

Kensington's Police Officer's Compensation Versus Other Similar Communities

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Background

In June 2013, Koff & Associates prepared a report for the KPPCSD "District", which evaluated how Kensington's compensation for officers and sergeants compared to 12 other agencies. The Report concluded that Kensington's salaries were about 10% below those offered by other agencies, while total compensation (to include benefits) was about 3% below. While the Koff methodology "appears" reasonable, the following factors contributed to misleading and/or questionable conclusions:

- The choice of Koff's comparable communities did not reflect Kensington's small, isolated, affluent characteristics, coupled with a very low crime rate.
- In comparing Kensington's salaries to other agencies, no adjustment was made to reflect the fact that most other agencies require their officers to contribute to their CalPERS pension, whereas the District picks up what would normally be the officer's 9% share.
- In evaluating total compensation (salary and benefits), Koff attempted to account for the different formulas used by agencies to determine eligibility for pension (Kensington's is 3% @ age 50). However, Koff made no adjustments for both active and retiree medical benefits – Kensington offers a plan that provides medical, dental and vision coverage to its retirees and dependents, while most other agencies provide greatly reduced retiree medical benefits.

This report attempts to correct these deficiencies by using a different base of comparable communities, adjusting salaries for employee PERS contributions and using actual total compensation packages as reported by each agency.

Methodology

Table 1 in the findings to this study provides more details on the factors used to select comparable communities. This search turned up the following five communities that were used for evaluation purposes: Moraga, Clayton, Tiburon, Belvedere and Ross. Many other similar communities (for example; Orinda, Alamo, Larkspur) were not used because they either contract out for police services or have formed a joint police protection district with nearby communities.

This report also relies on budget data obtained from each town/city for their estimated police department expenditures for 2015-16, and the MOU's that apply to the 2015-16 timeframe. Because the budgets for police departments include both sworn (officer) and

non-sworn (staff) personnel, this report also evaluated data compiled for calendar year 2014 by the Contra Costa Times, that breakdown each officer's salary and benefit costs. Finally, either the town manager or the finance director was personally contacted at the comparable communities to get clarity on various line items and a better understanding on how they approach their employee costs.

Summary of Findings

The data contained in the attached tables indicates that Kensington's officers (to include both sergeants and officers) receive compensation that is equal to, and often better than, similar officers at comparable agencies. While most of this difference can be explained by different MOU terms it also appears that many Kensington officers have served the community for a long time and thus reached the top of their pay grade and receive extra compensation for POST advancement. Additionally, Kensington has a high percentage of officers with the rank of sergeant and above.

However, it is largely the MOU terms that have driven down police costs at these other communities, and will do so to an even greater extent in future years. What comes across loud and clear is that for some time these other towns/cities have been proactively working on ways to cut costs using some very creative approaches – see analysis for Table 5. By comparison, the District has extracted no such concessions from Kensington officers other than what is mandated by the 2013 PEPRA law. Here are some of the principal differences between Kensington and these other communities.

- ❖ **Salaries** – Kensington's salaries are equal to or better than other communities after adjusting for the 9% employee pension contribution paid by the District.
- ❖ **Pensions** – Kensington's 3% annual vesting rate with retirement benefits offered at 50 years (termed 3% @50), is often referred to as the "Cadillac" plan, because it is the best plan available. Other agencies offer either 3% @55, or 2% @ 50, resulting in tremendous long term cost savings because of the delay in pension obligations or the lower vesting rate.
- ❖ **Employee Pension Contribution** – All other agencies require the employee to contribute to his/her pension. Some of them did this without corresponding salary increases.
- ❖ **Medical Coverage** – Only Kensington and Moraga provide vision coverage in addition to medical and dental.
- ❖ **Medical Costs** – Kensington pays employee and dependent coverage at Kaiser HMO plan rate. Other agencies include dollar limits, an employee cost participation in medical premiums, or coverage for only the employee, or the employee + 1 (spouse), but not all dependents.
- ❖ **Retired Medical** – Kensington pays the Kaiser HMO rate for the employee and dependents for life. Most other agencies put significant limitations on these payments including just the PEMCHA minimum of \$122/month. If Kensington had these restricted medical benefits it would save over \$100,000 annually in total retiree medical costs.

- ❖ **Other Issues** – While this report did not attempt to compare staffing levels, both Belvedere and Ross operate with less officers than Kensington, while the larger towns of Moraga and Clayton have police expenditures per household that are half that of Kensington. Likewise, the towns of Belvedere, Ross and Clayton, all pay their police chiefs less in salary and benefits than Kensington, and in the case of Belvedere, the city splits the police chief's costs with Tiburon. Also, several of these cities/towns have reduced their annual employee compensation by paying off their CalPERS pension side fund, thereby saving 7.5% interest on the remaining balance. As of 6/30/15 Kensington's side fund stood at \$273,773, so one year's interest is \$20,500.

Attached to this report as Exhibit A is a historical analysis prepared 6 months ago comparing the increase in the District's revenues and expenditures from 2006 to 2015. During this period revenues increased 19% (helped by the 2010 Measure G special police tax), while expenditures increased 77%; meaning expenditures are out-pacing revenues by more than a 4 to 1 margin. Included in the expenditure category were medical costs (code 521), which increased from \$175,000 to \$367,000, or 110%. While all costs are important, this is clearly the one that should be of major concern.

For a variety of reasons, not entirely police related, the District's reserve account (the unassigned fund balance) has dropped by \$500,000 since 2006, and currently stands at about \$1.1 million. While there are clearly enough reserves to meet normal emergencies, the additional costs to upgrade the Community Center will likely drop these reserves below \$1.0 million. Of major concern would be a new MOU with terms that will drive up costs further or an economic recession with impacts on CalPERS ability to hit their annual 7.5% investment target for pension reserves, and 7.25 target for medical reserves. This should be a major concern given that CalPERS returned only 2.4% in FYE 2015, and in the first 5 months of FYE 2016 CalPERS investments are a negative 1.4%.

All these factors, and more, should be taken into account in any MOU negotiations. Hopefully this report will provide you with a better understanding of how Kensington police are compensated relative to other peer agencies, and provide some useful ideas to bring Kensington into conformance with the compensation packages offered by these other agencies in order to protect the taxpayer in this uncertain economic climate.

In June 2013, a Total Compensation Study was prepared by Koff & Associates for Hanson Bridgett LLP and the KPPCSD. Presumably this information was to provide the KPPCSD and their attorneys with some guidance on as pending MOU negotiations with the KPOA . While the methodology appears sound, Koff used a number of questionable cities/towns for comparison to Kensington. In any comparison study, the comparative data must be as similar as possible to the subject being studied, otherwise one is comparing apples to oranges. Koff, in consultation with the District, selected 12 communities, of which 8 were cities, many with far larger police services than Kensington and/or significantly different demographics and often much higher incidents of violent crime.

The 5 comparison communities listed below in Table 1 have very similar demographics and have comparable geographic features in terms of their topography, internal access and the demographic composition of adjacent communities. The reader may wonder why the following communities were not considered: Orinda, Lafayette, Alamo, Danville, Los Altos Hills, Portolla Valley, Woodside, Milbrae, Corte Madera, Larkspur and San Anselmo. The reason is because these communities all contract out for their police services or have a joint powers agreement with adjacent communities.

The search for comparison communities suggest that it is much more common to find small, affluent urban Bay Area communities that outsource or combine their police services than communities like Kensington and the other five listed above that choose to operate their own police department. And, as discussed Table 2, the five comparison communities all offer a much broader array of overall community services than Kensington with a far larger administrative support staff. This results in some economies of scale not afforded Kensington where overall police costs are about 90% of the total KPPCSD budget.

The 2014 Crime statistics for these communities show very low incidence of violent crime and very low rates of property theft. Indeed, these communities are among the safest in state. The six communities listed below have violent crime rates that are 10% of the statewide average and property crimes that are 1/2 the state average.

Table 1
2015 Demographic/Geographic and Crime Profile

2015 Demographics	Kensington	Moraga	Clayton	Tiburon	Belvedere	Ross
Population	5,202	16,500	11,200	9,100	2,100	2,500
% white	77%	76%	85%	87%	93%	93%
Median Age	51	47	47	50	55	46
Those over 25 age with BA Degree or above	75%	75%	48%	76%	79%	76%
Total Households	2,241	5,725	4,131	3,874	966	872
Median Hsld Income	\$127,000	\$119,000	\$108,000	\$121,000	\$169,000	\$152,000
Persons per Hsld	2.3	2.6	2.7	2.4	2.2	2.9
Not in Labor Force	37%	44%	35%	44%	52%	45%
Occupation-White collar	87%	86%	75%	83%	94%	86%
Median House Value	\$872,000	\$1,000,000+	\$632,000	\$1,000,000+	\$1,000,000+	\$1,000,000+
Multi Family-2 or more units	5%	14%	6%	29%	12%	5%
Area in Square Mies	1.0	9.4	4.0	4.4	2.4	1.6
2014 Crime Statistics						
# of violent crimes	2	8	4	1	1	4
# of Property crimes	46	150	111	107	36	21

The following table compares Kensington's current salary for officers and sergeants against five other similar communities. Kensington's lowest and highest steps, (1 and 5 for officers and 1 and 4 for sergeants) were used for comparison to similar rated steps at the other communities. Since Moraga has three different salary categories (Basic, Intermediate and Advanced) we used the Intermediate for comparison. These are 2015 salaries and do not reflect any pending salary adjustments for Kensington officers/sergeants. The Total Base Salary has been adjusted to a Net Salary to reflect the obligation in all other communities for officers/sergeants to contribute a percentage of their salary towards their pension. Kensington officers/sergeants do not make a contribution as the District currently picks up their entire obligation, therefore the Adjusted Net Base Salary is the more relevant.

The data shows that based on Total Salary Kensington's officers are paid about 7%/9% below the average/median of the other five communities, and sergeant's salaries are about 2%/4% below. However, when adjusted for employee's pension contributions by the District, Kensington's officers net salaries are just slightly below these other communities and Kensington's sergeant's salaries are 4%/6% greater than the average/median of other communities.

**Table 2
2015 Base Salary Comparison**

Total Monthly Base Salary		Kensington	Moraga Interm.	Clayton	Tiburon	Belvedere	Ross	5 Town Median	5 Town Avg.	% Kensington is	% Kensington is	Mid Point Median	Mid Point Avg
										Higher(Lower)	Higher(Lower)		
										Median	Avg.		
Officer	Step 1	5,356	6,234	4,845	6,301	5,948	5,904	5,948	5,846	(10.0%)	(8.2%)		
	Step 5	6,641	7,577	5,890	7,659	7,229	6,835	7,229	7,038	(8.1%)	(6.3%)	(9.1%)	(7.4%)
Sergeant	Step 1	6,835	7,148	5,693	7,547	6,990	6,966	6,990	6,869	(2.2%)	(0.1%)		
	Step 4	7,614	8,275	6,591	8,736	8,092	8,065	8,092	7,952	(5.9%)	(3.9%)	(4.1%)	(2.2%)
Employee PERS Contribution		0%	10%	3%	12%	9%	6%	na	na	na	na		
Adjusted Net Base Salary													
Officer	Step 1	5,356	5,611	4,700	5,545	5,413	5,550	5,545	5,364	(3.4%)	(0.1%)		
	Step 5	6,641	6,819	5,713	7,640	6,578	6,425	6,578	6,635	(0.9%)	0.1%	(2.2%)	0.0%
Sergeant	Step 1	6,835	6,433	5,522	6,641	6,361	6,548	6,433	6,310	5.9%	8.3%		
	Step 4	7,614	7,448	6,393	7,688	7,364	7,581	7,448	7,295	2.2%	4.2%	4.1%	6.3%

Source: Community MOU's for 2015

Table 3 below compares Kensington to the other five communities on several financial yard sticks. Because the other communities provide more services than Kensington (like public works, planning and recreation departments) and administrative staff (Town Manager, Finance and Human Resources departments), they all have significantly larger budgets than Kensington. The expenditures for these communities are augmented by a larger share of property tax revenues and in most cases a sales tax revenue and fees for services. However, all of these communities operate a police department with 7 to 13 sworn officers including the chief. Kensington, of course, has 10 officers, and since Kensington has a smaller geographic area to patrol than the other 5 communities (see Table 1), this suggests that some reduction in staffing is worth considering.

In terms of **total fire and police expenditures**, which include salaries, benefits, and other directly related expenses, Table 3 indicates all these communities either have set up joint fire districts (or in the case of Belvedere they participate in adjacent fire districts) with nearby communities. On the police side, while the category shown below as **Police expend. Per Households** indicates Kensington's costs are twice those of Moraga and Clayton, they are below two of the more affluent Bay Area communities-Belvedere and Ross. However, this comparison is mostly a function of town size - larger size typically brings down per household cost. Much more important is a comparison of the individual costs that make up police services. The police detail in Table 3 highlights some of the major differences by community. Here is the breakdown by line item.

Salaries: Based on the officer count shown below, Kensington's Average Salary per officer is slightly above the other communities. This is, in part, due to the fact that Kensington has a higher percent of officers in senior positions and because most of Kensington's officers are at the top of their "step" pay grade.

Overtime: Kensington is generally average. Moraga, on the other hand, appears to use overtime in lieu of hiring more officers.

PERS-Pension: Kensington is well above the norm. As explained later, this is because Kensington's labor contract is much more favorable than the other communities and because several of the other communities have paid off their "side fund". Because the side fund presently totals \$273,773 and carries an interest at 7.5%, it would be advantageous to pay any remaining balance off as soon as possible.

Medical-Active: Moraga appears to have the best cost control over these costs. Costs are largely driven by how many officers have dependent coverage.

OPEB Retired-Medical: Kensington is paying much more than the other communities.

Dispatch and Vehicle Maintenance: Not clear how Belvedere and Ross pay so little.

Salaries and Benefits: Includes all police department personnel since most communities do not break out the costs and benefits of just sworn officers. This comparison shows that Kensington is paying significantly more, on average, than the other communities.

Table 3
2015-16 Est. Total Expenditures with Police Detail

General Financial Comparisons	Kensington	Moraga	Clayton	Tiburon	Belvedere	Ross
Total 15/16 General Fund Expend. (mil)	\$2.84	\$7.33	\$4.10	\$10.07	\$7.04	\$6.38
					Belong to Joint	
Fire Expenditures (mil)	contract out	Joint Dept	Joint Dept	Joint Dept	Dist.	Joint Dept
Police Expenditures (mil)	\$2.37	\$2.44	\$2.12	\$3.08	\$1.70	\$1.49
Police Expend. Per Household	\$1,058	\$426	\$513	\$795	\$1,759	\$1,709
Police Detail-Major items						
Salaries	\$980,000	\$1,301,000	\$906,000	\$1,238,000	\$625,000	\$763,000
Avg. per officer	\$98,000	\$108,000	\$82,400	\$95,200	\$89,300 *	\$95,400
Overtime	\$60,000	\$200,000	\$75,000	\$85,000	\$50,000	\$30,000
PERS-Pension	\$472,000	\$175,000	\$392,000	\$276,000	\$143,000	\$202,000
Medical-Active	\$150,000	\$149,000	\$174,000	\$314,000	\$141,000	\$173,000
Medical-Retired OPEB	\$167,000	\$0	\$4,000	\$110,000	\$21,000	\$43,000
Total Salaries & Benefits (mil)	\$2.05	\$2.00	\$1.63	\$2.45	\$1.17 *	\$1.33
Services-Dispatch	\$156,000	\$169,000	\$241,000	\$175,000	\$77,000	\$31,000
Fuel and Vehicle Maintenance	\$50,000	\$56,000	\$49,500	\$57,000	\$19,000	\$27,000
Sworn Police Personnel-Rank						
Chief	1	1	1	1	1 *	1
Corporals and above	4	2	3	5	2	2
Officers	5	9	7	7	4	5
total Sworn	10	12	11	13	7	8
Avg. cost as a % of Salaries & Benefits	\$205,000	\$167,000	\$148,000	\$188,000	\$167,000 *	\$166,000

*Belvedere currently shares the cost for its police chief, with the town of Tiburon for a total fully loaded annual cost to the city of Belvedere of \$93,660.

Table 4 below provides a slightly different look at police expenditures than Table 3. Table 3 looked at the estimated expenditures for the entire police department including the chief, the administrative staff and part time helpers. Table 4, on the other hand, looks at the actual salaries and benefits of just the full time officers and sergeants in the police department. This gives a better comparison on the different aspects of compensation between departments by officer rank. The main categories are discussed below.

Salaries - The average combined base salary of Kensington's sergeants and officers is 2% to 6% higher than the average/median of the other 5 communities; \$91,500 vs. \$90,000 (median) and \$86,400 (average). Kensington sergeants fare slightly better than officers compared to the other communities. As mentioned before, this is probably because almost all Kensington police are at the top of their pay grade.

Overtime - Kensington is below the average of the other communities on overtime, and especially Moraga which seems to use overtime instead of hiring an extra police officer.

Pension - Kensington's pension costs are about 145% above the average for the other 5 communities, with no other community even close. While some of this is because Kensington's pensions include the payment of the employee's 9% share, the primary reason is that the other communities have implemented much less favorable employee pension benefits; as explained later.

Medical - Kensington's medical costs for their active employees (medical, dental, vision, life & disability) are slightly below other communities, possibly because 4 of Kensington's employees only have single coverage. **Since this Compensation Data does not include retiree medical costs, it is missing a big component of compensation which will be discussed in Table 5.**

Overall Compensation - The average total compensation for Kensington's sergeants and officers is \$163,500 versus \$151,900/\$153,300 for the other communities. This would represent and "extra" annual cost per Kensington officers of about \$11,000, or a total annual cost of about \$100,000. Only Belvedere ranks slightly higher, but Belvedere does this with 3 fewer officers. This suggests that the combined salaries and benefits for Kensington's officers compare very favorably to the other communities.

**Table 4
2014 Compensation Data**

Compensation Data Calendar Year 2014	Kensington	5 Town/City Median	5 Town/City Avg.	Town of Moraga	City of Clayton	Town of Tiburon	City of Belvedere	Town of Ross
# of Sergeants/Officers	3 Sgt/6 Off.			1 Sgt./8 Off.	3 Sgt./4 Off.	5 Sgt./5 Off.	2 Sgt./4 Sgt.	2 Sgt./4 Off.
Sergeants & Officers								
Avg Base Salary	\$91,500	\$90,000	\$86,400	\$91,900	\$70,300	\$94,500	\$90,000	\$85,500
Avg. Overtime	\$7,100	\$11,100	\$13,100	\$24,000	\$15,200	\$10,100	\$11,100	\$5,000
Avg Pension (incl. EE)	\$51,900	\$21,300	\$20,800	\$18,300	\$35,200	\$19,000	\$21,300	\$27,500
Avg. Medical	\$16,500	\$16,600	\$18,200	\$12,400	\$16,600	\$14,300	\$22,800	\$24,800
Total Avg. Compensation	\$163,500	\$151,900	\$153,300	\$154,400	\$147,100	\$146,900	\$166,100	\$151,900
Sergeants only								
Avg. Base Salary	\$103,200	\$100,000	\$95,900	\$106,200	\$73,600	\$104,300	\$100,000	\$95,200
Avg. Overtime	\$9,300	\$10,200	\$10,000	\$14,000	\$10,200	\$13,500	\$8,200	\$4,000
Avg. Pension (incl. EE)	\$58,100	\$22,900	\$26,200	\$21,900	\$40,600	\$21,600	\$24,000	\$22,900
Avg. Medical	\$16,900	\$20,100	\$22,400	\$15,200	\$20,100	\$19,800	\$25,800	\$31,000
Total Avg Compensation	\$179,800	\$164,400	\$165,400	\$162,700	\$148,300	\$168,400	\$183,100	\$164,400
Officers Only								
Avg. Base Salary	\$85,700	\$84,900	\$82,300	\$90,100	\$68,000	\$87,900	\$84,900	\$80,600
Avg. Overtime	\$6,000	\$14,500	\$14,400	\$25,300	\$19,000	\$7,800	\$14,500	\$5,500
Avg. Pension (incl. EE)	\$48,900	\$19,900	\$22,400	\$17,900	\$31,100	\$17,200	\$19,900	\$25,700
Avg. Medical	\$16,300	\$14,000	\$16,700	\$12,000	\$14,000	\$10,700	\$21,300	\$25,700
Total Avg Compensation	\$155,300	\$146,000	\$147,000	\$153,300	\$146,000	\$132,500	\$157,500	\$145,700

Source: Contra Costa Times Public Employee Salaries Database 2014

Note: Pensions include amounts paid by Employers and any payments made by employer on behalf of Employees-shown as EE in database.

The #'s of Sergeants and Officers shown above may be different from that shown in Table 3 because not all Sergeants/Officers shown in the database appeared to have worked the entire 2014 year and were excluded to not distort the averages

Table 5 which follows, compares major MOU terms for Kensington against those of the other communities, except for the salary terms recapped in Table 2. In all cases, Kensington's terms for sworn officers are more favorable for the officers (less favorable for the District) than comparable communities. Here are some of the principal economic advantages these other communities have:

Moraga – The pension rate for Moraga's officers is 2%@50. The officers also contribute 10% of pay to their pension, which will rise to 11% by 2016. The Town and officers have also agreed to enter into a pension cost sharing agreement pursuant to government code Section 20516(f). Such a step would be ground breaking. Moraga does not pay any retiree medical except those mandated by PEMHCA. They provide no incentive or longevity pay.

Clayton – Clayton has a 3 Tier pension plan. The Tier 1 pension rate for employees hired before 7/2010 is 3%@55, and starting in 2015 these employees will contribute 3% to their pension, rising to 9% in 2017. In return they receive a 4% annual pay increase. Tier 2 employees, hired after 7/2010 have a rate of 2%@50 and share 50/50 in pension contributions. Tier 3 are "new" employees with rates governed by PEPR. There is a maximum medical payment for active employees, while retirees receive the PEMHCA minimum – a very large savings. They recently hired a former Contra Costa Sheriff as police chief, at a salary of just \$115,000 and no medical because he was not in CalPERS.

Tiburon – "Classic" employees have a pension rate of 3%@55 and contribute 12% towards their pensions –the highest fixed employee pension contribution rate. Medical excludes vision and is at the employee + 1 rate. Retired employees hired before 9/2010 receive a percent of the Kaiser single rate based upon years of service at Tiburon, starting with 15 years. If hired after 9/2010, they receive no retiree medical benefit.

Belvedere – Classic pensions are 2%@50 and these classic officers contribute 9% of their pension costs. Actives get medical and dental coverage, while retirees receive the PEMHCA minimum. They also share the Chief's costs with Tiburon resulting in a salary cost of \$74,000 and a fully loaded cost for the police chief of only \$94,000/year. To retain employees, the City provides a longevity salary increase of .5% each year for 10 years, or a 5% total increase. The Town also operates with a police staff (including the part-time chief) of 8 employees and therefore use a lot of solo coverage, while relying on Tiburon backup.

Ross - The pension rate is 3%@55 with a 6% employee contribution increasing to 12% by 2018. Active employees receive medical/dental at the CalPERS minimum or Kaiser rate and will contribute about \$1300 a yr to their medical. Retirees only receive the PEMHCA minimum. Salaries will increase 3.5% per year largely to cover increased employee pension contributions. The Town of Ross also operates a very large, and profitable, recreational program for children and adults.

Table 5

Comparison of Major MOU Terms, Excluding Salary

MOU Terms	Kensington	Moraga	Clayton	Tiburon	Belvedere	Ross
Pension						
PERS Annual Vesting Rate and Eligibility	Classic: 3% @50 New: 2.7% @57	Classic 2% @ 50/2.7%@55 New: 2.7% @ 57	Tier I-before 7/1/10 3% @ 55 Employee pays 3% share Tier II-after 7/1/10 2% @ 50 and 50/50 contribution New: Tier III-after 1/1/13 2.7% @ 57 and 50/50 contribution	Classic: 3% @ 55 New: 2.7% @ 57	Classic: 2% @ 50 New 2.7% @ 57	Classic: 3% @55 New 2.7% @ 57
PERS Contribution Rate by Employee	0%	10% as of 7/1/15; 11% as of 7/1/16 Agree to finalize a 50/50 sharing with "classic" members "New" pay 50% of normal cost 3.25% on 7/1/16 with PERS Employee contributions shown above	Tier I-Classic Employee Contribution 7/1/15-3%, 7/1/16-6%, 7/1/17-9% 7/1/16-3.5% 7/1/17-3.5% Subject to Employee PERS Contributions	Classic: 9% employee plus 3% employer New: 50% of Normal cost On 7/1/16 3% inc. 7/1/17 C.P.I not to exceed 3%	Classic: 9% New: 50% of Normal Cost Longevity pay increase of .5% increase for each year after year 2	Classic: 6% increasing to 12% by 2018 New: 50% of Normal Cost 3.5% for year over 4 yrs equals 14% total less 9% employees contribution.
Future Salary Increases	na					
Medical-Active						
Benefits Covered	Medical/Dental/Vision	Medical/Dental/Vision	Medical/Dental	Medical/Dental	Medical/Dental	Medical/Dental
Persons Covered	Employees and elig. Dependents	Employees and elig. Dependents	Employee and Dependents see below	Employee decides	Employee and dependents	Employee and dependents

**Table 5
Comparison of Major MOU Terms, Excluding Salary**

MOU Terms	Kensington	Moraga	Clayton	Tiburon	Belvedere	Ross
Paid by Employer	Kaiser HMO Plan	Kaiser HMO-Gold Employee & dependents	Maximum by employer Employee only \$768/mo, Employee +1 \$1356/mo, Employee +2 \$1745/mo	Kaiser 2 party rate less CalPERS PHEMCA Dental paid at employee family premium	Kaiser or CalPERS Health Insurance Rate PlusDelta Dental	CalPERS minimum Kaiser Rate. Employee pays \$600 in 2016 to \$1,300 in 2018
IF Spousal Coverage		\$600/mo in cash	\$250/mo in deferred compensation plan	\$400/mo to Deferred compensation plan	\$175/mo to \$250/mo	
Medical-Retired						
Coverage	Kaiser HMO Plan Medical/Dental/Vision for employee and dependents	Silent-No Medical	Employee decides with reimbursement per below	Before 9/19/2001 Kaiser single rate 5 yr-50% Paid 20 yr-75% Paid 25 yr-100% Paid	Kaiser PERS Choice	PHEMCA minimum
Persons covered					Employee Decides	Employee only
Paid by Employer	At Kaiser HMO		PHEMCA minimum \$103/mo	New: CalPERS PHEMCA minimum	CalPERS PHEMCA minimum	CalPERS PHEMCA minimum 2014- \$122/mo
Longevity Pay	\$100 per years of service starting in 10th year; i.e. 10 years=\$1000	None	None	After: 1st 5 yr-\$125/mo 2nd 5 yr-\$150/mo 3rd 5 yr-\$175/mo 4th 5 yr-\$200/mo	1% at 2 yrs .5% each year thereafter to max of 5.0%	5 yrs-2.5% 10 yrs-2.5%
Post Incentive Pay	% of Salary Intermediate 5% Advanced 2.5% Supervisory NA	None	\$1,200/yr, Int \$2,160/yr Adv NA -Sup	\$150/mo Int \$200/mo Adv \$200/mo Sup	2.5% of Salary Int 5.0% of Salary Adv NA Sup	\$125/mo Int \$250/mo Adv AA-\$125 BA-\$250
Shift differential						
Graveyard	None	3%	4%	\$125/mo	5%	7pm to 7am @5%
Swing		None	2.50%	None	None	
Tuition Refunds	\$500 total per year all officers	Education 3% for BA, Book/tuition reimbursement	No	\$1,200/yr for tuition, books	2.5% of salary for AA degree	None
# of Paid Holidays	13	13	10	12	11	12 with 5 @ overtime
Holiday for Birthday	Yes	No	+3 days floating	No	+3 days floating	No
Sick Leave Accrual and Payment	8 to 10 hrs per mo. Depending on schedule	7.4 hrs/mo	8 hr/mo capped at 240 hr.	8 hr/mo if 15 yrs of service & retirement from town will receive 50% of annual sick leave up to 480 hrs.	8 hrs /mo to a max of 1040 hours	pay 50% of unused sick leave up to 660 hours
Vacation						
Minimum Maximum	13 days +1 day per year to 26 days	21 days + 1 day per year up to 40 days	14 days 25 days at 9 years	1st 5 yr-12 days 2nd 5 yr-18 days 3rd 5 yr-24 days	1yr-10 days 3 yr-12 days 3-10 yr-15 days up to 22.5 days	1-4 yrs-11 days 5-9 yrs-15 days 10-14 yrs-20 days 15+yrs-25 days
Vacation pay at termination	All at current rate of pay	Not Mentioned	Max cap of 300 hrs.	Not more than 280 hours	Not Mentioned	250 hours cap
Clothing Allowance	\$800/yr	\$1,050/yr	\$900/yr	To be supplied by town	\$200/yr	\$1,000/yr
Amt. of Life Ins. Policy	\$100,000	\$100,000	\$50,000	\$15,000	\$100,000	None

KPPCSD FINANCIAL ANALYSIS
9-Year Trend in Revenues and Expenditures
FYE 2006 versus FYE 2015

EXHIBIT A
PREPARED 6/2015

The tables following show changes in key Revenue and Expenditure sources between actual FYE 2006 and budget FYE 2015. This comparison suggests that without the revenue gains provided by the passage of Measure G, the increases from other taxable sources have averaged 2.7% per year since 2006. By comparison, the District's medical costs have risen by almost 9% annually, pension costs by over 5% and salaries by 3.4%. If Measure G, that provides about \$500,000 annually in revenue, had not passed in 2010 the District would be BANKRUPT today.

The larger revenue sources have restrictions due to Prop 13 and COLA's, and the smaller sources like those from the school district and franchise fees are either limited in duration or have restricted uses. By comparison, the costs of the largest expenditure items show no sign of slowing their relentless gains. While these trends have major budget implications, the issues they represent must be dealt with by providing new ways to deliver police services. **There is nothing in the proposed 2015/2016 budget, or by way of Board directed policy changes, to suggest that these problems will be addressed.**

REVENUES - FYE	<u>2006</u>	<u>2015</u>	<u>Proposed 2016</u>
<u>All Taxes</u>	\$ 1,709,000	\$ 2,665,000	\$ 2,689,000
% Change from 2006		55.9%	
Compounded Annual Increase		5.1%	
<u>All Taxes-Except Measure G</u>	\$ 1,709,000	\$ 2,165,000	\$ 2,187,000
% Change from 2006		26.6%	
Compounded Annual Increase		2.7%	
.....			
EXPENDITURES - FYE			
<u>Salary, comp, overtime</u>	\$ 769,000	\$ 1,035,000	\$ 1,049,000
% Change from 2006		34.6%	
Compounded Annual Increase		3.4%	
<u>Medical - active, retired, trust</u>	\$ 175,000	\$ 367,000	\$ 349,000
% Change from 2006		109.7%	
Compounded Annual Increase		8.6%	
<u>PERS - District, Officers</u>	\$ 293,000	\$ 468,000	\$ 476,000
% Change from 2006		59.7%	
Compounded Annual Increase		5.3%	
RATIO OF SALARY TO BENEFITS			
Salary %	62.0%	55.0%	
Benefits %	38.0%	45.0%	

SEE DETAILED CHANGES ON REVERSE SIDE

EXHIBIT A
CONTINUED

DETAILED CHANGES

CODE INCOME REVENUES - FYE	2006	2015	Proposed 2016
401 Property tax, HO tax	\$ 1,029,000	\$ 1,481,000	\$ 1,506,000
402/404 Special taxes	\$ 680,000	\$ 1,184,000	\$ 1,183,000
415 COPS Grant	\$ 100,000	\$ 106,000	\$ -
All Other	\$ 21,000	\$ 113,000	\$ 65,000
Total Income	\$ 1,830,000	\$ 2,884,000	\$ 2,754,000
Park - Rents, donations, grants	\$ 229,000	\$ 71,000	\$ 67,000
District - Franchise Fees	\$ 20,000	\$ 25,000	\$ 49,000
Grand Total - Less interest -	\$ 2,079,000	\$ 2,980,000	\$ 2,870,000
Add back COPS Grant -	\$ -	\$ -	\$ 100,000
ADJUSTED GRAND TOTAL -	\$ 2,079,000	\$ 2,980,000	\$ 2,970,000
% Increase from 2006		43.3%	
Compounded Annual Increase		4.1%	
Measure G Income	\$ -	\$ 502,000	\$ 502,000
Adj. total income, less Measure G	\$ 2,079,000	\$ 2,478,000	\$ 2,472,000
% Increase from 2006		19.2%	
Compounded Annual Increase			2.0%

CODE EXPENDITURES - FYE	2006	2015	Proposed 2016
Police Salary & Benefits			
502 Salary	\$ 731,000	\$ 981,000	\$ 995,000
504/506 Comp, overtime	\$ 38,000	\$ 54,000	\$ 54,000
521A Medical-Active	↓	\$ 174,000	\$ 150,000
521R Medical- Retired	\$ 175,000	\$ 135,000	\$ 184,000
521T Medical-Trust	↑	\$ 58,000	\$ 15,000
527 PERS - District	\$ 227,000	\$ 379,000	\$ 390,000
528 PERS - Officers	\$ 66,000	\$ 89,000	\$ 86,000
All Other	\$ 115,000	\$ 186,000	\$ 173,000
Total Salary & Benefits	\$ 1,352,000	\$ 2,056,000	\$ 2,047,000
Police Expenses			
564/566 Communications, Radio	\$ 36,000	\$ 177,000	\$ 178,000
All Other	\$ 171,000	\$ 155,000	\$ 153,000
Total Police Expenses	\$ 207,000	\$ 332,000	\$ 331,000
Recreational Expenses			
Total -	\$ 101,000	\$ 120,000	\$ 121,000
District Expenses			
Total -	\$ 103,000	\$ 416,000	\$ 313,000
GRAND TOTAL -	\$ 1,763,000	\$ 2,924,000	\$ 2,812,000
Exclude COPS	\$ (109,000)	\$ -	\$ -
Adjusted Grand Total	\$ 1,654,000	\$ 2,924,000	\$ 2,812,000
% Increase from 2006		76.9%	
Compounded Annual Increase in Total Expenditures			6.5%