

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

AGENDA

A Regular Meeting of the Board of Directors of the Kensington Police Protection and Community Services District will be held Thursday, July 8, 2010, at 7:00 P.M., at the Community Center, 59 Arlington Avenue, Kensington, California.

Note: All proceedings of this meeting will be tape recorded

Roll Call
Public Comments
Board Member/ Staff Comments

APPROVAL OF CONSENT CALENDAR

- a) Minutes of the Regular Meeting June 10, 2010, pg 4
- b) Profit & Loss Budget Performance for June 2010, pg 9
- c) Variance Report June 2010, pg 12
- d) Board Member Reports
- e) Correspondence, pg 13
- f) Police Department Update, pg 16
- g) Monthly Calendar, pg 27
- h) Recreation Report
- i) General Manager Update, pg 29

DISTRICT – OLD BUSINESS- None

1. General Manager Greg Harman will request the Board authorize the disbursement of \$120,000 to Calpers for the 2009/2010 California Employers' Retiree Benefit Trust (CERBT) funding. Board Action., pg 33
2. General Manager Greg Harman will request the Board authorize the disbursement of \$243,373 to Calpers for the 2010/2011 California Employers' Retiree Benefit Trust (CERBT) funding. Board Action., pg 33

DISTRICT - NEW BUSINESS

1. General Manager Greg Harman will present to the Board for possible approval the proposed Kensington Police Protection & Community Services District contract (3 Year) with New World Systems for our software maintenance agreement. Board Action., pg 64
2. General Manager Greg Harman will present to the Board for possible approval the proposed Kensington Police Protection & Community Services District contract with TSG for their monthly computer support program. Board Action., pg 70
3. General Manager Greg Harman will present to the Board for first review and possible approval the proposed Kensington Police Protection & Community Services District 2010/2011 Annual Budget. Board Action., pg 76
4. Consideration of proposal submitted by Director Kosel that special sessions require 3 weeks notice to board members and are called only when all directors can be present. Possible Board Action, pg 77
5. Discussions on selection of negotiating team for lease with Kensington Community Council and authorization to begin negotiations with them leading to possible lease for use of Community assets. Possible Board Action, pg 78
6. Establishment of Special Meeting of Board for week of July 25 to review and approve final budget, authorize Contra Costa County Assessor and Tax Collector to implement provisions of Measure G and establish a tax limit (subject to its passage by the required vote) based on approved budget, and review and approval of Appropriations Limit (which review requires 15-day prior published notice). Possible Board Action, pg 79

ADJOURNMENT

General Information

Accessible Public Meetings

NOTE: UPON REQUEST THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT WILL PROVIDE WRITTEN AGENDA MATERIALS IN APPROPRIATE ALTERNATIVE FORMATS, OR DISABILITY-RELATED MODIFICATION OR DISABILITIES TO PARTICIPATE IN PUBLIC MEETINGS. PLEASE SEND A WRITTEN REQUEST, INCLUDING YOUR NAME, MAILING ADDRESS, PHONE NUMBER AND A BRIEF DESCRIPTION OF THE REQUESTED MATERIALS AND PREFERRED ALTERNATIVE FORMAT OR AUXILIARY AID OR SERVICE AT LEAST 10 DAYS BEFORE THE MEETING. REQUESTS SHOULD BE SENT TO:

DISTRICT SECRETARY STEPHANIE FRIES, COMMUNITY SERVICES DISTRICT, 217 ARLINGTON AVE., KENSINGTON, CA 94707
POSTED: Public Safety Building-Colusa Food-Library-Arlington Kiosk- and at www.kensingtoncalifornia.org
Complete agenda packets are available at the Public Safety Building and the Library.

CONSENT CALENDAR

- Minutes
- Profit & Loss Budget Performance
- Board Member Reports
- Correspondence
- Police Department Update
- Monthly Calendar
- Recreation Report
- General Manager Update

KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Meeting Minutes for 06/10/2010

AGENDA

A Regular meeting of the Board of Directors of the Kensington Police Protection and Community Services District was held Thursday June 10, 2010, 7:00 PM , at the Community Center, 59 Arlington Avenue, Kensington, California.

The board entered into Open Session at 7:00 PM.

ATTENDEES

Elected Members	Guests/Presenters:	
John Stein, Vice President	Lynn Wolter	Lucio Rossi
Bill Wright, Director	Joan Gallegos	Georg Krammer
Patricia M. McLaughlin, Director	Joel Koosed	
Cathie Kosel, Director	Bruce Morrow	
	Officer Doug Wilson	
	Vida Dorroh	
	Paul Dorroh	
Staff Members	Tony Lloyd	
	Linda Lipscomb	
Gregory E. Harman, General Manager/ Chief of Police	Tony Lloyd	
Stephanie Fries, District Secretary	Mark Choi	

ANNOUNCEMENTS: None

PUBLIC COMMENTS

Lucio Rossi, resident, commented that his neighbor's emergency services notification device was disabled when a drunk driver hit the AT&T box. Mr. Rossi would like the District to consider running phone wires underground to avoid this in the future.

Joan Gallegos, resident, congratulated those who worked to get Measure G passed.

Linda Lipscomb, resident, also congratulated those who worked to get Measure G passed and commented that she would like to see more attention paid to maintenance of the park.

BOARD COMMENTS

Directors Wright and McLaughlin thanked those in the community who worked so hard to get Measure G passed.

KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

BOARD COMMENTS

Director Kosel commented that General Manager / Chief of Police Gregory Harman's contract will expire June 30, 2010 and asked that the Board hold a closed session meeting to discuss the matter.

Director McLaughlin reminds everyone that the election results are not official until the end of June.

General Manager / Chief of Police Gregory Harman thanks everyone for their support and commented on the recent criminal activity in the area, noting that while conducting a search of a suspect's home, Albany PD found a hand-drawn map of an area of Kensington. General Manager / Chief of Police Gregory Harman also noted that Albany PD believe the suspect was planning a murder. General Manager / Chief of Police Gregory Harman commented that Kensington PD is working very hard to keep Kensington safe, despite serious threats of crime.

Director Kosel suggested putting together an email tree similar to the Berkeley PD email tree that would notify residents of recent criminal activity in the area. General Manager / Chief of Police Gregory Harman commented that he agrees with Director Kosel, noting that Officer Doug Wilson has been working on this.

-NO STAFF COMMENTS-

CONSENT CALENDAR

Director McLaughlin pulls Items B & I from the Consent Calendar.

Director Kosel pulls Item A of the Consent Calendar.

Director Kosel commented that she pulled the minutes of the last meeting because resident Nicki Kasier misrepresented information to the Board about CrimeReports.com.

Director McLaughlin commented that she pulled Item B of the Consent Calendar because we should be \$87,000 ahead with the COPS Grant money in account 415, noting that the difference is in the Levy Tax.

MOTION: The Board moves to adopt the Consent Calendar as amended.

AYES: Wright, Kosel, McLaughlin, Stein

NOES: 0

ABSENT: Toombs

MOTION: Vice President Stein moves to move New Business #1 & New Business #2 to the front of the meeting.

AYES: Wright, Kosel, McLaughlin, Stein

NOES: 0

ABSENT: Toombs

NEW BUSINESS #1 - Chief of Police Greg Harman will award a commendation to Sergeant Rickey Hull for his assignment as the General Manager- Chief of Police between April 1st and May 31st.

General Manager / Chief of Police Gregory Harman presented Sergeant Rickey Hull with a commendation for his assignment as the General Manager- Chief of Police between April 1st and May 31st.

KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

NEW BUSINESS #2 - Chief of Police Greg Harman will award a commendation to Reserve Officer Suzanne Tyler for her actions on May 18th during an armed robbery at the El Cerrito Safeway Store, ECPD Case # 2010-9794/ KPD case # 2010-1967.

General Manager / Chief of Police Gregory Harman presented Reserve Officer Suzanne Tyler with a commendation for her actions on May 18th during an armed robbery at the El Cerrito Safeway Store.

OLD BUSINESS #1 - Vice-President John Stein will provide members of the Board and the public with information regarding the status of the Community Center Remodeling Project by the Kensington Community Council.

Vice President Stein gave a summary of the status of the Community Center Remodeling Project, noting that KCC has decided not to go forward with the remodeling project.

Bruce Morrow spoke on behalf of KCC, noting that the key elements in KCC's decision not to go forward with the project were the lease demands made by KPPCSD. KCC is unable to meet these demands without significantly cutting programs.

BOARD COMMENTS

Director McLaughlin suggests that the Board needs to take a look at its relationship with KCC and commented that she is distressed that this issue did not come before the KPPCSD Board.

STAFF COMMENTS

General Manager / Chief of Police Gregory Harman commented that there were legal issues and prevailing wage concerns that arose from the nature of the current lease agreement between KCC and KPPCSD.

PUBLIC COMMENTS

Vida Dorroh, resident, expressed concern that KPPCSD's legal counsel are not aware of the history between KPPCSD and KCC, noting that this may play a part in their legal opinion regarding the matter.

Paul Dorroh, resident, commented that KCC is an agent of the District and not a tenant.

Tony Lloyd, resident, commented that KCC reinvests 98% of its revenue back into its programs.

Linda Lipscomb, resident, commented that she has no doubt that KCC acts as an agent of KPPCSD and that relationship cannot be stressed enough. Ms. Lipscomb suggested that the Board seek another legal opinion.

Vice President Stein suggested that the Board take a close look at the relationship between KCC and KPPCSD to determine how we can make it a sustainable relationship for years to come.

KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS

NEW BUSINESS #3 - Director Bill Wright will present the Board with a proposal for discussion and possible action, to hire Koff & Associates, Inc. to prepare, in collaboration with the District and with the Kensington Police Officer's Association, a total compensation comparative salary analysis for use by the District and the KPOA during their pending contract negotiations

Director Wright gives a summary of the proposal to hire Koff & Associates to prepare a total compensation comparative salary analysis for pending contract negotiations between the District and the KPOA. Director Wright noted that it is the position of KPPCSD and the KPOA that Koff & Associates would be hired to provide data, and not to decide what our officers should be paid. Director Wright recommends having a closed session to discuss the data, then having negotiations with the KPOA and releasing the data to the public after negotiations have been completed.

Georg Krammer of Koff & Associates gave a summary of his firm and their collaborative approach, noting that the process would take approximately two to three weeks to complete.

BOARD COMMENTS

Director Kosel commented that she feels the public should be presented with the data collected by Koff & Associates before KPOA negotiations have been completed as she would appreciate the public's input regarding the matter.

Georg Krammer of Koff & Associates commented that it is uncustomary that the public to get involved with the negotiations process.

Director Wright noted that KPPCSD agreed that the negotiations process would be extremely confidential and the Board is not permitted to release this information beforehand.

MOTION: The Board moves to hire Koff & Associates to prepare a compensation study as outlined in the proposal.

AYES: Wright, McLaughlin, Stein, Kosel

NOES: 0

ABSENT: Toombs

NEW BUSINESS #4 - General Manager Greg Harman will request the Board set a Special Meeting to review for possible approval the proposed KPPCSD 2010/2011 Annual Budget for Thursday, June 24th.

General Manager / Chief of Police Gregory Harman commented that Director Wright and himself decided that it would be better to postpone the budget until the final election results of Measure G have been completed in order to have a better idea of where the District will be financially for 2010/2011.

Director Wright recommended meeting with the Finance Committee to finalize the budget and then determine a date that works for the KPPCSD Board members for a special meeting.

The Board decided to schedule a Special Meeting for June 22, 2010 at 7pm to discuss the budget and plan to meet with the Finance Committee sometime prior to this date.

KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS

MOTION: The Board moves to schedule a Special Meeting for June 22, 2010 at 7pm to review the budget.

AYES: Wright, McLaughlin, Stein, Kosel **NOES:** 0 **ABSENT:** Toombs

NEW BUSINESS #5 - General Manager Greg Harman will request that the Board authorize the purchase of a solar powered speed monitoring advisory sign for the area of 46 Arlington (SB), with the remaining 2008/2009 COPS Grant funding. Board Action.

General Manager / Chief of Police Gregory Harman gave a summary of ongoing traffic concerns at and around 46 Arlington Avenue and the recommendations made to install a speed monitoring advisory sign to be used in the South-bound direction on Arlington Avenue. General Manager / Chief of Police Gregory Harman noted that COPS Grant funding has been approved for the purchase of such a device.

MOTION: The Board moves to approve New Business #5 as presented.

AYES: Wright, McLaughlin, Stein, Kosel **NOES:** 0 **ABSENT:** Toombs

MOTION: Vice President Stein moves to adjourn the meeting at 8:51.

AYES: Wright, McLaughlin, Stein, Kosel **NOES:** 0 **ABSENT:** Toombs

KPPCSD
Unaudited Profit & Loss Budget Performance

June 2010

	Jun 10	Budget	Jul '09 - Jun 10	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
400 · Police Activities Revenue					
401 · Levy Tax	0.00	6,000.00	1,217,760.41	1,279,315.09	1,279,315.09
402 · Special Tax-Police	0.00		680,130.00	680,340.00	680,340.00
410 · Police Fees/Service Charges	165.00	250.00	2,222.71	3,000.00	3,000.00
415 · Grants-Police	0.00		87,644.74		
416 · Interest-Police	0.00	4,500.00	4,457.41	18,000.00	18,000.00
418 · Misc Police Income	900.75	1,000.00	11,454.97	12,000.00	12,000.00
419 · Supplemental W/C Reimb (4850)	4,516.34		12,629.38		
Total 400 · Police Activities Revenue	5,582.09	11,750.00	2,016,299.62	1,992,655.09	1,992,655.09
420 · Park/Rec Activities Revenue					
424 · Special Tax-L&L	0.00		30,451.36	29,000.00	29,000.00
426 · Park Donations	0.00	250.00	350.00	1,000.00	1,000.00
427 · Community Center Revenue	3,350.00	1,250.00	23,557.22	15,000.00	15,000.00
436 · Interest-Park/Rec	0.00	175.00	263.65	700.00	700.00
438 · Misc Park/Rec Rev	0.00		1,020.05		
Total 420 · Park/Rec Activities Revenue	3,350.00	1,675.00	55,642.28	45,700.00	45,700.00
440 · District Activities Revenue					
448 · Franchise Fees	0.00	7,000.00	13,672.08	21,000.00	21,000.00
456 · Interest-District	0.00	625.00	778.82	2,500.00	2,500.00
458 · Misc District Revenue	0.00		5,252.22		
Total 440 · District Activities Revenue	0.00	7,625.00	19,703.12	23,500.00	23,500.00
Total Income	8,932.09	21,050.00	2,091,645.02	2,061,855.09	2,061,855.09
Expense					
500 · Police Sal & Ben					
502 · Salary - Officers	75,753.32	77,078.34	817,173.69	924,940.00	924,940.00
504 · Compensated Absences	0.00		17,988.36	10,000.00	10,000.00
506 · Overtime	2,378.74	2,500.00	59,057.62	30,000.00	30,000.00
508 · Salary - Non-Sworn	1,208.00	2,437.50	29,761.75	29,250.00	29,250.00
516 · Uniform Allowance	666.60	666.66	7,299.30	8,000.00	8,000.00
518 · Safety Equipment	250.00	208.34	2,750.00	2,500.00	2,500.00
521-A · Medical/Vision/Dental-Active	43,112.20	130,189.12	159,594.17	242,269.00	242,269.00
521-R · Medical/Vision/Dental-Retired	0.00	9,500.00	97,071.42	114,000.00	114,000.00
522 · Insurance - Police	1,767.62	1,016.66	15,172.78	12,200.00	12,200.00
523 · Social Security/Medicare	819.94	1,249.16	13,851.41	14,990.00	14,990.00
524 · Social Security - District	252.17	325.67	3,718.45	3,908.00	3,908.00
527 · PERS - District Portion	18,565.55	24,100.92	250,100.67	289,211.00	289,211.00
528 · PERS - Officers Portion	5,469.18	6,997.09	73,960.81	83,965.00	83,965.00
530 · Workers Comp	10,775.00		33,899.21	46,279.00	46,279.00
Total 500 · Police Sal & Ben	161,018.32	256,269.46	1,581,399.64	1,811,512.00	1,811,512.00
550 · Other Police Expenses					
552 · Expendable Police Supplies	307.68	166.67	4,321.59	2,000.00	2,000.00

KPPCSD
Unaudited Profit & Loss Budget Performance
June 2010

	Jun 10	Budget	Jul '09 - Jun 10	YTD Budget	Annual Budget
553 · Range/Ammunition Supplies	0.00		2,850.66	2,000.00	2,000.00
562 · Vehicle Operation	2,892.22	3,000.00	40,227.44	36,000.00	36,000.00
564 · Communications (RPD)	0.00	9,380.00	53,984.17	112,560.00	112,560.00
566 · Radio Maintenance	0.00	366.66	0.00	4,400.00	4,400.00
568 · Prisoner/Case Exp./Booking	1,713.68	416.67	8,794.79	5,000.00	5,000.00
570 · Training	327.48	1,000.00	11,108.41	12,000.00	12,000.00
572 · Recruiting	0.00	637.50	13,347.40	7,650.00	7,650.00
574 · Reserve Officers	56.00	166.66	7,680.15	2,000.00	2,000.00
576 · Misc. Meals & Travel	0.00	250.00	1,115.35	3,000.00	3,000.00
580 · Utilities - Police	885.40	666.67	7,470.05	8,000.00	8,000.00
581 · Bldg Repairs/Maint.	0.00	166.67	138.66	2,000.00	2,000.00
582 · Expendable Office Supplies	338.11	500.00	6,907.61	6,000.00	6,000.00
588 · Telephone(+Rich. Line)	1,176.64	920.66	8,789.03	11,048.00	11,048.00
590 · Housekeeping	268.38	416.67	3,232.11	5,000.00	5,000.00
592 · Publications	0.00	250.00	2,980.26	3,000.00	3,000.00
594 · Community Policing	150.00	416.66	2,678.67	5,000.00	5,000.00
596 · WEST-NET/CAL I.D.	0.00		12,471.00	12,472.00	12,472.00
598 · COPS Special Fund	30,619.10	2,622.50	105,454.29	31,470.00	31,470.00
Total 550 · Other Police Expenses	38,734.69	21,343.99	293,551.64	270,600.00	270,600.00
600 · Park/Rec Sal & Ben					
601 · Park & Rec Administrator	776.00	812.50	10,144.00	9,750.00	9,750.00
602 · Custodian	2,625.00	1,895.84	21,000.00	22,750.00	22,750.00
623 · Social Security/Medicare - Dist	59.36	62.16	784.64	746.00	746.00
Total 600 · Park/Rec Sal & Ben	3,460.36	2,770.50	31,928.64	33,246.00	33,246.00
635 · Park/Recreation Expenses					
640 · Community Center Expenses					
642 · Utilities-Community Center	283.84	333.34	4,375.77	4,000.00	4,000.00
643 · Janitorial Supplies	0.00		1,574.38	1,500.00	1,500.00
646 · Community Center Repairs	0.00		1,637.49	1,000.00	1,000.00
Total 640 · Community Center Expens	283.84	333.34	7,587.64	6,500.00	6,500.00
660 · Annex Expenses					
662 · Utilities - Annex	25.72	41.67	428.50	500.00	500.00
666 · Annex Repairs	0.00		908.34		
Total 660 · Annex Expenses	25.72	41.67	1,336.84	500.00	500.00
672 · Kensington Park O&M	3,110.51	4,400.00	36,879.26	52,800.00	52,800.00
678 · Misc Park/Rec Expense	0.00		2,944.25	2,000.00	2,000.00
Total 635 · Park/Recreation Expenses	3,420.07	4,775.01	48,747.99	61,800.00	61,800.00
800 · District Expenses					
810 · Computer Maintenance	0.00	1,266.66	14,045.45	22,900.00	22,900.00
820 · Cannon Copier Contract	1,437.76	458.34	8,872.48	5,500.00	5,500.00
830 · Legal (District/Personnel)	6,827.76	4,166.66	57,252.47	50,000.00	50,000.00
835 · Consulting	0.00	833.34	45,650.50	10,000.00	10,000.00
840 · Accounting	0.00	1,144.44	19,907.46	21,800.00	21,800.00

KPPCSD
Unaudited Profit & Loss Budget Performance
 June 2010

	Jun 10	Budget	Jul '09 - Jun 10	YTD Budget	Annual Budget
850 · Insurance	0.00		25,986.39	30,000.00	30,000.00
860 · Election	0.00		21,804.51	8,000.00	8,000.00
865 · Police Bldg. Lease	14,420.00	3,567.66	42,310.65	42,812.00	42,812.00
870 · County Expenditures	997.62		20,844.68	18,600.00	18,600.00
890 · Waste/Recycle	0.00		30,176.58	30,000.00	30,000.00
898 · Misc. Expenses/Lobbyist	0.00	779.16	4,399.80	9,350.00	9,350.00
Total 800 · District Expenses	23,883.14	12,216.26	291,250.97	248,962.00	248,962.00
950 · Capital Outlay					
972 · Park Buildings Improvement	223.13		6,879.75		
Total 950 · Capital Outlay	223.13		6,879.75		
997 · Payroll Expenses	0.00		0.00		
Total Expense	230,539.71	297,375.22	2,253,758.63	2,426,120.00	2,426,120.00
Net Ordinary Income	-221,607.62	-276,325.22	-162,113.61	-364,264.91	-364,264.91
Other Income/Expense					
Other Expense					
700 · Bond Issue Expenses					
701 · Bond Proceeds	0.00		-178,410.52		
710 · Bond Admin.	2,182.21		10,446.68		
715 · Bond Interest Income	0.00		-482.23		
720 · Bond Principal	0.00		101,987.21		
730 · Bond Interest	0.00		62,443.29		
Total 700 · Bond Issue Expenses	2,182.21		-4,015.57		
Total Other Expense	2,182.21		-4,015.57		
Net Other Income	-2,182.21	0.00	4,015.57	0.00	0.00
	-223,789.83	-276,325.22	-158,098.04	-364,264.91	-364,264.91

Memorandum

Kensington Police Department



To: KPPCSD Board of Directors

APPROVED YES NO

From: Gregory E. Harman, General Manager/Chief of Police

FORWARDED TO:

Date: Friday, June 04, 2010

Subject: June 2010 Unaudited Profit & Loss Variance Report

The following are the most significant unaudited budget variances for the month:

401 Levy Tax As of the end of the fiscal year, we have received only \$1,217,760.41 of the \$1,279,315.09 from the Levy Tax (Property Tax). We still are expecting a final drop for the June payment and the September correction but as of this date, property tax revenues are short \$61,554.60 or down 4.8%.

416 Police Interest As of the end of the fiscal year, we have received only \$4,457 in interest, down \$13,543 from what we estimated interest received would be.

	June	Budgeted	Jul-June	YTD Budgeted
502 Salary-Officers	\$75,753	\$77,078	\$817,173	\$924,940

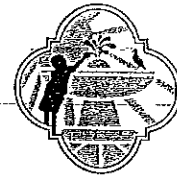
We saved on officer salaries when we maintain 9 sworn officers for most of the fiscal year. There was an additional savings of one police sergeant position salary that was replaced by an officer's salary.

506 Overtime	\$2,378	\$2,500	\$59,057	\$30,000
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Overtime costs for the year increased due to coverage needed while working with reduced staff.

Greg Harman
General Manager

POLICE DEPARTMENT



Joseph P. Aita, Chief of Police

CITY OF SAN PABLO
City of New Directions

May 27, 2010

Greg Harmon, Chief of Police
Kensington Police Department
217 Arlington Avenue
Kensington, CA 94707

RE: Favorable Incident Report
Sexual Assault Investigation
SPPD Case #10-4208

Chief Harmon. *GREG*

Enclosed is a Favorable Incident Report written by San Pablo Police Lieutenant Jim Creekmore citing exceptional teamwork, investigation and coordination of efforts between San Pablo Police members and the WestNET Task Force.

Kensington's Police Detective assigned to the WestNET Task Force, Detective Keith Barrow, played a vital role in this investigation and is duly commended in the attached report. As part of the WestNET team, he clearly demonstrated his commitment to law enforcement and the importance of teamwork. He should be congratulated for his professionalism and the part he played in ensuring the successful outcome of this investigation.

JP
Joseph P. Aita
Chief of Police

Enclosure

Suzanne H. Calpestri

Kensington, CA 94708

Phone:

Cell: !

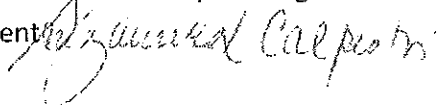
Fax:

Email:

Date: June 11, 2010

TO: Greg Harman, General Manager and Chief of Police , Kensington Police Department

FR: Suzanne Calpestri, Kensington Resident



I am writing to acknowledge the Kensington Police Department at large, and Officer Wilson in particular, for quickly responding to a dropped 9-1-1 call made in error from my home earlier this month. I especially appreciate Officer Wilson's calm and understanding response when he arrived at my home and queried me about the call. Thankfully there was no emergency, but this experience with the Police Department provides evidence that 9-1-1 calls are addressed immediately and pursued until resolved. I commend the Kensington Police Department and Officer Wilson for their efforts to keep Kensington residents safe.



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

June 17, 2010

Ms. Cathie Kosel
101 Windsor Avenue
Kensington, CA 94708-1042

Re: FPPC File No. 10/499; Kensington Police Officers; Greg Harmon

Dear Ms. Kosel:

This letter is in response to the sworn complaint you submitted to the Enforcement Division of the Fair Political Practices Commission ("FPPC") regarding the above-named persons. First, note that the conduct concerning the misappropriation of public funds; use of public officers to campaign, and failure to comply with Public Records Act or Freedom of Information Act are not issues addressed by the Political Reform Act. Accordingly, the Commission has no jurisdiction to initiate an investigation into these matters.

As to other allegations of your complaint and the evidence obtained, we found no violation of the Political Reform Act.

If you have any questions, or if you wish to speak with someone in the Enforcement Division about your correspondence, you may call us at (916) 322-5660. Thank you for your interest in the FPPC.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Gary S. Winuk'.

Gary S. Winuk, Chief
Enforcement Division

GSW/jt

cc. Mr. Greg Harmon

June 2010 Police Department Report

June 30, 2010

- Department Personnel

Sergeant Khan is currently on Workman's Comp medical leave.

We are also in the background process with three new reserve officer candidates. If all three pass their backgrounds, we will have a total of seven reserve officers in the department.

- Commendations and Correspondence

- Detective Keith Barrow received a letter of appreciation from San Pablo Police Chief Joseph Aita for his work with West Net and their assistance to San Pablo Police Department on a sexual assault investigation, SPPD 10-4208.
- Officer Doug Wilson received a letter of appreciation from Suzanne Calpestri for his response to an erroneous 911 call to her residence this month.
- On June 17th, Chief Harman received a letter from the Fair Political Practices Commission indicating that the Commission found no violation of the Political Reform Act in response to the sworn complaint submitted by Director Cathie Kosel.

- Investigation of Alleged Misconduct

- Department Investigation #09-06 was initiated on December 24th on an allegation that an officer was rude during a disturbance call for service. The investigation was being conducted by Sergeant Khan but has now been reassigned to Sergeant Hull.
- Chief Harman initiated an investigation into an allegation(s) of inappropriate conduct/ harassment by a board member towards members of the police department. The investigation is being conducted by Labor Law Attorney Lee Ann Wallace.

- 9-1-1 / Richmond Communication Center Information.
- The Ring Time Report for May shows that of the 60 total "911" calls received, 3 had a ring time of over 20 seconds. Those were 33 seconds, 34 seconds, and 43 seconds. All three were fire department calls and there is no further information regarding the calls. Average ring time was 7.0 seconds.
- Communication Center Service Complaints
 - No complaints received this month however, ***this is a good time to remind everyone that for police non-emergencies, you need to contact the dispatch center at "236-0474" and not the KPPCSD business line of 526-4141.*** The KPPCSD business line is only monitored 6 hours a day during the week and should not be used to report police matters. Doing so, only delays the police response time, so please dial Dispatch direct.
- Community Networking
 - On 06-03-10, Chief Harman attended the 46 Arlington Traffic Meeting.
 - On 06-04-10, Chief Harman participated in the Troop 100's Spring Court of Honor.
 - On 06-16-10, Chief Harman attended the second Park Building Committee meeting.
 - On 06-25-10, Chief Harman attended the funeral for James Mangrum, 22 years, an Eagle Scout from Troop 100.
 - On 06-28-10, Chief Harman attended the KIC meeting.
 - On 06-29-10, Chief Harman attended the KMAC meeting.
 - On 06-30-10, Chief Harman attended the County's Community Warning System Workshop in Martinez.
- Community Criminal Activity
 - This section of the report has been prepared by the Watch Commanders reporting on their areas of responsibility.

- Watch Commander Reports
- **Officer Stegman Team 1**

Significant Cases and Events

10-2184- On 6/1/10 at 0622 hours, Officers Wilson and Tyler took a report of an auto burglary where baseball equipment was stolen.

10-2189- On 6/1/10 0743 hours, Officers Wilson and Tyler took a report of an auto burglary. An ID badge was taken from the vehicle.

10-2190- On 6/1/10 at 0833 hours, Officer Wilson and Tyler took a report of a petty theft where two political campaign signs had been stolen from a front yard.

10-2191- On 6/1/10 at 0945 hours, Officers Wilson and Tyler took a report of an auto burglary where a jacket was stolen.

10-2199- On 6/1/10 at 1032 hours, Officer Hui took a forgery report. On 6/20/10 after investigation and follow up, Officer Hui and Barrow arrested the suspect in Oakland.

10-2239- On 6/2/10 at 1239 hours, Officer Hui took a report of an auto burglary where several expensive electronic devices were taken from the vehicle.

10-2252- On 6/2/10 at 2115 hours, Officers Stegman, Hui, and Barrow, responded to a disturbance which was initially reported as possible suicide attempt. The subject was angry with his bank over what he stated were excessive overdraft fees. The subject told the bank employee via phone that he was going shoot his child and himself if they did not reverse the fees. This potential threat to life elicited an emergency response from KPD officers. The subject was contacted at his house and detained at gunpoint by KPD officers. After interviewing the subject who made the threats, it was determined he did not own a gun and the threats he made were simply to exhibit his serious anger to the bank employee. It was determined he did not pose a danger to himself or others and was released at the scene.

10-2222/ 10-2236- On 6/2/10, Officers Wilson and Hui each took one auto burglary report. Items stolen from the two vehicles included car stereo speaker, a backpack, and four USB thumb drives.

10-2334/ 10-2235- On 6/6/10, Officer Hui took two auto burglary reports. Items stolen from the vehicles included a laptop computer and a car stereo.

10-2399- On 6/8/10 at 1415 hours, Officers Wilson and Tyler took a report of an identity theft. An unknown suspect tried unsuccessfully to open credit accounts

in the victim's name.

10-2376- On 6/8/10, Officer Stegman assisted El Cerrito PD officers who pursued a stolen vehicle right up to the Kensington border. The El Cerrito PD officers lost sight of the vehicle during the pursuit. Officer Stegman located the stolen vehicle abandoned, several blocks from the location El Cerrito PD had lost sight of it. Officer Stegman assisted with the subsequent area check for the suspects.

10-2677- On 6/20/10 at 1546 hours, Officer Hui took a report of a stolen vehicle. The vehicle was located a few blocks away, a short time later.

10-2612- On 6/20/10 at 1028 hours, Officer Stegman took a report of a residential burglary. Entrance was gained forcefully by kicking in a side door of the residence. Items taken from the residence included a flat screen television, two computers, and jewelry.

10-2712- On 6/20/10 at 2251 hours, Officer Wilson took a report of a residential burglary. Entrance was forced through a rear bedroom window. The items taken included a television, laptop and currency.

10-2848- On 6/28/10 at 0848 hours, Officer Stegman took a vandalism report at Hilltop Elementary. There were multiple areas in the school with spray paint graffiti.

10-2872- On 6/29/10 at 1223 hours, Officer Stegman took a report of a residential burglary. The house was left unattended and unlocked for several hours over the course of the day. Two laptops and an IPOD were taken from the home.

10-2887- On 6/29/10 at 1826 hours, Officer Hui took a report of an identity theft.

Training

During this month I qualified Officer Hui with his patrol rifle. Half of KPD's Patrol Officers now have rifle deployment capabilities.

Summary

Both residential and vehicle burglaries were on the rise this month. Taking a few seconds when you arrive home to remove valuables from your car, can save you the later cost and inconvenience of replacing stolen items. Make sure your house is locked and secure especially when you are not home. Closing blinds, drapes, and other window coverings helps to keep would be burglars from casing your home. If they see something in your house they want, they are more likely to break in to steal it.

Team Statistics

Officer:	Stegman K32 (0600- 1600)	Wilson K38 (2000-0600)	Hui K42 (1100-2100)
Days Worked	17	18	18
Traffic Stops	17	6	19
Moving Citations	3	0	24
Parking Citations	3	0	4
Vacation/Security Chks	64	63	88
Field Interviews	2	3	0
Cases	5	7	10
Self Initiated Cases	0	0	0
Arrests	0	0	1
Calls for Service	34	26	31

.. Sergeant Hull Team 2

TEAM STATISTICS

Officer:	Martinez (K31) (K41) (0600-1800)	Medina (K35) (1800-0600)	Ramos (0730-1730)
Days Worked	13	13	18
Traffic Stops	16	12	92
Moving Citations	0	0	25
Parking Citations	0	0	7
Vacation/Security Checks	2	26	5
FI-Field Interviews	0	0	0
Cases	2	0	1
Self Initiated Cases	0	0	0
Arrests	0	0	0
Calls for Service	53	46	24

- Reserve Lafitte wrote one parking citation
- Berkeley PD served a search warrant for stolen property at an address on Kingston Road.
- Officer Martinez took one vacation day.
- Officer Medina took one vacation day.
- Sgt. Hull took two vacation days.

SIGNIFICANT EVENTS:

- 2010-2278 – On 6-3-2010, at approximately 1108 hours, Officer Martinez took a report of battery in the unit block of Highland Boulevard.
- 2010-2291 – On 6-3-2010, at approximately 0839 hours, Officer Ramos took a report of auto burglary in the unit block of Anson Way.
- 2010-2455 – On 6-10-2010, at approximately 0900 hours, Officer Martinez took a report of identity theft in the unit block of Ardmore Road.
- 2010-2644 – On 6-18-2010, at approximately 1314 hours, Officer Ramos towed an abandoned vehicle from the roadway in the unit block of Edgcroft Road.
- 2010-2658 – On 6-19-2010, at approximately 1846 hours, Sgt. Hull took a report of disturbing the peace in the 100 block of Highland Boulevard. Complainants are willing to pursue civil remedies to resolve this issue if necessary.

BRIEFING/TRAINING:

- Reviewed KPD Policy 514 – Drunk Driving and Evidence Collection
- Reviewed KPD Policy 516 – Traffic Citations
- Reviewed KPD Policy 520 – Disabled Vehicles
- Officer Ramos was designated the KPD Traffic Investigator.
- Reviewed KPD Policy 524 – 72-Hour Parking Violations
- Reviewed KPD Policy 526 – Administrative Per Se Law (DUI Drivers)
- Reviewed KPD Policy 600 – Investigation and Prosecution
- Reviewed KPD Policy 602 – Sexual Assault Victims DNA Rights
- Reviewed KPD Policy 700 – Department Owned and Personal Property
- Reviewed KPD Policy 706 – Vehicle Use Policy
- Reviewed Confiscation of Firearms at Domestic Violence Scenes
- Reviewed Confiscation of Firearms at Mental Health Scenes
- Reviewed Penal Code 368 – Elder Abuse
- Reviewed KPD Policy 804 - Property Procedures
- Reviewed Internal Investigation Liabilities
- Reviewed KPD Policy 808 – Restoration of Firearm Serial Numbers
- Reviewed KPD Policy 810 – Release of Records Information
- Reviewed Case Law of Search and Seizure on Department Issued Equipment
- Reviewed KPD Policy 811 – Cash Funds
- Reviewed KPD Policy 812 – Criminal Offender Record Information (CORI)
- Reviewed KPD Policy 902 – Custody Search
- Reviewed KPD Policy 1000 – Recruitment and Selection

- Reviewed Case Law People Vs. Branner – Lawful Search vs. Unlawful Search
- Reviewed Case Law People Vs. Lessie – Miranda Invocations by Minors

SERGEANT'S SUMMARY:

During the month of June the District suffered several vehicle burglaries and one residential burglary. A significant aspect of these burglaries is that they all occurred during the day. Normally vehicle burglaries occur at night when residents are sleeping and residential burglaries occur during the day while residents are away at work. The fact that we are experiencing vehicle burglaries during daylight hours (12:00pm – 4:00pm) indicates a significant change in criminal behavior.

I would like to remind everyone to not leave valuable items in your vehicle and not to hesitate to call KPD if you suspect suspicious activity.

•• **Detective Keith Barrow**

SIGNIFICANT EVENTS:

2010-2050 Hit and Run Vehicle Accident.

The suspect vehicle hit a Kensington Police Officers personal vehicle. The unoccupied officers' personal vehicle was pushed into a second officer's personal unoccupied vehicle. Both officers' vehicles were parked in front of the police department. The suspect vehicle left the scene and was located soon after the incident within Kensington and the driver was arrested. The first officer's vehicle was totaled and the second officer vehicle sustained major damage. This case is to be filed with the Contra Costa County District Attorneys Office.

2010-2184 Auto Burglary.

Kensington has sustained 9 Auto burglaries in the month of June. Case numbers **2010-2189, 2010-2191, 2010-2222, 2010-2236, 2010-2239, 2010-2291, 2010-2334, and 2010-2335**. All of the victim vehicles had their windshields smashed and items were taken from the passenger compartments. Berkeley has also sustained no less then twenty similar window smashes within the same time period. These cases are under investigation.

2010-2199 Arrest of forgery suspect.

Officer Hui was able to identify a suspect in this case and determined the suspect was to attend court in Oakland on another felony case out of Alameda County. I was able to apprehend the suspect as he entered the courthouse. This case will be filed with the Contra Costa County District Attorneys Office.

2010-2695 Residential Burglary.

Victim reported a residential burglary that took place during the morning. The suspect(s) entered the residence by kicking open two different exterior doors and damaged a third. Several items were taken from the home. This case is under investigation.

2010-2701 Arrest of forgery suspect.

Officer Hui and I were conducting a follow up investigation on case 2010-2199 in Oakland. We contacted the previous arrested suspect and found he had been involved in more criminal activity. Based on the evidence observed we again arrested the suspect on new criminal charges. This case will also be filed with the Contra Costa County District Attorneys Office.

2010-2712 Residential Burglary.

Victim returned home finding items taken and the rear door to the home open. The point of entry is believed to be a rear damaged window. This case is under investigation.

2010-2872 Residential Burglary.

The report was not finished by the time of this publication. This case will be investigated.

KPD INVESTIGATIONS INFORMATION:

2010-1962 No Bail Warrant and Narcotics Arrest.

During follow up investigation two suspects were arrested on unrelated charges to the investigation. Both were booked into Contra Costa County Jail. **This case will be filed with the Contra Costa County District Attorney.**

2010-1958 Possession of Narcotics for sale.

Kensington Police Officers and California State Parole Agents conducted a parole search of a person of interest, concerning thefts that have occurred in the Sunset View Cemetery. Over 8 grams of Methamphetamine was located in the residence but due to the number of occupants no one was arrested at the time. This case is still under investigation and I believe that an arrest will be made soon.

2010-1953 Attempted Grand Theft.

An attempted theft of a bronze door that was attached to a mausoleum in the Sunset View Cemetery was interrupted by a grounds keeper. The attempt took place on 5/18/10 at approximately 0710 hours. Two suspects were seen and reported as a white male adult approx. 29 years old, white and black jacket. The second suspect was a black male adult approx. 29 years old wearing all black clothing. The two suspects fled on foot through the back yard of a home on Sea View Drive. **If you have any information to aid in the apprehension of the suspect(s) please call Detective Barrow at 510-526-4141 ex. 26 Case open**

and under investigation.

2010-1889 Grand Theft.

The Sunset View Cemetery sustained the theft of a 100 year old Bronze door that was attached to a mausoleum. The theft of the Bronze Door occurred on 5/11/10. **If you have any information to aid in the apprehension of the suspect(s) please call Detective Barrow at 510-526-4141 ex. 26 Case open and under investigation.**

2010-1751 Grand Theft.

The Sunset View Cemetery has sustained the theft of approximately 40 Bronze Tombstone placards. The theft of the placards occurred from 2030 hours on 4/30/10 to 1500 hours on 5/2/10. **If you have any information to aid in the apprehension of the suspect(s) please call Detective Barrow at 510-526-4141 ex. 26 Case open and under investigation.**

2010-1560 Residential Burglary and two vehicles were stolen.

Three suspects have been arrested in connection with this residential burglary. Two other subjects are also being sought for questioning in this case. The two vehicles that were stolen have been recovered in good condition and with minimal damage if any. We also recovered numerous other stolen items that have been returned to the victim. **This case is still under investigation.**

2010-1457 Hit and Run Vehicle Accident.

A vehicle left the roadway and struck an AT&T phone box and two parked vehicles. The driver fled the area and was located in Pinole where he was arrested. **Charges have been filed in this case.**

2010-1336 Residential Burglary.

Victim reported a residential burglary that took place during the day. The suspect(s) entered through an unlocked rear window and took several household items. This case is under investigation.

2010-1067 Residential Burglary.

Two suspects were arrested for a residential burglary after Chief Harman, Officers Wilson, Ramos and I had ascertained that the suspects had been hiding next door to the victim's residence. One suspect was on parole for burglary and the other has a history of theft. The victim's stolen items were recovered and returned. One of the suspects plead guilty to a felony charge for possession of stolen property. **The other suspect has been held to answer for the burglary and a trial will be held in July.**

2010-629 Commercial Burglary.

An unknown suspect(s) smashed a window to a commercial business taking no less than 60 packs of cigarettes and a boom box portable radio. This case is under investigation.

2009-3190 Residential Burglary.

The suspect has pled guilty in Contra Costa County Court for this Residential Burglary. The suspect has received two years in a state prison. Alameda County District attorney is currently pursuing charges committed in Oakland related to this case.

2007-3645 Lewd or Lascivious Acts with a Child under the age of 14 years. This case is under investigation.

KPD INVESTIGATIONS

- Made several court runs for filling cases, and citation drop off's.
- Updated the KPD residential burglary log.
- Updated the KPD stolen vehicle log.

WEST-NET ASIGNMENT:

I am currently assigned to the West Contra Costa County Narcotic Enforcement Team (West-NET) one day per week.

While on this assignment I work with other West Contra Costa County law enforcement officers and agencies. I participate and aid in the service of search warrants, surveillance, and on going narcotics investigations.

INVESTIGATORS SUMMARY:

In the month of June the District of Kensington sustained 5 identity thefts, 1 non-injury vehicle accidents and 1 Hit and Run Vehicle Accidents, 0 Injury Hit and Run Accidents, 0 Injury Accidents, 3 Residential Burglaries, 1 Attempted Residential Burglary, 0 Commercial Burglary, 10 Auto Burglaries, 1 Theft from unlocked vehicle, 1 Stolen Vehicle, 1 Petty Theft, 4 Vandalisms, 0 Attempted Grand Thefts and 0 Grand Thefts.

•• Chief Harman

During the month there were two occasions when the professionalism of the Kensington Police Department was recognized by other jurisdictions. The first occurred when Detective Barrow was recognized by San Pablo Police Chief Joseph Aita for his assistance while working with WestNet and the efforts to identify and take into custody the individuals responsible for a brutal rape that was investigated by San Pablo PD.

The second occurred on June 11th, when Berkeley PD requested our assistance in patrolling our neighboring areas of the Berkeley Hills in an attempt to locate residential burglars that were working in the area.

One of my goals when I first arrived in Kensington was to change the perception of our department that other agencies had of us. During the past 34 months, our department has worked hard to cooperate and participate with other law enforcement agencies in providing pro-active enforcement and successful apprehension of criminals in our area. Our hard work is paying off and I believe we now have the respect of our fellow law enforcement agencies. I am proud of our accomplishments to date and we will continue to work hard to maintain that respect that we have earned.

July 2010

July 2010

August 2010

S	M	T	W	T	F	S	S	M	T	W	T	F	S
4	5	6	7	8	9	10	1	2	3	4	5	6	7
11	12	13	14	15	16	17	8	9	10	11	12	13	14
18	19	20	21	22	23	24	15	16	17	18	19	20	21
25	26	27	28	29	30	31	22	23	24	25	26	27	28
							29	30	31				

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Jun 27		28	29	30	Jul 1	2	3
Jun 27 - Jul 3							
4		5 7:00pm KCC; CCM	6	7	8 7:00pm GPFF; CCM 7:00pm KPPCSD, CCG	9	10 8:00am HOLD CCRen
Jul 4 - 10							
11		12 7:30pm KARO; CCG	13	14 7:00pm KFD Mtg; CC	15	16	17
Jul 11 - 17							
18		19	20	21	22	23	24
Jul 18 - 24							
25		26 8:00am KIC; CCG	27 7:30pm KMAC, CCG	28 7:30pm Neighborhood	29	30	31
Jul 25 - 31							

August 2010

August 2010

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September 2010

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Aug 1	2	3	4	5	6	7	
		7:00pm KCC; CCM			7:30pm EBC; CC3		
8	9	10	11	12	13	14	
	7:30pm KARO; CC3		7:00pm KFD Mtg; CC	7:00pm GPFF; CCM 7:00pm KPPCSD, CC3		8:00am HOLD CCR C	
15	16	17	18	19	20	21	
				7:30pm EBC; CC3			
22	23	24	25	26	27	28	
29	30	31	Sep 1	2	3	4	
	8:00am KIC; CC3	7:30pm KMAC; CC3					

Aug 1 - 7

Aug 8 - 14

Aug 15 - 21

Aug 22 - 28

Aug 29 - Sep 4

General Manager June 2010 Report

Budget

Police Tax

The Supplemental Police Tax has passed and the Board will be setting the amount of the Supplemental Tax at a Special Meeting to be held during the week of July 25th. Thank you for your support!

CERBT Funding

The Finance Committee has already recommended the Calpers CERBT Program for the District, and this recommendation was passed by the Board at the April 8th Meeting. I will be requesting approval to start funding of the Calpers CERBT Program at the July 8th Board Meeting.

Kensington Park

Park Restroom

We have put together our specifications for the project, the bidding documents are currently being reviewed by our District counsel, and we should be going out to bid during the month of July.

Community Center & Annex

At a Special meeting of the KCC Board on May 28th, the KCC Board voted to withdraw their offer to remodel the Community Center at this time.

The Park Building Committee will hold its third meeting July 14th, in preparation of making a recommendation back to the KPPCSD Board August 12th.

Emergency Preparedness

We now have the agenda and the minutes of the Public Safety Council posted on the KPPCSD web page for future review.

The next meeting of the Kensington Public Safety Council will take place Monday, July 12th, at 6:30 PM at the Community Center Room #3.

On June 30th, I attended the Contra Costa Community Warning System Workshop in Martinez.

Other District Items of Interest

Traffic

We have placed the order for the solar speed radar sign that will be posted on the southbound lane of Arlington Avenue in the area of 46 Arlington. The sign was purchased with funding from our 2008/2009 COPS Grant. The sign should be in service by the end of July.

Street Sweeping

Street sweeping began in Kensington in January and will be provided at no cost to Kensington by the Contra Costa County Public Works Department. On the first Friday of every month, the County will sweep the streets of Arlington, Coventry, Ardmore, Edgcroft, Lenox, Kingston, Stratford, Beverly, Berkeley Park, Ocean View, Oak View, and Colusa.

Residents are being asked to help by moving their vehicles, garbage and recycling cans from the street, clearing large debris and obstructions from the gutters, trimming back vegetation along the curb and sidewalk, and not piling leaves or green waste in the roadway.

If we all do our part we can keep Kensington streets clean and help keep pollutants out of our waterways.

Census

During the last week in February, the United States Department of Commerce was in Kensington to begin the 2010 Decennial Census. The process began with the delivery of the census questionnaires and the contacting of some residents. Census Bureau employees will be working in the area through August and they can be identified through identification cards issued by the Census Bureau.

Website

The Board packets, monthly reports, and minutes and recordings of the KPPCSD Board Meetings are available for review on our website at:

www.kensingtoncalifornia.org.

District Timeline

An updated version of the KPPCSD Timeline is attached to this memo.

KPPCSD TIMELINE 2010

MONTH	DAY	ACTION NEEDED	DUE	BY	COMPLETED BY
Jan	7	Approve NBS Contract @ Spc Meet	1/7/2010	Board	Board
Jan	14	Board Committee Assignments	1/14/2010	Board	Board
Jan	14	New Board Pres. est a timeline for GM/COP	1/14/2010	Brd Pres	Board
Feb		Performance Appraisal process	6/30/2010	Toombs/ Wright	
Feb	11	Begin KPOA contract negotiations	2/11/2010	GM	Harman
Feb	16	Mid Year Budget Review	2/16/2010	GM	Harman
		Solid Waste Coordinating Committee			
Feb	22	Last day to submit Board resolution for police tax	2/22/2010	Board/GM	Board
Mar	12	Last day to submit argument for tax	3/12/2010	Voters	
Mar	12	Last day to submit Board resolution & Ordinance for police tax	3/12/2010	Board/GM	BRD/GM
Mar	12	Last day to submit arguments for tax	3/12/2010	Voters	
Mar	19	Last day for rebuttal arguments	3/19/2010	Voters	
Mar	19	NBS to prepares Annual Report	3/19/2010	NBS	
Mar	23	Pre-Lim 2010/2011 Budget	3/30/2010	GM/ACC	
Mar	30	NBS submits Annual Report	3/30/2010	NBS	
Mar	30	Last day to submit VWV application for park restroom	3/30/2010	GM	GM
Apr	8	Board adopts NBS Levy Tax (3) resolutions	3/8/2010	GM/BRD	
Apr		Pre-Lim 2010/2011 Budget Review		GM/FIN	
Apr	29	County issues mail in ballots		County	
Apr	30	Deadline for publishing Levy Tax Resolutions	4/30/2010	GM/SEC	
May	10	First day for mail in ballots	5/10/2010	Voters	
May	13	Present 2010/2011 Budget to Board	5/13/2010	GM	
May	13	Board passes NBS Levy Tax (3) resolutions	5/13/2010	Board	
May	13	GM/COP Performance Appraisal Worksheet to Board	5/13/2010	Brd Pres	

May	13	Posting of Appropriations Limit	5/14/2010	GM
May	18	Solid Waste Committee Meeting	5/18/2010	GM
May	27	Secretary delivers copies of approved Resolutions to NBS	5/27/2010	SEC
June	8	Election Day	6/8/2010	Voters
June	10	Appropriations Limit to Board	6/10/2010	GM
June	10	If not approved in May, Board Budget Approval	6/10/2010	Board
June	10	Board provides Appraisal to GM/COP	6/10/2010	Board
June	10	Begin GM/COP Negotiations	6/30/2010	Board
June	30	KPOA Contract Expires	6/30/2010	Board
June	30	GM/COP contract expires	6/30/2010	Board
July	3	Certified statement of results	7/3/2010	County
July	8	KPPCSD Board Meeting	8/12/2010	Board
July	6	First day for Notice of Election Nov 2	8/6/2010	PM/BWJS
July	14	Park Building Committee Meeting	7/14/2010	John Stein
July	28	Last day to publish Appropriations Limit	7/28/2010	GM/BRD
Aug	6	Last day to file for (3) Board positions	8/6/2010	Voters
Aug	10	Last day to file for Spec Tax increase 2010/2011	8/10/2010	GM
Aug	12	KPPCSD Board Meeting	8/12/2010	Board
Aug	17	Solid Waste Coordinating Committee	8/17/2010	GM
Sep	9	KPPCSD Board Meeting	9/9/2010	Board
Sep	30	Special Districts Financial Report Due	9/30/2010	Auditor
Oct	14	KPPCSD Board Meeting	10/14/2010	Board
Nov	2	Election day		
Nov	11	KPPCSD Board Meeting	11/11/2010	Board
Nov	16	Solid Waste Coordinating Committee	11/16/2010	GM
Dec	9	Swearing In of elected Board members	12/9/2010	GM/COP

OLD BUSINESS

#1 - General Manager Greg Harman will request the Board authorize the disbursement of \$120,000 to Calpers for the 2009/2010 California Employers' Retiree Benefit Trust (CERBT) funding. Board Action.

#2 - General Manager Greg Harman will request the Board authorize the disbursement of \$243,373 to Calpers for the 2010/2011 California Employers' Retiree Benefit Trust (CERBT) funding. Board Action.

Memorandum

Kensington Police Department



To: KPPCSD Board of Directors

APPROVED YES NO

From: Gregory E. Harman, General Manager

FORWARDED TO:

Date: Thursday, July 01, 2010

Subject: Old Business Items #1 & 2 CalPERS CERBT Funding

In 2008, the District entered into an agreement with Nicolay Consulting to provide the actuarial valuation of the Kensington Police Protection and Community Services District postemployment healthcare plan (GASB 45). The report was completed on September 22, 2008 with the results of the July 1, 2008 actuarial valuation, and accepted by the Board at the October 2008 KPPCSD Board meeting.

On November 5, 2009, the Finance Committee met and held discussions to recommend to the Board the alternative avenues for maintaining our funding for GASB 45 requirements. After discussing the options of funding through either CalPERS or PARS, the Finance Committee made the recommendation to fund our postemployment healthcare benefits with CalPERS.

In May of 2010, in anticipation of funding with CalPERS, I had Nicolay Consulting update our July 2008 actuarial in order to meet the CalPERS requirements.

Our present value of future postretirement healthcare benefits based on a 7.75% discount rate as of July 1, 2008 was:

Active employees	\$497,189
Retirees, Spouses, and Surviving Spouses	\$1,730,160
Actuarial Accrued Liability (AAL)	\$2,227,349

Our full 2008/2009 Annual Required Contribution (ARC) would have been \$226,257 had we opted into the CalPERS program that fiscal year. Our full 2009/2010 Annual Required Contribution (ARC) would have been \$241,809. It was estimated at the time of the 2009/2010 budget, that the cost of funding our future retirement medical costs

would have been \$120,000, after making pay as you go payments through the 2009/2010 fiscal year. This \$120,000 payment had been budgeted for in the 2009/2010 Fiscal Year Budget.

The full 2010/2011 Annual Required Contribution (ARC) has been determined to be \$243,373. At the April 8th KPPCSD Board Meeting, the Board passed Resolution 2010-07 approving the funding of our fund our postemployment healthcare benefits with CalPERS. The Board during discussion on the matter indicated that they wished to fund the full ARC and request reimbursement of the payments made for current retirees as the fiscal year progressed. Therefore, the total ARC of \$243,373 has been budgeted for in the Preliminary 2010/2011 Fiscal Year Budget.

I have attached a copy of the July 1, 2008 CalPERS Certification of OPEB Actuarial Report and May 12, 2010 Updated 2008 Actuarial Report for review.

In order to begin our participation in the CalPERS CERBT Program, I am recommending that the Board authorize the disbursement of \$120,000 for the 2009/2010 contribution and authorize the disbursement of \$243,373 for the 2010/2011 contribution.

Gregory E. Harman

General Manager



CERTIFICATION OF OPEB ACTUARIAL INFORMATION

As Actuary of the plan, I certify that the Other Post-Employment Benefits (OPEB) actuarial valuation upon which the enclosed summary of actuarial information is based meets the following criteria:

- The assumptions used in this OPEB valuation come from the CalPERS OPEB Assumption Model prescribed by the California Employers' Retiree Benefit Trust (CERBT).
The valuation has been prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries.
The valuation has been prepared in accordance with generally accepted actuarial principles.
The valuation has been prepared in accordance with the requirements set forth in Governmental Accounting Standards Board (GASB) Statements No. 43 and No. 45.
If the actuarial valuation is to be performed every two years, then the valuation includes information that covers two fiscal years.
If employer assets to pre-fund other post-employment benefits are invested in an irrevocable OPEB trust other than the CERBT, the liabilities associated with those assets are not included in the summary of actuarial information.

I further certify that the discount rate is consistent with the anticipated level of funding pursuant to the relevant section of GASB 43, and the employer's certification.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Name of Employer

JULY 1, 2008
Valuation Date

DENNIS DAUGHERTY F.S.A., M.A.A.A.
Printed Name of Actuary and Designation

Dennis Daugherty
Signature May 14, 2010
Date

1 In cases where the actuary performing the work does not meet these criteria, the valuation may be acceptable if the person has equivalent qualifications that are acceptable to the CalPERS Board. Please provide the qualifications of the actuary performing the valuation.

SUMMARY OF ACTUARIAL INFORMATION REQUIRED FOR CALPERS FINANCIAL STATEMENTS
Version 5.0

As part of your agreement to use CalPERS to pre-fund OPEB, the following information must be provided to CalPERS each time an OPEB actuarial valuation report is delivered to CalPERS. For actuarial valuations performed once every two years, employers must also provide some additional second year information.

This information is extremely important to CalPERS since it will be used to satisfy the requirements of GASB Statement No. 43.

Note that CalPERS intends to only publish valuation results in its financial statements on an aggregated basis. No individual plan results will be published.

If you have questions, please call (888) CalPERS (225-7377).

Contact Information for Employer

ER Name: KENSINGTON POLICE PROTECTION & CSD
 Contact Name: Greg HARMAN
 Phone Number: 510 526 4141

Contact Information for Actuarial Firm

Name of Actuarial Firm: Nicolay Consulting Group
 Actuary/Contact Name: Dennis Daugherty
 Phone Number: (800) 998-7675 x221

Name of the person responsible for providing the required information in the table below: Greg HARMAN

Column (c) applies to employers who file actuarial valuations every year. Columns (c) and (d) apply to those who file actuarial valuations every two years.

Item No	Item Description	First Year	Second Year	Comments	Instructions
(a)	(b)	(c)	(d)	(e)	(f)
1.0	Actuarial Valuation Date	7/1/2008			
2.0	Frequency of Actuarial valuations (Annual or Biennial?)	Biennial			Please identify if an actuarial valuation will be performed every year or every two years
3.0	Present Value of Future Benefits	\$2,879,139			
4.0	Total Accrued Liability	\$2,227,349			
5.0	Market Value of Assets	\$0			The market value of assets should exclude funds not yet transferred to CalPERS that are not currently invested in an irrevocable OPEB trust fund.
5.1	Value of funds included in the market value of assets currently invested in an irrevocable trust fund that will be transferred to the CERBT.	\$0			Please provide any funds currently invested in an irrevocable OPEB trust fund that will be transferred to the CERBT before the completion of the next actuarial valuation.
6.0	Actuarial Value of Assets	\$0			The actuarial value of assets should exclude funds not yet transferred to CalPERS that are not currently invested in an irrevocable OPEB trust fund.
6.1	Method to determine the Actuarial Value of Assets	N/A			If applicable, provide a brief description of the asset smoothing used in the valuation.
7.0	Unfunded Accrued Liability (UAL) as of Date of Valuation	\$2,227,349			
8.0	Funded Ratio (Actuarial Value of Assets / Actuarial Accrued Liability)	0.0%			

Item No	Item Description	First Year	Second Year	Comments	Instructions
9.0	Amortization Method (level dollar or level percentage of projected payroll)	level percentage of projected payroll			
9.1	Average Remaining Amortization Period	30 yrs	29 yrs		
9.2	Please identify if the Amortization Period is Closed or Open	Closed			A closed amortization is where the amortization period eventually goes down to 0. An open amortization is where the number of years remains the same in each valuation.
10.0	Fiscal Year for the ARC (mm/dd/yy - mm/dd/yy) (Note: If valuations are biennial, please indicate both years of coverage)	07/01/08-06/30/09	07/01/09-06/30/10		
11.0	Total Annual Required Contribution (ARC) \$ amount	\$226,257	\$241,809	The second year ARC is projected from the 2008/09 valuation	Very important Note - The calculation of the ARC should ignore any assets not yet transferred to the CERBT, unless these funds are currently invested in an irrevocable trust fund and these funds will be transferred to the CERBT.
11.1	Normal Cost \$ portion of the ARC	\$67,416	\$92,224		
11.2	Payment toward UAL \$ portion of the ARC	\$138,841	\$149,585		
11.3	Are the ARC amounts in Item 11.0 estimated? If the employer is contributing as a % of payroll and actual ARC amounts cannot be known until the end of the fiscal year, please indicate that Item 11.0 is "Estimated".				
12.0	Discount Rate Assumption %	7.75%	7.75%	The first contribution will be made prior to the end of the 2009/10 fiscal year, followed by full annual funding of the Annual OPEB Cost.	If fully funding, then enter 7.75%. If partially funding, enter the blended rate (between 7.75% and the Interest Rate indicated in Item 13.1)
13.0	For a partially funded plan, the method used to determine the blended discount rate	N/A	N/A		Please describe the ratio(s) used to calculate the blended rate.
13.1	Interest Rate used to calculate the blended rate if not fully funding. This is usually the short-term interest rate available to the employer.	N/A			
13.2	Percentage of ARC funded (if not fully funding)	0.0%	100.0%	<i>KPPESB</i> The KPPESB adopted GASB 45 in the 2008/09 fiscal year and is joining the CERBT in the 2009/10 fiscal year.	
14.0	Annual Covered Payroll				This is the annual payroll for all the active members covered in the valuation. Do not include salaries for employees not covered under the OPEB plans being valued.
15.0	Salary Increase Assumption (if relevant to benefit levels)	N/A			Please provide a brief description of the individual salary increase assumption (only if relevant to benefit levels).

Item No	Item Description	First Year	Second Year	Comments	Instructions
Employer Information					
16.0	Expected frequency of actual contributions to CalPERS (e.g. monthly, quarterly, semi-annual or annual)				Please provide the anticipated frequency of contributions to CalPERS. Do you expect to send a one payment each year, twice a year, quarterly or monthly.
17.0	Total dollar amount of retiree premiums- (Provide two years of premiums if valuations are biennial)	\$123,273	\$123,511		This data comes from the OPEB valuation
18.0	Total dollar amount of Implicit Rate Subsidy or other paygo OPEB Costs counted toward ARC contributions and not included above (Provide two years of information if valuations are biennial)	N/A	N/A	6770SD The 6770SD participates in the community rated CalPERS medical program.	This data comes from the OPEB valuation
19.0	Will you contribute your full ARC and then seek reimbursement for paygo costs or will you contribute the ARC net of paygo costs and not seek reimbursement? (Enter either: "Full ARC/Reimburse" or "Net ARC/No Reimbursement")				
Participant Information for the Miscellaneous Members					
20.0	Number of Active Members	0			This data comes from the OPEB valuation
20.1	Number of Terminated-Vested Members	0			This data comes from the OPEB valuation
20.2	Number of Recipients	0			This data comes from the OPEB valuation
Participant Information for the Safety Members					
21.0	Number of Active Members	9			This data comes from the OPEB valuation
21.1	Number of Terminated-Vested Members	0			This data comes from the OPEB valuation
21.2	Number of Recipients	10			This data comes from the OPEB valuation

Item No	Item Description	First Year	Second Year	Comments	Instructions	
Trend Rates and Health Assumptions						
22.0	Vision Trend Rates (if Applicable)	N/A			This data comes from the OPEB valuation	
22.1	Dental Trend Rates (if Applicable)	N/A			This data comes from the OPEB valuation	
22.2	Health Assumptions	FILL IN THE TABLE BELOW WHERE APPLICABLE				

Provide in the table below the select and ultimate medical and pharmacy cost trend rates where applicable.

Select Period Indicate Each Calendar Yr or Fiscal Yr	Pre-Medicare Eligible			Post-Medicare Eligible			Other (PEMHCA Minimum, CPI%, Fixed Gap, etc.)
	HMO	PPO	Indemnity Plan	HMO	PPO	Indemnity Plan	
2010	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	N/A
2011	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	N/A
2012	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	N/A
2013	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%	N/A
2014	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	N/A
2015	6.70%	6.70%	6.70%	6.70%	6.70%	6.70%	N/A
2016	6.40%	6.40%	6.40%	6.40%	6.40%	6.40%	N/A
2017	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	N/A
2018	5.80%	5.80%	5.80%	5.80%	5.80%	5.80%	N/A
2019+	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	N/A
Ultimate Medical Trend Rates	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	N/A

**KENSINGTON POLICE PROTECTION
AND COMMUNITY SERVICES DISTRICT**

Actuarial Valuation of
Postemployment Healthcare Benefits
Valuation Date: July 1, 2008
(Revised May 2010)

May 12, 2010

Mr. Gregory E. Harman
General Manager/Chief of Police
Kensington Police Protection & Community Services District
~~217 Arlington Avenue~~
Kensington, CA 94707

Dear Mr. Harman:

Re: Actuarial Valuation of Postretirement Healthcare Program

The Nicolay Consulting Group is pleased to present the results of the July 1, 2008 actuarial valuation of the Kensington Police Protection & Community Services District postemployment healthcare plan. In preparing the report, we relied on employee data and plan information provided by the District. On the basis of that information, this report has been prepared in accordance with generally accepted actuarial principles and methods. It is our opinion that the actuarial assumptions used are reasonably related to the actual experience of the plan and to anticipated future experience.

The financial projections presented in this letter are intended for the District's internal use in evaluating the potential cost of the retiree health programs. Because future events frequently do not occur as expected, it should be recognized that there are usually differences between anticipated and actual results. These differences may be material. Consequently, we can express no assurance that the projected values will occur. We recommend that the District obtain an updated actuarial valuation on a periodic basis. Questions about the report should be directed to Dennis Daugherty at (415) 512-5300 x221

The undersigned meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,

Nicolay Consulting Group

By: _____

Dennis Daugherty, F.S.A.
Member, American Academy of Actuaries

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SECTION I

Introduction

The Kensington Police Protection & Community Services District provides postemployment medical, dental and vision benefits to eligible retirees, spouses and surviving spouses. This report provides an estimate of the present value of the District's obligation as of July 1, 2008, a ten-year projection of the pay-as-you-go cost to provide the benefit and an illustration of the impact of GASB 45. **Section II** contains valuation results. **Section III** describes the plans and presents a demographic summary. **Section IV** lists the actuarial assumptions used to complete the valuation. **Section V** contains a Glossary of several of the terms used in this report.

Accounting Requirements

In July 2004 the Governmental Accounting Standards Board issued **Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions**. This statement requires governmental entities to begin accounting for postemployment benefits on an accrual basis. Public entities that sponsor postemployment benefits will be required to account for the cost of those benefits using accrual accounting rather than the more common pay-as-you-go accounting. This means that each employee's benefit will accrue throughout his or her working lifetime, and that employers will be required to show the annual accruals as a current year expense. The change from pay-as-you-go accounting to accrual accounting will have a significant effect on the financial statements and balance sheets of many public sector employers.

Employers must adopt Statement 45 no later than the plan year that begins after December 15, 2006, 2007 or 2008 depending on the annual revenues of the entity. Entities with total annual revenues of \$100 million or more will adopt no later than the first year listed above, entities with total annual revenues of \$10 to \$100 million no later than the second year and entities with total annual revenues of less than \$10 million will adopt no later than the third year.

SECTION II

Valuation Results

Table 2-1 contains estimates of the present value of the cost of postemployment medical benefits attributable to past service rendered by current retirees and employees who are expected to receive the benefit. The estimates are based on the assumptions and methodology prescribed for Agencies that participate in the CalPERS administered California Employers' Retiree Benefit Trust Fund. The valuation results are based on a 7.75% discount rate; assuming that the District joins the CalPERS sponsored California Employers' Retiree Benefits Trust (CERBT) and contributes the full Annual Required Contribution (ARC) each year. If the District does not contribute the full ARC each year, a lower discount rate will be required. This could result in significantly higher annual costs as reported under GASB 45.

A primary objective of GASB 45 is to require recognition of postemployment healthcare expense systematically over periods approximating employees' years of service. The Actuarial Accrued Liability represents the estimated present value of future benefits that are associated with past service rendered by employees and retirees.

Active Employees	\$497,189
Retirees, Spouses and Surviving Spouses	<u>\$1,730,160</u>
Actuarial Accrued Liability (AAL)	\$2,227,349

Projected Health Benefit Costs

Table 2-2 contains a ten-year projection of the District's pay-as-you-go cost to provide postemployment medical, dental and vision benefits to current and future retirees and their dependents.

<u>Year</u>	<u>Amount</u>
2008/09	\$123,273
2009/10	\$123,511
2010/11	\$133,617
2011/12	\$141,221
2012/13	\$147,625
2013/14	\$156,666
2014/15	\$172,241
2015/16	\$194,867
2016/17	\$202,774
2017/18	\$211,948

Health Benefit Costs Under Accrual Accounting

Employer's financial statements will contain disclosure of information regarding funding, costs and provisions of the postemployment plans.

The following Tables provide illustrations of the liability and financial statement expense that would appear in the District's financial statement if GASB 45 was adopted as of July 1, 2008, the District joins the CERBT and the District contributes the full ARC each year.

The first year Annual Required Contribution (ARC) consists of the Normal Cost plus the portion of the Unfunded Actuarial Accrued Liability that is to be amortized in the current period. The Normal Cost is the portion of the actuarial present value of future benefits that is allocated to a particular year. Another interpretation is that the Normal Cost is the present value of future benefits that are "earned" by employees for service rendered during the current year. This valuation is based on the Entry Age Normal Cost method of calculation and an attribution period that runs from date of hire until the expected retirement date.

In the year the new accounting rules become effective an employer is allowed to commence amortization of the Unfunded Actuarial Accrued Liability over a period not to exceed 30 years. Tables 2-3 and 2-4 are based on a level percentage of payroll amortization over 30 years.

Table 2-3		
Development of Illustrative 2008/2009 Fiscal Year Annual Required Contribution based on a 7.75% discount rate		
	<u>Number of Employees</u>	<u>Present Value</u>
Active Employees	9	\$497,189
Retirees and Surviving Spouses	<u>10</u>	<u>\$1,730,160</u>
Actuarial Accrued Liability (AAL)	19	\$2,227,349
Actuarial Value of Assets		<u>\$0</u>
Unfunded Actuarial Accrued Liability (UAAL)		\$2,227,349
Illustrative Amortization Period		30 years
Level percent of pay Amortization Factor (based on a 7.75% discount rate and a 3.25% annual increase in salaries)		16.042
Annual level percentage of payroll Amortization of UAAL		\$138,841
Normal Cost (Entry Age Normal Cost Method)		<u>\$87,416</u>
Annual Required Contribution (ARC)		\$226,257

Table 2-4 presents a five-year projection under the assumptions that the District joins the CERBT in the 2009/10 fiscal year, funds the full Annual OPEB Cost each year in the middle of the fiscal year (except 2010 funding is assumed to occur on June 30, 2010), annually withdraws each year's retiree cost from the trust, the discount rate remains 7.75% and the Normal Cost increases 5.5% per year.

Kensington Police Protection and Community Services District					
Five-year Projection of Annual OPEB Cost and Net OPEB Obligation					
Based on a 7.75% discount rate and assuming full ARC funding commencing in the 2009/2010 fiscal year					
	2008/09	2009/10	2010/11	2011/12	2012/13
Actuarial Accrued Liability (AAL)	\$2,227,349	\$2,359,424	\$2,506,296	\$2,659,132	\$2,821,270
Actuarial Value of Assets at beginning of year	\$0	\$0	\$243,261	\$377,507	\$523,883
Unfunded Actuarial Accrued Liability (UAAL)	\$2,227,349	\$2,359,424	\$2,263,035	\$2,281,625	\$2,297,387
Remaining Amortization Period	30	29	28	27	26
Normal Cost	\$87,416	\$92,224	\$97,296	\$102,647	\$108,293
Amortization of UAAL	<u>\$138,841</u>	<u>\$149,585</u>	<u>\$146,077</u>	<u>\$150,119</u>	<u>\$154,263</u>
Annual Required Contribution (ARC)	\$226,257	\$241,809	\$243,373	\$252,766	\$262,556
Annual Required Contribution (ARC)	\$226,257	\$241,809	\$243,373	\$252,766	\$262,556
Interest on net OPEB Obligation	\$0	\$7,981	\$7,981	\$7,981	\$7,981
Adjustment to ARC	\$0	(\$6,529)	(\$6,648)	(\$6,776)	(\$6,915)
Annual OPEB Cost	<u>\$226,257</u>	<u>\$243,261</u>	<u>\$244,706</u>	<u>\$253,971</u>	<u>\$263,622</u>
Contributions before joining the Trust	(\$123,273)	N/A	N/A	N/A	N/A
Contribution to the Trust	<u>\$0</u>	<u>(\$243,261)*</u>	<u>(\$244,706)</u>	<u>(\$253,971)</u>	<u>(\$263,622)</u>
Increase in net OPEB Obligation	\$102,984	\$0	\$0	\$0	\$0
Net OPEB Obligation – Beginning of Year	\$0	\$102,984	\$102,984	\$102,984	\$102,984
Net OPEB Obligation – End of Year	\$102,984	\$102,984	\$102,984	\$102,984	\$102,984
Projected pay-as-you-go Cost	\$123,273	\$123,511	\$133,617	\$141,221	\$147,625

* the 2010 CERBT funding is assumed to occur on June 30, 2010

SECTION III

Plan Description and Demographic Summary

Eligibility

The District has assumed responsibility for providing the entire cost of postretirement medical, dental and vision benefits to eligible retirees and their dependents.

Medical Plans

The District participates in the CalPERS medical program. Retirees may enroll in any of the plans offered by the District. Retirees are currently enrolled in Kaiser and Blue Shield plans. The District also provides postretirement dental coverage through Delta Dental and postretirement vision coverage through VSP.

Duration of Benefits

District provided benefits continue for the life of the retiree and spouse.

Demographic Data

The District provided demographic information on all current active and retired employees. Tables 3-1 and 3-2 contain summaries of the demographic information used in the valuation.

Age	Female	Male	Total
Under 50	0	2	2
50-54	0	1	1
55-59	0	1	1
60-64	0	3	3
65-69	0	0	0
70-74	0	0	0
75-79	2	1	3
80 and Older	0	0	0
Total	2	8	10

Note: Table 3-1 contains 8 retirees and 2 surviving spouse.

Table 3-2
 Age and Service Table of Active Employees
 as of July 1, 2008

Age	Years of Service					Total
	<5	5-9	10-14	15-19	20+	
Under 30	1	0	0	0	0	1
30-34	1	0	0	0	0	1
35-39	0	0	0	0	0	0
40-44	1	1	0	0	0	2
45-49	0	0	2	0	0	2
50-54	2	0	0	0	0	2
55-59	0	0	0	0	0	0
60-64	0	1	0	0	0	1
65 and Older	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	5	2	2	0	0	9

SECTION IV

Actuarial Method and Assumptions

In order to project the District's liabilities into the future, a number of economic, demographic, and baseline cost assumptions are necessary. For this valuation, we have used assumptions consistent with those specified in the "OPEB Assumption Model" released by the CERBT Administrators.

Actuarial Cost Method

The valuation was completed using the Entry Age Normal Cost Method. An Actuarial Cost Method is a procedure for allocating the actuarial present value of benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability. The Entry Age Normal cost method allocates the present value of future benefits on a level basis over the earnings or service (in this case earnings) of each employee between the hire date and assumed retirement age. The portion of the present value of future benefits allocated to a valuation year is called the Normal Cost. The portion allocated to all prior years is called the Actuarial Accrued Liability.

Valuation Date

The valuation date is July 1, 2008. This date is the starting point from which current health premium costs are increased according to the assumed annual rates of health care cost trend. The District census is projected from the valuation date to the date of the final benefit payment for each employee and retiree on the census. After calculating future costs for the projected retiree and dependent population, all liabilities are discounted back to the valuation date to obtain the present value of future costs.

Economic Assumptions

Health Care Trend

The rate of increase in per capita health care costs is commonly referred to as the health care cost trend rate. Although the term "health care inflation" is sometimes used synonymously with the trend rate, health care inflation is only one of several components of the trend rate. Our analysis recognizes the following influences on health care trend: pure medical inflation, utilization changes, technological changes, regulatory requirements, and Medicare cost shifting.

Based on recent rate increases and our assessment of likely future CalPERS rate increases, we developed the following annual healthcare trend rates for use in the

valuation. These rates assume that there will not be any significant changes in the CalPERS medical plan designs.

Year Beginning	Early Retirees	Medicare Retirees
January 1, 2010	8.2%	8.2%
January 1, 2011	7.9%	7.9%
January 1, 2012	7.6%	7.6%
January 1, 2013	7.3%	7.3%
January 1, 2014	7.0%	7.0%
January 1, 2015	6.7%	6.7%
January 1, 2016	6.4%	6.4%
January 1, 2017	6.1%	6.1%
January 1, 2018	5.8%	5.8%
January 1, 2019 & thereafter	5.5%	5.5%

Dental premiums are assumed to increase 2% per year. Vision premiums are assumed to increase 1% per year.

Discount Rate

A discount rate is required to calculate the present value of future benefit payments which are used to determine financial statement expense. GASB Statement No. 45 specifies that the selected rate should be “the long-term investment yield on investments that are expected to be used to finance the payment of benefits”. This valuation is based on a 7.75% discount rate under the assumption that the District will join the California Employers' Retiree Benefit Trust and make annual contributions equal to or greater than each year's Annual Required Contribution (ARC).

Baseline Cost

Estimates of retiree health benefit obligations are normally based on current costs for a one year period. We refer to this as the *baseline cost*. The baseline cost and the current plan population are projected into the future to estimate the cost of future benefits.

For the 2008/2009 plan year baseline cost we used 2008 and 2009 calendar year CalPERS medical rates. We assumed Delta Dental and VSP premium rates will increase on January 1, 2009 by 2.0% and 1.0% respectively. The following Table contains the premium rates used in the valuation.

Table 4-2		
CalPERS Bay Area premium rates for the 2008 and 2009 Calendar Years		
Retiree or Spouse Monthly Medical Premium Rates		
Basic Rates	2008	2009
Blue Shield	\$532.93	\$560.57
Kaiser	\$470.67	\$508.30
PERS Choice	\$482.48	\$482.48
PERSCare	\$749.83	\$749.83
Medicare Supplement Rates		
Blue Shield	\$341.44	\$341.44
Kaiser	\$273.36	\$280.17
PERS Choice	\$349.11	\$349.11
PERSCare	\$404.60	\$404.60
2008 Monthly Dental and Vision Rates		
Dental		
Retiree		\$50.92
Retiree and Spouse		\$98.40
Vision		
Composite rate per Retiree		\$23.73

CalPERS has indicated that its medical program is a "community rated" plan as described in GASB 45. This means that all participating employers located in the same region pay the same premium rates even though older employees and early retirees generally have higher medical costs than younger employees. If CalPERS changes its present practice and at a future date decides to modify the premium structure so that it charges more on average for non-Medicare retirees than for active employees, then higher costs would need to be allocated to retirees, and this could result in a substantial increase in the City's Actuarial Accrued Liability and Annual Required Contribution.

The 2008/09 baseline costs shown in the following Table were developed based on the current enrollment of active employees and retirees.

Table 4-3	
2008/09 Annual Baseline Cost per Retiree or Spouse	
Medical	
Retirees and spouses younger than age 65	\$5,874
Retirees and spouses age 65 and older	\$3,321
Dental	
Retiree or Surviving Spouse	\$617
Spouse	\$575
Vision	
Composite cost per Retiree or Surviving Spouse	\$286

Payroll Increases

In this valuation we assumed a 3.25% annual rate of increase in payroll. This rate is a component of the Entry Age Normal Actuarial Cost Method and is used in the calculation of the amortization component of the Annual Required Contribution and in the Normal Cost calculation.

Amortization Methodology

GASB 45 allows amortization of the Unfunded Actuarial Accrued Liability based on a level dollar approach or as a level percentage of covered payroll. The maximum amortization period is 30 years. This valuation is based on a closed 30-year amortization of the Unfunded Actuarial Accrued Liability as a level percentage of payroll; increasing each year as payroll increases.

Administrative Expenses

We assumed that there are no additional administrative fees other than those included in the premium rates.

Plan Assets

We understand that as of July 1, 2008, the District had not pre-funded any portion of the obligation. The District intends to join the California Employers' Retiree Benefit Trust in the 2009/10 fiscal year and commence a program of annual pre-funding in which each year's Trust contribution will equal that year's Annual OPEB Cost.

Demographic Assumptions

Health Plan Participation

We assumed 100% of future eligible retirees will elect to participate in the program. We also assumed that current retirees and surviving spouses will not change their medical plan enrollment and that 100% of future retirees will elect Kaiser coverage.

Dependent Coverage

All current spouses and surviving spouses were included in the valuation. We assumed that males are three years older than their spouses.

Medicare Coverage

We assumed that all retirees and spouses will be eligible for Medicare when they reach age 65.

Mortality Rates

The mortality rates used in this valuation are the rates adopted by CalPERS in 2004 for use in the California PERS pension valuations. The rates are based on recent statewide CalPERS experience. The following Table contains annual mortality rates for selected ages.

These rates represent the probability of dying within the next year. For example, according to the table a male retiree who is 75 years of age has a 3.716% probability of dying within the next year. Female mortality rates at each age are significantly lower than male rates. However, both female and male rates increase with age.

Table 4-4
Sample Mortality Rates

<u>Age</u>	<u>Preretirement</u>		<u>Postretirement</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55	0.248%	0.178%	0.429%	0.253%
60	0.344%	0.256%	0.721%	0.442%
65	0.480%	0.369%	1.302%	0.795%
70	0.671%	0.537%	2.135%	1.276%
75			3.716%	2.156%
80			6.256%	3.883%
85			10.195%	7.219%
90			17.379%	12.592%

Retirement Rates

We used the same retirement rates as those used in the most recent California PERS Public Agency Police 3%@50 retirement plan valuation. These rates are the assumed probabilities of retirement for selected ages from 50 through 70. The rates vary by age. In the actuarial valuation we project each active employee from their current age forward, applying these probabilities of retirement to employees as they reach age 50 and older ages.

Table 4-5
Public Agency Police 3%@50
Annual Rates of Retirement

Age	----- Years of Service -----						
	5	10	15	20	25	30	35
50	0.04350	0.04350	0.04350	0.08210	0.12080	0.15590	0.19100
51	0.03850	0.03850	0.03850	0.07280	0.10710	0.13820	0.16930
52	0.06140	0.06140	0.06140	0.11590	0.17050	0.22000	0.26950
53	0.06890	0.06890	0.06890	0.13030	0.19160	0.24720	0.30280
54	0.07100	0.07100	0.07100	0.13420	0.19740	0.25470	0.31200
55	0.08980	0.08980	0.08980	0.16980	0.24970	0.32220	0.39470
56	0.06870	0.06870	0.06870	0.12990	0.19100	0.24650	0.30190
57	0.08030	0.08030	0.08030	0.15180	0.22320	0.28800	0.35280
58	0.07910	0.07910	0.07910	0.14950	0.21980	0.28370	0.34750
59	0.08200	0.08200	0.08200	0.15490	0.22790	0.29400	0.36020
60	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000

Disability Retirement

Sample disability rates for Police employees are shown in the following Table. These rates match disability rates used in the most recent California PERS Public Agency Police pension valuations.

Table 4-6
Public Agency Police
Annual Rates of Disability

Age	Police
25	0.56%
30	0.56%
35	1.12%
40	1.12%
45	1.67%
50	1.67%
55	5.81%

Withdrawal Rates

Withdrawal rates represent annual probabilities that an employee will leave the organization prior to retirement. The probabilities used in this valuation are based on years of service and an employee's age when they joined the organization. The following table illustrates that the probability of withdrawal decreases as the years of service increase. These rates match withdrawal rates used in the most recent California PERS Public Agency Police pension valuations.

Table 4-7
**Public Agency Police
Annual Withdrawal Rates**

Completed Years of Service	Police
0	0.1299
1	0.0816
2	0.0348
3	0.0331
4	0.0314
5	0.0297
6	0.0281
7	0.0263
8	0.0247
9	0.0230
10	0.0213
15	0.0129
20	0.0097
25	0.0082
30	0.0076
35	0.0012

SECTION V

Glossary

- Accrual Accounting – A method of matching the cost of an employee's service, including long term obligations such as OPEB, to that employee's period of active service.
- Actuarial Accrued Liability (AAL) – The Actuarial Present Value of all postemployment benefits attributable to past service. Note: the AAL is sometimes referred to as the Past Service Liability.
- Actuarial Cost Method – A procedure for allocating the actuarial present value of benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.
- Actuarial Present Value – The value of an amount or series of amounts payable or receivable at various times. Each such amount or series of amounts is:
 - a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.)
 - b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and
 - c. discounted according to an assumed rate (or rates) of return to reflect the time value of money
- Actuarial Valuation – The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets and related Actuarial Present Values.
- Actuarial Value of Assets – The value of cash, investments and other property belonging to a plan. These are amounts that may be applied to fund the Actuarial Accrued Liability. Note: assets must be segregated and placed in a Trust in order to be considered OPEB assets
- Amortization Payment – That portion of the Annual OPEB cost which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

In the year that Statement 45 becomes effective an employer is allowed to commence amortization of the Unfunded Actuarial Accrued Liability, over a period not to exceed 30 years.

- Annual Other Postemployment Benefit Cost (OPEB) cost - An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan. The annual OPEB cost is the amount that must be calculated and reported as an expense.

When an employer has no net OPEB obligation (e.g., in the year of implementation) the annual OPEB cost is equal to the Annual Required Contribution (ARC).

In subsequent years the Annual OPEB cost will include:

- the ARC (equal to the Normal Cost plus one year's amortization of the Unfunded Actuarial Accrued Liability);
 - one year's interest on the net OPEB obligation at the beginning of the year using the valuation discount rate; and
 - an adjustment to the ARC. This adjustment is intended to provide a reasonable approximation of that portion of the ARC that consists of interest associated with past contribution deficiencies. GASB Statement No. 45 specifies that this adjustment should be equal to an amortization of the discounted present value of the net OPEB obligation at the beginning of the year. The amortization should be calculated using the same amortization method and period used in determining the ARC for that year. If the net OPEB obligation is positive the adjustment should be deducted from the ARC.
 - Note: As long as the net OPEB obligation is zero, there will not be any interest charge or adjustment to the ARC. However, if an employer does not contribute the full amount of the ARC, a net OPEB obligation will emerge.
- Annual required contributions of the employer (ARC) - The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.
 - Defined benefit OPEB plan - An OPEB plan having terms that specify the *benefits* to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors, such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

- Defined contribution plan - A pension or OPEB plan having terms that (a) provide an individual account for each plan member and (b) specify how contributions to an active plan member's account are to be determined, rather than the income or other benefits the member or his beneficiaries are to receive at or after separation from employment. Those benefits will depend only on the amounts contributed to the member's account, earnings on investments of those contributions, and forfeitures of contributions made for other members that may be allocated to the member's account. For example, an employer may contribute a specified amount to each active member's postemployment healthcare account each month. At or after separation from employment, the balance of the account may be used by the member or on the member's behalf for the purchase of health insurance or other healthcare benefits.
- Employer's contributions - Contributions made in relation to the annual required contributions of the employer (ARC). An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or an equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.
- Entry Age Normal Actuarial Cost Method – An actuarial cost method under which the Actuarial Present Value of the Projected Benefits of each individual included in the valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion allocated to prior years of service is called the Actuarial Accrued Liability.
- Healthcare cost trend rate - The rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
- Investment return assumption (discount rate) - The rate used to adjust a series of future payments to reflect the time value of money.
- Net OPEB obligation - The cumulative difference since the effective date of GASB Statement 45 between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

Most employers will have no net OPEB obligation at the beginning of the year in which Statement 45 is implemented.

If an employer contributes the annual OPEB cost to the plan each year, and there are no actuarial or investment gains or losses then the net OPEB Obligation will remain zero.

- Normal Cost - That portion of the Actuarial Present Value of benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method. Another interpretation is that the Normal Cost is the present value of future benefits that are "earned" by employees for service rendered during the current year.
- OPEB assets - The amount recognized by an employer for contributions to an OPEB plan greater than OPEB expenses.
- OPEB expense - The amount recognized by an employer in each accounting period for contributions to an OPEB plan on the accrual basis of accounting.
- Other postemployment benefits (OPEB) - Postemployment benefits other than pension benefits. Other postemployment benefits (OPEB) include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, except benefits defined as special termination benefits.
- Plan assets - Resources, usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, or in an equivalent arrangement, in which (a) employer contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer(s) or plan administrator, for the payment of benefits in accordance with the terms of the plan.
- Present Value – See Actuarial Present Value.
- Projected Unit Credit Cost Method – An actuarial cost method under which the projected benefits of each individual included in an Actuarial Valuation are separately calculated and allocated to each year service by a consistent formula.
- Substantive plan - The terms of an OPEB plan as understood by the employer(s) and plan members.
- Unfunded Actuarial Accrued Liability (UAAL) – The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.
- Valuation date – The date as of which the Postemployment benefit obligation is determined.

NEW BUSINESS

#1 - General Manager Greg Harman will present to the Board for possible approval the proposed Kensington Police Protection & Community Services District contract (3 Year) with New World Systems for our software maintenance agreement. Board Action.



New World Systems®
The Public Sector Software Company

May 5, 2010

Mr. Gregory E. Harman
Chief of Police
Kensington Police Department
217 Arlington
Kensington, CA 94707

Dear Mr. Harman,

Your Standard Software Maintenance Agreement (SSMA) with New World Systems expires on 8/31/2010. You'll find a renewal agreement enclosed. To continue the many benefits of SSMA coverage, please sign and return both copies of the SSMA to New World Systems to the attention of James Fee. A countersigned copy will be returned to you.

New World Systems invests heavily in research and development. As a result, our software products continue to expand and improve. Your SSMA coverage assures you that you'll be able to take advantage of new functions and features that are constantly being added to the New World software. Your SSMA coverage provides you with periodic software updates, documentation, 1-800 telephone support, competitive service rates, participation in our User Group Meetings and other benefits.

Of course, our costs of providing these services and enhancements have increased over the years. But, while the price of your SSMA coverage has increased, we believe that it continues to provide the most economical way for your organization to keep its software investment state-of-the-art.

If you have any questions, please call me at (248) 269-1000 extension 1294.

Sincerely,

James Fee
Finance Department
New World Systems

Enclosures

Remember: To continue the many benefits of SSMA coverage, please sign and return both copies of the attached SSMA. We will return a countersigned original to you promptly. Thank you.

NEW WORLD SYSTEMS CORPORATION
STANDARD SOFTWARE MAINTENANCE AGREEMENT

This Standard Software Maintenance Agreement (SSMA) between **New World Systems Corporation (New World)** and **Kensington Police Department, CA** (Customer) sets forth the standard software maintenance support services provided by **New World**.

1. Service Period

This SSMA shall remain in effect for a period of three (3) years from (start date) 9/1/10 to (end date) 8/31/13.

2. Services Include

The following services or features are available under this SSMA:

- (a) Upgrades, including new releases, to the Licensed Standard Software (prior releases of Licensed Standard Software application packages are supported no longer than nine (9) months after a new release is announced by **New World**).
- (b) Temporary fixes to Licensed Standard Software (see paragraph 6 below). Software fixes will be delivered electronically.
- (c) Revisions to Licensed Documentation. Documentation will be delivered electronically.
- (d) Reasonable telephone support for Licensed Standard Software on Monday through Friday from 8:00 a.m. to 8:00 p.m. (Eastern Time Zone).
- (e) Invitation to and participation in user group meetings.

Items a, b, and c above will be provided to **Customer** by electronic means.

Additional support services are available as requested by **Customer** using the then-current hourly rates or applicable fees.

3. Maintenance for Modified Licensed Standard Software and Custom Software

Customer is advised that if it requests or makes changes or modifications to the Licensed Standard Software, these changes or modifications (no matter who makes them) make the modified Licensed Standard Software more difficult to maintain. If **New World** agrees to provide maintenance support for Custom Software or Licensed Standard Software modified at **Customer's** request, then the additional **New World** maintenance or support services provided shall be billed at the then-current hourly fees plus reasonable expenses.

4. Billing

Maintenance costs will be billed annually as detailed on the following page. If taxes are imposed, they are the responsibility of the **Customer** and will be remitted to **New World** upon being invoiced.

5. Additions of Software to Maintenance Agreement

Additional Licensed Standard Software licensed from **New World** will be added to the SSMA per the terms of the contract adding the software. Maintenance costs for the additional software will be billed to **Customer** on a pro rata basis for the remainder of the current maintenance year and on a full year basis thereafter.

6. Requests for Software Correction on Licensed Standard Software

At any time during the SSMA period, if Customer believes that the Licensed Standard Software does not conform to the current specifications set forth in the user manuals, Customer must notify New World in writing that there is a claimed defect and specify which feature and/or report Customer believes to be defective. Before any notice is sent to New World, it must be reviewed and approved by the Customer Liaison. Documented examples of the claimed defect must accompany each notice. New World will review the documented notice and when a feature or report does not conform to the published specifications, New World will provide software correction service at no charge. A non-warranty request is handled as a billable Request for Service (RFS).

The no charge software correction service does not apply to any of the following:

- (a) situations where the Licensed Standard Software has been changed by anyone other than New World personnel;
- (b) situations where Customer's use or operations error causes incorrect information or reports to be generated; and;
- (c) requests that go beyond the scope of the specifications set forth in the current User Manuals.

7. Maintenance Costs for Licensed Standard Software Packages Covered for IBM AS/

New World agrees to provide software maintenance at the costs listed below for the following New World Licensed Standard Software packages installed at Customer's location:

<u>Application Package</u>	<u>Number of Modules</u>
1. <i>Aegis</i> ® Mobile Client Laptop Software	7

**ANNUAL
MAINTENANCE COST: See Below**

<u>Period Covered</u>	<u>Annual Amount</u>	<u>Billing Date</u>
9/1/2010 to 8/31/2011	\$10,975	8/15/2010
9/1/2011 to 8/31/2012	\$11,963	8/15/2011
9/1/2012 to 8/31/2013	\$13,040	8/15/2012

Note: Unless extended by New World, the above costs are available for 90 days after submission of the costs to Customer. After 90 days, New World may change the costs.

ALL INVOICES ARE DUE FIFTEEN (15) DAYS FROM BILLING DATE.

8. Terms and Conditions

This Agreement is covered by the Terms and Conditions specified in the Licensing Agreement(s) for the software contained herein.

ACCEPTED BY:

Customer: Kensington Police Department, CA

Name: _____

Title: _____

Date: _____

ACCEPTED BY:

New World Systems Corporation

Name: _____

Title: _____

Date: _____

By signing above, each of us agrees to the terms and conditions of this Agreement and as incorporated herein. Each individual signing represents that (s)he has the requisite authority to execute this Agreement on behalf of the organization for which (s)he represents and that all the necessary formalities have been met. If the individual is not so authorized then (s)he assumes personal liability for compliance under this Agreement.

Kensington, CA Police Department

Licensed Application Software

At May, 2010

1. Aegis® Mobile Client Laptop Software

- LE State/NCIC via Switch 5 User(s)
- LE Field Reporting 5 User(s)
- LE Accident Field Reporting 5 User(s)
- Mobile Upload of Field Reports 5 User(s)
- LE CAD Via Switch 5 User(s)
- LE Field Reporting Compliance 5 User(s)
- Fire CAD Via Switch (Messaging) 5 User(s)

NEW BUSINESS

#2 - General Manager Greg Harman will present to the Board for possible approval the proposed Kensington Police Protection & Community Services District contract with TSG for their monthly computer support program. Board Action.

Memorandum

Kensington Police Department



To: KPPCSD Board of Directors

From: Gregory E. Harman, General Manager

Date: Thursday, July 01, 2010

Subject: New Business Item #2 TSG Contract

APPROVED YES NO

FORWARDED TO:

In April, TSG notified us that our contact was up for renewal and that they wanted to propose a new program, "TSG Assist Complete". Our past Prepaid Support Agreement was up for renewal at \$14,040, which would offer us 90 hours of prepaid support. However, TSG indicated that they are going to a monthly service support system with most of their customers, which is a more pro-active form of computer maintenance service, at a monthly cost of \$1,357 or \$16,284 for the year.

Concerned that there may be a better deal out in the market, and with a recommendation we received from Officer Kevin Hui, we contacted Heron Technologies/ Davis Computer for a review of our system, our service contract, and a proposal for a service agreement. They provided a monthly service contract proposal of \$768.75 or \$9,225 for the year. Part of their proposal was to include a bid to upgrade hardware and software for an estimated \$21,621.

There is a difference of \$7,000 between the two proposals; however, my concern would be to go with a new firm, getting all of the needed security clearances again, and stepping into the unknown with a new service provider that is out of the area.

TSG is also offering their "Assist Plus" program for \$13,884 a year and their "Assist" program at \$12,684 a year.

Due to the age and condition of our computers and server, I am recommending we purchase the "TSG Assist Complete" program and I have expensed the cost of \$16,284 in the Preliminary 2010/2011 Budget.

A copy of the e-mail, letter, and description of the programs is attached to this memo.

Gregory E. Harman, General Manager

To: Herb Burt
Subject: FW: KPD

From: Teryl Burt
Sent: Thursday, May 27, 2010 6:37 PM
To: Teryl Burt
Subject: KPD

In response to your question about KPD billing rates:

We have worked with KPD since the early 1990s under a Prepaid Support Agreement (PPSA). We know their systems inside and out so historically, this has been the most cost-effective choice for them. In consideration of our long history, we drop their billing rate two categories to the "180 Hour" level (which is \$156/hour), even though they only purchase 90 hours at a time. If we renew the PPSA for the traditional 90 hours, the total cost would be \$14,040.

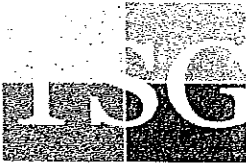
On April 16th I sent a letter to Andrea (attached) suggesting they consider TSG Total Assist managed services program. They should consider it. With 24x7 monitoring and timely, regular patching, they get unlimited helpdesk support, their equipment will last longer, and their security will improve. It will cost about the same AND their hourly rate for any non-covered jobs (such as new installations) drops materially to \$95/Hour. I understand that the chief is out on medical leave but it would make sense for one of us to go up and meet with Andrea and/or Stephanie to make sure they understand the program.

Our current Time and Materials (hourly) rate is \$185 per hour with a \$65 Trip Charge. I would hate to see them go to Time & Materials when there are more cost effective choices available.

Thanks, Teryl

Teryl L. Burt
TSG Networks
teryl@tsgnetworks.com

p 510.525.6210, Ext 102
www.tsgnetworks.com



16 April, 2010

Andrea Di Napoli
Kensington Police Department
217 Arlington Avenue
Kensington, CA 94707

RE: Support Renewal

Dear Andrea;

Thank you so much for working with TSG. We all appreciate your business and enjoy working with you and your staff.

At 03/24/2010, KPD's prepaid support hours expired and there are approximately ~~950~~ 13,500 overage hours in the system as of today's date.

@ 5/23/10

In addition to our standard Prepaid Support Agreement, TSG now offers a state-of-the-art program which we think would be highly appropriate and potentially less cost for KPD. It is called **TSG Total Assist (TTA)**. TTA is a comprehensive suite of network management, 24x7x365 monitoring, security, Internet access, and remote remediation services.

TTA replaces unpredictable Time and Materials billing with a Managed Service program at a flat, budgetable monthly fee. Under TTA, we monitor your equipment 24x7x365 and are alerted to potential threats so that we can correct most problems BEFORE they do damage. We can correct upwards of 90% of issues remotely.

The three most compelling reasons to work under a managed service program are:

1. TTA offers unlimited helpdesk support to your users. They can call or email as often as is necessary and there is no extra charge for any of the calls.
2. The overall technology "risk" is transferred to qualified IT experts. Whatever the issue, we are responsible for correcting it without additional labor charges.
3. Your equipment is patched on time, with pre-tested patches, as they are released. This maintenance diminishes the odds of disaster occurring. This is particularly critical as your equipment ages.

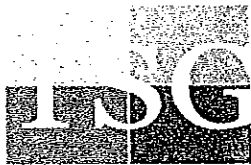
KPD has traditionally purchased 90 hours of support at each renewal. We would like to discuss both options with you. Can you suggest a time when we could meet either this week or next?

We look forward to continuing to work with you and your team.

Sincerely,

[Sent Via email]

Teryl L. Burt, Finance
TSG Networks



File Server Assist

TSG Server Assist	Assist	Assist Plus	Assist Complete
Performance & Maintenance			
Server Audit and Discovery	Δ	Δ	Δ
Service Availability Monitoring	Δ	Δ	Δ
Drive Space & Event Log Monitoring	Δ	Δ	Δ
Software Deployment & Systems Management	Δ	Δ	Δ
Backup Monitoring	Δ	Δ	Δ
Patch Management	Δ	Δ	Δ
License Compliance Reporting	Δ	Δ	Δ
Security			
Network Policy Management	Δ	Δ	Δ
Anti-Virus Updates and Detection	Δ	Δ	Δ
Spyware/Adware Detection & Removal		Δ	Δ
24x7 Support			
Unlimited Remote Monitoring	Δ	Δ	Δ
Unlimited Helpdesk Phone Support, NBH*		Δ	Δ
Onsite Support, As Required, NBH*			Δ
Product Procurement			
Product Procurement, Preferred Rates	Δ	Δ	Δ
Monthly Cost Per Server:	\$199	\$299	\$499
Help Desk Support, by ¼ Hours:	\$ 95	Inc	Inc
Onsite Support, Normal Business Hours:	\$115	\$ 95	Inc
Onsite Support, Other Hours:	\$135	\$120	\$110

*Normal business hours: 9:00AM TO 5:30pm, M-F excluding holidays



Desktop Assist

TSG Desktop Assist	Assist	Assist Plus	Assist Complete
Performance & Maintenance			
Computer Audit and Discovery	Δ	Δ	Δ
Service Availability Monitoring	Δ	Δ	Δ
Drive Space Monitoring	Δ	Δ	Δ
Event Log Monitoring	Δ	Δ	Δ
Software Deployment & Systems Management	Δ	Δ	Δ
Patch Management	Δ	Δ	Δ
License Compliance Reporting	Δ	Δ	Δ
Security			
Network Policy Management	Δ	Δ	Δ
Anti-Virus Updates and Detection	Δ	Δ	Δ
Spyware/Adware Detection & Removal		Δ	Δ
24x7 Support			
Unlimited Remote Monitoring	Δ	Δ	Δ
Unlimited Helpdesk Phone Support, NBH*		Δ	Δ
Onsite Support, As Required, NBH*			Δ
Product Procurement			
Product Procurement, Preferred Rates	Δ	Δ	Δ
Monthly Cost Per Workstation:	\$ 39	\$ 49	\$ 69
Help Desk Support, by ¼ Hours:	\$ 95	Inc	Inc
Onsite Support, Normal Business Hours:	\$115	\$ 95	Inc
Onsite Support, Other Hours:	\$135	\$120	\$110

*Normal business hours: 9:00AM TO 5:30pm, M-F excluding holidays

NEW BUSINESS

- #3 - General Manager Greg Harman will present to the Board for first review and possible approval the proposed Kensington Police Protection & Community Services District 2010/2011 Annual Budget. Board Action.

NEW BUSINESS

#4 - Consideration of proposal submitted by Director Kosel that special sessions require 3 weeks notice to board members and are called only when all directors can be present. Possible Board Action

NEW BUSINESS

- #5 - Discussions on selection of negotiating team for lease with Kensington Community Council and authorization to begin negotiations with them leading to possible lease for use of Community assets. Possible Board Action

NEW BUSINESS

- #6 - Establishment of Special Meeting of Board for week of July 25 to review and approve final budget, authorize Contra Costa County Assessor and Tax Collector to implement provisions of Measure G and establish a tax limit (subject to its passage by the required vote) based on approved budget, and review and approval of Appropriations Limit (which review requires 15-day prior published notice). Possible Board Action

