENT SERVICES WHERE CONTRACTING AGENCY HAS AN ONGOING COMMITMENT FOR RELATED ACCRUED UNFUNDED LIABILITIES. ANY RELATED AMENDMENTS TO CURRENT AGREEMENTS WILL BE BROUGHT BACK TO THIS BOARD FOR APPROVAL.

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, on September 28, 2010, the County and City of San Carlos entered into an Agreement for Law Enforcement Services provided by the Sheriff's Office, for the term commencing on October 31, 2010 through June 30, 2015.; and

WHEREAS, the retirement rates reflected in the Law Enforcement Services Agreement are calculated using the County's employer contribution rate which is comprised of a normal cost component and amortization of the Unfunded Actuarial Accrued Liability (UAAL) component; and

WHEREAS, CalPERS still retains all Pension Trust responsibilities and the administration of accrued liabilities for the City's safety members up to the time the County/City agreement took effect and for this reason, the City is required to continue funding its existing UAAL with CalPERS; and

WHEREAS, the City of San Carlos has requested they be provided relief from the UAAL component of the County's retirement rates; and

WHEREAS, County staff has reviewed the City's request and recommends an equitable solution that provides relief to the City while ensuring that, at a minimum, the City funds the normal cost component of the County's Employer Retirement Contribution rate for the term of the agreement; and

WHEREAS, this issue may exist for all contracting agencies that disband their police department;

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the:

1. President of this Board of Supervisors be and is hereby authorized and directed to execute said Amendment Four for and on behalf of the County of San Mateo, and the Clerk of the Board shall attest the President's signature thereto; and
2. Sheriff is hereby authorized to include similar provisions in current and future agreements for law enforcement services where contracting agency has an ongoing commitment for related accrued unfunded liabilities. Any related amendments to current agreements will be brought back to this Board for approval.

* * * * *

AMENDMENT FOUR

AGREEMENT FOR LAW ENFORCEMENT SERVICES BETWEEN THE COUNTY OF SAN MATEO AND CITY OF SAN CARLOS

This **FOURTH AMENDMENT** to the Agreement for Law Enforcement Services, dated for reference purposes only as of November 15, 2011, is made between the County of San Mateo, hereinafter referred to as "County" and the City of San Carlos, hereinafter referred to as "City."

WITNESSETH:

WHEREAS, on September 28, 2010, County and City entered into an Agreement (County Resolution No. 071076) for the performance of the agreed upon law enforcement services within the City's boundaries by the County through the Sheriff; and

WHEREAS, in December 2010, County and City executed Amendment One to the Agreement which outlined City's obligation to maintain the contract for the RIMS System and reimburse the County for the CJIS Systems; and

WHEREAS, in June 2011, County and City executed Amendment Two to the Agreement which included the FY 2011-12 rates set forth in Exhibit B and Exhibit B-1; and

WHEREAS, in November 2011, County and City executed Amendment Three to the Agreement which clarified language pertaining to the collection of fees and assigned personnel; and

WHEREAS, both parties now wish to further amend the Law Enforcement Services Agreement by adding language referencing the Retirement – Unfunded Actuarial Accrued Liabilities; and

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Section 3. Payments, of the Law Enforcement Services Agreement is hereby deleted in its entirety and replaced with the following:

3. PAYMENTS.

- 3.1 The City shall pay the County for the services provided under the terms of this Agreement at the rates set forth in Exhibit B and B-1.
- 3.2 The rates set forth in Exhibit B and Exhibit B-1 shall be readjusted by the County annually effective July 1 of each year, and attached hereto as an Amendment to this Agreement, to reflect the cost of such services as provided in Government Code Section 51350 and in accordance with the policies and procedures for the determination of such rates as approved by the County Board of Supervisors. County shall provide City with the proposed rates for the following contract year on or before March 1 of each year.

- 3.3 The City shall be billed based on the service level provided within the parameters of Exhibit A and Exhibit A-1.
- 3.4 The cost of additional services, requested by City, in the field of public safety, law or related fields within the legal power of the Sheriff to provide not set forth in Exhibit A and Exhibit A-1 shall be reflected in an amendment to Exhibits A, A-1, B, and B-1.
- 3.5 **Retirement – Unfunded Actuarial Accrued Liabilities.**
- 3.5.1 Retirement rates reflected in Exhibit B-1 are calculated using the County's employer rate made up of a normal cost component and amortization of the Unfunded Actuarial Accrued Liability (UAAL) component. Upon annual receipt of City's CALPERS Actuarial Valuation for Safety Plan which documents the City's annual cost for UAAL for Police Only, subject to Section 3.5.2, County will credit the following four quarterly invoices by $\frac{1}{4}$ of the amount due from City to CalPERS for the UAAL payment made on behalf of the safety members from prior law enforcement.
- 3.5.2 Under no circumstances will this credit exceed County's Total UAAL attributed to the San Carlos Agreement or result in City obligation for retirement costs to County being below the County's normal cost as reflected in the annual actuarial valuation provided by SamCERA.
- 3.5.3 Credit will be applied beginning with the quarterly invoice immediately following receipt of City CALPERS report.
- 3.5.4 If City does not provide report prior to the first quarter invoice, the invoice for the first quarter will be at the gross contract rate as reflected in Exhibit B-1 with retroactive credit/s applied the quarter immediately following receipt of such report.
- 3.5.5 It is City's responsibility to provide County with an official CalPERS report detailing the amount of UAAL for Police only. The credit will not include any amounts paid for other Safety members including Fire or non-Safety members.
- 3.5.6 In determining the threshold for normal cost, if County does not receive its annual SamCERA actuarial report prior to the first quarter invoice, normal cost will be calculated using the prior year's SamCERA actuarial report until the new report is received. The invoice immediately following receipt of the SamCERA report will reflect a retroactive adjustment due to the change in normal cost, when such change results in a reduction or addition to City liability to County.
- 3.5.7 Calculation. For October 31, 2010 through June 30, 2011, the City will receive a credit of \$300,000 for the amortization of side fund payment made on behalf of police. This credit will be applied to the first quarterly invoice issued after receipt of proof of payment.

3.5.7.1 For FY 2011-12, the City will receive a credit of \$617,397 which is the FY 2011-12 required employer contribution for the amortization of side fund as presented in the CalPERS Actuarial Valuation – June 30, 2009. City must provide County with proof of payment by July 31, 2012. If payment made to CalPERS for purposes identified in 3.5.1 is less than the applied credit, City will be billed for the difference. If payment made to CalPERS for purposes identified in 3.5.1 is higher than the credit received, the City will receive a retroactive adjustment subject to section 3.5.2 on the first invoice immediately following receipt of proof of such payment.

3.5.7.2 For FY 2012-13 and beyond, the City will receive a credit that is based on the amortization of side fund payment and other UAAL contributions identified in future valuations for police subject to limitations identified in section 3.5.2. This credit will be adjusted annually to reflect actual payments in the same manner set forth in 3.5.7.1.

3.5.8 Proof of payment shall be a copy of canceled check in addition to any documentation sent to CalPERS with the payment.

2. Exhibit B - Rates/Payments FY 2011-12 is hereby deleted in its entirety and replaced with "Exhibit B - Rates/Payments FY 2011-12 (Revised November 2011)" and is attached hereto and incorporated herein.
3. Exhibit B-1 - Calculated Rates FY 2011-12 is hereby deleted in its entirety and replaced with "Exhibit B-1 - Calculated Rates FY 2011-12 (Revised November 2011)" and is attached hereto and incorporated herein.
4. This Amendment Four is intended to serve as the sole Agreement of the parties with respect to the specific matters contained herein and any prior agreement, promises, negotiations or representations between the parties with respect to the subject matter of Amendment Four not expressly stated in this document are not binding. Otherwise, Amendment Four is hereby incorporated and made a part of the original Law Enforcement Services Agreement and subject to all provisions therein.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

*A Political Sub-division of the
State of California*

BY: _____
PRESIDENT, BOARD OF SUPERVISORS

DATE: _____

ATTEST:

BY: _____
CLERK OF SAID BOARD

CITY OF SAN CARLOS

BY: _____
JEFF MALTBIE, CITY MANAGER

DATE: _____

APPROVED AS TO FORM

GREGORY J. RUBENS, CITY ATTORNEY

ATTEST:

BY: _____
CHRISTINE BOLAND, CITY CLERK

EXHIBIT B
RATES / PAYMENTS
FY 2011-12
(Revised November 2011)

Agreement for Law Enforcement Services between the County of San Mateo and City of San Carlos

In consideration of the services described in Exhibit A and Exhibit A-1, City shall pay County based on the following fee schedule:

1. CHARGES FOR SERVICES.

- 1.1 City shall pay County for services described in this Agreement as calculated based on the formulas set forth in Exhibit B-1 - Calculated Rates, attached hereto and incorporated by reference herein.
- 1.2 Exhibit B-1 shall be readjusted by the County annually effective July 1 of each year and attached hereto as an updated / revised Exhibit B-1.

2. INVOICING / BILLING.

- 2.1 On a quarterly basis in accordance with Section 3 below, Sheriff's Office Fiscal Services Bureau shall submit to City an invoice at the end of the third month of each quarter.
- 2.2 Payments and questions regarding invoicing shall be directed to the Sheriff's Office Fiscal Services Bureau Manager at (650) 363-1842 or be mailed to:
San Mateo County Sheriff's Office
400 County Center
Redwood City, CA 94063

3. PAYMENTS.

- 3.1 Total charges for FY 2010-11 are \$4,460,471.55 and shall be paid by City to County according to the following payment schedule:
 - Initial payment of \$1,138,062.70 is due upon full execution of this Agreement;
 - \$1,661,204.43 due on or before January 1, 2011; and
 - \$1,661,204.42 due on or before April 1, 2011
- 3.2 **Total charges for FY 2011-12 are \$6,956,700 and shall be paid by City to County according to the following payment schedule:**
 - **\$1,739,175 due on or before July 1, 2011;**
 - **\$1,739,175 due on or before October 1, 2011**
 - **\$1,739,175 due on or before January 1, 2012; and**
 - **\$1,739,175 due on or before April 1, 2012**

NOTE: UAAL credits are not reflected in above amounts.

- 3.3 Future Fiscal Year payments will be in accordance with the revised Exhibit B-1 effective July 1 of each year. Payments will be due the first day of each quarter for each subsequent year of this Agreement.

4. BOOKING / FORENSIC LABORATORY FEES.

4.1 City shall not be responsible for paying Booking Fees or Forensic Laboratory Fees to the County.

5. JOINT POWERS AGREEMENTS.

5.1 City shall continue to be responsible for fees set forth in the Joint Powers Agreements pertaining to the Narcotics Task Force (NTF) and Office of Emergency Services (OES).

EXHIBIT B-1

CALCULATED RATES - FY 2011-12

(Revised November 2011)

Agreement for Law Enforcement Services between the County of San Mateo and City of San Carlos

San Mateo County Sheriff's Office Operations Division - Patrol Bureau <u>San Carlos</u>						FY 2011-12						
Patrol Deputies on 84/12 Schedule												
Services Description	Employee Salaries	Employee Benefits	Workers Comp Insurance	Night Shift Pay	Replacement Costs For Officer Leave & Event OT	Other Pers. Costs (POST; Uniform Allow; Exp. Pay)	Total Personnel Costs	Direct & Allocated Operating Expense	Total Actual Costs	Unfunded Actuarial Accrued Liability	City of San Carlos	Sheriff
Patrol Positions												
Team 1 0600-1800 @ 98/2 split 3 Deputies	\$322,321	\$313,721	\$33,300	---	\$114,402	\$30,150	\$813,893	\$6,585	\$820,478	\$180,555	\$804,069	\$16,410
Team 2 0600-1800 @ 98/2 split 3 Deputies	\$322,321	\$313,721	\$33,300	---	\$114,402	\$30,150	\$813,893	\$6,585	\$820,478	\$180,555	\$804,069	\$16,410
Team 3 1800-0600 @ 98/2 split 3 Deputies	\$322,321	\$327,414	\$35,104	\$17,620	\$120,597	\$31,472	\$854,527	\$6,585	\$861,112	\$188,618	\$843,890	\$17,222
Team 4 1800-0600 @ 98/2 split 3 Deputies	\$322,321	\$327,414	\$35,104	\$17,620	\$120,597	\$31,472	\$854,527	\$6,585	\$861,112	\$188,618	\$843,890	\$17,222
Additional Pays - K-9 (2 Deputies)	\$11,747	\$8,550	\$1,118	---	---	\$2,160	\$23,576	---	\$23,576	---	\$23,576	---
Traffic Enforcement												
Motorcycle Deputy	\$107,440	\$109,537	\$11,754	---	---	\$16,916	\$245,648	\$2,195	\$247,843	\$63,108	\$247,843	---
Traffic Enforcement Overtime	---	---	---	---	---	---	\$23,852	---	\$23,852	---	\$23,852	---
Community Service Officer (4 Extra Help)	\$94,800	\$8,425	\$154	---	---	---	\$103,379	\$6,380	\$109,759	---	\$109,759	---
Investigative Services												
One Detective @ 100%	\$102,234	\$111,237	\$11,978	---	---	\$24,473	\$249,922	\$2,195	\$252,117	\$64,109	\$252,117	---
Supervision Costs												
Team I Sergeant 0600-1800	\$123,455	\$134,912	\$13,236	---	\$39,045	\$16,471	\$327,119	\$2,195	\$329,314	\$76,948	\$329,314	---
Team II Sergeant 0600-1800	\$123,455	\$134,912	\$13,236	---	\$39,045	\$16,471	\$327,119	\$2,195	\$329,314	\$76,948	\$329,314	---
Team III Sergeant 1800-0600	\$123,455	\$140,893	\$13,927	\$6,749	\$41,083	\$16,977	\$343,084	\$2,195	\$345,279	\$80,414	\$345,279	---
Team IV Sergeant 1800-0600	\$123,455	\$140,893	\$13,927	\$6,749	\$41,083	\$16,977	\$343,084	\$2,195	\$345,279	\$80,414	\$345,279	---
Support												
Records Supervisor	\$69,056	\$34,221	\$449	---	---	---	\$103,725	\$1,595	\$105,320	\$6,386	\$85,307	\$20,013
CSO General	\$47,400	\$37,630	\$308	---	\$9,692	---	\$95,030	\$1,595	\$96,625	\$6,988	\$96,625	---
CSO General	\$47,400	\$37,630	\$308	---	\$9,692	---	\$95,030	\$1,595	\$96,625	\$6,988	\$96,625	---
Administrative Secretary III	\$61,963	\$42,968	\$403	---	---	---	\$105,333	\$1,595	\$106,928	\$7,989	\$106,928	---
Administration												
Chief (Captain)-80/20 split	\$153,194	\$156,062	\$15,678	---	---	\$12,382	\$337,315	\$2,195	\$339,510	\$71,361	\$271,608	\$67,902
Administrative Sergeant	\$117,576	\$141,665	\$14,016	---	---	\$30,540	\$303,796	\$2,195	\$305,991	\$80,860	\$305,991	---
Total Personnel Expense:	\$2,595,912	\$2,521,804	\$247,299	\$48,738	\$649,637	\$276,610	\$6,363,852	\$56,660	\$6,420,512	\$1,360,859	\$6,265,333	\$155,179
Vehicles												
Patrol Vehicles - Per Mile Charge	10 Patrol cars @ 20,000 x \$0.55; 2 unmarked @ 16,000 x \$0.55 per mile; 2 trucks @ 10,000 x \$0.59							\$139,400	\$139,400	---	\$139,400	---
Patrol Vehicles - Repl. Chrg	10 Patrol cars @ \$12,327 amortization annually, 2 Unmarked @ \$12,327 annually & 2 trucks @ \$4,964							\$157,852	\$157,852	---	\$157,852	---
Traffic Vehicle 1	1 Traffic car @ 20,000 x \$0.55							\$11,000	\$11,000	---	\$11,000	---
Traffic Vehicle replacement	1 traffic car @ \$12,327 amortization annually							\$12,327	\$12,327	---	\$12,327	---
Motorcycles	1 Motorcycles @ 4,500 miles x \$1 per mile							\$4,500	\$4,500	---	\$4,500	---
Motorcycles - Annual Repl. Chrg	1 Motorcycles @ \$4,250 per year							\$4,250	\$4,250	---	\$4,250	---
Citation Vehicles - per Mile Charge	1 Utility Vehicles @ 4,500 miles x \$0.55							\$2,475	\$2,475	---	\$2,475	---
Citation Vehicles - Annual Repl. Chrg - 35	1 Utility Vehicles @ \$3,750 per year							\$3,750	\$3,750	---	\$3,750	---

Services Description	Employee Salaries	Employee Benefits	Workers Comp Insurance	Night Shift Pay	Replacement Costs For Officer Leave & Event OT	Other Pers. Costs (POST; Uniform Allow; Exp. Pay)	Total Personnel Costs	Direct & Allocated Operating Expense	Total Actual Costs	Unfunded Actuarial Accrued Liability	City of San Carlos	Sheriff
Allocated Share of Patrol Costs												
Radio & Communications(27 portable radios)	---	---	---	---	---	---	---	\$16,605	\$16,605	---	\$16,605	---
Headquarters Costs @50% Rate	---	---	---	---	---	---	---	\$0	\$0	---	---	---
Auto Liability Insurance	---	---	---	---	---	---	---	\$11,506	\$11,506	---	\$11,506	---
County Human Resources	---	---	---	---	---	---	---	\$0	\$0	---	---	---
Safety Equipment and Training	---	---	---	---	---	---	---	\$0	\$0	---	---	---
Safety Equip Maint. & Replcmt	---	---	---	---	---	---	---	\$9,213	\$9,213	---	\$9,213	---
Substation Operating Expenses	---	---	---	---	---	---	---	\$0	\$0	---	---	---
Citation-Related Expense	---	---	---	---	---	---	---	\$0	\$0	---	---	---
Other Misc. Expenses	---	---	---	---	---	---	---	\$2,000	\$2,000	---	\$2,000	---
Total Direct Operating Expense:	---	---	---	---	---	---	---	\$374,877	\$374,877	---	\$374,877	\$0
Departmental Support Svcs												
Adm/Fisc/Pers/ Train/Rec/Tech/Prop (per Worksheet)	---	---	---	---	---	---	---	\$316,489	\$316,489	---	\$316,489	\$0
Subtotal: Sheriff's Basic Svcs:	\$2,595,912	\$2,521,804	\$247,299	\$48,738	\$649,637	\$276,610	\$6,363,852	\$748,027	\$7,111,878	\$1,360,859	\$6,956,700	\$155,179
Public Safety Dispatch Expense	---	---	---	---	---	---	---	---	\$0	---	---	---
Total GROSS Expense:	\$2,595,912	\$2,521,804	\$247,299	\$48,738	\$649,637	\$276,610	\$6,363,852	\$748,027	\$7,111,878	\$1,360,859	\$6,956,700	\$155,179
Credit for CalPERS UAAL (Actual credit based on City payment to CalPERS for Safety UAAL subject to limitations set in contract)											---	---
Total NET Expense:	---	---	---	---	---	---	---	---	\$7,111,878	\$1,360,859	\$6,339,303	\$155,179