Annual Retirement Obligations Graph
Annual Obligations for Police Medical Ins., Active & Retired Graph
Annual Non Salary Obligations for Police Services, retirement & medical trending up Graph

The trend line, per graph 3 will rise much faster in future years when our obligations are adjusted to the current reality that CalPERS will NOT achieve a 7.5% return on their investments, and that we have NOT adequately calculated our medical trust liability.

PERS Retirement Obligations for the district, budget audit figures, including district and officers' shares.

FYE 2010. $254,101 + $74,855 police officers share picked up by District

FYE 2011 $256,021 + $82,516
FYE 2012 $280,065 + $74,402
FYE 2013. $303,806 + $83,101
FYE 2014 $357,299 + $88,020
FYE 2015 $345,939 + $88,534

The numbers shown at the start are the contributions that CalPERS requires Kensington to make in order to cover the anticipated pension liabilities for both retired and current Kensington police officers. These obligations are shown by two components. The first set of numbers are those that are to be paid for by the employer (Kensington) while the second set of numbers are those that should be paid by the employee (the existing officers, and is equal to 9% of their total salaries).

However, in 1982, the Kensington Board agreed to pick up the officers 9% share, and have been doing so until the latest employment contract which obligates the officers to pay 2% of their salary in 2016.

So, the numbers posted above (both columns) are all paid for by Kensington taxpayers. In addition, Kensington pays all medical costs for existing and retired officers and their dependents. These costs are not included in the above numbers.

Now comes the hard part.

Although we have been making the required pension contributions mandated by CalPERS as shown above, we still have what is called an "unfunded liability" of about \$2.5 million for our pension obligations. And, this sum will likely increase this year because CalPERS is not returning the 7.5% they assumed on their investments, to include about \$10.0 million in the Kensington account.

Finally, there is the issue of what CalPERS calls the side fund. This is a fund that Kensington has to pay off because when Kensington was placed into a risk pool (a group of other like sized communities) by CalPERS perhaps 15 years ago, it was determined that Kensington had not been setting aside enough money in their pension fund compared to other communities and therefore had to make additional contributions. Fortunately, it is expected that this year Kensington will make their last side fund payment, thereby slightly reducing future pension obligations.