

Jim Watt on Costs for KPD
Aug 15 on ND,

This article reinforces a point I have been trying to emphasize for the last two years. That is, CalPERS expected 7.5% rate of return is completely unrealistic. The problem is that CalPERS is not likely to significantly adjust this rate until economic conditions force them to do so, probably in 3 to 5 years. By then it will be painfully apparent that the taxpayer is on the hook for significant unfunded liabilities. So what is the solution?

We have to start with the next MOU to shift more of the costs of pensions and medical onto the shoulders of the employees – just like what has been going on in the private sector for the last 20 years. Kensington's benefits are already better than any other comparable small Bay Area town, which suggest that the KPPCSD has been very slow to extract these concessions.

The other thing we need to look at is a restructuring of the police department in terms of the total number of officers needed and whether part time retired officers and/or reserves could fill the bill. We live in a very safe community and should have a police force geared to those conditions, to include manpower, pay rates and skill sets (community serving versus swat team).

Our current officers average over \$90,000 in annual pay and senior officers are above \$100,000. These officers can retire at age 50 with a pension of up to 90% of their salary and full medical benefits (to include dependents) for life. These retirement costs can easily approximate over \$4.0 million per officer, all paid for by the taxpayer.

Chuck Toombs has posed the question as to who should pay for these costs – the employee or the public taxpayer? As our elected representative, Mr. Toombs has the obligation to reduce the costs to the taxpayer, and so do all other Board members.

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The issue of how to bring down police costs does involve many variables, and is a subject that cannot be vetted on Nextdoor posts. It is, however, the most important topic the Board should be focused on. In my opinion, this would have been a useful subject for the ad hoc committee to investigate. That it was not done leaves a big hole in the possible solutions to solving our long-term financial problems.

With respect to Chuck Toombs response to my previous comments, I can only draw the conclusion that he believes there is little we can do to change the

organizational structure or to move more of the benefit costs to the employees. If true, then his platitude about having a civil debate accomplishes nothing, if, as our elected official, he has concluded that there is little we can do to change the current structure.

Here are my comments to Chuck's remarks. PERS does not limit officers from working after retirement, but does impose a 960-hour annual limit before they are no longer eligible for the benefits from their previous employer. It would therefore take two part time retired officers to equal one full time, but these "part-timers" would receive an hourly pay with no benefits –a considerable savings to the District.

Does anyone think the community would object to hiring two experienced retired officers to replace one existing officer, especially if it might save over \$75,000 per year in benefits?

The only thing the last MOU did was to push \$1,500 in annual medical costs (which can run \$20,000 annually) on to the employee; the rest (increase employee pension contributions paid out of a salary increase) was smoke and mirrors.

If this is the best we can negotiate then it will be a long time before we will bring our benefit costs under control and more in line with comparable communities.

Kensington may not offer the highest salaries in the area, but they certainly offer the best benefits. It's the sum of salary and benefits that counts, and on that metric Kensington is well above the average of other safe, small communities.

We may have lost 2 officers in the last two years, but they were quickly replaced, and seven of our officers have been here for many years and are at the top of their pay grade.

Finally, we have the dubious distinction of having two of our officers (20% of the force) on light duty (office work only) for the last year, while others have been on administrative leave. This has created scheduling problems, adding to increased overtime pay, and also raises the question about whether we need a police force with 10 officers.