



**AGENDA
REGULAR MEETING**

**City Council of the Town of Colma
Colma Community Center
1520 Hillside Boulevard
Colma, CA 94014**

**Wednesday, January 25, 2017
7:00 PM**

PLEDGE OF ALLEGIANCE AND ROLL CALL

ADOPTION OF AGENDA

PRESENTATION

- Police Department End of Year Review

PUBLIC COMMENTS

Comments on the Consent Calendar and Non-Agenda Items will be heard at this time.
Comments on Agenda Items will be heard when the item is called.

CONSENT CALENDAR

1. Motion to Accept the Minutes from the December 14, 2016 Regular Meeting.
2. Motion to Adopt Resolution Authorizing the Town of Colma to Continue to Work with Other Jurisdictions in the County to Address the housing Crisis on a Regional Basis, Including Through Ongoing Support of the Home for All San Mateo County Initiative Pursuant to CEQA Guideline 15061(b)(3).

NEW BUSINESS

3. FY 2015-16 BASIC FINANCIAL STATEMENT AND AUDIT

Consider: Motion to Adopt a Resolution Accepting Auditor's Reports and Financial Statements for the Fiscal Year Ending June 30, 2016.

4. MEMORANDUMS OF UNDERSTANDING MODIFICATION OF SALARY SCHEDULE

- a. *Consider:* Motion to Adopt a Resolution Approving Memorandum of Understanding Between the Town of Colma and the Colma Peace Officers Association for the Period of January 1, 2016 to June 30, 2019.
- b. *Consider:* Motion to Adopt a Resolution Approving Memorandum of Understanding Between the Town of Colma and the Colma Police Communication/Records Association for the Period of January 1, 2016 to June 30, 2019.

- c. *Consider:* Motion to Adopt a Resolution Approving Cost of Living Salary Increases for Certain Unrepresented Employees and Modifying the Town's Salary Schedule.

REPORTS

Mayor/City Council

City Manager

ADJOURNMENT

The City Council Meeting Agenda Packet and supporting documents are available for review at the Colma Town Hall, 1188 El Camino Real, Colma, CA during normal business hours (Mon – Fri 8am-5pm). Persons interested in obtaining an agenda via e-mail should call Caitlin Corley at 650-997-8300 or email a request to ccorley@colma.ca.gov.

Reasonable Accommodation

Upon request, this publication will be made available in appropriate alternative formats to persons with disabilities, as required by the Americans with Disabilities Act of 1990. Any person with a disability, who requires a modification or accommodation to view the agenda, should direct such a request to Brian Dossey, ADA Coordinator, at 650-997-8300 or brian.dossey@colma.ca.gov. Please allow two business days for your request to be processed.

**MINUTES
REGULAR MEETING**

City Council of the Town of Colma
Colma Community Center, 1520 Hillside Boulevard
Colma, CA 94014

Wednesday, January 11, 2017

6:00 p.m. – Closed Session

7:00 p.m. – Regular Session

CLOSED SESSION – 6:00 PM

1. In Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators

| | |
|--------------------------|--|
| Agency Negotiators: | Sean Rabé, City Manager Austis Rungis, IEDA |
| Employee Organizations: | Colma Peace Officers Association Colma Communications/Records Association |
| Unrepresented Employees: | All Chief of Police |

CALL TO ORDER – 7:00 PM

Mayor Helen Fisicaro called the Regular Meeting of the City Council to order at 7:14 p.m.

Council Present – Mayor Helen Fisicaro, Vice Mayor Raquel “Rae” Gonzalez, John Irish Goodwin and Diana Colvin were present. Council Member Joanne F. del Rosario was absent.

Staff Present – City Manager Sean Rabé, City Attorney Christopher Diaz, Chief of Police Kirk Stratton, Administrative Services Director Brian Dossey, Director of Public Works Brad Donohue, City Planner Michael Laughlin, Assistant City Planner Jonathan Kwan, Administrative Technician Darcy De Leon were in attendance.

REPORT FROM CLOSED SESSION

The Mayor stated, “No action was taken at tonight’s closed session.”

ADOPTION OF THE AGENDA

Mayor Fisicaro asked if there were any changes to the agenda. None were requested. The Mayor asked for a motion to adopt the agenda.

Action: Council Member Colvin moved to adopt the agenda with the requested changes; the motion was seconded by Vice Mayor Gonzalez and carried by the following vote:

| Name | Voting | | Present, Not Voting | | Absent |
|-----------------------|--------|----|---------------------|-------------------|--------|
| | Aye | No | Abstain | Not Participating | |
| Helen Fisicaro, Mayor | ✓ | | | | |
| Raquel Gonzalez | ✓ | | | | |
| Joanne F. del Rosario | | | | | ✓ |
| John Irish Goodwin | ✓ | | | | |
| Diana Colvin | ✓ | | | | |
| | 4 | 0 | | | |

PRESENTATION

- City Planner Michael Laughlin presented new Assistant Planner Jonathan Kwan.
- Mayor Helen Fisicaro, Administrative Services Director Brian Dossey, Monica Devincezi and Mike Mahoney from Republic Services presented the Holiday Decorating Contest winners: Natale and Rose Marie Russo, Tom, Laura, Brendan and Sarah Walsh, Steven Eng and Betty Su from Woodlawn Cemetery.
- Jessica Mullin of San Mateo County presented Home For All.

PUBLIC COMMENTS

Mayor Fisicaro opened the public comment period at 7:50 p.m. Alie Sobczak of HIP Housing presented their calendars to City Council and staff. The Mayor closed the public comment period at 7:56 p.m.

CONSENT CALENDAR

2. Motion to Accept the Minutes from the December 13, 2016 Special Meeting.
3. Motion to Accept the Minutes from the December 14, 2016 Regular Meeting.
4. Motion to Approve Report of Checks Paid for December 2016.
5. Motion to Adopt an Ordinance Adding Colma Municipal Code Section 2.04.065 Regarding Dog Park Regulations (Second Reading).
6. Motion to Accept Informational Report on Recreation Department Programs, Activities, Events, and Trips for the Fourth Quarter of 2016.

Action: Council Member Colvin moved to approve the Consent Calendar items #2 through #6, the motion was seconded by Council Member Goodwin and carried by the following vote:

| Name | Voting | | Present, Not Voting | | Absent |
|-----------------------|--------|----|---------------------|-------------------|--------|
| | Aye | No | Abstain | Not Participating | |
| Helen Fisicaro, Mayor | ✓ | | | | |
| Raquel Gonzalez | ✓ | | | | |
| Joanne F. del Rosario | | | | | ✓ |
| John Irish Goodwin | ✓ | | | | |
| Diana Colvin | ✓ | | | | |
| | 4 | 0 | | | |

NEW BUSINESS

7. MEMORANDUM OF AGREEMENT WITH SMC FLOOD CONTROL DISTRICT

Public Works Director Brad Donohue presented the staff report. Mayor Fisicaro opened the public comment period at 8:05 p.m. and seeing no one come forward to speak, she closed the comment period. Council discussion followed.

Action: Mayor Fisicaro moved to motion Approving Memorandum of Agreement with the San Mateo County Flood Control District for Maintenance of the Colma Creek Flood Control Channel; the motion was seconded by Council Member Colvin and carried by the following vote:

| Name | Voting | | Present, Not Voting | | Absent |
|-----------------------|--------|----|---------------------|-------------------|--------|
| | Aye | No | Abstain | Not Participating | |
| Helen Fisicaro, Mayor | ✓ | | | | |
| Raquel Gonzalez | ✓ | | | | |
| Joanne F. del Rosario | | | | | ✓ |
| John Irish Goodwin | ✓ | | | | |
| Diana Colvin | ✓ | | | | |
| | 4 | 0 | | | |

8. ADULT HOLIDAY EVENT 2017

Administrative Services Director Brian Dossey presented the staff report. Mayor Fisicaro opened the public comment period at 8:34 p.m. Resident Pat Hatfield made a comment. The Mayor closed the comment period at 8:36 p.m. Council discussion followed.

Action: Vice Mayor Gonzalez made a motion directing the City Manager to Plan and Coordinate an Adult Holiday Event at the South San Francisco Conference Center on December 9, 2017; to Set the Participation Fee for the Adult Holiday Party at \$15 for Adults and \$10 for Seniors and Disabled; and, to Plan and Coordinate the Annual Town Picnic for September 9, 2017; the motion was seconded by Council Member Colvin and carried by the following vote:

| Name | Voting | | Present, Not Voting | | Absent |
|-----------------------|--------|----|---------------------|-------------------|--------|
| | Aye | No | Abstain | Not Participating | |
| Helen Fisicaro, Mayor | ✓ | | | | |
| Raquel Gonzalez | ✓ | | | | |
| Joanne F. del Rosario | | | | | ✓ |
| John Irish Goodwin | ✓ | | | | |
| Diana Colvin | ✓ | | | | |
| | 4 | 0 | | | |

COUNCIL CALENDARING

The Regular City Council Meeting will be on Wednesday, January 25, 2017 and Wednesday, February 8, 2017 at 7:00 p.m.

REPORTS

City Manager Sean Rabé gave a report on the following topics:

- A few trees fell during the storm but no major incidents.
- Officer Trask will be awarded Lion's Service Award in March.
- City Clerk Caitlin Corley will be starting graduate studies at San Francisco State University in January.

ADJOURNMENT

The meeting was adjourned by Mayor Fisicaro at 8:55 p.m. and closed in memory of Ceferina Malimban, resident and mother in law of Council Member del Rosario, and resident Mildred Christiano.

Respectfully submitted,

Darcy De Leon
Administrative Technician



STAFF REPORT

TO: Mayor and Members of the City Council
FROM: Michael P. Laughlin, City Planner
VIA: Sean Rabé, City Manager
MEETING DATE: January 25, 2017
SUBJECT: Support for Home For All San Mateo County

RECOMMENDATION

Staff recommends that the City Council adopt:

RESOLUTION AUTHORIZING THE TOWN OF COLMA TO CONTINUE TO WORK WITH OTHER JURISDICTIONS IN THE COUNTY TO ADDRESS THE HOUSING CRISIS ON A REGIONAL BASIS, INCLUDING THROUGH ONGOING SUPPORT OF THE HOME FOR ALL SAN MATEO COUNTY INITIATIVE PURSUANT TO CEQA GUIDELINE 15061(B)(3)

EXECUTIVE SUMMARY

As an outcome of the regional housing task force that met last year, a Home For All initiative has been established for San Mateo County. This initiative is staffed and coordinated through the San Mateo County Department of Housing. All jurisdictions within the County are being encouraged to adopt a resolution of support for the initiative. Support means that the Town will continue to work with the County and other jurisdictions in the County to work on creating practical solutions to the housing crisis in the County.

FISCAL IMPACT

Adopting the attached resolution of support does not commit the Town to any specific financial obligations and thus will have no impact on the general fund.

BACKGROUND AND ANALYSIS

In September 2015, the San Mateo County Board of Supervisors convened a task force of community leaders to identify regional housing issues, bring community leaders together to share the challenges created by the current housing market, learn about possible solutions and work together to develop an action plan to preserve and increase housing at all income levels. The Jobs/Housing Gap Task Force, of which the Town of Colma is a member, includes representatives from cities and towns, business organizations and large employers, educators, housing developers, community-based organizations providing housing services and labor and community advocates.

The Task Force met eight times, starting in September of 2015 and concluding June 23, 2016. Over the course of nine months, the Task Force heard presentations from Assembly Member Rich Gordon, former HUD Assistant Secretary and current UC Berkeley professor of Affordable Housing and Urban Policy Carol Galante, and participated in eight hours of study sessions exploring the range of housing options that could help bridge the jobs and housing gap. The final meetings were working sessions where the Task Force developed an action plan and identified desired resources to support the action plan activities and events. The Task Force agendas and materials along with videos of the two keynote speakers are available online at: www.jobshousingtaskforce.com.

The Task Force members generated many ideas for closing the jobs/housing gap. Those ideas were compiled and organized around four key recommendations:

- Create a regional action plan;
- Establish an on-line housing resource center;
- Develop and conduct a housing gap education and public relations campaign; and,
- Develop partnerships and engage the boarder community in both discussing housing options and developing solutions to the gap.

The Task Force has also approved expanding the jobs/housing gap work countywide under the brand "Home for All, San Mateo County".

While the Task Force has completed their planning work, the implementation of the plan is ongoing. Rollout of the Home for All San Mateo County on-line resource center occurred in fall of 2016. The developed Action Plan includes the following four components:

- Building Partnerships and Community Support;
- Supporting all types of housing development;
- Funding affordable housing; and
- Securing land and strengthening community infrastructure.

One of the Task Force "strides" toward closing the Jobs/Housing Gap is to have the county and all 20 cities and towns adopt resolutions in support of the Home For All initiative. The resolution states the regional housing problem, recognizes the purpose and work of the Task Force and commits each jurisdiction to continue to work with other jurisdictions to address the housing crisis on a regional basis, including through ongoing support of the Home For All San Mateo County.

The Town of Colma City Council, through its recent actions (such as adoption of the Housing Element and Housing Impact Fees), continues to support housing initiatives. While these initiatives will help to address housing needs in the Town of Colma, they do not provide for regional housing solutions. The Jobs/Housing Gap Task Force, and the resulting Home for All San Mateo County Initiative, provide an opportunity for the Town to collaborate with other San Mateo County jurisdictions, regional employers, educators, developers, and housing advocates

to provide regional housing solutions. The attached resolution commits the Town to continue to work with other jurisdictions in the County to address the housing crisis on a regional basis, including through ongoing support of the Home For All San Mateo County Initiative. The resolution does not specifically commit the City to support of any particular policies or programs, nor does it commit any specific financial resources beyond staff and elected official participation in regional meetings, as appropriate

Council Adopted Values

The recommendation is consistent with the Council value of *responsibility* because it recognizes the importance of collaborating with the County and other San Mateo County jurisdictions to find solutions to the housing crisis.

Sustainability Impact

Regional collaboration to provide housing has a positive environmental and sustainability impact because it encourages the development of a range of housing types in closer proximity to transit and employment, reducing energy use.

Alternative

The City Council could choose not to adopt the resolution. Not adopting the resolution is not recommended since the Town has been involved in the Task Force and regularly works with the County and other jurisdictions in the County on issues of importance such as housing.

CONCLUSION

Staff recommends the City Council adopt the resolution

ATTACHMENTS

- A. Resolution



**RESOLUTION NO. 2017-##
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION AUTHORIZING THE TOWN OF COLMA TO CONTINUE TO
WORK WITH OTHER JURISDICTIONS IN THE COUNTY TO ADDRESS THE
HOUSING CRISIS ON A REGIONAL BASIS, INCLUDING THROUGH
ONGOING SUPPORT OF THE HOME FOR ALL SAN MATEO COUNTY
INITIATIVE PURSUANT TO CEQA GUIDELINE 15061(B)(3)**

1. Background.

- (a) As of March 2016, the average price to purchase a single family home in San Mateo County is over one and a half million dollars and the average monthly rent for a two bedroom apartment is nearly two thousand nine hundred dollars.
- (b) Between 2010 and 2014, San Mateo County added over 54,000 new jobs while only 2,148 new housing units were built in the County.
- (c) Local government jurisdictions within the County have long collaborated to address, on a regional basis, housing challenges through, for example, the creation, in 2003, of a housing endowment and regional trust, known as HEART of San Mateo County, and the development, in 2006, of a sub-regional process for regional housing needs allocations for all 20 cities and towns, and the unincorporated County, building upon this regional approach to addressing housing issues.
- (d) In September 2015, the San Mateo County Board of Supervisors convened a task force of community leaders to identify housing issues, evaluate innovative tools and best practices, and create a menu of solutions to preserve and increase housing at all income levels.
- (e) The Closing the Jobs-Housing Gap Task Force is co-chaired by Supervisors Don Horsley and Warren Slocum, and includes representatives from cities and towns, business organizations and large employers, educators, housing developers, community-based organizations providing housing services and labor and community advocates.
- (f) The efforts of the Closing the Jobs-Housing Gap Task Force have resulted in the creation of the Home for All San Mateo County Initiative to be launched in September 2016 with a housing policy resource center, a community engagement campaign, and a regional action plan to implement a variety of strategies to produce and preserve housing at all income levels.
- (g) The Town of Colma is committed to continue working on housing issues by collaborating with jurisdictions and community members to implement the strategies put forth in the Home for All San Mateo County Initiative and support the initiative.

2. CEQA

The City Council finds that adoption of this Program is not a "project," as defined in the California Environmental Quality Act because it does not have a potential for resulting in either

a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment pursuant to CEQA Guideline 15061(b)(3).

Order

(a) The City Council hereby commits to continue to work with other jurisdictions in the County to address the housing crisis on a regional basis, including through ongoing support of the Home for All San Mateo County Initiative.

Certification of Adoption

I certify that the foregoing Resolution No. 2017-## was duly adopted at a regular meeting of said City Council held on January 25, 2017 by the following vote:

| Name | Voting | | Present, Not Voting | | Absent |
|-----------------------|--------|----|---------------------|-------------------|--------|
| | Aye | No | Abstain | Not Participating | |
| Helen Fisicaro, Mayor | | | | | |
| Raquel "Rae" Gonzalez | | | | | |
| Joanne F. del Rosario | | | | | |
| John Irish Goodwin | | | | | |
| Diana Colvin | | | | | |
| <i>Voting Tally</i> | | | | | |

Dated _____

Helen Fisicaro, Mayor

Attest: _____
Caitlin Corley, City Clerk



STAFF REPORT

TO: Mayor and Members of the City Council
FROM: Sean Rabé, City Manager
MEETING DATE: January 25, 2017
SUBJECT: FY 2015-16 Basic Financial Statement and Audit

RECOMMENDATION

Staff recommends that the City Council receive a presentation from the Town's auditor and then adopt the following resolution:

RESOLUTION ACCEPTING AUDITOR'S REPORTS AND FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDING JUNE 30, 2016

EXECUTIVE SUMMARY

In accordance with prudent financial management, the Town retains an independent auditor to prepare the Town's annual financial statements. As with previous years, the firm R.J. Ricciardi, Certified Public Accountants, has audited the Town's financial records and has prepared the attached Basic Financial Statements for fiscal year 2015-16. The Auditor found that:

1. The Financial Statements present in a fair and accurate manner the financial position of the government activities of the Town. Each major fund, and the remaining fund balances as of June 30, 2016.
2. The Auditor has confirmed that the prior year observation and recommendation for procedural changes regarding the attachment of background schedules to the bank account reconciliations was implemented and no new observations were reported.
3. The Auditor has issued a separate compliance report regarding the receipt and use of Measure A Transportation funds.
4. The Auditor reviewed the Appropriations Limit (Gann Limit) calculation and issued a report which had found no exceptions in the calculations.

FISCAL IMPACT

None.

BACKGROUND

The Town retained the services of R.J. Ricciardi, CPA, to conduct an independent audit of the Town's financial statement for fiscal year ending June 30, 2016. The 2015-16 Basic Financial Statements, Management Report, 2015-16 Measure A Fund Component Unit Financial Statements, and Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheet, are attached to this staff report.

A representative from the firm will be at the Council meeting to present the audit and answer any questions the Council may have.

ANALYSIS

The firm conducted the review in accordance with generally accepted auditing standards and found that the financial statements fairly present the Town's financial position. The Town has received a "clean" audit for FY 2015-16 with no adverse findings or recommendations. The Auditor's Opinion is found on pages 1-2 of Attachment B. This means the financial information is presented fairly and accurately based on the review by the Auditors.

Included as part of the Financial Statements is a Transmittal Letter prepared by Staff. This can be found on pages iii-vii of the Report and it provides an overview of economic and budgetary factors that impact the Town. A more detailed review of the FY 2015-16 results is located in the Management Discussion & Analysis (MDA) found on pages 3-10. A statistical Section is included on pages 44-62, which include multi-year comparisons for key financial data.

Among the key changes compared to the previous Fiscal Year are the following:

- Reporting of Major Funds In the past only the General Fund was reported as a Major Fund. In the current statements both the Town Capital Projects Fund and the Town Hall Certificate of Participation (COP) funds are now reported as Major Funds. (See description included in MD&A – page 8 and Pages 13-15 of the Financial Statements.
- Inclusion of Internal Service Fund The City Council authorized establishing a Fleet Replacement Fund which will collect annual charges from operating departments to fund future fleet replacements. This new fund is categorized as an Enterprise Fund in the financial statements and had assets of \$776,421 as of June 30, 2016. (See Financial Statements pages 16-18)
- COP Debt Part of Liabilities In September 2015 the Town completed a financing for a portion of the Town Hall Renovation Project. The net liability as of June 30, 2016 was \$5,120,000 (See Note 4E pages 29-30)
- Retirement Liabilities This is the second year of the requirement to incorporate additional information on retirement plan liabilities as required by Government Accounting Standards Board (GASB) statement No. 68. The current year notes and calculations are more extensive and required additional actuarial services to complete. (See Note 5 pages 31-37). As shown on page 29 the Net Pension Liability increased by \$862,340 to an ending balance of \$7.7 million.

As part of the Audit process the Auditors also review procedures and make recommendations on improvements as part of a Management Report (See Attachment C). The Auditors did not make any reportable findings with the current year work. Staff had already implemented procedures addressing the Fiscal Year 2014-15 recommendation.

The Town receives Measure A transportation funds from San Mateo County. . The Measure A Program requires the Town to complete a separate audit of these funds (See Attachment D). In addition to Financial testing of transactions the Auditors do additional review to provide a reasonable assurance that the Town of Colma has complied with certain provisions of Measure A. In Fiscal Year 2015-16 the intent was to use the Measure A funds on the next phase of the Hillside Boulevard Improvement Project. Undertaking this project relied on receipt of a competitive Measure A Grant, which was not awarded. Therefore, no Measure A expenditures were made by the Town in FY 2015-16. The balance available in the Measure A Fund as of June 30, 2016 was \$58,439. The retained Measure A Funds will be programmed as part of the update to the 5 Year Capital Improvement Program. The results of the Audit did not identify any areas of non-compliance.

Annually the Town is required to calculate an Appropriations Limit which is presented in the Budget and adopted by the Council. State Law does not require an "Audit" of the proceeds of taxes, but does require a review completing specific procedures. This review was completed by the Auditors with no exceptions being noted (See Attachment E).

Values

Approval of the attached resolution is consistent with the Council's core value of responsibility because the annual audit process provides an objective, expert assessment of the Town's financial condition and financial reporting process.

Alternatives

None. In addition to supporting good governance, the completion of Audited Financial Statements is a requirement of the Certificate of Participation (COP) debt issuance and rules imposed by the SEC.

CONCLUSION

Staff recommends the City Council receive the presentation from the Town's auditor, then adopt a resolution accepting the Auditor's reports for Fiscal Year 2014-15.

ATTACHMENTS

- A. Resolution
- B. FY 2015-16 Basic Financial Statements
- C. Management Report
- D. FY 2015-16 Measure A Fund Component Unit Financial Statements
- E. Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheet



RESOLUTION NO. 2017-##
OF THE CITY COUNCIL OF THE TOWN OF COLMA

RESOLUTION ACCEPTING AUDITOR'S REPORTS AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

The City Council of the Town of Colma does hereby resolve as follows:

1. Background

(a) R.J. Ricciardi, Certified Public Accountants (Auditor) undertook, pursuant to contract with the Town of Colma, to perform an independent audit of the Town's FY 2015-16 Financial Statements and the Town's FY 2015-16 Measure A Fund Component Unit Financial Statement; and Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheet.

(b) Auditor reported that it has completed said audit and has found that the financial statements present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Colma as of June 30, 2016, and the respective changes in the financial position for the year then ended. The Auditor further reported that all the financial statements were in conformity with U.S. generally accepted accounting principles.

(c) Auditor made no supplemental recommendations to the Town's financial procedures, and noted the recommendation from the prior year related to bank reconciliation was implemented by Town Staff.

(d) The Auditor reviewed the calculation of the Fiscal Year 2016-17 appropriations limit in the amount of \$40,596,875. No exceptions were identified in the calculations made by the Town.

2. Findings

The City Council finds that the balances as presented in the Financial Statements for the fiscal year ending June 30, 2016 are accepted and shall be reflected in the Town accounting records.

3. Report and Audited Statements Accepted

The report of the Auditor, the Town's FY 2015-16 Audited Financial Statement, and the Town's FY 2015-16 Audited Measure A Fund Component Unit Financial Statement, and the Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheet are hereby accepted. The City Manager shall take all necessary steps to file and distribute the reports as required by external agencies.

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Certification of Adoption

I certify that the foregoing Resolution No. 2017-## was duly adopted at a regular meeting of the City Council of the Town of Colma held on January 25, 2017, by the following vote:

| Name | Counted toward Quorum | | | Not Counted toward Quorum | |
|-----------------------------|-----------------------|----|---------|---------------------------|--------|
| | Aye | No | Abstain | Present, Recused | Absent |
| Helen Fisicaro, Mayor | | | | | |
| Raquel Gonzalez, Vice Mayor | | | | | |
| Diana Colvin | | | | | |
| Joanne del Rosario | | | | | |
| Raquel Gonzalez | | | | | |
| John Goodwin | | | | | |
| <i>Voting Tally</i> | | | | | |

Dated _____

Helen Fisicaro, Mayor

Attest: _____
Caitlin Corley, City Clerk

TOWN OF COLMA
COLMA, CALIFORNIA
BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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INTRODUCTORY SECTION

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INTRODUCTORY SECTION

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TOWN OF COLMA

1198 El Camino Real • Colma, California • 94014-3212

Tel 650-997-8300 • Fax 650-997-8308

December 15, 2016

City Council

Diana Colvin
Mayor

Helen Fiscaro
Vice Mayor

Raquel "Rae" Gonzalez
Council Member

Joseph Silva
Council Member

Joanne F. del Rosario
Council Member

City Officials

Sean Rabé
City Manager

Kirk Stratton
Chief of Police

Christopher Diaz
City Attorney

Caitlin Corley
City Clerk

Brian Dossey
Director of Recreation
Services

Lori Burns
Human Resources Manager

Brad Donohue
Public Works Director

Michael Laughlin, AICP
City Planner

Cyrus Kianpour
City Engineer

To the Members of the City Council, and Residents of the Town of Colma:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the Town of Colma (the Town) for the year ended June 30, 2016. The purpose of the report is to provide the City Council, City Staff, residents, bond holders, and other interested parties with useful information concerning the Town's operations and financial position. The Town management is responsible for the accuracy, completeness, and fairness of the data presented in this report.

To the best of our knowledge, the following report is accurate in all material respects. It has been prepared in accordance with standards prescribed by the Governmental Accounting Standards Board (GASB), and other rule-making bodies. We believe the report contains all disclosures necessary for the reader to understand the Town's financial affairs.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose.

STEWARDSHIP

The Town prepares financial reports to promote accountability. The Town's elected officials are accountable to the citizens; Town management is accountable to the elected officials. This report gives citizens and other interested parties one means of assessing whether the elected and appointed officials in the Town have faithfully carried out their role of being good stewards of the Town's resources.

In order to enhance the degree of confidence of intended users of the financial statements, The Town provides for an annual financial audit. The purpose of the audit is to provide reasonable assurance that the financial statements are presented fairly, in all material respects, and/or give a true and fair view in accordance with the financial reporting framework. R. J. Ricciardi, Inc., Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Colma's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

REPORT FORMAT

There are three main sections in this report:

- Section I, the introductory section, contains the table of contents, this transmittal letter, and other general interest material.
- Section II, the financial section, contains the auditor's opinion, Management's Discussion and Analysis (MD&A), the basic financial statements, notes to the financial statements, and detailed combining and individual statements and schedules for the Town's funds.
- Section III, the statistical section, includes a history of financial and non-financial data that give a context in which to understand the Town's financial statements.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

IMPORTANCE OF FINANCIAL REPORTING

The Town's management is responsible for establishing a system of internal controls which are structured to protect the Town assets from loss or unauthorized use or disposal. Providing reliable financial records is also an integral component used to maintain accountability over Town assets.

As the Town's governing board, the City Council is responsible to ensure that the Town's administration fulfills its responsibilities in the preparation of the financial statements. Accordingly, the City Council reviews the scope of the Town's audits and the accounting principles applied in the Town's financial reporting.

To ensure independence, the Town's Auditor, R. J. Ricciardi, Inc., had full and free access to meet with the City Council to discuss the results of their assessment of the adequacy of internal accounting controls and the quality of the Town's financial reporting.

PROFILE OF THE GOVERNMENT

The Town of Colma, known worldwide as the "City Of Souls," is the smallest city in San Mateo County with over 1,500 residents and 1.5 million "souls." However, Colma is more than just 16 cemeteries. Colma's commercial buildings make a distinct architectural statement resulting from design standards that encourage Spanish-Mediterranean motifs. Colma boasts an old-world charm, from its brick-paved residential streets and ornamental street lamps to its restored historical museum and railroad depot located at its 5,500 square foot Community Center. The state-of-the-art Police Station complements the architecture of the historic and charming Town Hall across the street.

Within its two square mile boundary, the Town enjoys a strong retail tax base with two shopping centers, one of Northern California's most complete collections of car dealerships and a cardroom. There are two Bay Area Rapid Transit (BART) Stations nearby.

The Town's five-member City Council establish the operating and planning policies. Colma has a modern infrastructure with a professional staff that is easily accessible to residents and local businesses. A monthly newsletter is distributed with timely information about the City Council Agenda, upcoming community events and special interest articles.

This small-town approach to modern, municipal government reflects a commitment to both a healthy business climate and a harmonious relationship with residents.

BUDGET PROCESS

The Town Council is required to adopt a final budget by no later than July 1st which is the beginning of the fiscal year. The annual budget serves as the foundation for the Town of Colma's financial planning and control. The budget is prepared by fund, and by department (e.g., police). The Town's fiscal year starts on July 1st and ends on June 30th. Staff prepares a Mid-Year Budget Review and presents it to the Council and the public at a regular City Council meeting. The Proposed Budget for the next fiscal year is prepared by Staff and presented to the City Council for review and discussion at public meetings in April and May. The budget is available for public review several days prior to these meetings. Revisions to the Draft Budget are made and the document is presented again to the Council for additions discussion during a public hearing conducted at a June meeting. At the conclusion of the public hearing, the Council adopts the budget, which establishes the appropriations for the upcoming fiscal year.

ECONOMIC OVERVIEW

Colma benefits from its location in a region where job growth has continued to outpace the national average with lower than average unemployment rates. In order for the Town's retail base to remain strong, positive employment factors support increased consumer purchases. In a November 2016 Economic Update – "The Peninsula Economy", published by Silicon Valley Institute for Regional Studies, the annual growth in jobs for the region was reported to have increased by 3.6%. This was higher than the State increase of 2.3% and the United States rate of 1.7%. The September 2016 unemployment rate for San Mateo County was 3.1% which was lower than the surrounding counties of Santa Clara and San Francisco, as well as less than the 5.5% posted by the State of California.

The Town of Colma is the smallest municipality in San Mateo County with 1,509 residents. Retail sales tax and cardroom taxes are the most significant funding sources. Due to a very small population and large retail sales outlets such as Serramonte Boulevard Auto Row and big box retail at its two shopping centers: 280 Metro and Serra Center; the Town's per capita sales tax ranking ranks very high. This reliance on sales taxes makes the Town vulnerable to changes in consumer spending and impacts when there is a downturn in the general economy, as well as competition from retail establishments relocating to other jurisdictions.

With auto sales representing a significant portion of the Sales tax base trends in this sector are also expected to impact the Towns Revenue. Projections prepared by HdL Companies in conjunction with Beacon Economics, project that future growth is sales tax from Auto Sales will be decreasing. HdL advises the Town on sales tax matters and monitors this important revenue source. In FY 2016 /17 they forecast the sector to grow by 2.8%, while in FY 2017/18 this is expected to decrease to 1.5%. Nationally the auto industry had new car sales peak in 2015.

Following the Great Recession there was additional demand for new automobiles. However, as replacement vehicles have been purchased the year over year growth in new car sales has been declining. Automotive News in a January 2016 report projected that this would be the trend. Contributing to this is the number of lease vehicle returns providing used car inventory, which may attract consumers. These sources projected 3.1 million lease vehicles returning to the market in 2016 and almost 4 million by 2018.

The Town is uniquely challenged in its efforts to diversify its revenue base. Property Tax revenue represented only about 3.2 percent of Town General Fund revenue. With 76% of the Town's two square miles developed as cemeteries or zoned for cemetery usage, and the remainder substantially developed. This limits the amount of property tax that can be generated.

Overall national economic forecasts continue to expect growth, which will support continued consumer spending. However, the rate of growth is expected to be lower than in the past 5 years.

GENERAL FUND BALANCE

The City Council's approved Reserve Policy complies with Governmental Accounting Standards Board (GASB) Statement 54 which established five categories of reserves. The City Council also has adopted criteria for allocating its General Fund reserves among these categories.

The Town's total Fund Balance in the General Fund is \$22,594,248. Fund Balance is comprised of three components in accordance with the Town's reserve policy highlighted above: a Committed portion of \$14,287,000; an Assigned portion of \$950,000; and an Unassigned portion (available for spending at the government's discretion) of \$7,357,248.

MAJOR INITIATIVES DURING THE YEAR

The following section provides information related to the progress achieved on key initiatives during Fiscal Year 2015-2016.

New Solid Waste Franchise Agreement

Since 2010 the Town residents and businesses were served by two separate waste haulers based on location in the community. The Town conducted a request for proposal process and negotiated an exclusive agreement with a single provider to provide comprehensive waste and recycling services in the Town. Included in the agreement are provisions for recycling and diversion of waste from the landfill, which will meet the Town's share of State waste diversion goals. Since this is a major component of the agreement the company will provide personnel who will have assigned duties to coordinate diversion activities and programs.

Implementation of Fleet Replacement Internal Service Fund

The timely replacement of vehicles used by the Town to provide municipal services is important to insuring the town is meeting its obligations. In the past the Town would include the replacement vehicle in the budget in the year that the replacement was made. In Fiscal Year 2015-16 as part of efforts to do longer range planning of resources the City Council approved establishing a Vehicle Replacement Fund. In future years contributions will be made on an incrementally based on the life of the vehicle. This will help smooth the expenditures and provide a source of financing the replacements as the need arises.

Addressing Long-Term OPEB / Retiree Liabilities

Management of current costs as well as addressing liabilities is recognized as important for the long term fiscal health of the Town. The Town began discussion of retiree liabilities and financing options. As this is a complex area impacting current labor agreements as well as resources these efforts are expected to continue in the upcoming year.

Capital Projects

The Town has under construction a Town Hall remodel project which will retain elements of the historical building and add new modern facilities to serve the Town residents. The remodeled Town Hall will be an accessible building and once completed will provide consolidation of public services from one facility.

AWARDS

The Town received the Government Finance Officers Association's Distinguished Budget Presentation Award and the Excellence Award in Operating Budget from the California Society of Municipal Finance Officers for its FY 2015-16 document.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance and administration staff. Credit also must be given to the City Council for their strong support for maintaining the highest standards of professionalism in the management of the Town of Colma's finances.

Respectfully submitted,



Sean Rabé

City Manager

**Town of Colma
List of Elected and Appointed Officials
As of June 30, 2016**

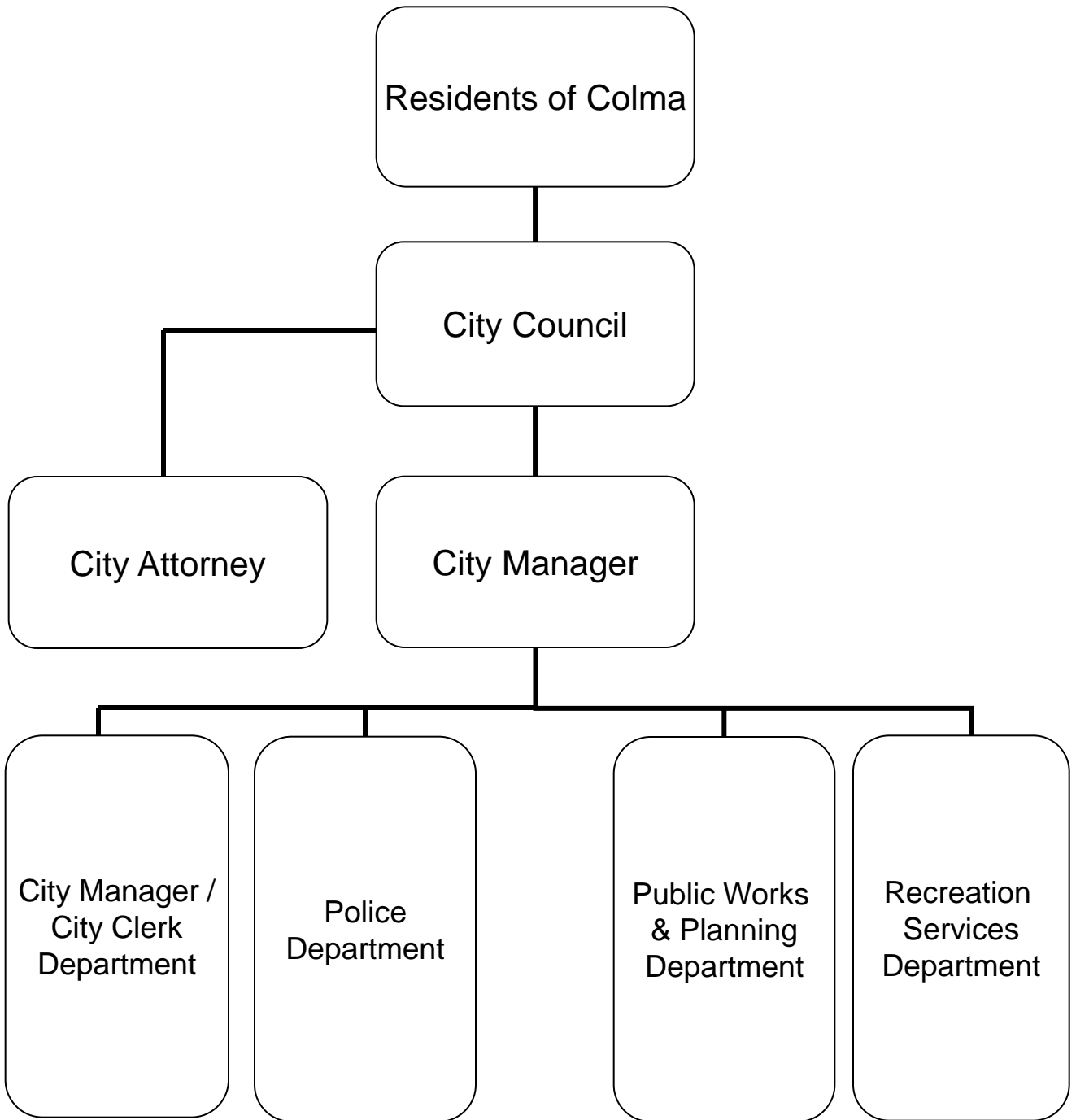
Elected Officials

| | |
|----------------|-----------------------|
| Mayor | Diana Colvin |
| Vice Mayor | Helen Fisicaro |
| Council Member | Joanne F. del Rosario |
| Council Member | Raquel “Rae” Gonzales |
| Council Member | Joseph Silva |

Appointed Officials

| | |
|------------------------------|------------------|
| City Manager | Sean Rabé |
| City Attorney | Christopher Diaz |
| Building Official | Michael Cully |
| Chief of Police | Kirk Stratton |
| City Planner | Michael Laughlin |
| Human Resources | Lori Burns |
| Recreation Services Director | Brian Dossey |
| Public Works Director | Brad Donohue |

Town of Colma



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Town Council
Town of Colma
Colma, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Colma, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Colma's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Town of Colma's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Colma's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Colma, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter and the Budgetary Comparison Schedule for the General Fund (page 41) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Town of Colma's basic financial statements. The Supplementary Information as identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, listed as Combining and Individual Fund Schedules, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

R. J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
December 15, 2016

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

The following discussion provides readers of Town of Colma's basic financial statements a narrative overview and analysis of the financial activities of Town of Colma (the Town) for the fiscal year ended June 30, 2016. Please read this document in conjunction with the accompanying basic financial statements.

FISCAL YEAR 2016 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2016 include the following:

Entity-wide:

- The Town's total net position was \$64,307,264 as of June 30, 2016.
- Entity-wide Governmental revenues include program revenues of \$1,656,726 and general revenues of \$16,271,423 for a total of \$17,928,149.
- Entity-wide Governmental expenses were \$16,025,306.

Fund Level:

- Governmental Fund balances increased \$7,775,298 in fiscal year 2016.
- Governmental Fund revenues increased \$1,073,854 in fiscal year 2016.
- Governmental Fund expenditures decreased \$853,923 in fiscal year 2016.

General Fund:

- General Fund revenues were \$1,193,757 higher than the prior year.
- General Fund expenditures represented an increase of \$461,554 from the prior year.
- General Fund's fund balance of \$22,594,248 as of June 30, 2016, was less than fiscal year 2015's ending fund balance of \$28,117,913. This is a decrease of \$5,523,665. Contributing to the decrease in the General Fund were authorized transfers to the Capital Project Fund.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report is divided into two parts:

- 1) Management's Discussion and Analysis (MD&A);
- 2) The Basic Financial Statements, which include the Entity-wide and the Fund Financial Statements, along with the Notes to these financial statements.

The Basic Financial Statements

The Basic Financial Statements comprise the Entity-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the Town's financial activities and financial position.

The Entity-wide Financial Statements provide a longer-term view of the Town's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the Town as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

The Statement of Activities provides information about all of the Town's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the Town's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The Fund Financial Statements report the Town's operations in more detail than the Entity-wide statements and focus primarily on the short-term activities of the Town's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the Town and are presented individually, while the activities of Non-major Funds are presented in summary. Major Funds are explained further in the following section below.

The Entity-wide Financial Statements

Entity-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the Town as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental Activities – All of the Town's basic services are considered to be governmental activities. These services are supported by general Town revenues such as taxes, and by specific program revenues such as user fees and charges.

Fund Financial Statements

These statements provide additional detail for the Town's most significant Funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds used by the Town can be divided into two categories: Governmental funds and Proprietary funds.

Governmental funds: Governmental funds are used to account for the same functions reported as governmental activities on the Government-wide financial statements. However, this reporting has a focus on the near-term inflows and outflows of spendable resources, as well as the ending balances. The Town has a total of seven governmental funds.

The Fund Financial Statements provide detailed information about each of the Town's most significant funds, called Major Funds. Major Funds present the major activities of the Town for the year, and may change from year-to-year as a result of changes in the pattern of the Town's activities. In accordance with government finance reporting standards, the General Fund is always reported as a Major Fund. Based on these standards the General Capital Fund and Town Hall COP Project Fund are also Major Funds for the year ended June 30, 2016. Each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major Funds (Measure A Transportation Tax Fund; State Gas Tax Fund; Law Enforcement Grant Fund; Debt Service Fund).

Proprietary fund: The Town maintains one type of Proprietary fund. An Internal Services Fund (ISF) is an accounting structure used to accumulate and allocate costs internally among the Town's various operating functions. In this case it is used to build up reserves for future replacement of vehicles and fleet equipment. These services solely benefit the government function. A separate Statement of Net Position and Statement of Cash Flow is included for the ISF.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Fund Financial Statements include governmental funds as discussed below.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented only for the General Fund, as required by GASB Statement No. 34.

FINANCIAL ACTIVITIES OF THE TOWN AS A WHOLE

This analysis focuses on the net position and changes in net position of the Town as a whole. Tables 1, 2 and 3 focus on the Town's Governmental Statement of Net Position and Statement of Activities.

Governmental Activities

Table 1
Governmental Net Position at June 30, 2016
Governmental Activities

| | 2016 | 2015 |
|---|----------------------|----------------------|
| Current and other assets | \$ 37,506,125 | \$ 28,657,680 |
| Capital assets, net of accumulated depreciation | <u>46,657,014</u> | <u>46,404,513</u> |
| Total assets | <u>84,163,139</u> | <u>75,062,193</u> |
| Deferred outflows | <u>1,980,080</u> | <u>936,957</u> |
| Current liabilities | 922,155 | 515,429 |
| Long-term liabilities | <u>19,964,426</u> | <u>13,467,657</u> |
| Total liabilities | <u>20,886,581</u> | <u>13,983,086</u> |
| Deferred inflows | <u>949,374</u> | <u>(388,357)</u> |
| Net position: | | |
| Invested in capital assets, net of debt | 46,657,014 | 46,404,513 |
| Unrestricted | <u>17,650,250</u> | <u>15,999,908</u> |
| Total net position | <u>\$ 64,307,264</u> | <u>\$ 62,404,421</u> |

The Town's governmental net position amounted to \$64,307,264 as of June 30, 2016, an increase of \$1,902,843 from 2015. This increase is the Change in Net Position reflected in the Governmental Activities column of the Statement of Activities shown in Table 2.

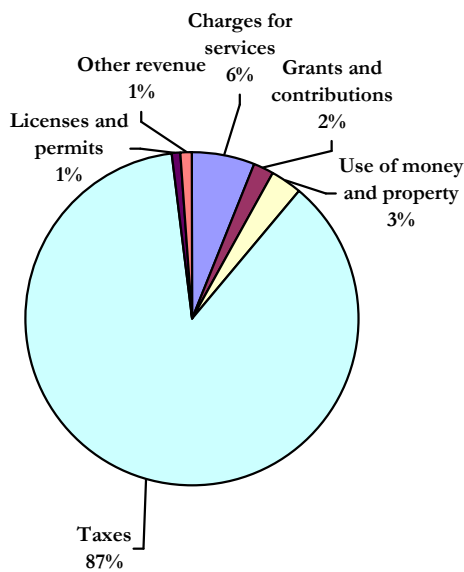
The Town's net position as of June 30, 2016 comprised the following:

- Cash and investments of \$34,070,675 in the Town Treasury. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 4A to the financial statements.
- Other assets of \$3,435,218 as explained in Note 4B to the financial statements.
- Capital assets of \$46,657,014, net of depreciation charges, which includes all the Town's capital assets used in governmental activities as discussed in Note 4C.

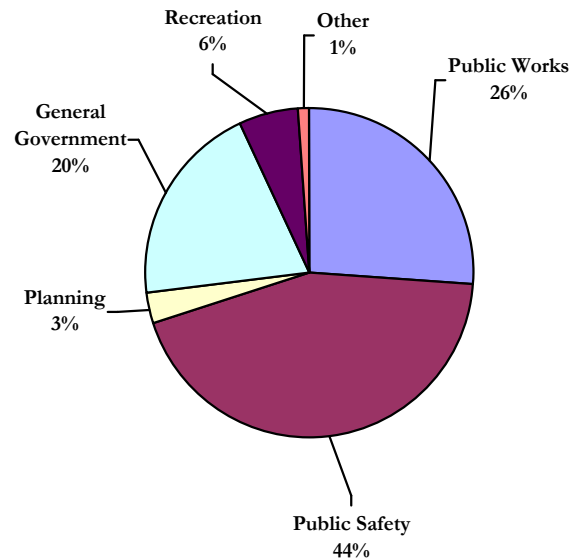
Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

- Current liabilities, including accounts payable, claims and other amounts due currently, totaling \$922,155.
- Long-term liabilities payable of \$19,964,426, as explained in Note 4E to the financial statements. The increase in long-term liabilities is due to the 2015 Town Hall Remodel Certificates of Participation as well as the second year of reporting requirements for retirement plan liabilities.
- Net position invested in capital assets, net of related debt, of \$46,657,014, representing the Town's investment in capital assets used in Governmental Activities, net of amounts borrowed to finance those investments.
- Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The Town had \$17,650,250 of unrestricted net position as of June 30, 2016.

Sources of Revenues



Functional Expenses



As the Sources of Revenues Chart shows, \$15,623,338, or 87%, of the Town's fiscal year 2016 governmental activities revenue came from taxes, while \$282,497, or 2%, came from grants and contributions, \$473,432, or 3%, came from use of money and property, \$1,024,317, or 6%, came from charges for services, \$281,687, or 1%, came from licenses and permits, and \$242,878, or 1%, came from Other Revenue sources.

The Functional Expenses Chart includes only current year expenses; it does not include capital outlays, which were added to the Town's capital assets. As the Chart shows, general government is \$3,187,043, or 20%, of total government expenses, planning is \$512,090, or 3%, public works is \$4,216,784, or 26%, public safety is \$7,027,124, or 44%, recreation is \$968,178, or 6%, with other expenses comprising the final 1%.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

The Statement of Activities presents program revenues and expenses, and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized below.

Table 2
Changes in Governmental Net Position
Governmental Activities

| | 2016 | 2015 |
|----------------------------------|---------------------|---------------------|
| <u>Expenses</u> | | |
| General government | \$ 3,187,043 | \$ 3,903,936 |
| Planning | 512,090 | 410,942 |
| Public works | 4,216,784 | 4,285,679 |
| Public safety | 7,027,124 | 2,832,021 |
| Recreation | 968,178 | 946,869 |
| Interest | 114,087 | - |
| Total expenses | <u>16,025,306</u> | <u>12,379,447</u> |
| <u>Revenues</u> | | |
| Program revenues: | | |
| Charges for services | 1,374,229 | 1,121,707 |
| Capital grants and contributions | 282,497 | 138,809 |
| Total program revenues | <u>1,656,726</u> | <u>1,260,516</u> |
| General revenues: | | |
| Taxes | 15,623,338 | 15,065,130 |
| Use of money and property | 473,841 | 427,801 |
| Licenses and permits | 174,653 | 148,351 |
| Total general revenues | <u>16,271,423</u> | <u>15,641,282</u> |
| Total revenues | <u>17,928,149</u> | <u>16,901,798</u> |
| Change in net position | <u>\$ 1,902,843</u> | <u>\$ 4,522,351</u> |

As the Sources of Revenue Chart and Table 2 above show, \$1,656,726, or 10%, of the Town's fiscal year 2016 governmental revenue, came from program revenues and \$16,271,423, or 90%, came from general revenues such as taxes, interest and miscellaneous receipts.

Program revenues were composed of charges for services of \$1,374,229, which include sewer service fees, permit revenues, fees and charges used to fund expenses incurred in providing services; and grants and contributions of \$282,497, which consists mainly of revenue from other agencies.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

Analyses of Major Funds

Governmental Funds

General Fund

At June 30, 2016, the Town's governmental funds reported combined ending balances of \$35.9 million, an increase of \$7,775,300. The table below provides a summary comparison to the previous year.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Governmental Fund Balance Changes (June 30, 2016 and 2015)

| | June 30, 2016 | June 30, 2015 | \$Change |
|----------------------------|----------------------|----------------------|---------------------|
| General Fund | \$ 22,594,248 | \$ 28,117,913 | \$ (5,523,665) |
| Town Capital Projects Fund | 8,772,940 | (47,219) | 8,820,159 |
| Town Hall COP Project Fund | 4,343,192 | - | 4,343,192 |
| Other Governmental Funds | 207,171 | 71,559 | 135,612 |
| Total Governmental Funds | <u>\$ 35,917,551</u> | <u>\$ 28,142,253</u> | <u>\$ 7,775,298</u> |

General Fund

General Fund revenues increased \$1,193,757 this fiscal year mainly due to an increase in the revenue generated from sales tax and cardroom taxes as well as a small increase in charges for services.

Overall, General Fund expenditures increased \$461,554 from the prior year. Primary contributing factors included: increased salary and retiree benefit costs; initiation of vehicle replacement charges; off-set by various reductions on other items. Expenditures in the General Fund were \$217,045 lower than budgeted for the year ending June 30, 2016, as departments experienced staff vacancies and contract service levels were less than budgeted.

As of June 30, 2016, the General Fund's fund balance totaled \$22,594,248. The unassigned portion of fund balance is \$7,150,077 and represents available liquid resources.

Town Capital Project Fund

In the prior year this fund was not presented as a Major Fund and was consolidated in the "Other Governmental Fund" information. As of June 30, 2016, the Fund had a balance of \$8.7 million. During the year, \$723,006 in expenditures were accounted for in the fund. The fund received transfers from the General Fund totaling \$9.5 million.

Town Hall COP Project Fund

In September 2015, the Town completed a financing for a portion of the Town Hall Remodel project. The proceeds from this financing were placed in the separate fund. During the year total expenses were \$769,351 and the balance available at June 30, 2016 was \$4,343,192.

Other Governmental Funds

These funds are not presented separately in the basic financial statements.

CAPITAL ASSETS

GASB Statement No. 34 requires the Town to record all its capital assets including infrastructure, which was not recorded in prior years. Infrastructure includes roads, bridges, signals and similar assets used by the entire population.

In fiscal year 2016, the Town reported the cost of all its infrastructure assets and computed the amount of accumulated depreciation for these assets based on their original acquisition dates. At the end of fiscal year 2016 the cost of infrastructure and other capital assets recorded on the Town's financial statements is shown in Table 3 below:

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Table 3
Capital Assets at Year-end

| | <u>Balance at June 30, 2016</u> |
|---|-------------------------------------|
| <u>Governmental Activities</u> | |
| Land | \$ 7,595,471 |
| Construction in progress | 2,106,359 |
| Infrastructure-street systems | 27,025,710 |
| Buildings | 19,439,225 |
| Improvements other than buildings | 3,478,524 |
| Machinery and equipment | 2,189,840 |
| Less: accumulated depreciation | <u>(15,178,115)</u> |
| Governmental activity capital assets, net | <u>\$ 46,657,014</u> |

Detail on capital assets and current year additions can be found in Note 4C.

The Town depreciates all its capital assets over their estimated useful lives, as required by GASB Statement No. 34. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives may be found in Note 4C to the financial statements.

DEBT ADMINISTRATION

The Town issued certificates of participation (COP) in fiscal year 2016 in the amount of \$5,300,000. Additional information about the Town's long term obligations can be found in Note 4E to the basic financial statements.

As of June 30, 2016, the Town's debt issues comprised:

Table 4
Outstanding Debt

| | <u>June 30, 2016</u> |
|--|----------------------|
| <u>Governmental Activity Debt:</u> | |
| Certificates of Participation | \$ 5,120,000 |
| Net Other Post-Employment Benefit Obligation | 6,215,179 |
| Net Pension Liability | 7,746,964 |
| Compensated absences | <u>992,283</u> |
| | <u>\$ 20,074,426</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Colma is the smallest municipality in San Mateo County with 1,509 residents. The two most significant sources of annual revenue are retail sales tax and cardroom taxes. These two sources of revenue accounted for approximately 79% of the total revenue in government funds in the year ending June 30, 2016.

While this reliance on sales taxes makes Town of Colma vulnerable to changes in consumer spending, there are consistent signs that the economy has continued to recover compared to previous years. Sales tax revenues have continued to grow since FY 2010, the low point of the recession. The FY 2015-16 sales tax included one-time payments attributable to the State wind-down of the Triple Flip borrowing from local agencies. The FY 2016-17 Adopted Budget assumes sales tax revenues are \$10.55 million – or 2.8 percent less than FY 2015-16 actual revenues of \$10,851,063. A significant portion of the sales tax is related to automobile sales. Increases in sales of new cars are expected to taper off, resulting in slower growth in sales tax revenue for the Town.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Cardroom taxes have continued to grow with revenue in FY 2015-16 increasing by 7% over the previous Fiscal Year to \$4,039,518.

The Operating Budget for FY 2016-17 provides \$14.16 million in funding to operating departments – an increase of about \$0.75 million from FY 2015-16 Actual of \$13.41 million. The increase is partially due to the following:

- Expected full year funding of positions which may have been vacant in the previous year.
- Medical benefit cost increases.
- Public Employee Retirement System (PERS) increases.
- Contributing the annual Actuarial Required Contribution (ARC) to a benefits trust which funds retiree medical benefits.

These increases were partially offset by decreases on other accounts throughout the budget. Also beyond the Operating Department Budgets the Town expects as part of the 2016-17 Budget to continue to contribute resources towards important capital improvement projects.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of Town of Colma's finances. Questions about this report should be directed to Town of Colma, at 1198 El Camino Real, Colma, CA 94014.

Town of Colma
STATEMENT OF NET POSITION
June 30, 2016

ASSETS

Current assets:

| | |
|----------------------|-------------------|
| Cash and investments | \$ 34,070,675 |
| Receivables: | |
| Taxes | 1,588,667 |
| Accounts | 1,802,545 |
| Accrued interest | 44,238 |
| Total current assets | <u>37,506,125</u> |

Noncurrent assets:

Capital assets:

| | |
|--|-------------------|
| Non-depreciable | 9,701,832 |
| Depreciable, net of accumulated depreciation | <u>36,955,182</u> |
| Total noncurrent assets | <u>46,657,014</u> |

| | |
|--------------|-------------------|
| Total assets | <u>84,163,139</u> |
|--------------|-------------------|

DEFERRED OUTFLOWS

| | |
|---------------------------------------|------------------|
| Deferred outflows related to pensions | <u>1,980,080</u> |
|---------------------------------------|------------------|

LIABILITIES

Current liabilities:

| | |
|---|----------------|
| Accounts payable and accrued expenses | 597,340 |
| Deposits | 84,727 |
| Compensated absences | 130,088 |
| Certificates of participation due in one year | 110,000 |
| Total current liabilities | <u>922,155</u> |

Noncurrent liabilities due in more than one year:

| | |
|--|-------------------|
| Compensated absences | 992,283 |
| Certificates of participation | 5,010,000 |
| Net pension liability | 7,746,964 |
| Net other post-employment benefit obligation | <u>6,215,179</u> |
| Total noncurrent liabilities | <u>19,964,426</u> |

| | |
|-------------------|-------------------|
| Total liabilities | <u>20,886,581</u> |
|-------------------|-------------------|

DEFERRED INFLOWS

| | |
|--------------------------------------|----------------|
| Deferred Inflows related to pensions | <u>949,374</u> |
|--------------------------------------|----------------|

NET POSITION

| | |
|---|----------------------|
| Invested in capital assets, net of related debt | 46,657,014 |
| Unrestricted | 17,650,250 |
| Total net position | <u>\$ 64,307,264</u> |

The accompanying notes are an integral part of these financial statements.

Town of Colma
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | | Net (Expense) |
|--|----------------------|-------------------------|----------------------|----------------------|----------------------|
| | | <u>Charges for</u> | <u>Operating</u> | <u>Capital</u> | Revenue and |
| | | | <u>Grants and</u> | <u>Grants and</u> | Changes in |
| | | <u>Services</u> | <u>Contributions</u> | <u>Contributions</u> | Net Position |
| | | | | | <u>Total Town</u> |
| | | | | | <u>Governmental</u> |
| | | | | | <u>Activities</u> |
| <u>Town Government</u> | | | | | |
| Governmental Activities: | | | | | |
| General government | \$ 3,187,043 | \$ - | \$ - | \$ - | \$ (3,187,043) |
| Public safety | 7,027,124 | 68,225 | 149,594 | - | (6,809,305) |
| Public works | 4,216,784 | 500,000 | 132,903 | - | (3,583,881) |
| Recreation | 968,178 | 524,317 | - | - | (443,861) |
| Planning | 512,090 | 281,687 | - | - | (230,403) |
| Interest on long-term debt | <u>114,087</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(114,087)</u> |
| Total Governmental Activities | <u>16,025,306</u> | <u>1,374,229</u> | <u>282,497</u> | <u>-</u> | <u>(14,368,580)</u> |
| Total Town Government | <u>\$ 16,025,306</u> | <u>\$ 1,374,229</u> | <u>\$ 282,497</u> | <u>\$ -</u> | <u>(14,368,580)</u> |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes | | | | | 617,172 |
| Sales taxes | | | | | 10,851,063 |
| Cardroom taxes | | | | | 4,039,518 |
| Other taxes | | | | | 115,585 |
| Use of money and property | | | | | 473,432 |
| Other revenues | | | | | <u>174,653</u> |
| Total general revenues and special items | | | | | <u>16,271,423</u> |
| Change in net position | | | | | <u>1,902,843</u> |
| Net position beginning of period | | | | | <u>62,404,421</u> |
| Net position ending of period | | | | | <u>\$ 64,307,264</u> |

The accompanying notes are an integral part of these financial statements.

Town of Colma
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2016

| | General Fund | Town Capital Projects Fund | Town Hall COP Project | Other Governmental Funds | Total Governmental Funds |
|-------------------------------------|----------------------|-------------------------------|--------------------------|--------------------------------|--------------------------------|
| <u>ASSETS</u> | | | | | |
| Cash and investments | \$ 19,788,026 | \$ 8,808,798 | \$ 4,495,660 | \$ 201,770 | \$ 33,294,254 |
| Taxes receivable | 1,579,300 | - | - | 9,367 | 1,588,667 |
| Accounts receivable | 1,802,313 | - | - | 232 | 1,802,545 |
| Accrued interest receivable | 44,238 | - | - | - | 44,238 |
| Total Assets | <u>\$ 23,213,877</u> | <u>\$ 8,808,798</u> | <u>\$ 4,495,660</u> | <u>\$ 211,369</u> | <u>\$ 36,729,704</u> |
| <u>LIABILITIES</u> | | | | | |
| Accounts payable | \$ 398,792 | \$ 35,858 | \$ 152,468 | \$ 4,198 | \$ 591,316 |
| Accrued expenditures | 6,022 | - | - | - | 6,022 |
| Compensated absences | 130,088 | - | - | - | 130,088 |
| Deposits | 84,727 | - | - | - | 84,727 |
| Total Liabilities | <u>619,629</u> | <u>35,858</u> | <u>152,468</u> | <u>4,198</u> | <u>812,153</u> |
| <u>FUND BALANCES</u> | | | | | |
| Committed | 14,287,000 | - | 4,343,192 | - | 18,630,192 |
| Unassigned | 7,357,248 | - | - | - | 7,357,248 |
| Assigned | 950,000 | 8,772,940 | - | 207,171 | 9,930,111 |
| Total Fund Balances | <u>22,594,248</u> | <u>8,772,940</u> | <u>4,343,192</u> | <u>207,171</u> | <u>35,917,551</u> |
| Total Liabilities and Fund Balances | <u>\$ 23,213,877</u> | <u>\$ 8,808,798</u> | <u>\$ 4,495,660</u> | <u>\$ 211,369</u> | <u>\$ 36,729,704</u> |
| Total Governmental Fund Balances | | | | | \$ 35,917,551 |

Amounts reported for governmental activities in the statement of net position are different because:

| | |
|---|----------------------|
| Capital assets used in governmental activities are not reported in the funds. | 46,657,014 |
| The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. | 776,421 |
| Some liabilities, including bonds, notes, leases and long-term portion of compensated absences are not due and payable in the current period and are therefore not reported in the funds. | (19,043,722) |
| Net position of Governmental Activities | <u>\$ 64,307,264</u> |

The accompanying notes are an integral part of these financial statements.

Town of Colma
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

| | General Fund | Town Capital Projects Fund | Town Hall COP Project | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|-------------------------------|--------------------------|--------------------------------|--------------------------------|
| <u>REVENUES</u> | | | | | |
| Property taxes | \$ 617,172 | \$ - | \$ - | \$ - | \$ 617,172 |
| Sales taxes | 10,851,063 | - | - | - | 10,851,063 |
| Cardroom taxes | 4,039,518 | - | - | - | 4,039,518 |
| Other taxes | 115,585 | - | - | - | 115,585 |
| Licenses and permits | 281,687 | - | - | - | 281,687 |
| Fines and forfeits | 68,225 | - | - | - | 68,225 |
| Intergovernmental | 37,602 | - | - | 244,895 | 282,497 |
| Use of money and property | 462,655 | - | 10,046 | 731 | 473,432 |
| Other revenues | 222,156 | - | - | - | 222,156 |
| Charges for services | 1,024,317 | - | - | - | 1,024,317 |
| Total revenues | <u>17,719,980</u> | <u>-</u> | <u>10,046</u> | <u>245,626</u> | <u>17,975,652</u> |
| <u>EXPENDITURES</u> | | | | | |
| Current: | | | | | |
| General government | 3,194,543 | - | - | - | 3,194,543 |
| Public safety | 5,655,678 | - | - | 93,134 | 5,748,812 |
| Public works | 3,074,526 | 723,006 | 769,351 | 163,258 | 4,730,141 |
| Recreation | 973,178 | - | - | - | 973,178 |
| Planning | 512,090 | - | - | - | 512,090 |
| Debt service: | | | | | |
| Principal | - | - | - | 180,000 | 180,000 |
| Interest | - | - | - | 114,087 | 114,087 |
| Total expenditures | <u>13,410,015</u> | <u>723,006</u> | <u>769,351</u> | <u>550,479</u> | <u>15,452,851</u> |
| Excess (deficiency) of revenues over expenditures | <u>4,309,965</u> | <u>(723,006)</u> | <u>(759,305)</u> | <u>(304,853)</u> | <u>2,522,801</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | |
| Debt proceeds | - | - | 5,102,497 | 150,000 | 5,252,497 |
| Transfers in | - | 9,543,165 | - | 290,465 | 9,833,630 |
| Transfers out | <u>(9,833,630)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(9,833,630)</u> |
| Total other financing sources (uses) | <u>(9,833,630)</u> | <u>9,543,165</u> | <u>5,102,497</u> | <u>440,465</u> | <u>5,252,497</u> |
| Net change in fund balances | (5,523,665) | 8,820,159 | 4,343,192 | 135,612 | 7,775,298 |
| Fund balances, beginning of period | <u>28,117,913</u> | <u>(47,219)</u> | <u>-</u> | <u>71,559</u> | <u>28,142,253</u> |
| Fund balances, end of period | <u>\$ 22,594,248</u> | <u>\$ 8,772,940</u> | <u>\$ 4,343,192</u> | <u>\$ 207,171</u> | <u>\$ 35,917,551</u> |

The accompanying notes are an integral part of these financial statements.

Town of Colma
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds \$ 7,775,298

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$1,239,320) exceeds capital outlays \$1,491,821 in the current period. 252,501

Internal service funds are closed by charging additional amounts or reducing charges to participating governmental activities to completely cover the internal service funds costs for each year 776,421

Accrual of Non-Current Items

The amounts below included in the statement of activities do not require the use of or provide current financial resources and are therefore not reported as expenditures or revenues in the governmental funds.

| | |
|--|------------------|
| Compensated Absences | (49,756) |
| Certificates of participation | (5,120,000) |
| Pension expense | (1,156,948) |
| Net other post-employment benefit obligation | <u>(574,673)</u> |

| | |
|----------------|--------------------|
| Net difference | <u>(5,872,455)</u> |
|----------------|--------------------|

| | |
|---|---------------------|
| Change in Net Position of Governmental Activities | <u>\$ 1,902,843</u> |
|---|---------------------|

The accompanying notes are an integral part of these financial statements.

Town of Colma
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2016

| | <u>Enterprise Funds</u> |
|----------------------|--|
| | Governmental Activities Internal Service Fund |
| | |
| <u>ASSETS</u> | |
| Current assets: | |
| Cash and investments | \$ 776,421 |
| Total current assets | <u>776,421</u> |
| | |
| <u>NET POSITION</u> | |
| Unrestricted | <u>776,421</u> |
| | |
| Total net position | <u><u>\$ 776,421</u></u> |

The accompanying notes are an integral part of these financial statements.

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
 For the year ended June 30, 2016

| | <u>Enterprise Funds</u> |
|--|--|
| | Governmental Activities Internal Service Fund |
| Operating revenues: | |
| Charges for services | \$ 776,012 |
| | |
| Total operating revenues | <u>776,012</u> |
| Operating expenses: | |
| Materials, supplies, rent and services | <u>-</u> |
| | |
| Total operating expenses | <u>-</u> |
| Operating income (loss) | <u>776,012</u> |
| Non-operating revenues (expenses): | |
| Interest income | <u>409</u> |
| Total non-operating revenues (expenses) | <u>409</u> |
| Change in net position | <u>776,421</u> |
| Net position, beginning of period | <u>-</u> |
| Net position, end of period | <u><u>\$ 776,421</u></u> |

The accompanying notes are an integral part of these financial statements.

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
 For the year ended June 30, 2016

| | <u>Enterprise Funds</u> |
|---|--|
| | Governmental Activities Internal Service Fund |
| Cash flows from operating activities: | |
| Receipts from other funds for services | \$ 776,012 |
| Payments to employees | <u>-</u> |
| Net cash provided (used) by operating activities | <u>776,012</u> |
| Cash flows from investing activities: | |
| Interest earned | <u>409</u> |
| Net cash provided by investing activities | <u>409</u> |
| Net increase (decrease) in cash and cash equivalents | 776,421 |
| Cash and cash equivalents - beginning of period | <u>-</u> |
| Cash and cash equivalents - end of period | <u><u>\$ 776,421</u></u> |
| Reconciliation of operating income (loss) to net cash provided (used in) operating activities: | |
| Operating income (loss) | <u>\$ 776,012</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | |
| None | - |
| Changes in certain assets and liabilities: | |
| None | <u>-</u> |
| Net cash provided by (used for) operating activities | <u><u>\$ 776,012</u></u> |

The accompanying notes are an integral part of these financial statements.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Colma (the Town) is a municipal corporation governed by an elected five-member City Council. The accompanying basic financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The Town has no component units.

The Town provides customary municipal services including general governmental activities, police protection, streets, maintenance, parks and recreation activities, planning and zoning, and building and public works. The Town contracts for sanitary sewer services with local providers in Daly City and South San Francisco, for street lighting services with San Mateo County, and for water service from CalWater.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the Town with the effect of interfund activity removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the Town's governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, & Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when "measurable" and "available". Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, & Financial Statement Presentation (concluded)

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, card room taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund and the only major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes elimination of interfund payables and receivables and of interfund transfers.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The Town may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Additionally the Town reports the following fund type:

The Internal Service Fund is used to account for the replacement of the Town's fleet and associated equipment provided to other Town departments on a cost reimbursement basis.

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, the State Treasurer's Investment Pool, and other permitted investments.

Investments for the Town are reported at fair value. Investments in guaranteed investment contracts are reported at cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs - other than quoted prices included within level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

The Town has determined that an allowance for uncollectibles is not necessary as all receivables have been deemed collectible.

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the county, and be shared by applicable jurisdictions. The County of San Mateo (the County) collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and each installment becomes delinquent after December 10 and April 10, respectively. The Town receives property taxes pursuant to an arrangement with the County known as the “Teeter Plan”. Under the plan, the County assumes responsibility for the collection of the delinquent taxes and pays the full allocation to the Town. The Town recognizes property tax revenues in the fiscal year in which they are levied for the Town.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure-type assets such as roads, bridges, sidewalks, and street lights, are reported in the accompanying basic financial statements. They are reported in the applicable governmental-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost when available, or at estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|--------------------------------|--------------|
| Buildings | 50 |
| Infrastructure – street system | 40-50 |
| Vehicles | 8 |
| Equipment | 5-25 |
| Improvements | 20 |

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. There is a liability for a portion of unpaid accumulated sick leave since the Town does have a policy to pay certain amounts when certain employees separate from service with the Town. All vacation and sick leave is accrued when incurred in the government-wide financial statements. The liability for vacation and sick leave is recorded in the fund financial statements only when immediately due and payable, such as amounts that arise from employee retirements.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Town that is applicable to a future reporting period.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town of Colma's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government-type activities statement of net position.

Net Position

Government-wide net position consists of the following:

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position – This amount includes all net position that does not meet the definition of "invested in capital assets, net of related debt" or "restricted net position".

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Governmental fund balance consists of the following:

Fund Equity

The accompanying basic financial statements reflect certain changes that have been made with respect to the reporting components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental *funds* now reflect the component classifications described below.

In the fund financial statements, governmental fund balances are reported in the following classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

D. Assets, Liabilities and Net Position or Equity (concluded)

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level decision-making authority. The Town Council serves as the Town's highest level decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes' action.

Assigned fund balance includes amounts intended to be used by the Town for specific purposes, subject to change, as established either directly by the Town Council or by management officials to whom the assignment authority has been delegated by the Town Council.

Unassigned fund balance is the residual classification that includes the spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the Town's policy specifies that restricted revenues will be applied first. When expenditures are incurred for the purposes for which committed, assigned, or unassigned fund balances are available, the Town's policy is to apply committed fund balances first, then apply assigned fund balances, and finally unassigned fund balances.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, "capital assets are not financial resources and are not reported in the funds."

The details of this difference are as follows:

| | |
|--|----------------------|
| Capital assets | \$ 61,835,129 |
| Less: accumulated depreciation | <u>(15,178,115)</u> |
| Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i> | <u>\$ 46,657,014</u> |

Another element of the reconciliation explains that "long-term liabilities" are not due and payable in the current period and are therefore not reported in the funds. The details are as follows:

| | |
|--|------------------------|
| Long-Term Debt Obligations: | |
| Deferred outflows | \$ 1,980,080 |
| Deferred inflows | (949,374) |
| Compensated absences | (992,285) |
| Certificates of participation | (5,120,000) |
| Net other post-employment benefit obligation | (6,215,179) |
| Net pension liability | <u>(7,746,964)</u> |
| Net adjustment to decrease <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i> | <u>\$ (19,043,722)</u> |

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS (concluded)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances with the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference and other significant components of the difference are as follows:

| | |
|--|------------------------------|
| Capital outlay | \$ 1,491,821 |
| Depreciation expense | (1,239,320) |
| Internal service fund | 776,421 |
| Compensated absences | (49,756) |
| Certificates of participation | (5,120,000) |
| Pension expense | (1,156,948) |
| Net other post-employment benefit obligation (OPEB) | <u>(574,673)</u> |
| Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u><u>\$ (5,872,455)</u></u> |

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year end. Before the end of each fiscal year, all departments of the Town submit requests to the City Manager so that a budget may be prepared. Before June 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Expenditures for capital projects or the creation of additional positions requires the specific authorization of the Town Council. Encumbrance accounting is not employed.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments consisted of the following at June 30:

| | |
|--|-------------------------------|
| | Maturity 12 months or less |
| Demand deposits | \$ 7,317,633 |
| Cash and investments with fiscal agent | 4,463,253 |
| Local Agency Investment Fund (LAIF) | 3,753,308 |
| San Mateo County Treasurer’s Investment Pool | <u>18,536,481</u> |
| Total | <u><u>\$ 34,070,675</u></u> |

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (continued)

The Town's total cash and investments consisted of:

| | |
|--------------|----------------------|
| Unrestricted | \$ <u>29,607,422</u> |
|--------------|----------------------|

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the Town's investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Town's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the above table that shows the distribution of the Town's investments by maturity or earliest call date.

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the Town's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the Town's name and places the Town ahead of general creditors of the institution.

As of June 30, 2016, the Town holds \$4,495,660 in unexpended proceeds from the Certificates of Participation, which were included in Cash and Investments recorded in the Capital Projects Fund. These restricted funds are spent on project costs as defined in the underlying indenture.

The Town does not enter into reverse repurchase agreements. Trustees under bond indentures may also invest in guaranteed investment contracts.

The Town's investments are carried at fair value instead of cost, as required by U.S. generally accepted accounting principles. The Town adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Town reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. At June 30, 2016 the fair value was \$2,332 greater than the Town's cost. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2016, these investments matured in an average of 167 days.

The Town maintains specific cash deposits with the County and voluntarily participates in the external investment pool of the County. The County is restricted by state code in the types of investments it can make. Furthermore, the County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than state code as to terms of maturity and type of investment. Also, the County has an investment committee that performs regulatory oversight for its pool as required by California Government Code Section 27134.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (continued)

The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool.

At June 30, 2016, the Town's cash with the County Treasurer is stated at fair value. However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Town's position in the pool. At June 30, 2016, the fair value was \$56,722 greater than the Town's cost.

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the Town as of June 30, 2016:

| <u>Investment Type</u> | <u>Level 2</u> | <u>Exempt</u> | <u>Total</u> |
|---|----------------------|---------------|----------------------|
| California Local Agency Investment Fund | \$ 3,753,308 | \$ - | \$ 3,753,308 |
| San Mateo County Treasurer's Pool | 18,536,481 | - | 18,536,481 |
| Held by Trustees: | | | |
| California Local Agency Investment Fund | <u>4,463,253</u> | <u>-</u> | <u>4,463,253</u> |
| Total Investments | <u>\$ 26,753,042</u> | <u>\$ -</u> | <u>26,753,042</u> |
| Cash in banks and on hand | | | <u>7,317,633</u> |
| Total cash and Investments | | | <u>\$ 34,070,675</u> |

The California Local Agency Investment Fund (LAIF) classified in Level 2 of the fair value hierarchy, are valued using quoted prices for a non-active market portfolio at fiscal year end. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2016 are provided by Standard and Poor's except as noted.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (concluded)

| <u>Investment Type</u> | <u>Total</u> |
|---|----------------------|
| Money Market Mutual Funds | \$ 360 |
| Not rated: | |
| California Local Agency Investment Fund | 8,216,201 |
| San Mateo County Treasurer's Pool | 18,536,481 |
| Cash in banks and on hand | <u>7,317,633</u> |
| Total cash and Investments | <u>\$ 34,070,675</u> |

B. Receivables

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate were as follows:

| | <u>General</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|-----------------------|---------------------|---------------------------|---------------------|
| Receivables: | | | |
| Interest | \$ 44,238 | \$ - | \$ 44,238 |
| Taxes | 1,579,300 | 9,367 | 1,588,667 |
| Accounts | <u>1,802,313</u> | <u>-</u> | <u>1,802,313</u> |
| Net total receivables | <u>\$ 3,425,851</u> | <u>\$ 9,367</u> | <u>\$ 3,435,218</u> |

C. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|----------------------|------------------|---------------------------|
| <u>Governmental activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 7,595,471 | \$ - | \$ - | \$ 7,595,471 |
| Construction in progress | <u>614,005</u> | <u>1,492,354</u> | <u>-</u> | <u>2,106,359</u> |
| Total capital assets, not being depreciated | <u>8,209,476</u> | <u>1,492,354</u> | <u>-</u> | <u>9,701,830</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 19,439,225 | - | - | 19,439,225 |
| Improvements other than buildings | 3,478,524 | - | - | 3,478,524 |
| Machinery and equipment | 2,190,373 | 119,977 | 120,510 | 2,189,840 |
| Infrastructure - street systems | <u>27,025,710</u> | <u>-</u> | <u>-</u> | <u>27,025,710</u> |
| Total capital assets, being depreciated | <u>52,133,832</u> | <u>119,977</u> | <u>120,510</u> | <u>52,133,299</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (4,128,616) | (390,830) | - | (4,519,446) |
| Improvements other than buildings | (1,717,714) | (162,628) | - | (1,880,342) |
| Machinery and equipment | (1,297,569) | (168,814) | - | (1,466,383) |
| Infrastructure - street systems | <u>(6,794,896)</u> | <u>(517,048)</u> | <u>-</u> | <u>(7,311,944)</u> |
| Total accumulated depreciation | <u>(13,938,795)</u> | <u>\$(1,239,320)</u> | <u>\$ -</u> | <u>(15,178,115)</u> |
| Total capital assets, being depreciated, net | <u>38,195,037</u> | | | <u>36,955,184</u> |
| Governmental activities capital assets net | <u>\$46,404,513</u> | | | <u>\$46,657,014</u> |

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (concluded)

Depreciation expense was charged to functions/programs of the Town as follows:

| | |
|--|---------------------|
| Governmental activities: | |
| Public works | \$ 1,239,320 |
| Total depreciation expense - governmental activities | <u>\$ 1,239,320</u> |

D. Interfund Receivables, Payables and Transfers

Interfund transfers at June 30, 2016 were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|---------------------------|---------------------|----------------------|
| General Fund | \$ - | \$ 9,833,630 |
| Debt service | 289,370 | - |
| Town Capital Project Fund | 9,543,165 | - |
| Local law enforcement | 1,095 | - |
| Totals | <u>\$ 9,833,630</u> | <u>\$ 9,833,630</u> |

The transfers out of the General Fund were made for the purpose of financing capital projects and debt service undertaken during the fiscal year.

E. Long-Term Debt

Changes in long-term liabilities

Long-term debt activity for the 2016 fiscal year was as follows:

| | <u>Beginning Balances</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balances</u> | <u>Due Within One Year</u> |
|-------------------------------|-------------------------------|---------------------|-------------------|----------------------------|--------------------------------|
| Certificates of Participation | \$ - | \$ 5,300,000 | \$ 180,000 | \$ 5,120,000 | \$ 110,000 |
| Net OPEB | 5,640,506 | 574,672 | - | 6,215,178 | - |
| Net Pension Liability | 6,884,624 | 862,340 | - | 7,746,964 | - |
| Compensated absences | <u>942,526</u> | <u>49,756</u> | <u>-</u> | <u>992,282</u> | <u>-</u> |
| Totals | <u>\$13,467,656</u> | <u>\$ 6,786,768</u> | <u>\$ 180,000</u> | <u>\$20,074,424</u> | <u>\$ 110,000</u> |

Certificates of Participation

On September 24, 2015, the Town issued \$5.3 million in Certificates of Participation through Stifel, Nicolaus & Company, Incorporated. The funds and debt service payments are administered under a Trustee Agreement with Bank of New York Mellon. This financing will be used to fund a portion of the Town Hall renovation project.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 - DETAILED NOTES ON ALL FUNDS (concluded)

E. Long-Term Debt (concluded)

The annual requirements to amortize the debt outstanding as of June 30, 2016, including interest payments, are as follows:

| <u>Period Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|---------------------|---------------------|---------------------|
| 2017 | \$ 110,000 | \$ 185,669 | \$ 295,669 |
| 2018 | 110,000 | 183,469 | 293,469 |
| 2019 | 115,000 | 181,269 | 296,269 |
| 2020 | 115,000 | 178,969 | 293,969 |
| 2021 | 120,000 | 174,369 | 294,369 |
| 2022 | 125,000 | 169,569 | 294,569 |
| 2023 | 130,000 | 164,569 | 294,569 |
| 2024 | 135,000 | 160,669 | 295,669 |
| 2025 | 135,000 | 156,619 | 291,619 |
| 2026 | 140,000 | 151,219 | 291,219 |
| 2027 | 145,000 | 146,319 | 291,319 |
| 2028 | 150,000 | 141,969 | 291,969 |
| 2029 | 155,000 | 137,281 | 292,281 |
| 2030 | 160,000 | 132,244 | 292,244 |
| 2031 | 165,000 | 126,844 | 291,844 |
| 2032 | 175,000 | 121,069 | 296,069 |
| 2033 | 180,000 | 115,163 | 295,163 |
| 2034 | 185,000 | 108,638 | 293,638 |
| 2035 | 190,000 | 101,238 | 291,238 |
| 2036 | 200,000 | 93,638 | 293,638 |
| 2037 | 210,000 | 86,138 | 296,138 |
| 2038 | 215,000 | 78,263 | 293,263 |
| 2039 | 225,000 | 70,200 | 295,200 |
| 2040 | 230,000 | 61,200 | 291,200 |
| 2041 | 240,000 | 52,000 | 292,000 |
| 2042 | 250,000 | 42,400 | 292,400 |
| 2043 | 260,000 | 32,400 | 292,400 |
| 2044 | 270,000 | 22,000 | 292,000 |
| 2045 | 280,000 | 11,200 | 291,200 |
| Total | <u>\$ 5,120,000</u> | <u>\$ 3,386,594</u> | <u>\$ 8,506,594</u> |

NOTE 5 - OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town obtains insurance coverage. The Town is a member of the ABAG PLAN Corporation (PLAN), which provides a pooled risk sharing insurance program. The PLAN provides the Town with insurance coverage of \$15 million per loss for liability claims. The Town has a \$50,000 self-insurance retention limit similar to a deductible.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 - OTHER INFORMATION (continued)

A. Risk Management (concluded)

The PLAN insurance has two different layers of coverage. Layer 1 is a \$5 million self-insured layer shared by participants; Layer 2 is commercial excess insurance coverage for \$10 million beyond the \$5 million PLAN coverage. The PLAN also provides the Town with \$1 million pooled employee dishonesty coverage. Property coverage is also provided by the PLAN with the Town having a \$10,000 deductible. The PLAN provides the coverage using a self-insured pool to cover losses up to \$100,000. The PLAN purchases an insurance policy to cover losses above its \$100,000 self-insured retention with a per occurrence coverage for all members combined up to \$1 billion. Workers' compensation insurance is provided to the Town by EIA (Entity Insurance Authority) at statutory coverage limits, without a deductible. The Town had no significant changes in insurance coverage during the year. For the Fiscal Year ending June 30, 2016, the Town incurred liability claims expenses totaling \$73,362. There was one open claim as of June 30, 2016.

B. Contingencies and Commitments

Litigation

The Town is involved in litigation incurred in the normal course of conducting Town business. Town management believes, based upon consultation with its counsel, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the Town.

C. Public Employees Retirement System

Plan Description: Based on PERS eligibility criteria all qualified permanent and probationary employees are eligible to participate in the Town's following cost-sharing multiple employer defined benefit pension plans (Plans):

- Town Miscellaneous (Tier 1)
- Town Miscellaneous (Tier 2)
- Town Miscellaneous (Tier 3 - PEPRA)
- Town Safety (Tier 1)
- Town Safety (Tier 2)
- Town Safety (Tier 3 - PEPRA)

The Plans are administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The applicable PERS plan depends on the employee classification and hire date. In some situations hiring of an employee who was previously an active member in PERS results in the "Classic" Plan benefit regardless of the date of hiring.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

The Plan provisions and benefits in effect at June 30, 2016, are summarized as follows:

| | Town Miscellaneous | | |
|---|----------------------------|--|--------------------------------|
| | Prior to August 1, 2012 | 8/1/2012 – 12/31/2012 (or "Classic") | On or after January 1, 2013 |
| Hire date | | | |
| Benefit formula | 2.5% @ 55 | 2% @ 60 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Retirement age | 50 - 55 | 50 - 63 | 52 - 67 |
| Monthly benefits, as a % of eligible compensations | 2.0% to 2.5% | 1.091% to 2.418% | 1.0% to 2.5% |
| Required employee contribution rates | 8% | 7% | 6.25% |
| Required employer contribution rates | 19.176% | 8.005% | 6.25% |

| | Town Safety | | |
|---|-----------------------------|--|--------------------------------|
| | Prior to January 1, 2012 | On or after January 1, 2012 (or "Classic") | On or after January 1, 2013 |
| Hire date | | | |
| Benefit formula | 3% @ 50 | 3% @ 55 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Retirement age | 50 - 55 | 50 - 55 | 50 - 57 |
| Monthly benefits, as a % of eligible compensations | 3% | 2.4 to 3% | 2.0% to 2.7% |
| Required employee contribution rates | 9% | 9% | 11.5% |
| Required employer contribution rates | 34.595% | 20.774% | 11.5% |

The City's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The Town sponsors six rate plans (three miscellaneous and three safety).

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

For the year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

| | Misc Tier 1 | Misc Tier 2 | Misc Tier 3 | Total Misc |
|------------------------|-------------|-------------|-------------|------------|
| Employer Contributions | \$255,805 | \$24,318 | \$10,397 | \$290,520 |

| | Safety Tier 1 | Safety Tier 2 | Safety Tier 3 | Total Safety |
|------------------------|---------------|---------------|---------------|--------------|
| Employer Contributions | \$638,389 | \$87,358 | \$31,608 | \$757,355 |

As of June 30, 2016, the Town reported net pension liabilities for its proportionate shares of the net pension liability of the Miscellaneous and Safety Plans as follows:

| | <u>Proportionate Share of Net Pension Liability</u> |
|-----------------------------|---|
| Miscellaneous | \$ 2,267,047 |
| Safety | <u>5,479,917</u> |
| Total Net Pension Liability | <u>\$ 7,746,964</u> |

The Town's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for each Plan as of June 30, 2014 and 2015 was as follows:

| <u>Town Miscellaneous Plan</u> | <u>Miscellaneous</u> |
|--------------------------------|----------------------|
| Proportion - June 30, 2014 | .075% |
| Proportion - June 30, 2015 | .083% |
| Change – Increase (Decrease) | .008% |

| <u>Town Safety Plan</u> | <u>Safety</u> |
|------------------------------|---------------|
| Proportion - June 30, 2014 | .133% |
| Proportion - June 30, 2015 | .133% |
| Change – Increase (Decrease) | .000% |

For the year ended June 30, 2016, the Town recognized pension expense of \$1,373,756. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Pension contributions subsequent to measurement date | \$ 1,047,875 | \$ - |
| Differences between actual and expected experience | 15,988 | 90,888 |
| Changes in assumptions | - | 569,290 |
| Net differences between projected and actual earnings on plan investments | - | 287,690 |
| Change in proportions and differences between actual contributions and proportionate share of contributions | 916,217 | 1,506 |
| Total | <u>\$ 1,980,080</u> | <u>\$ 949,374</u> |

\$1,047,875 reported as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ended June 30</u> | |
|---------------------------|--------------------|
| 2017 | \$ 14,118 |
| 2018 | 20,041 |
| 2019 | 20,593 |
| 2020 | (71,921) |
| 2021 | - |
| Total | <u>\$ (17,169)</u> |

Actuarial Assumptions - For the measurement period ended June 30, 2015, the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2015 total pension liability was based on the following actuarial methods and assumptions:

| | |
|---------------------------|--|
| Valuation Date | June 30, 2014 |
| Measurement Date | June 30, 2015 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.65% |
| Inflation | 2.75% |
| Payroll Growth | 3.0% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Investment Rate of Return | 7.5% (1) |
| Mortality | Derived using CalPERS Membership Data for all Funds (2) |

(1) Net of pension plan investment expenses, including inflation

(2) The mortality table used was developed based on Cal PERS' specific data. The table includes 5 years of mortality improvements using Society of Actuaries Scale AA. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS' website.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

Change of Assumptions - GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 measurement date.

Discount Rate - The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Real Return Years 1-10</u> | <u>Real Return Years 11+</u> |
|-------------------------------|-------------------------------------|-----------------------------------|----------------------------------|
| Global Equity | 51% | 5.25% | 5.71% |
| Global Fixed Income | 19 | 0.99 | 2.43 |
| Inflation Sensitive | 6 | 0.45 | 3.36 |
| Private Equity | 10 | 6.83 | 6.95 |
| Real Estate | 10 | 4.50 | 5.13 |
| Infrastructure and Forestland | 2 | 4.50 | 5.09 |
| Liquidity | 2 | (0.55) | (1.05) |
| Total | <u>100%</u> | | |

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | <u>Miscellaneous</u> | <u>Safety</u> |
|-----------------------|----------------------|---------------|
| 1% Decrease | 6.65% | 6.65% |
| Net Pension Liability | \$3,449,358 | \$8,519,477 |
| Current Discount Rate | 7.65% | 7.65% |
| Net Pension Liability | \$2,267,047 | \$5,479,917 |
| 1% Increase | 8.65% | 8.65% |
| Net Pension Liability | \$1,290,912 | \$2,987,533 |

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

As of June 30, 2016
Last 10 Years*

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY
2015

| <u>Town Safety Plan</u> | <u>Town Safety Plan</u> | <u>Miscellaneous Plan</u> |
|--|-------------------------|---------------------------|
| Proportion of the net pension liability | 0.133405% | 0.082647% |
| Proportionate share of the net pension liability | \$5,496,891 | \$2,267,401 |
| Covered - employee payroll | \$2,286,496 | \$1,932,410 |
| Proportionate Share of the net pension liability as percentage of covered-employee payroll | 240% | 117% |
| Plan fiduciary net position as a percentage of the total pension liability | 75% | 74% |

As of June 30, 2016
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS
2015

| | <u>Safety Plan</u> | <u>Miscellaneous Plan</u> |
|---|--------------------|---------------------------|
| Contractually required contribution (actuarially determined) | \$ 565,473 | \$ 219,157 |
| Contributions in relation to the actuarially determined contributions | (565,473) | (219,157) |
| Contribution deficiency (excess) | \$ - | \$ - |
| Covered-employee payroll | \$2,286,469 | \$1,932,410 |
| Contributions as a percentage of covered-employee payroll | 25% | 11.34% |

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 - OTHER INFORMATION (concluded)

C. Public Employees Retirement System (concluded)

Notes to Required Supplementary Information

Benefit changes – In 2015, benefit terms were modified to a base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions - In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees

* Fiscal year 2015 was the first year of implementation

D. Restricted Net Position and Fund Balances

Portions of the unassigned fund balance in the fund financial statements may be assigned to indicate tentative plans for financial resources being utilized in a future period, such as for general contingencies or capital projects. Such plans are subject to change, have not been legally authorized, and may not result in expenditures.

| Purpose | General Fund | Other Funds | Total |
|-------------------------------|-------------------|------------------|-------------------|
| Committed fund balances were: | | | |
| Debt service costs | \$ 618,000 | \$ - | \$ 618,000 |
| Retiree Health Care costs | 42,000 | - | 42,000 |
| Budget Stabilization | 13,627,000 | - | 13,627,000 |
| Town Hall COP Project | - | 4,343,192 | 4,343,192 |
| Total | <u>14,287,000</u> | <u>4,343,192</u> | <u>18,630,192</u> |

Assigned fund balances were:

| | | | |
|---|----------------|------------------|------------------|
| Litigation | 100,000 | - | 100,000 |
| Insurance | 100,000 | - | 100,000 |
| Disaster response | 750,000 | - | 750,000 |
| Measure A – Transportation Tax | - | 58,439 | 58,439 |
| Gas Tax – Streets and Roads | - | 28,012 | 28,012 |
| Law Enforcement – State Grants | - | 120,658 | 120,658 |
| Debt Service - Trustee | - | 62 | 62 |
| Capital Projects – Town Capital Project | - | 8,772,940 | 8,772,940 |
| Total | <u>950,000</u> | <u>8,980,111</u> | <u>9,930,111</u> |

Unassigned fund balances were:

| | | | |
|--------------------|----------------------|----------------------|----------------------|
| General Fund | <u>7,357,248</u> | - | <u>7,357,248</u> |
| Grand Total | <u>\$ 22,594,248</u> | <u>\$ 13,323,303</u> | <u>\$ 35,917,551</u> |

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 - DEFERRED COMPENSATION PLAN

The Town employees may defer a portion of their compensation under a Town sponsored Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of the compensation until it is distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

Separate from any amounts that employees voluntarily defer, regular employees are eligible to receive a \$100 monthly matching contribution made to the Plan as a benefit by the Town. A total of 34 employees received this benefit during the Fiscal year ending June 30, 2016. The Town's contributions towards this benefit for the fiscal year ended June 30, 2016 were \$41,425.

The laws governing the Plan assets require Plan assets to be held by a Trust for the exclusive benefits of Plan participants and their beneficiaries. Since the assets held under this Plan are not the Town's property, are not managed by the Town and are not subject to claims by general creditors of the Town, they have been excluded from these financial statements.

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT

Plan Description. The Town defined benefit post-employment healthcare plan provides medical benefits to eligible Town employees and elected officials who retire from the Town at age 50 or older and are eligible for a PERS pension.

The Town provides retiree healthcare benefits to employees retiring directly from the Town under PERS. Medical coverage is provided through PEMHCA. Medical and dental benefits are continued to a surviving spouse and eligible dependents, if any, upon the retiree's death.

Funding Policy. There is no statutory requirement for the Town to prefund its OPEB obligation. The Town currently pays for retiree healthcare benefits on a pay as you go basis.

There are no employee contributions. For the fiscal year ending June 30, 2016, the Town paid approximately \$727,565 for retiree healthcare and dental plan benefits. As of July 1, 2014, the plan membership consisted of 38 active participants and 27 retirees and beneficiaries currently receiving benefits.

The Town is required to contribute or accrue the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years.

Annual OPEB Cost and Net OPEB Obligation.

The following table shows the components of the Town's Annual OPEB Cost for the fiscal years ended June 30, 2016 and June 30, 2015, the amount actually contributed to the plan (including implicit subsidy, if any), and changes in the Town's NET OPEB Obligation/(Asset):

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (continued)

| Item | 6/30/16 | 6/30/15 |
|---|---------------------|---------------------|
| Annual Required Contributions | \$ 1,361,265 | \$ 1,281,226 |
| Interest on Net OPEB Obligation/(Asset) | 265,048 | 234,063 |
| Adjustment to Annual Required Contributions | <u>(324,075)</u> | <u>(275,231)</u> |
| Annual OPEB cost (expense) | 1,302,238 | 1,240,058 |
| Contributions to OPEB Trust | - | (1,000,000) |
| Contributions and Retiree Premium cost | <u>(727,565)</u> | <u>(451,131)</u> |
| Increase/(decrease) in net OPEB Obligation | 574,673 | (211,073) |
| Net OPEB Obligation – beginning of year | <u>5,640,506</u> | <u>5,851,579</u> |
| Net OPEB Obligation – end of year | <u>\$ 6,215,179</u> | <u>\$ 5,640,506</u> |

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows, based on the Town's actuarial valuation as of July 1, 2008, 2011 and 2014:

| Fiscal Year Ended | Annual OPEB Cost | Actual Contribution | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|----------------------|---------------------|------------------------|--|------------------------|
| 6/30/11 | \$ 1,210,202 | \$ 235,945 | 19.5% | \$ 2,753,205 |
| 6/30/12 | \$ 1,274,489 | \$ 298,384 | 23.3% | \$ 3,729,310 |
| 6/30/13 | \$ 1,362,657 | \$ 332,686 | 24.4% | \$ 4,759,282 |
| 6/30/14 | \$ 1,455,093 | \$ 362,795 | 24.9% | \$ 5,851,579 |
| 6/30/15 | \$ 1,240,058 | \$ 1,451,131 | 101.2% | \$ 5,640,506 |
| 6/30/16 | \$ 1,302,238 | \$ 727,565 | 56% | \$ 6,215,179 |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and the assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns from assets used to pay benefits; and a 3.25% annual increase in projected payroll. Assumptions include a healthcare cost trend rate of 7.3% in 2014, reduced by 0.3% per year to an ultimate rate of 5.5% in 2018. The UAAL is being amortized over a fixed 30 year period as a level percentage of projected payroll beginning with the year ended June 30, 2009.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (concluded)

| | (A) | (B) | (C) | (D) | (E) | (F) |
|----------------|---------------------------|-----------------------------|--|-------------------------|------------------------|--|
| Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Liability (Excess Assets) [(B)-(A)] | Funded Status [(A)/(B)] | Annual Covered Payroll | UAAL as a % of Payroll {[(B)- (A)] / (E) } |
| 7/01/08 | \$ -0- | \$ 9,680,563 | \$ 9,680,563 | 0% | \$4,198,207 | 231% |
| 7/01/11 | \$ -0- | \$14,716,283 | \$14,716,283 | 0% | \$4,365,743 | 337% |
| 7/01/14 | \$ -0- | \$13,408,236 | \$13,408,236 | 0% | \$3,610,247 | 371% |

Town of Colma
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2016
(UNAUDITED)

| | Budgeted Amounts | | |
|--|-----------------------|----------------------|-------------------------------|
| | Original and Final | Actual Amounts | Variance with Final Budget |
| <u>REVENUES</u> | | | |
| Property taxes and other taxes | \$ 14,893,400 | \$ 15,623,338 | \$ 729,938 |
| Licenses and permits | 304,300 | 281,687 | (22,613) |
| Fines and forfeits | 60,250 | 68,225 | 7,975 |
| Intergovernmental | 196,270 | 37,602 | (158,668) |
| Use of money and property | 437,700 | 462,655 | 24,955 |
| Other revenues | 89,300 | 222,156 | 132,856 |
| Charges for services | 822,000 | 1,024,317 | 202,317 |
| Total revenues | <u>16,803,220</u> | <u>17,719,980</u> | <u>916,760</u> |
| <u>EXPENDITURES</u> | | | |
| Current: | | | |
| General government | 3,356,690 | 3,194,543 | 162,147 |
| Public safety | 5,370,490 | 5,655,678 | (285,188) |
| Public works | 3,434,190 | 3,074,526 | 359,664 |
| Planning | 588,000 | 512,090 | 75,910 |
| Recreation | 877,690 | 973,178 | (95,488) |
| Total expenditures | <u>13,627,060</u> | <u>13,410,015</u> | <u>217,045</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,176,160</u> | <u>4,309,965</u> | <u>1,133,805</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers in | 93,670 | - | (93,670) |
| Transfers out | <u>(2,070,990)</u> | <u>(9,833,630)</u> | <u>(7,762,640)</u> |
| Total other financing sources (uses) | <u>(1,977,320)</u> | <u>(9,833,630)</u> | <u>(7,856,310)</u> |
| Net change in fund balance | <u>\$ 1,198,840</u> | (5,523,665) | <u>\$ (6,722,505)</u> |
| Fund balance, beginning of period | | <u>28,117,913</u> | |
| Fund balance, end of period | | <u>\$ 22,594,248</u> | |

Town of Colma
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

| | <u>Special Revenue Funds</u> | | | | Total |
|--------------------------------------|------------------------------|------------------|------------------------------------|-----------------|-----------------------------------|
| | | | Local law Enforcement Grants | Debt Service | Nonmajor Governmental Funds |
| | <u>Measure A</u> | <u>Gas Tax</u> | | | |
| <u>ASSETS</u> | | | | | |
| Cash and investments | \$ 50,766 | \$ 31,046 | \$ 119,896 | \$ 62 | \$ 201,770 |
| Receivables from other governments | 7,673 | - | 1,694 | - | 9,367 |
| Prepaid items | <u>-</u> | <u>-</u> | <u>232</u> | <u>-</u> | <u>232</u> |
| Total Assets | <u>\$ 58,439</u> | <u>\$ 31,046</u> | <u>\$ 121,822</u> | <u>\$ 62</u> | <u>\$ 211,369</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ - | \$ 3,034 | \$ 1,164 | \$ - | \$ 4,198 |
| Total Liabilities | <u>-</u> | <u>3,034</u> | <u>1,164</u> | <u>-</u> | <u>4,198</u> |
| Fund balances: | | | | | |
| Assigned | <u>58,439</u> | <u>28,012</u> | <u>120,658</u> | <u>62</u> | <u>207,171</u> |
| Total Fund Balances | <u>58,439</u> | <u>28,012</u> | <u>120,658</u> | <u>62</u> | <u>207,171</u> |
| Total Liabilities and Fund Balances | <u>\$ 58,439</u> | <u>\$ 31,046</u> | <u>\$ 121,822</u> | <u>\$ 62</u> | <u>\$ 211,369</u> |

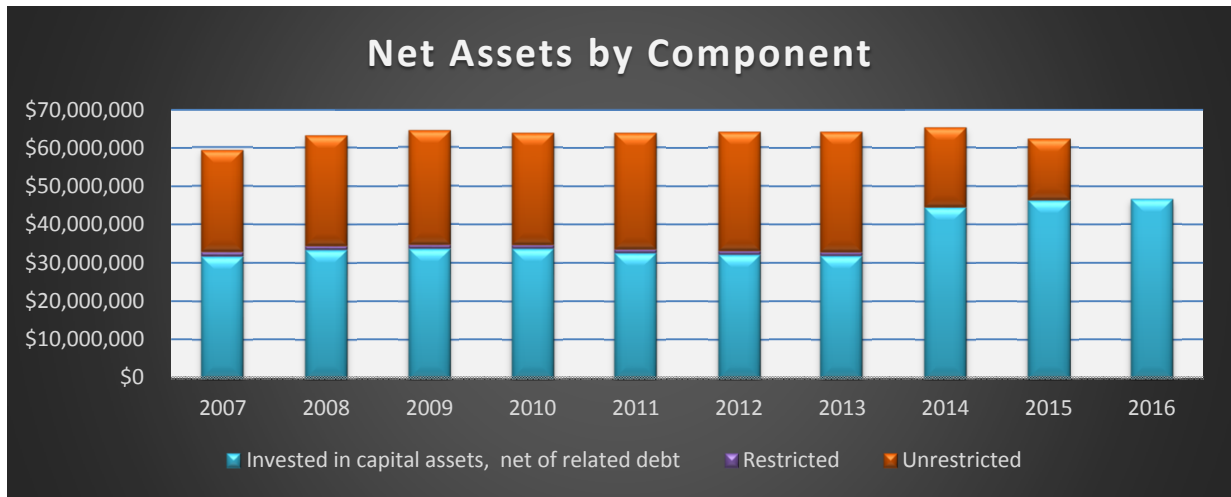
Town of Colma
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2016

| | Special Revenue Funds | | | | Total Nonmajor Governmental Funds |
|---|-----------------------|------------------------|--|------------------|--|
| | Gas tax (Fund 21) | Measure A (Fund 22) | Local Law Enforcement Grant Fund | Debt Service | |
| Revenues: | | | | | |
| Intergovernmental | \$ 45,196 | \$ 50,105 | \$ 149,594 | \$ - | \$ 244,895 |
| Use of money and property | 114 | 186 | 362 | 69 | 731 |
| Total revenues | <u>45,310</u> | <u>50,291</u> | <u>149,956</u> | <u>69</u> | <u>245,626</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Public safety | - | - | 93,134 | - | 93,134 |
| Public works | 17,968 | - | - | 145,290 | 163,258 |
| Debt service: | | | | | |
| Principal | - | - | - | 180,000 | 180,000 |
| Interest | <u>-</u> | <u>-</u> | <u>-</u> | <u>114,087</u> | <u>114,087</u> |
| Total expenditures | <u>17,968</u> | <u>-</u> | <u>93,134</u> | <u>439,377</u> | <u>550,479</u> |
| Excess (deficiency) of revenues over expenditures | <u>27,342</u> | <u>50,291</u> | <u>56,822</u> | <u>(439,308)</u> | <u>(304,853)</u> |
| Other financing sources (uses): | | | | | |
| Debt proceeds | - | - | - | 150,000 | 150,000 |
| Transfers in | - | - | 1,095 | 289,370 | 290,465 |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>1,095</u> | <u>439,370</u> | <u>440,465</u> |
| Net change in fund balances | 27,342 | 50,291 | 57,917 | 62 | 135,612 |
| Fund balances, July 1 | <u>670</u> | <u>8,148</u> | <u>62,741</u> | <u>-</u> | <u>71,559</u> |
| Fund balances, June 30 | <u>\$ 28,012</u> | <u>\$ 58,439</u> | <u>\$ 120,658</u> | <u>\$ 62</u> | <u>\$ 207,171</u> |

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STATISTICAL SECTION

TOWN OF COLMA
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)



| | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Governmental activities</i> | | | | | |
| Invested in capital assets, net of related debt | \$31,843,145 | \$33,566,689 | \$33,839,601 | \$33,872,406 | \$32,716,909 |
| Restricted | 1,123,395 | 984,613 | 959,750 | 959,750 | 959,750 |
| Unrestricted | 26,428,834 | 28,818,698 | 29,731,736 | 29,091,738 | 30,259,243 |
| Total governmental activities net position | <u>\$59,395,374</u> | <u>\$63,370,000</u> | <u>\$64,531,087</u> | <u>\$63,923,894</u> | <u>\$63,935,902</u> |

| 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|--------------|--------------|--------------|--------------|
| \$32,290,889 | \$31,939,040 | \$44,599,385 | \$46,404,513 | \$46,657,014 |
| 959,750 | 958,050 | 0 | 0 | 0 |
| 30,931,462 | 31,280,801 | 20,760,067 | 15,999,908 | 17,650,250 |
| \$64,182,101 | \$64,177,891 | \$65,359,452 | \$62,404,421 | \$64,307,264 |

TOWN OF COLMA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | |
|--|-----------------------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$2,564,505 | \$2,674,755 | \$2,874,961 | \$2,735,280 | \$2,825,518 |
| Public Safety | 4,412,765 | 5,130,869 | 5,962,790 | 5,887,593 | 5,988,451 |
| Public Works | 3,627,096 | 3,132,289 | 2,978,182 | 3,468,651 | 3,118,437 |
| Recreation & Parks | 957,452 | 1,051,869 | 1,096,387 | 1,040,969 | 1,066,492 |
| Planning | 436,141 | 575,085 | 549,198 | 533,042 | 584,957 |
| Interest on long-term debt | 635,882 | 627,581 | 667,582 | 608,114 | 598,294 |
| Total Governmental Activities Expenses | 12,633,841 | 13,192,448 | 14,129,100 | 14,273,649 | 14,182,149 |
| Total Primary Government Expenses | \$12,633,841 | \$13,192,448 | \$14,129,100 | \$14,273,649 | \$14,182,149 |
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| General Government | \$0 | \$0 | \$0 | \$0 | \$0 |
| Public Safety: | 115,869 | 80,240 | 84,039 | 70,604 | 98,673 |
| Public Works | 212,433 | 267,508 | 383,707 | 348,140 | 362,472 |
| Recreation & Parks | 167,265 | 167,053 | 43,763 | 50,014 | 51,440 |
| Planning | 212,433 | 267,507 | 383,707 | 348,139 | 362,471 |
| Operating Grants and Contributions | 0 | 0 | 0 | 0 | 0 |
| Capital Grants and Contributions | \$2,588,504 | \$2,729,032 | \$2,155,277 | \$1,793,072 | \$2,252,336 |
| Total Government Activities Program Revenues | \$3,296,504 | \$3,511,340 | \$3,050,493 | \$2,609,969 | \$3,127,392 |

| 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|--------------|--------------|--------------|--------------|
| \$3,132,552 | \$3,346,125 | \$2,967,299 | \$3,903,936 | \$3,187,043 |
| 5,944,039 | 6,913,654 | 6,257,453 | 2,832,021 | 7,027,124 |
| 2,990,162 | 3,047,313 | 3,915,614 | 4,285,679 | 4,216,784 |
| 1,061,289 | 1,058,521 | 908,687 | 946,869 | 968,178 |
| 464,616 | 573,399 | 417,626 | 410,942 | 512,090 |
| 587,357 | 575,585 | 483,814 | 0 | 114,087 |
| 14,180,015 | 15,514,597 | 14,950,493 | 12,379,447 | 16,025,306 |
| \$14,180,015 | \$15,514,597 | \$14,950,493 | \$12,379,447 | \$16,025,306 |
| \$0 | \$0 | \$20,175 | \$0 | \$0 |
| 83,732 | 67,536 | 102,641 | 106,935 | 217,819 |
| 385,942 | 421,062 | 709,810 | 826,619 | 632,903 |
| 61,940 | 82,825 | 71,176 | 78,592 | 524,317 |
| 385,942 | 421,063 | 100,113 | 109,561 | 281,687 |
| 0 | 0 | 0 | 138,809 | 0 |
| \$2,037,958 | \$2,314,303 | \$479,793 | \$0 | \$0 |
| \$2,955,514 | \$3,306,789 | \$1,483,708 | \$1,260,516 | \$1,656,726 |

TOWN OF COLMA
Changes in Net Position
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Total Primary Government Program Revenues | \$3,296,504 | \$3,511,340 | \$3,050,493 | \$2,609,969 | \$3,127,392 |
|---|-------------|-------------|-------------|-------------|-------------|

Net (Expense)/Revenue

| | | | | | |
|--------------------------------------|---------------|---------------|----------------|----------------|----------------|
| Governmental Activities | (\$9,337,337) | (\$9,681,108) | (\$11,078,607) | (\$11,663,680) | (\$11,054,757) |
| Total Primary Government Net Expense | (\$9,337,337) | (\$9,681,108) | (\$11,078,607) | (\$11,663,680) | (\$11,054,757) |

General Revenues and Other Changes in Net Assets

Governmental Activities:

Taxes

| | | | | | |
|----------------|-------------|---------|-----------|-----------|-----------|
| Property taxes | \$1,323,855 | 388,565 | \$385,709 | \$366,266 | \$334,320 |
|----------------|-------------|---------|-----------|-----------|-----------|

| | | | | | |
|-------------|-------------|-----------|-----------|-----------|-----------|
| Sales taxes | \$6,026,969 | 5,669,898 | 5,337,807 | 4,901,120 | 5,045,150 |
|-------------|-------------|-----------|-----------|-----------|-----------|

| | | | | | |
|----------------|-------------|-----------|-----------|-----------|-----------|
| Cardroom taxes | \$3,448,351 | 3,923,552 | 5,484,544 | 4,938,532 | 5,091,032 |
|----------------|-------------|-----------|-----------|-----------|-----------|

| | | | | | |
|-------------------------------------|----------|--------|--------|--------|---|
| Motor vehicle in-lieu, unrestricted | \$53,656 | 53,775 | 52,262 | 50,024 | 0 |
|-------------------------------------|----------|--------|--------|--------|---|

| | | | | | |
|-------------|-------------|-----------|---------|---------|--------|
| Other taxes | \$1,500,419 | 1,414,317 | 278,912 | 513,254 | 56,455 |
|-------------|-------------|-----------|---------|---------|--------|

| | | | | | |
|---|---------|-----------|---------|---------|---------|
| Use of Money/Property and interest earnings | 135,515 | 2,205,627 | 700,460 | 287,291 | 476,595 |
|---|---------|-----------|---------|---------|---------|

| | | | | | |
|----------------|---|---|---|---|--------|
| Other revenues | 0 | 0 | 0 | 0 | 63,213 |
|----------------|---|---|---|---|--------|

Extraordinary items:

| | | | | | |
|---|---|---|---|---|---|
| Special item - forgiveness of assessments | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|

| | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|
| Total Government Activities | 12,488,765 | 13,655,734 | 12,239,694 | 11,056,487 | 11,066,765 |
|-----------------------------|------------|------------|------------|------------|------------|

| | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Primary Government | \$12,488,765 | \$13,655,734 | \$12,239,694 | \$11,056,487 | \$11,066,765 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|

Change in Net Assets

| | | | | | |
|-------------------------|-------------|-------------|-------------|-------------|----------|
| Governmental Activities | \$3,151,428 | \$3,974,626 | \$1,161,087 | (\$607,193) | \$12,008 |
|-------------------------|-------------|-------------|-------------|-------------|----------|

| | | | | | |
|--------------------------|-------------|-------------|-------------|-------------|----------|
| Total Primary Government | \$3,151,428 | \$3,974,626 | \$1,161,087 | (\$607,193) | \$12,008 |
|--------------------------|-------------|-------------|-------------|-------------|----------|

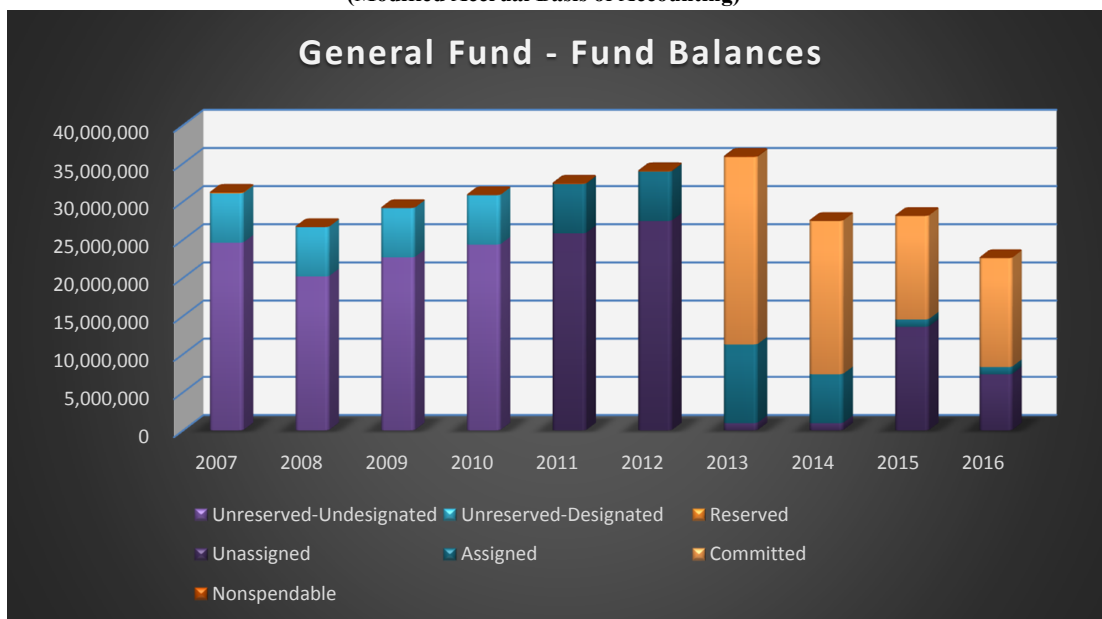
| | | | | |
|-------------|-------------|-------------|-------------|-------------|
| \$2,955,514 | \$3,306,789 | \$1,483,708 | \$1,260,516 | \$1,656,726 |
|-------------|-------------|-------------|-------------|-------------|

| | | | | |
|----------------|----------------|----------------|----------------|----------------|
| (\$11,224,501) | (\$12,207,808) | (\$13,466,785) | (\$11,118,931) | (\$14,368,580) |
| (\$11,224,501) | (\$12,207,808) | (\$13,466,785) | (\$11,118,931) | (\$14,368,580) |

| | | | | |
|--------------|--------------|--------------|--------------|--------------|
| \$354,574 | \$617,618 | \$472,157 | \$554,778 | \$617,172 |
| 5,517,652 | 6,232,713 | 6,843,923 | 10,327,853 | 10,851,063 |
| 4,957,234 | 4,703,462 | 4,140,070 | 3,774,885 | 4,039,518 |
| 0 | 0 | 0 | 0 | 0 |
| 74,736 | 105,257 | 2,454,113 | 407,614 | 115,585 |
| 496,197 | 503,140 | 615,754 | 427,801 | 473,432 |
| 70,307 | 41,408 | 122,329 | 148,351 | 174,653 |
| 0 | 0 | 0 | 0 | 0 |
| 11,470,700 | 12,203,598 | 14,648,346 | 15,641,282 | 16,271,423 |
| \$11,470,700 | \$12,203,598 | \$14,648,346 | \$15,641,282 | \$16,271,423 |

| | | | | |
|-----------|-----------|-------------|-------------|-------------|
| \$246,199 | (\$4,210) | \$1,181,561 | \$4,522,351 | \$1,902,843 |
| \$246,199 | (\$4,210) | \$1,181,561 | \$4,522,351 | \$1,902,843 |

TOWN OF COLMA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



| | 2007 | 2008 | 2009 | 2010 | 2011 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| General Fund | | | | | |
| Reserved | \$89,148 | \$6,975 | \$5,804 | \$9,102 | \$0 |
| Unreserved-Designated | 6,464,640 | 6,464,640 | 6,464,640 | 6,464,640 | 0 |
| Unreserved-Undesignated | 24,605,176 | 20,190,578 | 22,683,168 | 24,362,588 | 0 |
| Nonspendable | 0 | 0 | 0 | 0 | \$88,822 |
| Committed | 0 | 0 | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 | 0 | 6,464,640 |
| Unassigned | 0 | 0 | 0 | 0 | 25,848,027 |
| Total General Fund | \$31,158,964 | \$26,662,193 | \$29,153,612 | \$30,836,330 | \$32,401,489 |
| All Other Governmental Funds | | | | | |
| Reserved | \$959,750 | \$1,123,395 | \$984,613 | \$959,750 | 0 |
| Unreserved-Designated | 0 | 0 | 0 | 0 | 0 |
| Unreserved-Undesignated | 0 | 0 | (\$180,260) | 0 | 0 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | 109,887 | 124,776 | 118,490 | 105,593 | 0 |
| Restricted | 0 | 0 | 0 | 0 | \$959,750 |
| Assigned | 0 | 0 | 0 | 0 | 79,716 |
| Unassigned | 0 | 0 | 0 | 0 | 0 |
| Total all other governmental funds | \$1,069,637 | \$1,248,171 | \$922,843 | \$1,065,343 | \$1,039,466 |

- (a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
- (b) In Fiscal 2011, the Town implemented Governmental Accounting Standard Board number 54.

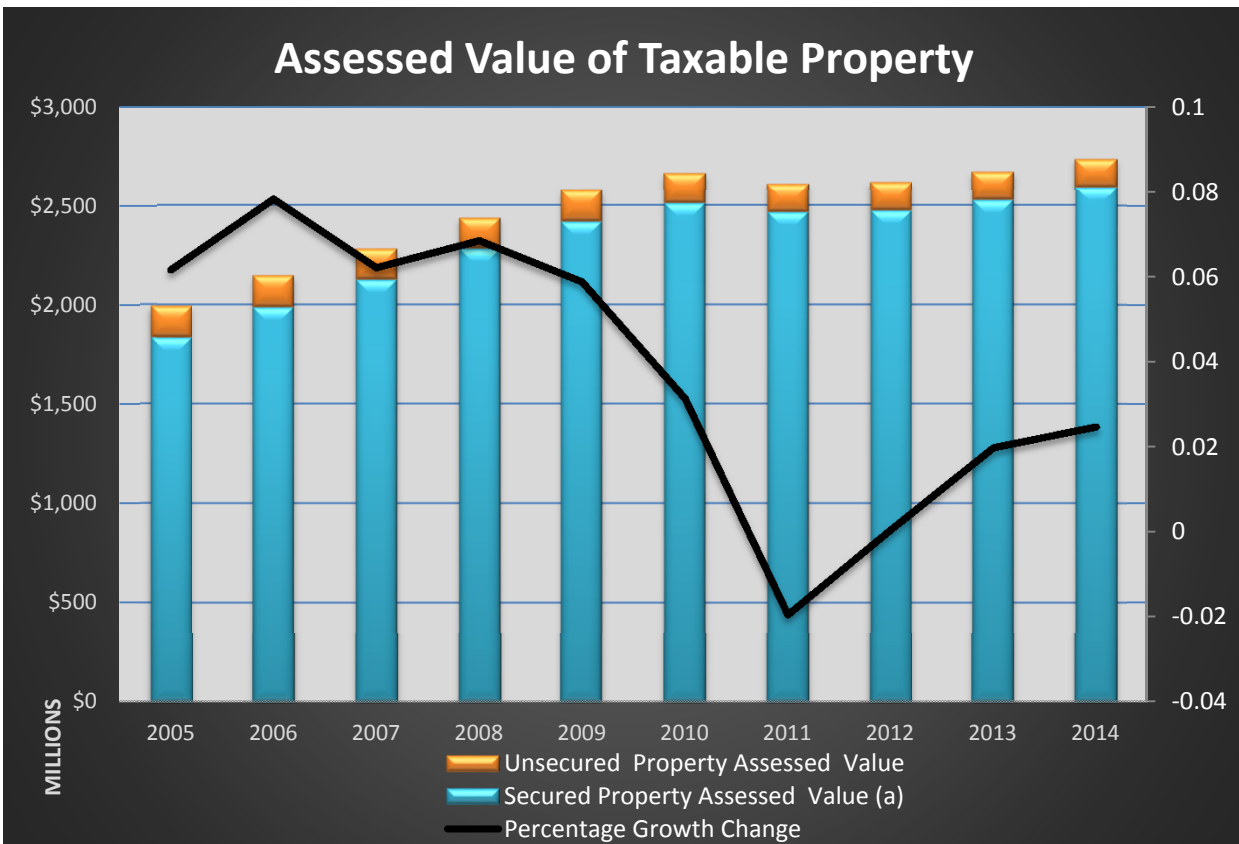
| 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$0 | \$0 | \$0 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| \$103,788 | \$98,956 | 0 | 0 | 0 |
| 0 | 24,552,790 | 20,100,000 | 13,576,000 | 14,287,000 |
| 6,464,640 | 10,319,919 | 6,417,979 | 950,000 | 950,000 |
| 27,462,519 | 950,000 | 950,000 | 13,591,913 | 7,357,248 |
| <u>\$34,030,947</u> | <u>\$35,921,665</u> | <u>\$27,467,979</u> | <u>\$28,117,913</u> | <u>\$22,594,248</u> |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| \$959,750 | \$958,050 | 0 | 0 | 0 |
| 120,291 | 203,792 | 79,249 | 71,557 | 13,323,303 |
| 0 | 0 | 0 | (47,219) | 0 |
| <u>\$1,080,041</u> | <u>\$1,161,842</u> | <u>\$79,249</u> | <u>\$24,338</u> | <u>\$13,323,303</u> |

TOWN OF COLMA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|--------------------|--------------------|--------------------|-------------------|--------------------|
| Revenues | | | | | |
| Property taxes | \$1,323,855 | \$388,565 | \$385,709 | \$366,266 | \$334,320 |
| Sales taxes | 6,026,969 | 5,669,898 | 5,337,807 | 4,901,120 | 5,045,150 |
| Cardroom taxes | 3,448,351 | 3,923,552 | 5,484,544 | 4,938,532 | 5,091,032 |
| Other taxes | 53,656 | 53,775 | 52,262 | 50,024 | 56,455 |
| Licenses and permits | 90,335 | 200,908 | 238,163 | 189,550 | 108,763 |
| Fines and forfeits | 115,869 | 80,240 | 84,039 | 70,604 | 98,673 |
| Intergovernmental | 2,588,504 | 2,729,032 | 2,155,277 | 1,793,072 | 2,252,336 |
| Use of money and property | 1,500,419 | 1,414,317 | 278,912 | 513,254 | 476,595 |
| Other revenues | 135,516 | 2,205,627 | 700,460 | 287,291 | 63,213 |
| Charges for services | 501,796 | 501,157 | 573,014 | 556,743 | 667,620 |
| Total Revenues | 15,785,270 | 17,167,071 | 15,290,187 | 13,666,456 | 14,194,157 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 2,917,750 | 2,908,289 | 2,680,083 | 2,509,572 | 2,620,539 |
| Public Safety | 4,774,913 | 4,951,501 | 4,906,617 | 4,807,033 | 4,929,990 |
| Public Works | 3,989,244 | 4,915,179 | 3,667,122 | 3,857,314 | 3,179,758 |
| Recreation | 321,757 | 872,501 | 899,458 | 859,300 | 888,871 |
| Planning | 843,068 | 395,717 | 352,269 | 351,375 | 407,336 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 |
| Debt service: | | | | | |
| Principal repayment | 330,000 | 335,000 | 345,000 | 350,000 | 360,000 |
| Interest and fiscal charges | 631,097 | 622,796 | 614,421 | 604,934 | 595,309 |
| Costs of Issuance | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 13,807,829 | 15,000,983 | 13,464,970 | 13,339,528 | 12,981,803 |
| Excess (deficiency) of revenues over (under) expenditures | 1,977,441 | 2,166,088 | 1,825,217 | 326,928 | 1,212,354 |
| Other Financing Sources (Uses) | | | | | |
| Issuance of long-term debt | | | | | |
| Transfers in | 2,467,892 | 2,767,920 | 2,076,222 | 1,515,520 | 1,274,755 |
| Transfers (out) | (2,467,892) | (2,767,920) | (2,076,222) | (1,515,520) | (1,274,755) |
| Total other financing sources (uses) | 0 | 0 | 0 | 0 | 0 |
| Net Change in fund balances | \$1,977,441 | \$2,166,088 | \$1,825,217 | \$326,928 | \$1,212,354 |
| Debt service as a percentage of noncapital expenditures | 2.6% | 2.5% | 2.4% | 2.5% | 2.5% |

| 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------|-------------|---------------|------------|-------------|
| \$354,574 | \$617,618 | \$472,157 | \$554,778 | \$617,172 |
| 5,517,652 | 6,232,713 | 6,843,923 | 10,327,853 | 10,851,063 |
| 4,957,234 | 4,703,462 | 4,140,070 | 3,774,885 | 4,039,518 |
| 74,736 | 105,257 | 2,454,113 | 138,463 | 115,585 |
| 83,862 | 114,546 | 100,113 | 109,724 | 281,687 |
| 83,732 | 67,536 | 66,611 | 65,785 | 68,225 |
| 2,037,958 | 2,314,303 | 479,793 | 407,960 | 282,497 |
| 496,197 | 503,140 | 615,754 | 427,801 | 473,432 |
| 70,307 | 41,408 | 122,329 | 148,351 | 222,156 |
| 749,962 | 810,404 | 837,191 | 946,198 | 1,024,317 |
| 14,426,214 | 15,510,387 | 16,132,054 | 16,901,798 | 17,975,652 |
| 2,936,363 | 2,921,076 | 2,967,299 | 3,903,936 | 3,194,543 |
| 4,822,180 | 5,445,546 | 5,397,761 | 4,961,165 | 5,748,812 |
| 2,866,880 | 2,936,622 | 3,299,749 | 6,083,862 | 4,730,141 |
| 883,961 | 880,931 | 908,687 | 946,869 | 973,178 |
| 287,288 | 395,809 | 417,626 | 410,942 | 512,090 |
| 0 | 0 | 0 | 0 | 0 |
| 375,000 | 385,000 | 12,100,000 | 0 | 180,000 |
| 584,509 | 572,884 | 577,209 | 0 | 114,087 |
| 0 | 0 | 0 | 0 | 0 |
| 12,756,181 | 13,537,868 | 25,668,331 | 16,306,774 | 15,452,851 |
| 1,670,033 | 1,972,519 | (9,536,277) | 595,024 | 2,522,801 |
| 1,140,692 | 1,230,450 | 12,246,681 | 0 | 5,252,497 |
| (1,140,692) | (1,230,450) | (12,246,681) | 0 | 9,833,630 |
| 0 | 0 | 0 | 0 | (9,833,630) |
| 0 | 0 | 0 | 0 | 5,252,497 |
| \$1,670,033 | \$1,972,519 | (\$9,536,277) | \$595,024 | \$7,775,298 |
| 2.6% | 2.5% | 80.9% | 0.0% | 1.1% |

TOWN OF COLMA
Assessed Value of Taxable Property
Last Ten Fiscal Years



| Fiscal Year | Secured Property Assessed Value (a) | Unsecured Property Assessed Value | SBE Nonunitary Value (a) | Total Assessed Value (a) | Total Direct Tax Rate (b) | Percentage Growth Change |
|-------------|-------------------------------------|-----------------------------------|--------------------------|--------------------------|---------------------------|--------------------------|
| 2007 | 473,383,998 | 43,853,642 | 314,288 | 517,551,928 | 1.0% | |
| 2008 | 458,310,704 | 42,682,910 | 723,100 | 501,716,714 | 1.0% | -3.1% |
| 2009 | 518,887,963 | 42,215,361 | 723,100 | 561,826,424 | 1.0% | 12.0% |
| 2010 | 497,649,479 | 45,180,770 | 723,100 | 543,553,349 | 1.0% | -3.3% |
| 2011 | 493,189,593 | 35,162,186 | 723,100 | 529,074,879 | 1.0% | -2.7% |
| 2012 | 497,097,100 | 34,175,946 | 542,325 | 531,815,371 | 1.0% | 0.5% |
| 2013 | 520,782,477 | 36,007,528 | 542,325 | 557,332,330 | 1.0% | 4.8% |
| 2014 | 534,119,184 | 36,578,906 | 542,325 | 571,240,415 | 1.0% | 2.5% |
| 2015 | 577,284,551 | 36,807,516 | 542,325 | 614,634,392 | 1.0% | 7.6% |
| 2016 | 583,049,863 | 38,607,884 | 723,100 | 622,380,847 | 1.0% | 1.3% |

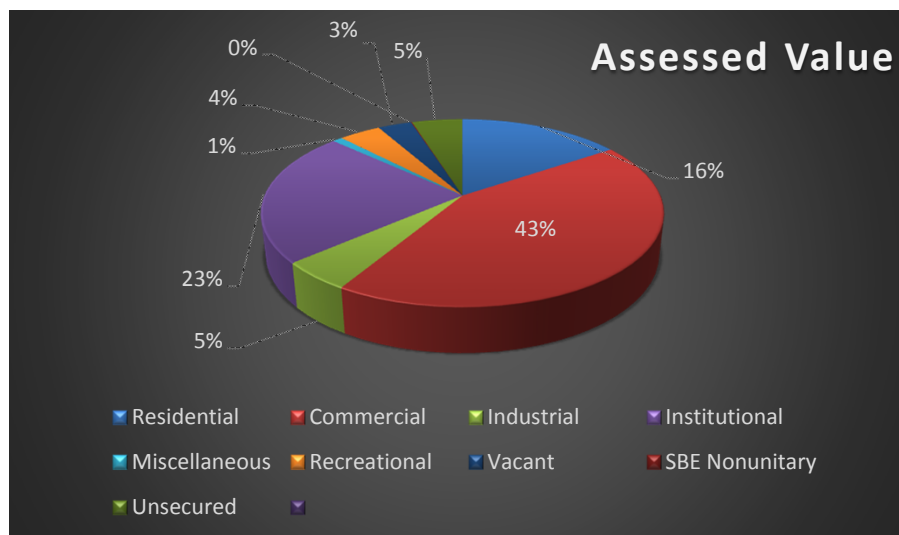
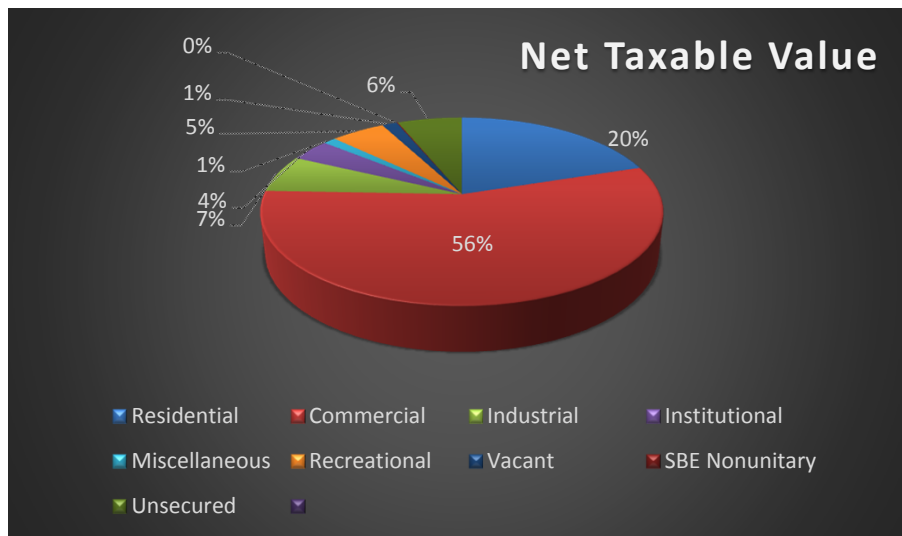
(a) Assessed values presented are net of exemptions.

The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

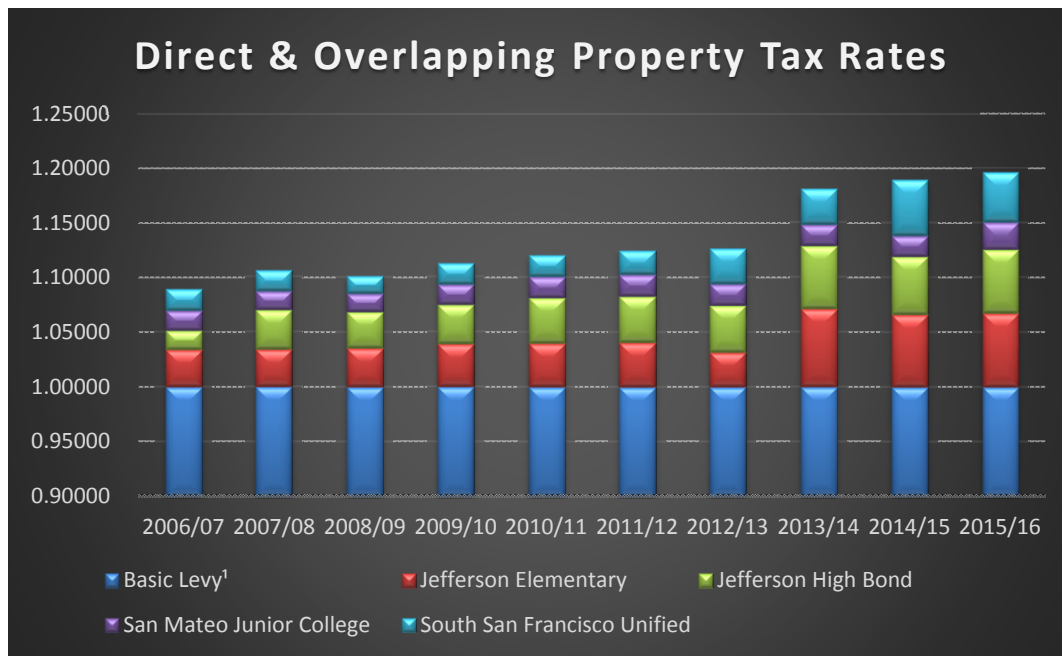
(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The Town of Colma encompasses 7 tax rate areas.

TOWN OF COLMA
Assessed Value of Taxable Property by Use
Fiscal year ending June 30, 2016

| Category | Parcels | Assessed Value | % of Total | Net Taxable Value | % of Total |
|----------------|------------|--------------------|------------|--------------------|------------|
| Residential | 314 | 124,601,195 | 15.5% | 124,601,195 | 20.0% |
| Commercial | 70 | 345,911,929 | 43.1% | 345,911,929 | 55.6% |
| Industrial | 19 | 40,166,570 | 5.0% | 40,166,570 | 6.5% |
| Institutional | 50 | 186,488,804 | 23.2% | 23,724,471 | 3.8% |
| Miscellaneous | 21 | 7,539,362 | 0.9% | 7,539,362 | 1.2% |
| Recreational | 2 | 32,173,879 | 4.0% | 32,173,879 | 5.2% |
| Vacant | 109 | 26,027,537 | 3.2% | 8,932,457 | 1.4% |
| SBE Nonunitary | [3] | 723,100 | 0.1% | 723,100 | 0.1% |
| Unsecured | [129] | 38,968,074 | 4.9% | 38,607,884 | 6.2% |
| TOTALS | 585 | 802,600,450 | | 622,380,847 | |



TOWN OF COLMA
Direct & Overlapping Property Tax Rates
(Rate per \$100 of Taxable Value)
Last Ten Fiscal Years



| Agency | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|----------------|----------------|----------------|----------------|----------------|
| Basic Levy ¹ | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| Jefferson Elementary | 0.03410 | 0.03400 | 0.03540 | 0.03890 | 0.03990 |
| Jefferson High Bond | 0.01740 | 0.03610 | 0.03330 | 0.03600 | 0.04160 |
| San Mateo Junior College | 0.01840 | 0.01710 | 0.01650 | 0.01820 | 0.01930 |
| South San Francisco Unified | 0.01950 | 0.01890 | 0.01620 | 0.01950 | 0.01960 |
| Total Direct & Overlapping Tax Rates | 1.08940 | 1.10610 | 1.10140 | 1.11260 | 1.12040 |

| 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|----------------|----------------|----------------|----------------|----------------|
| 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| 0.04070 | 0.03160 | 0.07130 | 0.06620 | 0.06740 |
| 0.04220 | 0.04300 | 0.05740 | 0.05300 | 0.05830 |
| 0.01990 | 0.01940 | 0.01940 | 0.01900 | 0.02500 |
| 0.02210 | 0.03270 | 0.03280 | 0.05130 | 0.04570 |
| 1.12490 | 1.12670 | 1.18090 | 1.18950 | 1.19640 |

Town of Colma

Principal Sales Tax Producers

Last Fiscal Year and Nine Years Ago

2015-16

| Taxpayer | Business Type |
|------------------------------------|-----------------------------|
| Babies R Us | Specialty Stores |
| Best Buy | Electronics/ApplianceStores |
| BevMo | Package Liquor Stores |
| Cypress Lawn Cemetery | Morticians and Undertakers |
| Golden Gate Acura | New Motor Vehicle Dealers |
| Home Depot | Lumber/Building Materials |
| Honda Lease Trust | Auto Lease |
| Honda of Serramonte | New Motor Vehicle Dealers |
| Hyundai Serramonte | New Motor Vehicle Dealers |
| Kohls | Department Stores |
| Lexus of Serramonte | New Motor Vehicle Dealers |
| Marshalls | Family Apparel |
| Michaels Arts & Crafts | Art/Gift/Novelty Stores |
| Nissan Serramonte Certified Center | New Motor Vehicle Dealers |
| Nordstrom Rack | Department Stores |
| Office Depot | Office Supplies / Furniture |
| Old Navy | Family Apparel |
| Pacific Nurseries | Garden Agriculture Supplies |
| Serramonte Ford | New Motor Vehicle Dealers |
| South Bay Serramonte | New Motor Vehicle Dealers |
| Serramonte Ford | New Motor Vehicle Dealers |
| Stewart Chevrolet Chrysler | New Motor Vehicle Dealers |
| Target | Discount DeptStores |
| Team Volkswagen Subaru | New Motor Vehicle Dealers |
| Toyota Lease Trust | Auto Lease |

Percent of Fiscal Year Paid by Top 25 Accounts = 89.78%

2006-07

| Taxpayer | Business Type |
|---------------------------------|-----------------------------|
| Babies R Us | Specialty Stores |
| Bed Bath & Beyond | Home Furnishings |
| Best Buy | Electronics/ApplianceStores |
| BevMo | Package Liquor Stores |
| Colma Buick Pontiac GMC | New Motor Vehicle Dealers |
| Cypress Lawn Cemetery | Morticians and Undertakers |
| Golden Gate Acura | New Motor Vehicle Dealers |
| Home Depot | Lumber/Building Materials |
| Honda of Serramonte | New Motor Vehicle Dealers |
| Infiniti Serramonte | New Motor Vehicle Dealers |
| Kohls | Department Stores |
| Lexus of Serramonte | New Motor Vehicle Dealers |
| Lucky Chances Casino & Dining | Leisure/Entertainment |
| Magnolia Hi Fi | Electronics/ApplianceStores |
| Marshalls | Family Apparel |
| Nissan Infiniti | Auto Lease |
| Nordstrom Rack | Department Stores |
| Old Navy | Family Apparel |
| Pacific Nurseries | Garden Agriculture Supplies |
| Serramonte Ford | New Motor Vehicle Dealers |
| Serramonte Nissan | New Motor Vehicle Dealers |
| Sleep Train | Home Furnishings |
| Stewart Chevrolet Chrysler | New Motor Vehicle Dealers |
| Target | Discount DeptStores |
| Toyota Motor Credit Corporation | Auto Lease |

Percent of Fiscal Year Paid by Top 25 Accounts = 90.52%

Town of Colma
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

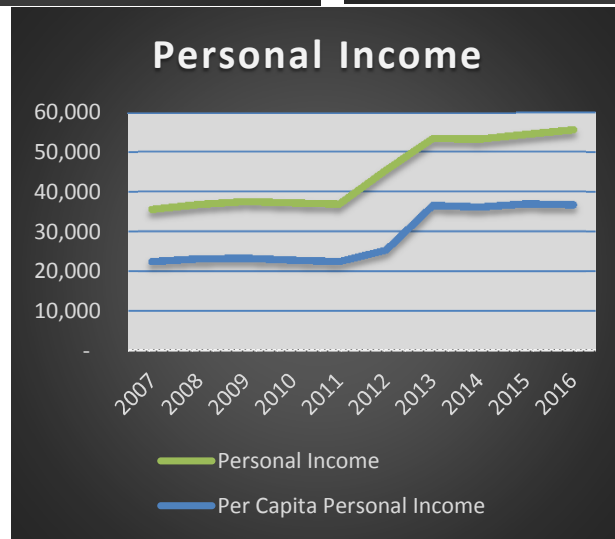
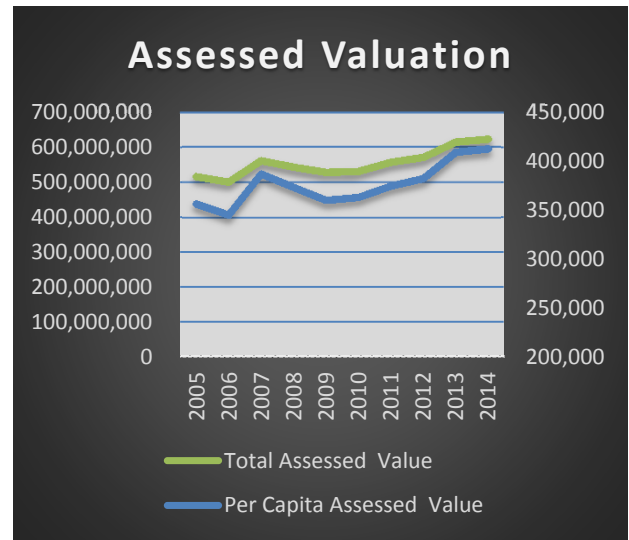
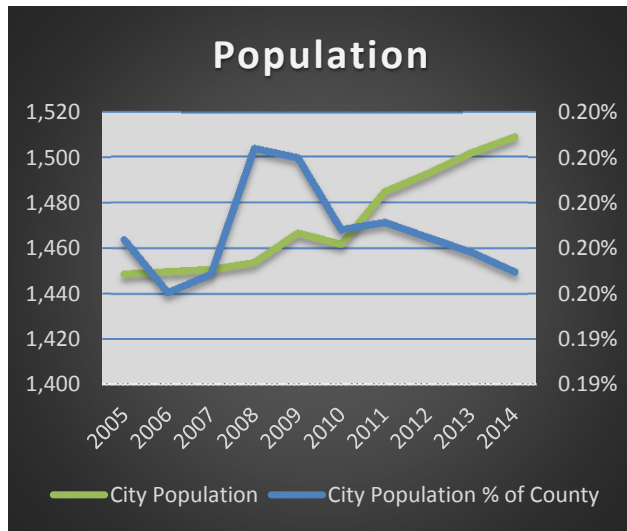
| | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| Apparel Stores | \$26,497 | \$26,673 | \$25,114 | \$27,422 | \$27,968 |
| General Merchandise | 110,147 | 117,177 | 116,220 | 119,226 | 115,692 |
| Eating and Drinking Places | 8,943 | 9,155 | 9,552 | 9,792 | 9,457 |
| Auto Dealers and Supplies | 340,392 | 316,270 | 231,679 | 216,082 | 230,034 |
| Other Retail Stores | 257,377 | 253,505 | 238,439 | 214,132 | 209,665 |
| All Other Outlets | 120,873 | 116,908 | 97,427 | 90,437 | 100,490 |
| Total | \$864,229 | \$839,688 | \$718,431 | \$677,091 | \$693,306 |

Source: State of California Board of Equalization and the HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available.
The categories presented are intended to provide alternative information regarding
the source of the Town's revenue.

| 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|------------------|------------------|--------------------|--------------------|
| \$28,689 | \$32,947 | \$31,688 | \$31,247 | \$31,160 |
| 124,346 | 127,389 | 125,974 | 119,542 | 117,424 |
| 13,039 | 13,999 | 13,993 | 15,527 | 16,398 |
| 266,119 | 341,689 | 412,869 | 484,190 | 509,092 |
| 203,216 | 205,340 | 221,492 | 225,104 | 225,953 |
| 107,414 | 123,123 | 146,423 | 171,083 | 185,864 |
| <u>\$742,823</u> | <u>\$844,487</u> | <u>\$952,439</u> | <u>\$1,046,693</u> | <u>\$1,085,891</u> |

TOWN OF COLMA
Demographic and Economic Statistics
Last Ten Fiscal Years



| Fiscal Year | City Population | Total Assessed Value | Per Capita Assessed Value | Personal Income (in thousands) | Per Capita Personal Income | San Mateo County Population | City Population % of County |
|-------------|-----------------|----------------------|---------------------------|--------------------------------|----------------------------|-----------------------------|-----------------------------|
| 2007 | 1,449 | 517,551,928 | 357,179 | 35,636 | 22,641 | 730,339 | 0.20% |
| 2008 | 1,450 | 501,716,714 | 346,012 | 36,876 | 23,281 | 739,469 | 0.20% |
| 2009 | 1,451 | 561,826,424 | 387,199 | 37,649 | 23,428 | 736,951 | 0.20% |
| 2010 | 1,454 | 543,553,349 | 373,833 | 37,248 | 22,965 | 718,451 | 0.20% |
| 2011 | 1,467 | 529,074,879 | 360,651 | 36,937 | 22,564 | 726,305 | 0.20% |
| 2012 | 1,462 | 531,815,371 | 363,759 | 45,492 | 25,429 | 735,256 | 0.20% |
| 2013 | 1,485 | 557,332,330 | 375,308 | 53,392 | 36,620 | 745,626 | 0.20% |
| 2014 | 1,493 | 571,240,415 | 382,612 | 53,218 | 36,203 | 752,145 | 0.20% |
| 2015 | 1,502 | 614,634,392 | 409,211 | 54,449 | 37,015 | 759,155 | 0.20% |
| 2016 | 1,509 | 622,380,847 | 412,446 | 55,581 | 36,832 | 766,041 | 0.20% |

TOWN OF COLMA
TOWN COUNCIL
&
MANAGEMENT REPORT

For the Year Ended
JUNE 30, 2016

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R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

Town Council
Town of Colma
Colma, California

In planning and performing our audit of the basic financial statements of Town of Colma for the fiscal year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Colma's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's basic financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the basic financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above. We did not identify any deficiencies in internal control that we consider material weaknesses, as defined above.

This report is intended solely for the information and use of management and Town Council of Town of Colma and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We thank Town of Colma's staff for its cooperation during our audit.

R. J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
December 15, 2016

R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

Town Council
Town of Colma
Colma, California

We have audited the basic financial statements of Town of Colma for the year ended June 30, 2016. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 7, 2016, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Town of Colma. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Town of Colma are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Town of Colma during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole. The most sensitive estimates affecting the financial statements were:

- Accrual and disclosure of compensated absences;
- Capital asset lives and depreciation expense;
- Actuarial assumptions for pension and post-employment benefits;
- Fair value of investments and financial instruments.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 9, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Town of Colma's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Town of Colma's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the Budgetary Comparison Schedule for the General Fund, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements and individual fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory Section and the Statistical Section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of management and Town Council of Town of Colma and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Town of Colma
MANAGEMENT REPORT
For the Year Ended June 30, 2016

Current Year Observations

There were no current year observations.

Prior Year Observations

1) Payroll Bank Reconciliation

Observation:

During the course of our audit we noted the payroll bank account reconciliation had a difference of \$5,000 related to the timing of an employee workers compensation legal determination.

Recommendation:

We recommended any differences be documented on the reconciliation with supporting documents (if any) attached to the reconciliation.

Management Response:

The timing of this particular transaction involved a retroactive adjustment after the Bank Reconciliation was prepared. The bank reconciliation records have been updated to include the back-up documentation. Staff have been made aware of what is needed in the future.

Status:

This recommendation has been implemented.

**TOWN OF COLMA
MEASURE A FUND
(A nonmajor component unit fund)**

FINANCIAL STATEMENTS

JUNE 30, 2016

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Town Council
Town of Colma
Colma, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure A Fund of Town of Colma, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Measure A Fund's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Town of Colma Measure A Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Colma Measure A Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

As described in Note 1 to the financial statements, the accompanying financial statements present only the Measure A Fund and do not purport to, and do not, present fairly the financial position of Town of Colma, California, as of June 30, 2016, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure A Fund of Town of Colma, California, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
November 9, 2016

Town of Colma
Measure A Fund
GOVERNMENTAL FUND TYPE
BALANCE SHEET
June 30, 2016

ASSETS

| | |
|---------------------|-----------------------------|
| Cash | \$ 50,766 |
| Accounts receivable | <u>7,673</u> |
| Total assets | <u><u>\$ 58,439</u></u> |

LIABILITIES AND FUND BALANCE

| | |
|---|-----------------------------|
| Liabilities: | |
| Due to other fund | <u>\$ -</u> |
| Fund balance: | |
| Assigned | <u>58,439</u> |
| Total liabilities and fund balances | <u><u>\$ 58,439</u></u> |

The accompanying notes are an integral part of these financial statements.

Town of Colma
Measure A Fund
GOVERNMENTAL FUND TYPE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2016

| | |
|--------------------------------------|-------------------------|
| Revenues: | |
| 20 percent of 1/2 cent sales tax | \$ 50,105 |
| Use of money and property | <u>186</u> |
| Total revenues | <u>50,291</u> |
| Expenditures: | |
| Capital outlay | <u>-</u> |
| Total expenditures | <u>-</u> |
| Excess of revenues over expenditures | 50,291 |
| Fund balance, beginning of period | <u>8,148</u> |
| Fund balance, end of period | <u><u>\$ 58,439</u></u> |

The accompanying notes are an integral part of these financial statements.

Town of Colma
Measure A Fund
NOTES TO FUND FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - REPORTING ENTITY

At the general election on June 7, 1988, the voters of San Mateo County approved Measure A, “An ordinance providing for the creation of the San Mateo County Transportation Authority, for the imposition of a one-half of one percent transactions and use tax, for the issuance of limited tax bonds, and for other purposes.” It also includes an annual allocation of 20 percent of the total revenue generated by the aforementioned ½ percent transactions and use tax to the cities of San Mateo County and to the County of San Mateo for the improvement of local transportation, including streets and roads.

The Measure A Fund (the Fund) is a component unit nonmajor fund of Town of Colma. The accounting policies of the Fund conform to U.S. generally accepted accounting principles as applicable to governments. The accompanying financial statements present financial information for only the Measure A Fund, and not for Town of Colma (the Town) as a whole.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred by the Fund.

B. Budgets and Budgetary Accounting

The Town adopted an annual budget for the Fund for the fiscal year ending June 30, 2016. The Town’s budget is prepared on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at year end.

The appropriated budget is prepared by fund, function, department and line item. The legal level of budgetary control is the fund level. Any changes to increase total appropriations in a fund require the approval of the Town Council.

Town of Colma
Measure A Fund
NOTES TO FUND FINANCIAL STATEMENTS
June 30, 2016

NOTE 3 - CASH AND INVESTMENTS

The Town pools various funds' cash for investment purposes. The Fund's equity in such pooled assets is shown as "Cash and Investments." Cash and investments in the accompanying financial statements are carried at fair value.

The Town is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund, the San Mateo County Treasurer's Investment Pool and other permitted investments.

Interest earnings, if any, were allocated to the Fund in the 2016 fiscal year based upon the Fund's average cash balances and the proportionate interest earned by the Town on its pooled investments in the State of California Local Agency Investment Fund (LAIF) and the San Mateo County Treasurer Pool. See the Town's Basic Financial Statements for the disclosures related to cash and investments and the related custodial risk categorization.

NOTE 4 - CONTINGENCIES

Local Financial Assistance. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the San Mateo County Transportation Authority. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantors cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

NOTE 5 - ASSIGNED FUND BALANCE

The accompanying financial statements reflect certain changes that have been made with respect to the reporting components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of fund balances of governmental funds now reflect the component classification of assigned fund balance.

Assigned fund includes amounts intended to be used by the Town for specific purposes, subject to change, as established either directly by the Town Council or by management officials to whom the assigned authority has been delegated by the Town Council.

REPORT ON COMPLIANCE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH AUDITING
STANDARDS GENERALLY ACCEPTED IN
THE UNITED STATES OF AMERICA

Honorable Mayor and Members
of the Town Council
Town of Colma
Colma, California

We have audited the Town of Colma's compliance with the agreement between the Town of Colma and San Mateo County Transportation Authority applicable to the Measure A Fund for the year ended June 30, 2016. Compliance with the requirements referred to above is the responsibility of Town of Colma's management. Our responsibility is to express an opinion on Town of Colma's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; and the agreement between the Town of Colma and San Mateo County Transportation Authority. Those standards and agreement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the Measure A Fund. An audit includes examining, on test basis, evidence about Town of Colma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Town of Colma's compliance with those requirements.

Compliance

As part of obtaining reasonable assurance about whether Town of Colma Measure A Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including tests of Town of Colma's compliance with certain provisions of Measure A, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under U.S. generally accepted auditing standards.

This report is intended solely for the information of and use of the Town Council and management of Town of Colma, and the County of San Mateo Transportation Authority, and is not intended to be and should not be used by anyone other than these specified parties.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
November 9, 2016



R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES APPLIED
TO APPROPRIATIONS LIMIT WORKSHEETS

Honorable Mayor and Members of
The Town Council
Town of Colma

We have applied the procedures enumerated below to the accompanying Appropriations Limit worksheet of the Town of Colma (the Town) for the year ended June 30, 2017. These procedures, which were agreed to by the Town (as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*) were performed solely to assist the Town in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed appropriation limit worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Town Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the Town Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit and total adjustments, and compared the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit worksheet to the other worksheets described in No. 1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the Town Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the use of the Town of Colma and should not be used by those who have not agreed to the procedures and taken the responsibility for the sufficiency of the procedures for their purposes.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
December 9, 2016

Article XIIIB Appropriation Limit Calculation

| | |
|---|--------------------------|
| Prior Year Limit | \$ 40,571,394 |
| Multiply by: | |
| Non-Residential Assessed Valuation Growth | 1.000537 |
| Change in population | 1.000091 <u>1.000628</u> |
| Total Appropriation Limit Fiscal Year 2016-2017 | <u>\$ 40,596,875</u> |





STAFF REPORT

TO: Mayor and Members of the City Council
FROM: Sean Rabé, City Manager
MEETING DATE: January 25, 2017
SUBJECT: Memorandums of Understanding, Cost of Living Increases and Modification of Town's Salary Schedule

RECOMMENDATION

Staff recommends that the City Council adopt the following Resolutions:

RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING
BETWEEN THE TOWN OF COLMA AND THE COLMA PEACE OFFICERS ASSOCIATION
FOR THE PERIOD OF JANUARY 1, 2016 TO JUNE 30, 2019

RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING
BETWEEN THE TOWN OF COLMA AND THE COLMA POLICE
COMMUNICATION/RECORDS ASSOCIATION FOR THE PERIOD OF JANUARY 1, 2016 TO
JUNE 30, 2019

RESOLUTION APPROVING COST OF LIVING SALARY INCREASES FOR CERTAIN
UNREPRESENTED EMPLOYEES AND MODIFYING
THE TOWN'S SALARY SCHEDULE

EXECUTIVE SUMMARY

The attached resolutions approve: (1) the memorandum of understanding (MOU) between the Town and the Colma Peace Officers Association; (2) the MOU between the Town and Colma Police Communications/Record Association; and (3) cost of living increases for certain unrepresented employees and modify the Town's salary schedule to implement all salary increases contemplated for the represented and unrepresented employees. As discussed by the City Council throughout the course of negotiations, the general parameters of the MOUs are as follows:

1. 2 percent pay increases every six months for all affected employees for the duration of the MOUs (January 1, 2016 through June 30, 2019)
2. An increase in Police Sergeants base pay to provide adequate pay differential between police officers and sergeants
3. A 16.5 percent increase in POA and Dispatcher uniform allowances

4. A modification to the Town's existing retiree health benefit for all NEW employees hired after the approval of the MOUs. This modification keeps retiree medical benefits for all current employees, while new employees will receive a Retiree Health Savings Account (RHSA) benefit instead.

FISCAL IMPACT

The approval of the attached resolutions will increase Town salaries and benefits by a cost of approximately \$570,000 over the life of the MOUs. This amount has been calculated into the Town's long term financial forecast and can be accommodated. The Town will see significant long term savings from the implementation of the RHSA, however.

BACKGROUND

The Town's MOUs with the Peace Officers Association and the Communications/Records Association expired at midnight December 31, 2015. The City Manager and the Town's labor negotiator have been negotiating a successor agreement with each association since May, 2015. The results of those negotiations, which are governed by the Meyers Milius Brown Act (a State law that requires specific actions related to public employee negotiations), are now presented to Council for approval in the form of the two MOUs and salary schedule modifications.

ANALYSIS

The Town conducted an overall compensation study to provide background information to the negotiation team and City Council. That study, completed in 2015, compared total compensation (salary and benefits) for all employment classes throughout the Town to all other cities in San Mateo County. Some of the Town's classifications have few comparables; others have several (see Attachment F, Compensation Survey Summary). As shown in the study, some of Colma's classifications are above market while some are below. It's important to note that the information used in the compensation study is now nearly two years old, however.

A key issue Town Staff and the City Council wanted to address during negotiations was how to safeguard the Town's long term financial picture by controlling costs associated with retiree health – also known as Other Post Employment Benefits (OPEB). If the MOUs are approved, all new hires (as of January 1, 2017) are no longer eligible for retiree health in its current form. Instead, the Town proposed – and the employee associations accepted – the creation of a RHSA for all new hires. The Town will put aside 1.5 percent of each new hires monthly pay into the RHSA, which can only be used for healthcare costs upon retirement. The Town's savings by implementing the RHSA, versus the current retiree health program, are significant in the long run: using a current top step Police Officer with a family medical plan, for example, the Town will spend approximately \$29,000 per year in retiree medical costs. The RHSA costs for a top step Police Officer hired after January 1, 2017, is only about \$1,700 per year.

Using the compensation study and through the course of negotiations, the City Council came to the following agreements with the employee associations:

Peace Officer Association:

1. Each employee in the POA will receive 2 percent pay increases every six months for the life of the agreement. This amounts to a 14 percent pay increase over three-and-a-half years.

2. The POA uniform allowance is increased by 16.5 percent to \$1,025 per year. The uniform allowance is to be paid bi-weekly through payroll.
3. All new employees hired after January 1, 2017 are to be enrolled in the Town's RHSA, with the Town providing 1.5 percent of the employee's salary to the RHSA. Current employees and retirees will have no changes made to their retiree health benefit, though current employees will be allowed a one-time opt-in to the RHSA instead of the current retiree health program.

Communications/Records Association:

1. Each employee in the Association will receive 2 percent pay increases every six months for the life of the agreement. This amounts to a 14 percent pay increase over three-and-a-half years.
2. The Association uniform allowance is increased by 16.5 percent to \$774.73 per year. The uniform allowance is to be paid bi-weekly through payroll.
3. All new employees hired after January 1, 2017 are to be enrolled in the Town's RHSA, with the Town providing 1.5 percent of the employee's salary to the RHSA. Current employees and retirees will have no changes made to their retiree health benefit, though current employees will be allowed a one-time opt-in to the RHSA instead of the current retiree health program.

Unrepresented Employees:

The unrepresented employees are not members of any employee association. The Town has had an informal policy for some time that the unrepresented employees should be treated similarly to the POA and Communications Association. As a result, the City Council authorized the City Manager to provide the same increases/change to the unrepresented employees, which was conveyed during a meeting with the unrepresented employees in November as follows:

1. Each employee (with the exception of the City Manager, Police Chief, and Administrative Services Director) will receive 2 percent pay increase every six months through June 2019. This amounts to a 14 percent pay increase over three-and-a-half years.
2. All new employees hired after January 1, 2017 are to be enrolled in the Town's RHSA, with the Town providing 1.5 percent of the employee's salary to the RHSA. Current employees and retirees will have no changes made to their retiree health benefit, though current employees will be allowed a one-time opt-in to the RHSA instead of the current retiree health program.

Because the MOUs are effective as of January 1, 2016, the City Council agreed to make the pay increases for the unrepresented employees retroactive to January 1, 2016 consistent with treating all employees the same, and because the City Council begin contemplating salary increases for all employees as early as January of 2016.

If Council approves the attached resolutions, Staff will bring forward to the next meeting the additional required resolutions and actions necessary to implement the Town's RHSA.

COUNCIL ADOPTED VALUES

The Staff recommendation is consistent with the Council adopted values of:

- *Responsibility:* Making decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the agency, especially its financial stability.
- *Fairness:* Treat all persons, claims and transactions in a fair and equitable manner.

ALTERNATIVES

The City Council could choose to not adopt the resolutions approving the MOUs and unrepresented salary increases, or could chose to direct Staff to renegotiate any items within the MOUs. Doing so is not recommended, however, as that action could be construed as bad-faith bargaining and could create the potential for an unfair labor practices charge.

CONCLUSION

Staff recommends that the City Council adopt the attached resolutions.

ATTACHMENTS

- A. Resolution Approving Memorandum of Understanding Between the Town of Colma and the Colma Police Officers Association for the Period of January 1, 2016 to June 30, 2019
- B. Memorandum of Understanding Between the Town of Colma and the Colma Police Officers Association for the Period of January 1, 2016 to June 30, 2019
- C. Resolution Approving Memorandum of Understanding Between the Town of Colma and the Colma Police Communications/Records Association for the period of January 1, 2016 to June 30, 2019
- D. Memorandum of Understanding Between the Town of Colma and the Colma Police Communications/Records Association for the period of January 1, 2016 to June 30, 2019
- E. Resolution Approving Modifications to Colma Salary Schedule (including Exhibit A)
- F. Compensation Study Summary Report

**RESOLUTION 2017-
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING
BETWEEN THE TOWN OF COLMA AND THE COLMA PEACE OFFICERS ASSOCIATION
FOR THE PERIOD OF JANUARY 1, 2016 TO JUNE 30, 2019**

The City Council of the Town of Colma does hereby resolve as follows:

1. Findings. The City Council finds that the Town's Negotiating Team met and conferred with the POA's Negotiating Team several times over the past year, that the POA has ratified the proposed MOU, and that it is in the best interest of the Town of Colma to enter into the proposed agreement to secure the continued public safety services.

2. Order.

(a) The City Council hereby approves the Memorandum of Understanding between the Town of Colma and the Colma Peace Officers Association for the time period of January 1, 2016 to June 30, 2019, which is attached to the Staff Report for the January 25, 2017 City Council meeting.

(b) The Mayor shall be, and hereby is, authorized to execute the Memorandum of Understanding, subject to any changes in form or technical language approved by the City Manager and City Attorney.

Certification of Adoption

I certify that the foregoing Resolution No. 2017-__ was duly adopted at a regular meeting of the City Council of the Town of Colma held on January 25, 2017, by the following vote:

| Name | Voting | | Present, Not Voting | | Absent |
|-----------------------|--------|----|---------------------|-------------------|--------|
| | Aye | No | Abstain | Not Participating | |
| Helen Fisicaro, Mayor | | | | | |
| Raquel "Rae" Gonzalez | | | | | |
| Joanne F. del Rosario | | | | | |
| John Irish Goodwin | | | | | |
| Diana Colvin | | | | | |
| <i>Voting Tally</i> | | | | | |

Dated _____

Helen Fisicaro, Mayor

Attest: _____
Caitlin Corley, City Clerk

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF COLMA
AND
THE COLMA PEACE OFFICERS ASSOCIATION
January 1, 2016 to June 30, 2019

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MEMORANDUM OF UNDERSTANDING

[See Article 22 for definitions]

ARTICLE 1 - PURPOSE AND INTENT

A. It is the intent and purpose of the parties that this Memorandum of Understanding shall set forth rules of pay, hours of work, and other terms and conditions of employment to be observed by the parties in connection with the Peace Officers Unit. The provisions of this Memorandum of Understanding shall apply only to the Members of the Peace Officers Unit (Member) and shall in no way establish terms and conditions of employment of other employees of the Town of Colma who are not Members of that Unit. The classifications included in that Unit are all sworn officers of the Colma Police Department except Reserve Police Officers, Police Recruits, the Commander, and the Police Chief. This agreement has been developed in the interest of promoting and improving employee relations between the Town of Colma (hereinafter referred to as the Town) and the Colma Peace Officers Association (hereinafter referred to as the Association).

B. This Memorandum is entered into pursuant to the Meyers-Milias-Brown Act (GOVERNMENT CODE sections 3500, et seq.) and Subchapter 3.09 of the Administrative Code of the Town.

ARTICLE 2 - REPRESENTATION

A. The Town hereby recognizes the Association as the Recognized Employee Organization to act as bargaining agent for the Peace Officers Unit.

B. The Town shall deduct the Association dues from the Members' pay checks and transmit such monies to the duly authorized and designated employee organization representative or by direct deposit to the Association's bank account.

ARTICLE 3 - RIGHTS RESERVED

A. The Association recognizes that the Town has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer and manage its municipal services and work force performing those services in all respects subject to this Memorandum.

B. The City Manager and Police Chief have and will continue to retain exclusive decision-making authority on matters not officially and expressly modified by specific provisions of this Memorandum and such decision-making shall not be subject in any way, directly or indirectly, to the grievance procedure contained herein.

C. The exclusive rights of the Town shall include, but not be limited to, the right to determine the organization of Town government and the purpose and mission of its constituent agencies, to set standards of service to be offered to the public, and through its management officials to exercise control and discretion over its organization and operations, to establish and effect Administrative Regulations and Employment Rules and Regulations consistent with law and the specific provisions of this Memorandum to direct its employees, to take disciplinary

action for just cause, to relieve its employees from duty because of lack of work or for other legitimate reasons, to determine whether goods or services shall be made, purchased or contracted for, to determine the methods, means and personnel by which the Town's services are to be provided, including the right to schedule and assign work and overtime, and to otherwise act in the interest of efficient service to the community.

ARTICLE 4 - MANAGEMENT OBLIGATIONS

The Town shall, at its own expense, provide to every Member a copy of this Memorandum and all rules, regulations, general and special orders.

ARTICLE 5 - SEVERABILITY

If any article or section of this Memorandum of Understanding or if any chapter or section of the Town's Personnel Policies referred to in this Memorandum should be found invalid, unlawful, or unenforceable by reason of any existing or subsequent enacted legislation by a court of competent jurisdiction, all other articles and sections of this Memorandum shall remain in full force and effect for the duration of this Memorandum. In the event of invalidation of any article or section, the Town and Association may negotiate regarding that section or article on the anniversary of this Memorandum as provided by Article 8. However, in the event the legislation or decision referred to above affects wages, hours or working conditions, the Town and Association agree to meet and confer within sixty days of the effective date of the legislation or decision to renegotiate said article or section.

ARTICLE 6 - WAIVER

The parties acknowledge that, during the negotiations which resulted in this agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this agreement. Therefore, the Town and the Association, for the life of this agreement, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this agreement (except as provided in Article 5), even though such subject or matter may not have been within the knowledge and contemplation of either or both parties at the time they negotiated or signed this agreement. However, in the event the Police Chief, the City Manager or the City Council imposes a change in policy regarding the Association which substantially affects wages, hours or other terms and conditions of employment not covered by this Memorandum of Understanding, the Association may request that the Town meet and confer regarding that change.

ARTICLE 7 - MAINTENANCE OF BENEFITS

A. The status of all existing benefits and conditions of employment now enjoyed by classifications represented by the Association shall not be deemed affected by this agreement, except as specifically modified by provisions of this Memorandum.

B. Except as expressly stated in this Memorandum, where this Memorandum refers to a benefit in the Town's Personnel Policies, that benefit may only be modified by the Town after meeting and conferring with the Association.

ARTICLE 8 - DURATION AND RENEWAL

Unless otherwise specifically provided herein, this Memorandum of Understanding shall run from January 1, 2016 to June 30, 2019. It shall be automatically renewed from year to year thereafter, unless either party shall have notified the other, in writing, at least sixty days prior to the expiration date that it desires to modify the Memorandum of Understanding. In the event that such notice is given, negotiations shall begin within thirty days of delivery of the notice of intent to modify the Memorandum of Understanding.

ARTICLE 9 - WORK PERIOD AND HOURS

A. The work period established for Members is a regularly recurring period of eighty-four (84) hours in fourteen consecutive days. The Police Chief may, in writing, establish the beginning and ending day and time of a work period.

B. Except as provided in paragraph 9.C, all Members will be on the same fourteen day work period and will be scheduled to work up to eighty-four (84) hours in fourteen consecutive workdays. Members may be assigned to a team concept, working three days one week and four days the following week.

C. The work schedule shall include paid time for meal breaks, except for Members attending training classes and Members attending court sessions, in which case meal breaks shall not be compensable time.

D. Daylight Savings-Standard Time Transition

(1) In the spring when transitioning to Daylight Savings Time, Members working during the one hour transition from Standard Time to Daylight Savings Time will be paid for actual hours worked. Members working on a shift that includes the one hour transition may be granted an option by the Chief to work an additional hour at his or her base hourly rate or use compensatory time or vacation time to make up for the lost work hour.

(2) In the fall when transitioning to Standard Time, Members working during the one hour transition from Daylight Savings Time to Standard Time will be paid for actual hours worked and overtime pay, if actual hours worked or counted as worked in that work period exceed eighty-four (84) hours in a work period.

ARTICLE 10 - STAFFING LEVELS

The Police Chief shall maintain a minimum of two sworn employees on each shift for patrol purposes.

ARTICLE 11 - SHIFT SELECTION

Members will sign up for shifts by seniority in 6 month increments, for a one year time frame (January through December). Shifts will rotate in January and July of every year and each Member must work six consecutive months on an alternative shift every two years. The police Chief or his designee may assign a Member to an alternate shift at any time for the good of the organization. Members who have not rotated after eighteen months will be assigned to an alternative shift by the Chief or his or her designee.

ARTICLE 12 - SHIFT EXCHANGE

A. All Members may be permitted to substitute for another of equal rank during scheduled work hours, as herein provided. Trading shall be limited to one shift in any calendar week and any Member requesting a trade shall submit a written request to the Police Chief or designee seven days prior to the first day of the trade. No trade shall be made unless the Police Chief or designee approves the trade in writing. The traded shift shall be paid back within the same fourteen-day work period. This shift trading is strictly voluntary on the part of Members and is for their benefit, not the benefit of the Town. The Town shall exclude the hours worked as a trade in calculating overtime.

B. Once the exchange has been signed by both Members and approved by the Police Chief or his or her designee, it will be the responsibility of the person agreeing to work the shift to cover that shift.

ARTICLE 13 – SALARIES

A. The Town shall pay each Member an amount determined by multiplying the number of hours worked in a pay period by the applicable hourly base rate of pay shown for the Member in Appendix A.

B. FICA and PERS Member Contributions

Each Member shall pay the employee share of FICA (Social Security and Medicare) taxes and the employee's contributions to the Public Employees Retirement System (PERS).

C. Educational Incentive Program

(1) Except as provided in this section, there are no incentive pays.

(2) This Program is adopted for the benefit of the Members in recognition of certain specified educational achievements. Eligible Members shall receive the specified additional compensation only under one of the formulas:

(a) A four percent increase of his or her hourly base rate shall be provided to Members who possess an Associates of Arts Degree in Administration of Justice, Police Science, or a related field, or an Intermediate POST Certificate. Members with this incentive shall be classified as Police Officer 2 or Police Sergeant 2 and compensated according to Salary Table 2, above. Once this salary increase is awarded it shall continue regardless of future promotions to higher non-

management positions. However, it shall not be added to the incentive paid for more advanced degrees provided in subsections (b) and (c) below.

(b) A six percent increase of his or her hourly base rate shall be provided to Members who possess a Baccalaureate Degree in Administration of Justice, Police Science, or a related field, or an Advanced POST Certificate. Members with this incentive shall be classified as Police Officer 3 or Police Sergeant 3 and compensated according to Salary Table 3, above. Once this salary increase is awarded it shall continue regardless of future promotions to higher non-management positions. However, it shall not be added to the incentive paid for a more advanced degree provided in subsection (c) below.

(3) The following Members are eligible for Education Incentive Pay:

(a) A Member who is a regular, non-probationary employee of the Town and has had at least twelve months of sworn law enforcement experience in a municipal law enforcement agency; or

(b) A lateral hire with five years of law enforcement experience when the Police Chief has determined in his or her discretion to grant Education Incentive prior to the conclusion of the Member's probationary period.

(4) Documentation must be provided in order to receive the incentive. It is the Member's responsibility to forward to the Police Chief the documents which certify eligibility for educational incentives. The incentive will commence on the first day of the pay period following the award date of the degree and/or certificate.

D. Field Training Officer

A Member assigned to serve as a Field Training Officer will receive a five percent differential of his or her base rate as shown in salary tables above for actual hours worked as Field Training Officer, which may be less than an entire shift.

E. Detective

A Member assigned to serve as a Detective will receive a five percent differential of his or her base rate as shown in salary tables above for all hours compensated during the assignment.

F. Officer in Charge

A Police Officer assigned to serve as Officer in Charge will receive a five percent differential of his or her base rate as shown in salary tables above for actual hours worked, which may be less than an entire shift. The Officer in Charge (OIC) assignment and duration is made at the discretion of the Police Chief. Members who are currently under a performance improvement plan, received a sub-standard rating in one or more categories on his or her most recent annual evaluation, or received a written reprimand or more serious discipline within six months from assignment may be restricted from applying for the OIC assignment. A minimum of at least two years of sworn Police Officer experience with the Colma Police Department is preferred.

ARTICLE 14 – OVERTIME AND COMPENSATORY PAY

A. Members will be routinely scheduled to work eighty-four (84) hours in a fourteen-day work period. Members will receive overtime when a Member has worked in excess of eighty-four (84) hours during the fourteen day work period, subject to the provisions below. For purposes of this section, vacation leave that was scheduled and approved at least twenty-eight (28) days prior to the date taken off, sick leave, bereavement leave and training hours will count towards hours worked. Vacation leave not scheduled and approved at least twenty-eight (28) days prior to the date taken off, administrative leave and compensatory time used will not count as hours worked for purposes of this section.

- (1) Overtime must be approved in advance by the Police Chief or Designee.
- (2) The overtime pay rate will be paid as defined in the FLSA.
- (3) All overtime worked which is less than one hour increments in a work shift shall be compensated in fifteen-minute increments.

B. Notwithstanding the foregoing, the Member may, in his or her sole discretion, take or bank Compensatory Time Off at the rate of one and one-half hours for each hour of overtime worked. A Member's Compensatory Time Leave Bank will be established with a maximum leave balance of eighty hours.

C. A Member who is subpoenaed to testify on his or her day off at any judicial, civil or administrative hearing, including but not limited to Superior Court, Municipal Court, Traffic Court, DMV hearing, civil deposition or parole hearing, on a matter arising out of the Member's course and scope of employment, shall earn overtime as follows:

- (1) While at the place of the hearing, the Member shall earn overtime from the time first required to be there until the time released, except for meal breaks. The Member will be paid for only one block of time in a day, regardless of the number of matters that may require the Member's appearance. Except for the circumstances described in paragraphs (2) and (3), the Member will earn a minimum of four hours of overtime for the day.
- (2) If placed on telephone standby by the District Attorney, the Member shall earn two hours of overtime for all time on standby. If the Member is called to court, he or she will receive overtime from the time first required to be there until the time released, except for meal breaks. The Member called to court will receive court overtime in lieu of standby overtime. In all cases, Members must have authorization from a supervisor prior to accepting the telephone standby.
- (3) When a Member is required to be at the place of the hearing within four hours prior to his or her shift, the Member shall earn overtime from the time first required to be at the hearing until the beginning of his or her scheduled shift, except for meal breaks. When a Member is required to be at the place of the hearing within one hour after his or her shift, the Member shall earn overtime from the end of his or her shift until the time released, except for meal breaks.

(4) While testifying by telephone, Members shall earn overtime for the time the Member is required to be on the telephone.

D. A Member who is called to work within four hours of the start of his or her shift will receive at least one hour of regular pay, if actual time worked is less than one hour, and overtime pay, if actual hours worked or counted as worked in a work period exceed eighty-four (84) hours.

E. A Member, who is called to work on his or her day off, or after having been relieved of duty for the day at least one hour prior, shall earn overtime for the time the Member is called back, with a minimum of four hours of overtime. If the callback shift exceeds four hours, the Member will be compensated overtime on an hour for hour basis after the first four hours.

F. All training scheduled on a Member's day off will be compensated on an hour for hour basis and overtime pay, if actual hours worked or counted as worked in a work period exceed eighty-four (84) hours. Firearms training will normally be conducted while the Member is on duty. If the Member must attend the range while off duty, he or she will be limited to two hours per quarter and will be compensated on an hour for hour basis and overtime pay as required by FLSA. The first quarter begins in January of every year.

G. K-9 handlers will receive seven hours of overtime pay per pay period to compensate for any work after scheduled hours that may be required to feed and care for the canine unit in Member's charge.

ARTICLE 15 - HOLIDAY PAY

A. In lieu of holiday pay, Members will be paid additional compensation at the rate of five percent of his or her base hourly rate of pay according to his or her classification as shown in salary tables above for all hours except overtime. Said compensation shall be paid at the same time and manner as the Member is usually paid his or her salary, without regard for the number of holidays occurring or worked during the pay period and will be included in the FLSA overtime calculation. This policy is in lieu of the holiday schedule and holiday leave policy set forth in the Town's Personnel Policies.

B. Notwithstanding the above, Members who work on designated significant holiday shifts will be compensated at one and a half (1.5) times his/her base rate as defined in the salary tables. The designated significant holiday shifts are 6:00pm to 6:00am on Thanksgiving, December 24 and December 31 and 6:00am to 6:00pm on Thanksgiving, December 25 and January 1.

ARTICLE 16 - LEAVES

A. Vacation Leave

(1) Sign up for vacation periods for the upcoming calendar year shall be completed by December 31. Any Member who has not signed up for all vacation time he or she is entitled to by midnight on December 31 shall lose all priority he or she is entitled to because of higher seniority.

(2) A Member may accrue unused vacation time up to two times the number of hours the Member may earn in one year. For example, a Member with two years of service may accrue up to one hundred-sixty (160) hours of unused vacation time while a Member with more than fifteen years of service may accrue up to four hundred (400) hours.

(3) Once a Member has accrued the maximum number of unused vacation hours set forth in Article 16A(2) above, the Member shall not earn any additional vacation hours until vacation is utilized to bring the amount of accrued vacation below the applicable cap or vacation is cashed out as permitted by this policy.

(4) A Member may cash out a portion of his/her accrued vacation hours in accordance with Town's Personnel Policies.

B. Personnel Leave

Notwithstanding the provisions of the Town's Personnel Policies regarding *Leaves*:

(1) A Member shall accrue personal leave (as defined in the Town's Personnel Policies) while on disability leave of absence under Labor Code section 4850.

(2) Members will accrue sick leave at a rate of eight hours per month.

(3) Upon separation of employment with the Town, a Member is not entitled to be paid for his or her accrued and unused sick leave except as follows: a Member who is eligible for and who has applied for retirement under the California Public Employees Retirement System within sixty (60) days of separation from the Town may, at the Member's option, convert unused and accrued sick leave to additional PERS service credit or be paid for unused and accrued sick leave, provided that the number of hours to be converted or paid shall not exceed 1,092 hours.

(4) Nothing herein shall prevent a Member from accruing sick leave beyond 1,092 hours and, while employed, taking paid sick leave from the total amount of accrued sick leave in accordance with the Town's Sick Leave Policy.

C. The Town will administer Family Leave in accordance with state and federal law.

ARTICLE 17 - REIMBURSEMENTS

A. Uniform and Equipment Allowance

(1) The Town agrees to pay to full-time Members a uniform allowance. The amount of the annual allowance shall be one thousand and twenty-five dollars (\$1,025). Payment of the uniform allowance shall be paid a pro-rata amount on each paycheck (for example \$1,025 divided by 26 = \$39.43 per pay period). A one-time payment shall be issued on the next regular pay period after ratification of this MOU which shall equal to amounts earned March 1, 2016 to the date of contract ratification. This uniform allowance is not CalPERS reportable compensation for

Members hired on or after January 1, 2013, who were never members of a public employee retirement system or who had a break in service of more than six months.

(2) A Member shall not be required to purchase any item that the Town is required by law to provide to peace officers.

(3) The service weapon for new Members or for current Members who need to replace their existing personal weapon, shall be the service weapon provided and maintained by the Town at the Town's own expense, or a weapon provided and maintained by the Member which the Police Chief has approved. Upon termination of employment for any reason, a Member using a service weapon provided by the Town shall return the weapon to the department.

(4) The Town shall provide, at the Town's own expense, new full-time Members an initial uniform consisting of the items determined by the Chief and approved by the City Manager.

B. Damage to Personal Property and Uniforms

(1) The Town shall reimburse a Member for damage to uniforms that are damaged during duty hours or while stored in their locker at a Town facility, providing that the Member made a reasonable effort to safeguard the uniform. This reimbursement shall be made on approval of the Police Chief.

(2) The Town shall reimburse a Member for damage of personal property in the performance of his/her duty, subject to the following restrictions:

(a) The maximum reimbursement for items of personal property necessity such as eye glasses and hearing aids shall be two hundred dollars (\$200.00).

(b) The maximum reimbursement for the damage of all other personal property shall be fifty dollars (\$50.00).

(c) Requests for reimbursement for the damage of personal property must be made within the shift in which the damage occurs.

(d) Reimbursement of damaged property must be approved by the Police Chief.

C. Tuition Reimbursement

Regular, full-time Members shall be entitled to the Tuition Reimbursement benefits as described in the Town's Personnel Policies.

ARTICLE 18 - RETIREMENT, HEALTH AND WELFARE BENEFITS

A. PERS Retirement

(1) Classic – Tier One Hired before August 1, 2012

Members hired before August 1, 2012, that are enrolled in the California Public Employees Retirement System (PERS) shall receive a retirement allowance under the "3% at 50 Modified," formula, One-Year Final Compensation retirement plan, to the extent provided by law.

(2) Classic – Tier Two Hired on or after August 1, 2012

Members hired on or after August 1, 2012, including Members hired on or after January 1, 2013 who are not classified as "new members" (as defined in Gov't Code 7522.04(f)) under Public Employees' Pension Reform Act (PEPRA), that are enrolled in PERS shall receive a retirement allowance under the "3% at 55 Modified" formula, Three-Year Final Compensation retirement plan, to the extent provided by law.

(3) PEPRA - Hired on or after January 1, 2013

Members hired on or after January 1, 2013, who are classified as "new members" (as defined in Gov't Code 7522.04(f)) under PEPRA, that are enrolled in PERS shall receive a retirement allowance under the "2.7% @ 57 formula", Three-Year Final Compensation retirement plan, to the extent provided by law.

(4) Each Member shall contribute to PERS the employee's rate of contribution required by law relevant to his/her retirement formula, as may be amended from time to time by the State of California. The Member does not have the right to directly receive the Member's PERS contribution in lieu of payment to PERS. The Town shall contribute all other costs and contributions necessary to implement this plan. If the Employer's contribution required by PERS increases over the present contribution, the Town shall pay the increase; if the Employer's contribution decreases, the Town shall keep the savings.

B. Deferred Compensation Plan

As to any Member who participates in the Town's deferred compensation plan, the Town will pay a sum equal to the amount withheld from salary by the Member and contributed to the Plan, up to one hundred dollars (\$100) per month. The City Manager may establish reasonable rules and procedures for implementing this plan. If the additional sum contributed by the Town causes the Member's contribution to exceed the maximum amount allowed under federal law as deferred compensation, then such sum shall be reported as taxable income of the Member.

C. Dental, Vision, and Life Insurances

Dental, vision, and life insurance are as provided in the Town's Personnel Policies, except that Members hired on or after January 1, 2008, will not receive Town-paid dental benefits upon retirement. Members hired prior to January 1, 2008, will continue to receive Town-paid dental benefits upon retirement to the same extent as other miscellaneous Town employees.

D. Medical Insurance

(1) PEMHCA Minimum Contribution

The Town contracts with PERS pursuant to the Public Employees Medical and Hospital Care Act (PEMHCA) for the purpose of providing eligible Members, dependents and annuitants with access to medical insurance. The Town shall revise its current PEMHCA contract with CalPERS through the adoption of a new PEMHCA resolution to provide that the Town shall pay to PERS, on behalf of each eligible active Member and each retired Member who qualifies for retiree medical benefits, a monthly employer contribution equal to the minimum contribution required under Section 22892(b)(2) of PEMHCA (PEMHCA Minimum). This amount is established by CalPERS and may change annually.

Pursuant to PEMHCA and relevant PERS regulations, a retired Member will qualify for retiree medical benefits if his or her retirement from the Town is effective within 120 days of his or her separation from employment with the Town and the retired Member receives a retirement allowance from CalPERS resulting from his or her service with the Town (Annuitant). Annuitants are eligible to continue health coverage under PEMHCA. An Annuitant will receive the PEMHCA Minimum regardless of hire date.

Supplemental benefits will be provided to Active Members and Annuitants in accordance with the terms set forth in Sections (2), (3) and (4) below.

(2) Supplemental Benefit for Active Members

The Town offers an Internal Revenue Code Section 125 Plan (Plan) which contains premium conversion, health care reimbursement and dependent care reimbursement as available benefits. The availability of the Plan is contingent on compliance with State and Federal rules and regulations. The Town and Association agree to meet and confer if any part of the Plan is found to be noncompliant regarding a replacement provision. In addition to the PEMHCA Minimum, the Town contributes for eligible Active Members an additional amount to be used to pay for premiums for Health Insurance Coverage through the Plan. The amount of the additional monthly contribution for each Active Member's PERS health insurance premium is based on the date of hire. An Active Member may not use the contribution for other reasons.

(i) Active Members Hired Prior to June 1, 2008 (Tier A)

Active Members hired prior to June 1, 2008, will receive a contribution under the Plan equal to the full cost of the PERS health plan selected, for which he or she and his or her dependents are eligible and enrolled, minus the PEMHCA minimum contribution.

The Town may not require Tier A Active Members to pay or contribute premiums for medical or hospital insurance unless the Town has first met with and obtained the agreement of the Association.

- (ii) Active Members Hired on or after June 1, 2008 but on or before June 30, 2012 (Tier B)

Active Members hired on or after June 1, 2008 and on or before June 30, 2012, will receive a contribution under the Plan equal to the cost of the PERS health plan in which he or she and his or her dependents are eligible and enrolled but not to exceed the cost of second most costly plan offered by CalPERS, minus the PEMHCA Minimum. Members may select enrollment in a plan that exceeds the maximum Employer contribution and the difference in cost will be paid by the Member through payroll deductions.

- (iii) Active Members Hired on or after July 1, 2012 but on or before December 31, 2016 (Tier C)

Active Members hired on or after July 1, 2012 and on or before December 31, 2016, will receive a contribution under the Plan in the same amount and manner as Active Members described in Tier B (section ii) above.

- (iv) Active Members Hired on or after January 1, 2017 (Tier D)

Active Members hired on or after January 1, 2017, will receive a contribution under the Plan in the same amount and manner as Active Members described in Tier B (section ii) above.

(3) Supplemental Benefit for Annuitants Originally Hired Before January 1, 2017

In addition to the PEMHCA Minimum, each Annuitant hired by the Town on or before December 31, 2016 is eligible for an Employer contribution, as set forth below, to be used for reimbursement of additional medical costs under a Retiree Health Reimbursement Arrangement (HRA) established by the Employer. Receipt of Reimbursements may be made through a third party administrator and subject to administrative requirements.

- (i) Annuitants Who Were Originally Hired Prior to June 1, 2008 (Tier A)

Annuitants hired by the Town prior to June 1, 2008, will receive a monthly HRA contribution equal to the monthly cost of the PERS health plan selected, for which he or she and his or her dependents are eligible and enrolled, minus the PEMHCA Minimum.

The Town may not require Tier A Annuitants to pay or contribute premiums for medical or hospital insurance unless the Town has first met with and obtained the agreement of the Association.

- (ii) Annuitants Who Were Originally Hired on or after June 1, 2008, but on or before June 30, 2012 (Tier B)

Annuitants hired by the Town on or after June 1, 2008, but on or before June 30, 2012, will receive an HRA contribution equal to the cost of the PERS health plan in which he or she and his or her dependents are eligible and enrolled but not to exceed the cost of second most costly plan offered by CalPERS, minus the PEMHCA Minimum.

- (iii) Annuitants Who Were Originally Hired on or after July 1, 2012 but on or before December 31, 2016 (Tier C)

Annuitants hired by the Town on or after July 1, 2012, but on or before December 31, 2016, who have five years of service with the Town and at least ten years of total PERS service credit, will receive an HRA contribution equal to the "applicable percentage" of the cost of the PERS health plan in which he or she and his or her dependents are eligible and enrolled but not to exceed the cost of the second most costly plan offered by PERS, as adjusted by the "applicable percentage", minus the PEMHCA Minimum.

The "applicable percentage" shall be determined on the basis of the Annuitant's years of service (with a minimum of five years of service with the Town) pursuant to the following vesting schedule:

| CREDITED YEARS OF SERVICE | APPLICABLE PERCENTAGE |
|----------------------------------|------------------------------|
| 10 | 50% |
| 11 | 55% |
| 12 | 60% |
| 13 | 65% |
| 14 | 70% |
| 15 | 75% |
| 16 | 80% |
| 17 | 85% |
| 18 | 90% |
| 19 | 95% |
| 20 or More | 100% |

Notwithstanding the preceding service requirement, the contribution payable by the Town shall be equal to 100 percent of the cost of the PERS health plan in which he or she and his or her dependents are eligible and enrolled but not to exceed the cost of second most costly plan offered by CalPERS, minus the PEMHCA Minimum, on behalf of any annuitant who retired for industrial disability.

This benefit is structured in accordance with the PERS statutory vesting schedule in Government Code Section 22893 such that Tier C Annuitants will receive retiree medical benefits calculated in accordance with the statutory vesting schedule and related provisions of Section 22893, as it may from time to

time be amended, provided that only the PEMHCA Minimum will be paid directly to CalPERS and the remaining amount, as described in the first paragraph of this Section (D)(3)(iii), will be provided to Tier C Annuitants in the form of a reimbursement under the terms of the HRA.

(iv) Retiree Health Benefit Preserved in Event of Reinstatement and Subsequent Retirement

In accordance with AB 410 (2013), as codified in Government Code Section 22838, an Annuitant eligible for retiree health benefits pursuant to Section (D)(3)(i), (ii) or (iii) who reinstates from retirement may, upon his or her subsequent retirement, elect to enroll in a health benefit plan approved or maintained by CalPERS as an annuitant of the Town and receive the applicable benefit under Section (D)(3)(i), (ii) or (iii), if all of the following apply:

- (a) The subsequent retirement occurs on or after January 1, 2014;
- (b) The Annuitant is eligible for retiree health coverage through the Town prior to reinstatement from retirement;
- (c) The subsequent retirement occurs within 120 days of separation; and
- (d) The retiree health contribution available from the Town is higher than the retiree health contribution from the employer through which the subsequent retirement occurs.

To the extent that the Town's conversion to the PEMHCA Minimum causes the requirement at (d) above to fail and, as a result, the Annuitant enrolls in a PERS health benefit plan through the subsequent employer, the Town shall cause the difference between the total benefit described in Section (D)(3)(i), (ii) or (iii), as applicable, and the retiree health benefit to which he or she is entitled under the subsequent employer, to be paid to the Annuitant in the form of a reimbursement under the HRA of substantiated expenses for a PERS health insurance plan in which he or she has enrolled.

(4) Retirement Health Savings Program (RHSP)

As soon as administratively possible, the Town will establish a Retirement Health Savings Program (RHSP). The RHSP will use a third party administrator selected by the Town. The design of the RHSP is intended to be a tax advantaged savings plan to be used exclusively for qualifying medical expenses during retirement.

(i) Mandatory Participation - Members Hired on or after January 1, 2017

Members hired on or after January 1, 2017 receive a monthly Employer contribution to an individual account under the RHSP. The Town shall contribute to the Member's individual RHSP account an amount equivalent to one and one-half percent (1.5%) of the Member's monthly base salary as shown in the Town's adopted salary schedule. The base salary for the initial month of service and final month of service shall be prorated based on actual base salary paid in those months.

(ii) Optional Participation - Members Hired Prior to January 1, 2017

Members hired prior to January 1, 2017 may exercise a one-time irrevocable election and waiver as defined in the RHSP Plan Document. Any Member who elects to receive the RHSP benefit shall receive the same benefit as described in Section (D)(4)(i) above and will no longer receive the benefits in Section (D)(3) above.

E. Health Club Membership

Health Club Membership benefits are as provided in the Town's Personnel Policies.

F. Funeral Expenses

The Town shall pay fifteen thousand dollars (\$15,000) to the executor, administrator or personal representative of the estate of, or to the trustee authorized to pay funeral expenses for, any Member killed in the line of duty.

ARTICLE 19 - PAYROLL ERRORS

A. To ensure that system or other errors which affect a Members pay are processed in an efficient and effective manner, the Town shall notice the affected Member as soon as practicable.

B. Payroll errors detected by a Member shall, as soon as practicable, be communicated to the Accountant, or his or her designee. In the case of under payment, the Accountant or his or her designee will process the appropriate adjustments as soon as practicable.

C. Payroll errors identified by the Accountant or his or her designee will be communicated to the Member either directly or through the Police Chief.

D. Under payments will be processed as soon as practicable.

E. In the event of an overpayment, the Accountant or his or her designee will determine a reasonable repayment schedule and inform the Member of the schedule directly or through the Police Chief. The affected Member shall be given an opportunity to discuss the repayment schedule and, if necessary, to request a reasonable adjustment to it. Factors considered in determining a reasonable adjustment to the repayment schedule include but are not limited to, the Member's normal salary, and other financial obligations of the Member. The Town and the Association agree that the Town will use any and all legal remedies to recover any salary

overpayment made to the Member from the Member's wages in the event that (1) the Member does not respond within five working days of being notified of the overpayment or (2) mutual agreement on the repayment schedule is not achieved within ten working days of the Member being notified of the overpayment.

ARTICLE 20 - GRIEVANCE PROCEDURE

Grievance procedures are provided as stated in the Town's Personnel Policies.

ARTICLE 21 - SAFETY VESTS

The parties have met and conferred and agreed to the Town's Safety Vest Policy.

ARTICLE 22 – DEFINITIONS

As used in this Memorandum:

"Base rate" means the hourly rate of pay, by each job classification shown in the tables in Appendix A of this Memorandum.

"Personnel Policies" means the provisions, policies and regulations adopted by the City Council as Chapter Three of the Colma Administrative Code, or its successor, and the procedures and regulations adopted by the City Manager to implement the provisions of Chapter Three of the Colma Administrative Code or its successor.

"Designated Significant Holiday Shifts" are defined in paragraph 15.B.


ARTICLE 23 - TRANSITION

A. Upon execution, this Memorandum of Understanding will supersede the Memorandum of Understanding between the parties and for the period from September 1, 2013 to December 31, 2015.

///

IN WITNESS WHEREOF:

Dated _____ COLMA PEACE OFFICERS ASSOCIATION

By  _____
Print Name and Title

Attest _____

Print Name and Title

Dated _____ TOWN OF COLMA

By _____
Diana Colvin, Mayor

Attest _____
Caitlin Corley, City Clerk

DRAFT

Appendix A

BASE RATE SALARY TABLES

January 3, 2016 through July 2, 2016

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 42.37 | 44.49 | 46.72 | 49.05 |
| Police Officer 2 | 44.06 | 46.27 | 48.58 | 51.01 |
| Police Officer 3 | 44.92 | 47.17 | 49.52 | 51.99 |

Increased 4.2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 53.70 | 54.82 | 55.95 | 59.04 |
| Police Sergeant 2 | 55.85 | 57.01 | 58.18 | 61.41 |
| Police Sergeant 3 | 56.92 | 58.10 | 59.29 | 62.59 |

July 3, 2016 through December 31, 2016

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 43.22 | 45.38 | 47.65 | 50.03 |
| Police Officer 2 | 44.95 | 47.20 | 49.56 | 52.03 |
| Police Officer 3 | 45.82 | 48.11 | 50.51 | 53.03 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 54.78 | 55.91 | 57.07 | 60.22 |
| Police Sergeant 2 | 56.97 | 58.15 | 59.35 | 62.63 |
| Police Sergeant 3 | | | | |

| | | | | |
|--|-------|-------|-------|-------|
| | 58.06 | 59.26 | 60.48 | 63.85 |
|--|-------|-------|-------|-------|

BASE RATE SALARY TABLES

January 1, 2017 through July 1, 2017

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 44.08 | 46.29 | 48.61 | 51.03 |
| Police Officer 2 | 45.84 | 48.14 | 50.55 | 53.07 |
| Police Officer 3 | 46.73 | 49.07 | 51.52 | 54.10 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 55.87 | 57.03 | 58.21 | 61.43 |
| Police Sergeant 2 | 58.11 | 59.31 | 60.53 | 63.89 |
| Police Sergeant 3 | 59.22 | 60.44 | 61.69 | 65.12 |

July 2, 2017 through December 30, 2017

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 44.96 | 47.21 | 49.58 | 52.06 |
| Police Officer 2 | 46.76 | 49.10 | 51.56 | 54.14 |
| Police Officer 3 | 47.67 | 50.05 | 52.55 | 55.18 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 56.99 | 58.17 | 59.37 | 62.66 |
| Police Sergeant 2 | 59.27 | 60.49 | 61.74 | 65.17 |
| Police Sergeant 3 | | | | |

| | | | | |
|--|-------|-------|-------|-------|
| | 60.40 | 61.65 | 62.92 | 66.43 |
|--|-------|-------|-------|-------|

BASE RATE SALARY TABLES

December 31, 2017 through June 30, 2018

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 45.86 | 48.16 | 50.57 | 53.10 |
| Police Officer 2 | 47.70 | 50.08 | 52.59 | 55.22 |
| Police Officer 3 | 48.62 | 51.05 | 53.60 | 56.28 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 58.13 | 59.33 | 60.56 | 63.91 |
| Police Sergeant 2 | 60.45 | 61.70 | 62.98 | 66.47 |
| Police Sergeant 3 | 61.61 | 62.88 | 64.18 | 67.75 |

July 1, 2018 through December 29, 2018

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 46.78 | 49.12 | 51.58 | 54.16 |
| Police Officer 2 | 48.65 | 51.09 | 53.64 | 56.32 |
| Police Officer 3 | 49.59 | 52.08 | 54.68 | 57.41 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 59.29 | 60.52 | 61.77 | 65.19 |
| Police Sergeant 2 | 61.66 | 62.94 | 64.24 | 67.80 |

| | | | | |
|-------------------|-------|-------|-------|-------|
| Police Sergeant 3 | 62.84 | 64.14 | 65.46 | 69.11 |
|-------------------|-------|-------|-------|-------|

BASE RATE SALARY TABLES

December 30, 2018 through June 30, 2019

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 47.71 | 50.10 | 52.61 | 55.24 |
| Police Officer 2 | 49.62 | 52.11 | 54.71 | 57.45 |
| Police Officer 3 | 50.58 | 53.12 | 55.77 | 58.55 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 60.48 | 61.73 | 63.01 | 66.49 |
| Police Sergeant 2 | 62.90 | 64.20 | 65.52 | 69.15 |
| Police Sergeant 3 | 64.10 | 65.42 | 66.77 | 70.49 |

Appendix A

BASE RATE SALARY TABLES

January 3, 2016 through July 2, 2016

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 42.37 | 44.49 | 46.72 | 49.05 |
| Police Officer 2 | 44.06 | 46.27 | 48.58 | 51.01 |
| Police Officer 3 | 44.92 | 47.17 | 49.52 | 51.99 |

Increased 4.2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 53.70 | 54.82 | 55.95 | 59.04 |
| Police Sergeant 2 | 55.85 | 57.01 | 58.18 | 61.41 |
| Police Sergeant 3 | 56.92 | 58.10 | 59.29 | 62.59 |

July 3, 2016 through December 31, 2016

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 43.22 | 45.38 | 47.65 | 50.03 |
| Police Officer 2 | 44.95 | 47.20 | 49.56 | 52.03 |
| Police Officer 3 | 45.82 | 48.11 | 50.51 | 53.03 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 54.78 | 55.91 | 57.07 | 60.22 |
| Police Sergeant 2 | 56.97 | 58.15 | 59.35 | 62.63 |
| Police Sergeant 3 | | | | |

| | | | | |
|--|-------|-------|-------|-------|
| | 58.06 | 59.26 | 60.48 | 63.85 |
|--|-------|-------|-------|-------|

BASE RATE SALARY TABLES

January 1, 2017 through July 1, 2017

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 44.08 | 46.29 | 48.61 | 51.03 |
| Police Officer 2 | 45.84 | 48.14 | 50.55 | 53.07 |
| Police Officer 3 | 46.73 | 49.07 | 51.52 | 54.10 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 55.87 | 57.03 | 58.21 | 61.43 |
| Police Sergeant 2 | 58.11 | 59.31 | 60.53 | 63.89 |
| Police Sergeant 3 | 59.22 | 60.44 | 61.69 | 65.12 |

July 2, 2017 through December 30, 2017

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 44.96 | 47.21 | 49.58 | 52.06 |
| Police Officer 2 | 46.76 | 49.10 | 51.56 | 54.14 |
| Police Officer 3 | 47.67 | 50.05 | 52.55 | 55.18 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 56.99 | 58.17 | 59.37 | 62.66 |
| Police Sergeant 2 | 59.27 | 60.49 | 61.74 | 65.17 |
| Police Sergeant 3 | | | | |

| | | | | |
|--|-------|-------|-------|-------|
| | 60.40 | 61.65 | 62.92 | 66.43 |
|--|-------|-------|-------|-------|

BASE RATE SALARY TABLES

December 31, 2017 through June 30, 2018

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 45.86 | 48.16 | 50.57 | 53.10 |
| Police Officer 2 | 47.70 | 50.08 | 52.59 | 55.22 |
| Police Officer 3 | 48.62 | 51.05 | 53.60 | 56.28 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 58.13 | 59.33 | 60.56 | 63.91 |
| Police Sergeant 2 | 60.45 | 61.70 | 62.98 | 66.47 |
| Police Sergeant 3 | 61.61 | 62.88 | 64.18 | 67.75 |

July 1, 2018 through December 29, 2018

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 46.78 | 49.12 | 51.58 | 54.16 |
| Police Officer 2 | 48.65 | 51.09 | 53.64 | 56.32 |
| Police Officer 3 | 49.59 | 52.08 | 54.68 | 57.41 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 59.29 | 60.52 | 61.77 | 65.19 |
| Police Sergeant 2 | 61.66 | 62.94 | 64.24 | 67.80 |

| | | | | |
|-------------------|-------|-------|-------|-------|
| Police Sergeant 3 | 62.84 | 64.14 | 65.46 | 69.11 |
|-------------------|-------|-------|-------|-------|

BASE RATE SALARY TABLES

December 30, 2018 through June 30, 2019

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 |
|------------------|--------|--------|--------|--------|
| Police Officer 1 | 47.71 | 50.10 | 52.61 | 55.24 |
| Police Officer 2 | 49.62 | 52.11 | 54.71 | 57.45 |
| Police Officer 3 | 50.58 | 53.12 | 55.77 | 58.55 |

| | Step 1 | Step 2 | Step 3 | Step 4 |
|-------------------|--------|--------|--------|--------|
| Police Sergeant 1 | 60.48 | 61.73 | 63.01 | 66.49 |
| Police Sergeant 2 | 62.90 | 64.20 | 65.52 | 69.15 |
| Police Sergeant 3 | 64.10 | 65.42 | 66.77 | 70.49 |

**RESOLUTION 2017-
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING
BETWEEN THE TOWN OF COLMA AND THE COLMA POLICE
COMMUNICATION/RECORDS ASSOCIATION FOR THE PERIOD OF JANUARY 1, 2016
TO JUNE 30, 2019**

The City Council of the Town of Colma does hereby resolve as follows:

1. Findings. The City Council finds that the Town's Negotiating Team met and conferred with the Colma Police Communication/Records Association (Dispatch) Negotiating Team several times over the past year, that the Dispatch has ratified the proposed MOU, and that it is in the best interest of the Town of Colma to enter into the proposed agreement to secure the continued public safety services.

2. Order.

(a) The City Council hereby approves the Memorandum of Understanding between the Town of Colma and the Colma Police Communication/Records Association (Dispatch) for the time period of January 1, 2016 to June 30, 2019, which is attached to the Staff Report for the January 25, 2017 City Council meeting.

(b) The Mayor shall be, and hereby is, authorized to execute the Memorandum of Understanding, subject to any changes in form or technical language approved by the City Manager and City Attorney.

Certification of Adoption

I certify that the foregoing Resolution No. 2017-__ was duly adopted at a regular meeting of the City Council of the Town of Colma held on January 25, 2017, by the following vote:

| Name | Voting | | Present, Not Voting | | Absent |
|-----------------------|--------|----|---------------------|-------------------|--------|
| | Aye | No | Abstain | Not Participating | |
| Helen Fisicaro, Mayor | | | | | |
| Raquel "Rae" Gonzalez | | | | | |
| Joanne F. del Rosario | | | | | |
| John Irish Goodwin | | | | | |
| Diana Colvin | | | | | |
| <i>Voting Tally</i> | | | | | |

Dated _____

Helen Fisicaro, Mayor

Attest: _____
Caitlin Corley, City Clerk

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF COLMA
AND
THE COLMA POLICE COMMUNICATIONS/RECORDS
ASSOCIATION

January 1, 2016 – June 30, 2019

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MEMORANDUM OF UNDERSTANDING

[See Article 22 for definitions]

ARTICLE 1 - PURPOSE AND INTENT

A. It is the intent and purpose of the parties that this Memorandum of Understanding shall set forth rules of pay, hours of work, and other terms and conditions of employment to be observed by the parties in connection with the Police Clerical/Dispatching Employees Unit. The provisions of this Memorandum of Understanding shall apply only to the Members of the Police Clerical/Dispatching Employees Unit (Member) and shall in no way establish terms and conditions of employment of other employees of the Town of Colma who are not Members of that Unit. The classifications included in that Unit are Police Dispatcher/Clerk and Police Dispatch/Records Supervisor. This agreement has been developed in the interest of promoting and improving employee relations between the Town of Colma (hereinafter referred to as the Town) and the Colma Police Communications/Records Association (hereinafter referred to as the Association).

B. This Memorandum is entered into pursuant to the Meyers-Milias-Brown Act (GOVERNMENT CODE sections 3500, et seq.) and Subchapter 3.09 of the Administrative Code of the Town.

ARTICLE 2 - REPRESENTATION

A. The Town hereby recognizes the Association as the Recognized Employee Organization to act as bargaining agent for the Police Clerical/Dispatching Employees Unit.

B. The Town shall deduct the Association dues from the Members' pay checks and transmit such monies to the duly authorized and designated employee organization representative or by direct deposit to the Association's bank account.

ARTICLE 3 - RIGHTS RESERVED

A. The Association recognizes that the Town has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer and manage its municipal services and work force performing those services in all respects subject to this Memorandum.

B. The City Manager and Police Chief have and will continue to retain exclusive decision-making authority on matters not officially and expressly modified by specific provisions of this Memorandum and such decision-making shall not be subject in any way, directly or indirectly, to the grievance procedure contained herein.

C. The exclusive rights of the Town shall include, but not be limited to, the right to determine the organization of Town government and the purpose and mission of its constituent agencies, to set standards of service to be offered to the public, and through its management officials to exercise control and discretion over its organization and operations, to establish and effect Administrative Regulations and Employment Rules and Regulations consistent with law and the specific provisions of this Memorandum to direct its employees, to take disciplinary

action for just cause, to relieve its employees from duty because of lack of work or for other legitimate reasons, to determine whether goods or services shall be made, purchased or contracted for, to determine the methods, means and personnel by which the Town's services are to be provided, including the right to schedule and assign work and overtime, and to otherwise act in the interest of efficient service to the community.

ARTICLE 4 - MANAGEMENT OBLIGATIONS

The Town shall, at its own expense, provide to every Member a copy of this Memorandum and all rules, regulations, general and special orders.

ARTICLE 5 - SEVERABILITY

If any article or section of this Memorandum of Understanding or if any chapter or section of the Town's Personnel Policies referred to in this Memorandum should be found invalid, unlawful, or unenforceable by reason of any existing or subsequent enacted legislation by a court of competent jurisdiction, all other articles and sections of this Memorandum shall remain in full force and effect for the duration of this Memorandum. In the event of invalidation of any article or section, the Town and Association may negotiate regarding that section or article on the anniversary of this Memorandum as provided by Article 8. However, in the event the legislation or decision referred to above affects wages, hours or working conditions, the Town and Association agree to meet and confer within sixty days of the effective date of the legislation or decision to renegotiate said article or section.

ARTICLE 6 - WAIVER

The parties acknowledge that, during the negotiations which resulted in this agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this agreement. Therefore, the Town and the Association, for the life of this agreement, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this agreement (except as provided in Article 5), even though such subject or matter may not have been within the knowledge and contemplation of either or both parties at the time they negotiated or signed this agreement. However, in the event the Police Chief, the City Manager or the City Council imposes a change in policy regarding the Association which substantially affects wages, hours or other terms and conditions of employment not covered by this Memorandum of Understanding, the Association may request that the Town meet and confer regarding that change.

ARTICLE 7 - MAINTENANCE OF BENEFITS

A. The status of all existing benefits and conditions of employment now enjoyed by classifications represented by the Association shall not be deemed affected by this agreement, except as specifically modified by provisions of this Memorandum.

B. Except as expressly stated in this Memorandum, where this Memorandum refers to a benefit in the Town's Personnel Policies, that benefit may only be modified by the Town after meeting and conferring with the Association.

ARTICLE 8 - DURATION AND RENEWAL

Unless otherwise specifically provided herein, this Memorandum of Understanding shall run from January 1, 2016 to June 30, 2019. It shall be automatically renewed from year to year thereafter, unless either party shall have notified the other, in writing, at least sixty days prior to the expiration date that it desires to modify the Memorandum of Understanding. In the event that such notice is given, negotiations shall begin within thirty days of delivery of the notice of intent to modify the Memorandum of Understanding.

ARTICLE 9 - WORK PERIOD AND HOURS

The work period established for Members is a regularly recurring period of forty hours in seven consecutive days beginning at 00:01 each Sunday and ending at 24:00 the following Saturday.

ARTICLE 10 - STAFFING LEVELS

A. The Police Chief shall determine the minimum staffing levels on each work shift.

B. Open shifts may or may not be filled, depending on the ongoing safety of department personnel. If the Police Chief or his/her designee decides to fill the open shift, this will be implemented without the use of overtime, whenever possible. This may include altering the normal work shift of Members to reduce or eliminate the need for overtime. When overtime must be used to fill an open shift, it will be filled by seniority, with the first choice going to the senior Member of the Association.

(1) Open shifts are designated as any/all hours which need coverage by an employee due to sick leave, vacation, CTO, LOA, maternity leave, training and any other open hours.

(2) Open shifts are defined as the normally scheduled hours for the shift had the Member on leave actually worked it.

ARTICLE 11 - SHIFT SELECTION

A. Members will sign up for shifts by seniority for a one year time frame (January through December). The Police Chief or his designee may assign a Member to an alternate shift at any time for the good of the organization.

B. In order to avoid miscommunication, the Police Dispatch/Records Supervisor will notify the Police Dispatcher/Clerk in person, by phone, or by official schedule change form to be initialed by employee, of changes they feel are necessary in the hours of the monthly schedule. (Days off will not be changed unless an emergency exists, or unless the employee volunteers to make changes.) Every effort will be made to notify the employee as soon as the need is

recognized for a shift change. Messages left on answering devices or notes left in Member's boxes shall not be considered adequate by themselves.

C. In the interests of Supervisor-Member relations all attempts will be made to seek volunteers when changes in the schedule are necessary.

D. Changes in a Member's schedule shall not be used as a disciplinary action, bonus or an incentive. However, if after a sustained personnel investigation it is determined that a change in the schedule is necessary, that change can be made at the discretion of the Police Chief.

ARTICLE 12 - SHIFT EXCHANGE

A. All Members may be permitted to substitute for another during scheduled work hours, as herein provided. Trading shall be limited to one shift in any consecutive thirty days and any Member requesting a trade shall submit a written request to the Chief or designee seven days prior to the first day of the trade. No trade shall be made unless the Chief or designee approves the trade in writing. The traded shift shall be paid back within the same thirty days. This shift trading is strictly voluntary on the part of Members and is for their benefit, not the benefit of the Town. The Town shall exclude the hours worked as a substitute in calculating overtime.

B. Once the exchange has been signed by both Members and approved by the Police Chief or his or her designee, it will be the responsibility of the person agreeing to work the shift to cover that shift.

ARTICLE 13 - SALARIES

A. The Town shall pay each Member an amount determined by multiplying the number of hours worked in a pay period by the applicable hourly base rate of pay shown for the Member in Appendix A.

B. FICA and PERS Member Contributions

Each Member shall pay the employee share of FICA (Social Security and Medicare) taxes and the employee's contributions to the Public Employees Retirement System (PERS).

C. Training Differential

(1) The Town shall pay a Member who is assigned to train new clerk/dispatchers, Officers or per diem employees an additional five percent differential of his or her base rate as shown in the salary tables above for actual hours worked as a Trainer in one-half hour increments.

(2) Members may be required to provide orientation for new employees provided that such orientation responsibilities do not exceed one hour per day. No additional compensation shall be paid for performing orientation duties under this paragraph.

(3) The Police Chief or his or her designee shall have discretion to make all training assignments.

D. CAD Administration Incentive

(1) The Town shall pay a Member who is assigned duties of CAD system administration an additional five percent (5%) of his or her base pay as shown in the salary tables above and shall pay the Member who is assigned backup CAD system administration duties an additional two and one half percent (2.5%) of his or her base pay.

(2) The Police Chief or his or her designee shall have discretion to make CAD system administration assignments.

ARTICLE 14 - OVERTIME AND COMPENSATORY PAY

A. Members will be routinely scheduled to work forty hours in a seven-day work period. Members will receive overtime when a Member has worked in excess of forty hours during the seven-day work period, subject to the provisions below. For purposes of this section, designated holidays not worked, floating holidays, vacation leave that was scheduled and approved at least twenty-eight (28) days prior to the date taken off, sick leave, bereavement leave and training hours will count towards hours worked. Vacation leave not scheduled and approved at least twenty-eight (28) days prior to the date taken off, administrative leave and compensatory time used will not count as hours worked for purposes of this section.

(1) Overtime must be approved in advance by the Police Chief or Designee.

(2) The overtime pay rate will be paid as defined in the FLSA.

(3) All overtime worked which is less than one hour increments in a work shift shall be compensated in fifteen-minute increments.

B. Notwithstanding the foregoing, the Member may, in his or her sole discretion, take or bank Compensatory Time Off at the rate of one and one-half hours for each hour of overtime worked. A Member's Compensatory Time Leave Bank will be established with a maximum leave balance of eighty hours.

C. A Member who is subpoenaed to testify on his or her day off at any judicial, civil or administrative hearing, including but not limited to Superior Court, Municipal Court, Traffic Court, DMV hearing, civil deposition or parole hearing, on a matter arising out of the Member's course and scope of employment, shall earn overtime as follows:

(1) While at the place of the hearing, the Member shall earn overtime from the time first required to be there until the time released, except for meal breaks. The Member will be paid for only one block of time in a day, regardless of the number of matters that may require the Member's appearance. Except for the circumstances described in paragraphs (2) and (3), the Member will earn a minimum of four hours of overtime for the day.

(2) If placed on telephone standby by the District Attorney, the Member shall earn two hours of overtime for all time on standby. If the Member is called to court, he or she will receive overtime from the time first required to be there until the time released, except for meal breaks. The Member called to court will receive court overtime in lieu of standby overtime. In all cases, Members must have authorization from a supervisor prior to accepting the telephone standby.

(3) When a Member is required to be at the place of the hearing within four hours prior to his or her shift, the Member shall earn overtime from the time first required to be at the hearing until the beginning of his or her scheduled shift, except for meal breaks. When a Member is required to be at the place of the hearing within one hour after his or her shift, the Member shall earn overtime from the end of his or her shift until the time released, except for meal breaks.

(4) While testifying by telephone, Members shall earn overtime for the time the Member is required to be on the telephone.

D. A Member who is called to work within four hours of the start of his or her shift will receive at least one hour of regular pay, if actual time worked is less than one hour, and overtime pay, if actual hours worked or counted as worked in a work period exceed forty hours.

E. A Member, who is called to work on his or her day off, or after having been relieved of duty for the day at least one hour prior, shall earn overtime for the time the Member is called back, with a minimum of four hours of overtime. If the callback shift exceeds four hours, the Member will be compensated overtime on an hour for hour basis after the first four hours.

F. All training scheduled on a Member's day off will be compensated on an hour for hour basis and overtime pay, if actual hours worked or counted as worked in a work period exceed forty hours.

ARTICLE 15 - HOLIDAY PAY

Holiday leave will be provided as described in the Town Personnel Policies, except as specifically provided herein.

(1) Members will be allowed one floating holiday per calendar year to be used as a personal day off.

(2) The following are designated as paid holidays: New Year's Day, Martin Luther King Day, Lincoln's Birthday, Presidents' Day, Memorial Day, 4th of July, Admission Day, Veteran's Day, Labor Day, Thanksgiving Day, Day After Thanksgiving, Columbus Day, and December 25.

(3) On a holiday, unless authorized by the Police Chief or his or her designee, the Dispatch Center will be staffed by one day shift and one swing shift dispatcher. All other Members shall take the holiday off. If a holiday occurs on a Member's regular day off, the Member may request to take a paid day off in the same work period or be

compensated eight hours of regular pay. The Police Chief or his or her designee has the discretion to grant compensation or time off.

(4) When a Member works on a designated holiday, the Member may take a paid day off in the same work period or be compensated eight hours of regular pay.

(5) Until the Town converts to twenty-four (24) hours dispatching, the Dispatch Center will be closed on the following days:

- (a) New Year's Day
- (b) Thanksgiving Day
- (c) December 25th

ARTICLE 16 - LEAVES

A. Vacation Leave

(1) Sign up for vacation periods for the upcoming calendar year shall be completed by December 31. Any Member who has not signed up for all vacation time he or she is entitled to by midnight on December 31 shall lose all priority he or she is entitled to because of higher seniority.

(2) A Member may accrue unused vacation time up to two times the number of hours the Member may earn in one year. For example, a Member with two years of service may accrue up to one hundred-sixty (160) hours of unused vacation time while a Member with more than fifteen years of service may accrue up to four hundred (400) hours.

(3) Once a Member has accrued the maximum number of unused vacation hours set forth in Article 16A(2) above, the Member shall not earn any additional vacation hours until vacation is utilized to bring the amount of accrued vacation below the applicable cap or vacation is cashed out as permitted by this policy.

(4) A Member may cash out a portion of his/her accrued vacation hours in accordance with Town's Personnel Policies.

B. Personnel Leave

Notwithstanding the provisions of the Town's Personnel Policies regarding *Leaves*:

(1) Members will accrue sick leave at a rate of eight hours per month.

(2) Upon separation of employment with the Town, a Member is not entitled to be paid for his or her accrued and unused sick leave except as follows: a Member who is eligible for and who has applied for retirement under the California Public Employees Retirement System within sixty days of separation from the Town may, at the Member's

option, convert unused and accrued sick leave to additional PERS service credit or be paid for unused and accrued sick leave, provided that the number of hours to be converted or paid shall not exceed one thousand forty (1,040) hours.

(3) Nothing herein shall prevent a Member from accruing sick leave beyond one thousand forty (1,040) hours and, while employed, taking paid sick from the total amount of accrued sick leave in accordance with the Town's Sick Leave Policy.

C. The Town will administer Family Leave in accordance with state and federal law.

ARTICLE 17 - REIMBURSEMENTS

A. Uniform and Equipment Allowance

(1) The Town agrees to pay to full-time Members a uniform allowance. The amount of the annual allowance shall be seven hundred, seventy-four dollars and seventy-three cents (\$774.73). Payment of the uniform allowance shall be paid a pro-rata amount on each paycheck (for example \$774.73 divided by 26 = \$29.80 per pay period). A one-time payment shall be issued on the next regular pay period after ratification of this MOU which shall equal to amounts earned March 1, 2016 to the date of contract ratification. This uniform allowance is not CalPERS reportable compensation for Members hired on or after January 1, 2013, who were never members of a public employee retirement system or who had a break in service of more than six months.

(2) The Town shall provide, at the Town's own expense, new full-time Members an initial uniform consisting of the items determined by the Chief and approved by the City Manager.

B. Damage to Personal Property and Uniforms

(1) The Town shall reimburse a Member for damage to uniforms that are damaged during duty hours or while stored in their locker at a Town facility, providing that the Member made a reasonable effort to safeguard the uniform. This reimbursement shall be made on approval of the Police Chief.

(2) The Town shall reimburse a Member for damage of personal property in the performance of his/her duty, subject to the following restrictions:

(a) The maximum reimbursement for items of personal property necessity such as eye glasses and hearing aids shall be two hundred dollars (\$200.00).

(b) The maximum reimbursement for the damage of all other personal property shall be fifty dollars (\$50.00).

(c) Requests for reimbursement for the damage of personal property must be made within the shift in which the damage occurs.

- (d) Reimbursement of damaged property must be approved by the Police Chief.

C. Tuition Reimbursement

Regular, full-time Members shall be entitled to the Tuition Reimbursement benefits as described in the Town's Personnel Policies.

ARTICLE 18 - RETIREMENT, HEALTH AND WELFARE BENEFITS

A. PERS Retirement

(1) Classic – Tier One Hired before August 1, 2012

Members hired before August 1, 2012, that are enrolled in the California Public Employees Retirement System (PERS) shall receive a retirement allowance under the "2.5% at 55 Modified," formula, One-Year Final Compensation retirement plan, to the extent provided by law.

(2) Classic – Tier Two Hired on or after August 1, 2012

Members hired on or after August 1, 2012, including Members hired on or after January 1, 2013 who are not classified as "new members" (as defined in Gov't Code 7522.04(f)) under Public Employees' Pension Reform Act (PEPRA), that are enrolled in PERS shall receive a retirement allowance under the "2% at 60 Modified" formula, Three-Year Final Compensation retirement plan, to the extent provided by law.

(3) PEPRA - Hired on or after January 1, 2013

Members hired on or after January 1, 2013, who are classified as "new members" (as defined in Gov't Code 7522.04(f)) under PEPRA, that are enrolled in PERS shall receive a retirement allowance under the "2% @ 62 formula", Three-Year Final Compensation retirement plan, to the extent provided by law.

(4) Each Member shall contribute to PERS the employee's rate of contribution required by law relevant to his/her retirement formula, as may be amended from time to time by the State of California. The Member does not have the right to directly receive the Member's PERS contribution in lieu of payment to PERS. The Town shall contribute all other costs and contributions necessary to implement this plan. If the Employer's contribution required by PERS increases over the present contribution, the Town shall pay the increase; if the Employer's contribution decreases, the Town shall keep the savings.

B. Deferred Compensation Plan

As to any Member who participates in the Town's deferred compensation plan, the Town will pay a sum equal to the amount withheld from salary by the Member and contributed to the Plan, up to one hundred dollars (\$100) per month. The City Manager may establish reasonable rules and procedures for implementing this plan. If the additional sum contributed by the Town

causes the Member's contribution to exceed the maximum amount allowed under federal law as deferred compensation, then such sum shall be reported as taxable income of the Member.

C. Dental, Vision, and Life Insurances

Dental, vision, and life insurance are as provided in the Town's Personnel Policies, except that:

- (1) Members hired on or after January 1, 2010, will not receive Town-paid dental benefits upon retirement. Members hired prior to January 1, 2010, will continue to receive Town-paid dental benefits upon retirement to the same extent as other miscellaneous Town employees.

D. Medical Insurance

(1) PEMHCA Minimum Contribution

The Town contracts with PERS pursuant to the Public Employees Medical and Hospital Care Act (PEMHCA) for the purpose of providing eligible Members, dependents and annuitants with access to medical insurance. The Town shall revise its current PEMHCA contract with CalPERS through the adoption of a new PEMHCA resolution to provide that the Town shall pay to PERS, on behalf of each eligible active Member and each retired Member who qualifies for retiree medical benefits, a monthly employer contribution equal to the minimum contribution required under Section 22892(b)(2) of PEMHCA (PEMHCA Minimum). This amount is established by CalPERS and may change annually.

Pursuant to PEMHCA and relevant PERS regulations, a retired Member will qualify for retiree medical benefits if his or her retirement from the Town is effective within 120 days of his or her separation from employment with the Town and the retired Member receives a retirement allowance from CalPERS resulting from his or her service with the Town (Annuitant). Annuitants are eligible to continue health coverage under PEMHCA. An Annuitant will receive the PEMHCA Minimum regardless of hire date.

Supplemental benefits will be provided to Active Members and Annuitants in accordance with the terms set forth in Sections (2), (3) and (4) below.

(2) Supplemental Benefit for Active Members

The Town offers an Internal Revenue Code Section 125 Plan (Plan) which contains premium conversion, health care reimbursement and dependent care reimbursement as available benefits. The availability of the Plan is contingent on compliance with State and Federal rules and regulations. The Town and Association agree to meet and confer if any part of the Plan is found to be noncompliant regarding a replacement provision. In addition to the PEMHCA Minimum, the Town contributes for eligible Active Members an additional amount to be used to pay for premiums for Health Insurance Coverage through the Plan. The amount of the additional monthly

contribution for each Active Member's PERS health insurance premium is based on the date of hire. An Active Member may not use the contribution for other reasons.

(i) Active Members Hired Prior to June 1, 2008 (Tier A)

Active Members hired prior to June 1, 2008, will receive a contribution under the Plan equal to the full cost of the PERS health plan selected, for which he or she and his or her dependents are eligible and enrolled, minus the PEMHCA minimum contribution.

The Town may not require Tier A Active Members to pay or contribute premiums for medical or hospital insurance unless the Town has first met with and obtained the agreement of the Association.

(ii) Active Members Hired on or after June 1, 2008 but on or before June 30, 2012 (Tier B)

Active Members hired on or after June 1, 2008 and on or before June 30, 2012, will receive a contribution under the Plan equal to the cost of the PERS health plan in which he or she and his or her dependents are eligible and enrolled but not to exceed the cost of second most costly plan offered by CalPERS, minus the PEMHCA Minimum. Members may select enrollment in a plan that exceeds the maximum Employer contribution and the difference in cost will be paid by the Member through payroll deductions.

(iii) Active Members Hired on or after July 1, 2012 but on or before December 31, 2016 (Tier C)

Active Members hired on or after July 1, 2012 and on or before December 31, 2016, will receive a contribution under the Plan in the same amount and manner as Active Members described in Tier B (section ii) above.

(iv) Active Members Hired on or after January 1, 2017 (Tier D)

Active Members hired on or after January 1, 2017, will receive a contribution under the Plan in the same amount and manner as Active Members described in Tier B (section ii) above.

(3) Supplemental Benefit for Annuitants Originally Hired Before January 1, 2017

In addition to the PEMHCA Minimum, each Annuitant hired by the Town on or before December 31, 2016 is eligible for an Employer contribution, as set forth below, to be used for reimbursement of additional medical costs under a Retiree Health Reimbursement Arrangement (HRA) established by the Employer. Receipt of

Reimbursements may be made through a third party administrator and subject to administrative requirements.

(i) Annuitants Who Were Originally Hired Prior to June 1, 2008 (Tier A)

Annuitants hired by the Town prior to June 1, 2008, will receive a monthly HRA contribution equal to the monthly cost of the PERS health plan selected, for which he or she and his or her dependents are eligible and enrolled, minus the PEMHCA Minimum.

The Town may not require Tier A Annuitants to pay or contribute premiums for medical or hospital insurance unless the Town has first met with and obtained the agreement of the Association.

(ii) Annuitants Who Were Originally Hired on or after June 1, 2008, but on or before June 30, 2012 (Tier B)

Annuitants hired by the Town on or after June 1, 2008, but on or before June 30, 2012, will receive an HRA contribution equal to the cost of the PERS health plan in which he or she and his or her dependents are eligible and enrolled but not to exceed the cost of second most costly plan offered by CalPERS, minus the PEMHCA Minimum.

(iii) Annuitants Who Were Originally Hired on or after July 1, 2012 but on or before December 31, 2016 (Tier C)

Annuitants hired by the Town on or after July 1, 2012, but on or before December 31, 2016, who have five years of service with the Town and at least ten years of total PERS service credit, will receive an HRA contribution equal to the "applicable percentage" of the cost of the PERS health plan in which he or she and his or her dependents are eligible and enrolled but not to exceed the cost of the second most costly plan offered by PERS, as adjusted by the "applicable percentage", minus the PEMHCA Minimum.

The "applicable percentage" shall be determined on the basis of the Annuitant's years of service (with a minimum of five years of service with the Town) pursuant to the following vesting schedule:

| CREDITED YEARS OF SERVICE | APPLICABLE PERCENTAGE |
|---------------------------|-----------------------|
| 10 | 50% |
| 11 | 55% |
| 12 | 60% |
| 13 | 65% |
| 14 | 70% |
| 15 | 75% |

| | | |
|------------|--|------|
| 16 | | 80% |
| 17 | | 85% |
| 18 | | 90% |
| 19 | | 95% |
| 20 or More | | 100% |

Notwithstanding the preceding service requirement, the contribution payable by the Town shall be equal to 100 percent of the cost of the PERS health plan in which he or she and his or her dependents are eligible and enrolled but not to exceed the cost of second most costly plan offered by CalPERS, minus the PEMHCA Minimum, on behalf of any annuitant who retired for industrial disability.

This benefit is structured in accordance with the PERS statutory vesting schedule in Government Code Section 22893 such that Tier C Annuitants will receive retiree medical benefits calculated in accordance with the statutory vesting schedule and related provisions of Section 22893, as it may from time to time be amended, provided that only the PEMHCA Minimum will be paid directly to CalPERS and the remaining amount, as described in the first paragraph of this Section (D)(3)(iii), will be provided to Tier C Annuitants in the form of a reimbursement under the terms of the HRA.

(iv) Retiree Health Benefit Preserved in Event of Reinstatement and Subsequent Retirement

In accordance with AB 410 (2013), as codified in Government Code Section 22838, an Annuitant eligible for retiree health benefits pursuant to Section (D)(3)(i), (ii) or (iii) who reinstates from retirement may, upon his or her subsequent retirement, elect to enroll in a health benefit plan approved or maintained by CalPERS as an annuitant of the Town and receive the applicable benefit under Section (D)(3)(i), (ii) or (iii), if all of the following apply:

- (a) The subsequent retirement occurs on or after January 1, 2014;
- (b) The Annuitant is eligible for retiree health coverage through the Town prior to reinstatement from retirement;
- (c) The subsequent retirement occurs within 120 days of separation; and
- (d) The retiree health contribution available from the Town is higher than the retiree health contribution from the employer through which the subsequent retirement occurs.

To the extent that the Town's conversion to the PEMHCA Minimum causes the requirement at (d) above to fail and, as a result, the Annuitant enrolls

in a PERS health benefit plan through the subsequent employer, the Town shall cause the difference between the total benefit described in Section (D)(3)(i), (ii) or (iii), as applicable, and the retiree health benefit to which he or she is entitled under the subsequent employer, to be paid to the Annuitant in the form of a reimbursement under the HRA of substantiated expenses for a PERS health insurance plan in which he or she has enrolled.

(4) Retirement Health Savings Program (RHSP)

As soon as administratively possible, the Town will establish a Retirement Health Savings Program (RHSP). The RHSP will use a third party administrator selected by the Town. The design of the RHSP is intended to be a tax advantaged savings plan to be used exclusively for qualifying medical expenses during retirement.

(i) Mandatory Participation - Members Hired on or after January 1, 2017

Members hired on or after January 1, 2017 receive a monthly Employer contribution to an individual account under the RHSP. The Town shall contribute to the Member's individual RHSP account an amount equivalent to one and one-half percent (1.5%) of the Member's monthly base salary as shown in the Town's adopted salary schedule. The base salary for the initial month of service and final month of service shall be prorated based on actual base salary paid in those months.

(ii) Optional Participation - Members Hired Prior to January 1, 2017

Members hired prior to January 1, 2017 may exercise a one-time irrevocable election and waiver as defined in the RHSP Plan Document. Any Member who elects to receive the RHSP benefit shall receive the same benefit as described in Section (D)(4)(i) above and will no longer receive the benefits in Section (D)(3) above.

D. Health Club Membership

Health Club Membership benefits are as provided in the Town's Personnel Policies.

E. Funeral Expenses

The Town shall pay fifteen thousand dollars (\$15,000) to the executor, administrator or personal representative of the estate of, or to the trustee authorized to pay funeral expenses for, any Member killed in the line of duty.

ARTICLE 19 - PAYROLL ERRORS

A. To ensure that system or other errors which affect a Members pay are processed in an efficient and effective manner, the Town shall notice the affected Member as soon as practicable.

B. Payroll errors detected by a Member shall, as soon as practicable, be communicated to the Accountant, or his or her designee. In the case of under payment, the Accountant or his or her designee will process the appropriate adjustments as soon as practicable.

C. Payroll errors identified by the Accountant or his or her designee will be communicated to the Member either directly or through the Police Chief.

D. Under payments will be processed as soon as practicable.

E. In the event of an overpayment, the Accountant or his or her designee will determine a reasonable repayment schedule and inform the Member of the schedule directly or through the Police Chief. The affected Member shall be given an opportunity to discuss the repayment schedule and, if necessary, to request a reasonable adjustment to it. Factors considered in determining a reasonable adjustment to the repayment schedule include but are not limited to, the Member's normal salary, and other financial obligations of the Member. The Town and the Association agree that the Town will use any and all legal remedies to recover any salary overpayment made to the Member from the Member's wages in the event that (1) the Member does not respond within five working days of being notified of the overpayment or (2) mutual agreement on the repayment schedule is not achieved within ten working days of the Member being notified of the overpayment.

ARTICLE 20 - GRIEVANCE PROCEDURE

Grievance procedures are provided as stated in the Town's Personnel Policies.

ARTICLE 21 - SAFETY VESTS

The parties have met and conferred and agreed to the Town's Safety Vest Policy.

ARTICLE 22 - DEFINITIONS

As used in this Memorandum:

"Base rate" means the hourly rate of pay, by each job classification shown in the tables in Appendix A of this Memorandum.

"Personnel Policies" means the provisions, policies and regulations adopted by the City Council as Chapter Three of the Colma Administrative Code, or its successor, and the procedures and regulations adopted by the City Manager to implement the provisions of Chapter Three of the Colma Administrative Code or its successor.

ARTICLE 23 - TRANSITION

A. Upon execution, this Memorandum of Understanding will supersede the Memorandum of Understanding between the parties and for the period from January 1, 2013 to December 31, 2015.

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IN WITNESS WHEREOF:

Dated _____

COLMA POLICE COMMUNICATIONS/RECORDS
ASSOCIATION

By _____

Monique Kendrick / POA president

Print Name and Title

Attest _____

Print Name and Title

Dated _____

TOWN OF COLMA

By _____

Helen Fisicaro, Mayor

Attest _____

Caitlin Corley, City Clerk

Appendix A

BASE RATE SALARY TABLES

January 3, 2016 through July 2, 2016

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 45.63 | 46.89 | 48.17 | 49.44 | 50.70 |
| Police Dispatcher/Clerk | 37.86 | 38.92 | 39.97 | 41.02 | 42.06 |

July 3, 2016 through December 31, 2016

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 46.54 | 47.83 | 49.13 | 50.43 | 51.72 |
| Police Dispatcher/Clerk | 38.62 | 39.69 | 40.77 | 41.84 | 42.90 |

January 1, 2017 through July 1, 2017

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 47.47 | 48.78 | 50.11 | 51.43 | 52.75 |
| Police Dispatcher/Clerk | 39.39 | 40.49 | 41.59 | 42.67 | 43.76 |

July 2, 2017 through December 30, 2017

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 48.42 | 49.76 | 51.12 | 52.46 | 53.81 |
| Police Dispatcher/Clerk | 40.18 | 41.30 | 42.42 | 43.53 | 44.63 |

BASE RATE SALARY TABLES

December 31, 2017 through June 30, 2018

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 49.39 | 50.75 | 52.14 | 53.51 | 54.88 |
| Police Dispatcher/Clerk | 40.98 | 42.12 | 43.27 | 44.40 | 45.53 |

July 1, 2018 through December 29, 2018

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 50.38 | 51.77 | 53.18 | 54.58 | 55.98 |
| Police Dispatcher/Clerk | 41.80 | 42.97 | 44.13 | 45.28 | 46.44 |

December 30, 2018 through June 30, 2019

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 51.39 | 52.80 | 54.25 | 55.67 | 57.10 |
| Police Dispatcher/Clerk | 42.64 | 43.83 | 45.01 | 46.19 | 47.37 |

Appendix A

BASE RATE SALARY TABLES

January 3, 2016 through July 2, 2016

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 45.63 | 46.89 | 48.17 | 49.44 | 50.70 |
| Police Dispatcher/Clerk | 37.86 | 38.92 | 39.97 | 41.02 | 42.06 |

July 3, 2016 through December 31, 2016

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 46.54 | 47.83 | 49.13 | 50.43 | 51.72 |
| Police Dispatcher/Clerk | 38.62 | 39.69 | 40.77 | 41.84 | 42.90 |

January 1, 2017 through July 1, 2017

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 47.47 | 48.78 | 50.11 | 51.43 | 52.75 |
| Police Dispatcher/Clerk | 39.39 | 40.49 | 41.59 | 42.67 | 43.76 |

July 2, 2017 through December 30, 2017

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 48.42 | 49.76 | 51.12 | 52.46 | 53.81 |
| Police Dispatcher/Clerk | 40.18 | 41.30 | 42.42 | 43.53 | 44.63 |

BASE RATE SALARY TABLES

December 31, 2017 through June 30, 2018

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 49.39 | 50.75 | 52.14 | 53.51 | 54.88 |
| Police Dispatcher/Clerk | 40.98 | 42.12 | 43.27 | 44.40 | 45.53 |

July 1, 2018 through December 29, 2018

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 50.38 | 51.77 | 53.18 | 54.58 | 55.98 |
| Police Dispatcher/Clerk | 41.80 | 42.97 | 44.13 | 45.28 | 46.44 |

December 30, 2018 through June 30, 2019

Increased 2%

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Police Dispatch/Records Supervisor | 51.39 | 52.80 | 54.25 | 55.67 | 57.10 |
| Police Dispatcher/Clerk | 42.64 | 43.83 | 45.01 | 46.19 | 47.37 |

RESOLUTION NO. 2017-__
OF THE CITY COUNCIL OF THE TOWN OF COLMA

**RESOLUTION APPROVING COST OF LIVING SALARY INCREASES FOR CERTAIN
UNREPRESENTED EMPLOYEES AND MODIFYING
THE TOWN'S SALARY SCHEDULE**

The City Council of the Town of Colma does hereby resolve as follows:

1. Background.

(a) The Town has been in active negotiations since the beginning of 2016 to address potential salary increases for both represented and unrepresented employees.

(b) The City Council has recently concluded negotiations with both the Colma Peace Officers Association and the Colma Police Communications/Record Association.

(c) The City Manager is now recommending that the City Council approve cost of living increases for certain unrepresented employees consistent with Town's past practice of treating the unrepresented employees consistent with the Colma Peace Officers Association and the Colma Police Communications/Record Association, and because the City Council has been contemplating potential salary increases for both represented and unrepresented employees since January of 2016. The City Manager is recommending that these salary increases be retroactive to January 1, 2016.

2. Order; Cost of Living Salary Increases for Certain Unrepresented Employees

(a) The City Council hereby approves a cost of living increase for certain unrepresented full-time employees, excluding the City Manager, Police Chief, and Administrative Services Director.

(b) All unrepresented full-time employee positions, excluding the City Manager, Police Chief, and Administrative Services Director, shall receive a 2 percent pay increase every six months beginning January 1, 2016 through June 1, 2019 for a total increase of 14 percent over the three-and-a-half year period.

(c) This cost of living increase shall not apply to the City Manager or Police Chief, as both positions are subject to a separate employment agreement with the Town.

(d) The cost of living increase shall also not apply to the newly created Administrative Services Director position, created by City Council Resolution No. 2016-30, because the salary was set at an amount that addressed any immediate potential future salary increases contemplated by the Town.

3. Salary Schedule Adopted.

(a) The City Council hereby amends the Town's salary schedule to implement the salary increases for both represented and unrepresented employees consistent with the City Council's approval of the represented employees respective MOUs and the adoption of this Resolution implementing increases for certain unrepresented employees.

(b) The amended salary schedule is attached hereto as Exhibit "A" and is hereby incorporated by this reference.

4. **No Contract.** Nothing herein shall be construed as a contract with any employee, and the City Council shall have the discretion to modify the respective salaries in accordance with any applicable state or local provisions.

5. **Effective Date.** This resolution shall become effective upon adoption.

Certification of Adoption

I certify that the foregoing Resolution No. 2017-__ was duly adopted at a regular meeting of said City Council held on January 25, 2017 by the following vote:

| Name | Voting | | Present, Not Voting | | Absent |
|-----------------------|--------|----|---------------------|-------------------|--------|
| | Aye | No | Abstain | Not Participating | |
| Helen Fisicaro, Mayor | | | | | |
| Raquel "Rae" Gonzalez | | | | | |
| Joanne F. del Rosario | | | | | |
| John Irish Goodwin | | | | | |
| Diana Colvin | | | | | |
| <i>Voting Tally</i> | | | | | |

Dated _____

Helen Fisicaro, Mayor

Attest: _____
Caitlin Corley, City Clerk

Town of Colma Pay Schedule Adopted 09/09/15
Revised 01/03/16

| | | Incumbents | | | | | | Ordinance # or Resolution # | Dated | Effective |
|---|-----------|------------|--------|--------|--------|--------|--------|--------------------------------|--------------|-----------------------|
| Elected Officials (Monthly) | | | | | | | | | | |
| Mayor & City Council | | 924.00 | | | | | | ORD. 729 | 11/13/2013 | |
| | | | | | | | | | | |
| Hourly | | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | | |
| Accountant I | | 0 | 37.46 | 39.33 | 41.30 | 43.37 | 45.54 | - | | |
| Accounting Technician | | 2 | 33.23 | 34.90 | 36.65 | 38.48 | 40.41 | - | | |
| Administrative Technician I | | 1 | 31.02 | 32.57 | 34.20 | 35.91 | 37.70 | - | | |
| Administrative Technician II | | 0 | 32.57 | 34.20 | 35.91 | 37.70 | 39.59 | - | | |
| Administrative Technician III | | 1 | 32.57 | 34.20 | 35.91 | 37.70 | 39.59 | 41.57 | | |
| City Clerk | | 1 | 41.57 | 43.65 | 45.83 | 48.11 | 50.52 | - | | |
| City Manager | | 1 | 91.35 | - | - | - | - | - | Reso 2015-07 | 02/11/2015 |
| Community Service Officer | | 1 | 30.26 | 31.77 | 33.36 | 35.04 | 36.78 | - | | |
| Director of Recreation Services | | 1 | 46.30 | 48.61 | 51.06 | 53.60 | 56.28 | - | | |
| Facility Attendant | | 7 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |
| Human Resources Manager | | 1 | 45.54 | 47.82 | 50.20 | 52.72 | 55.35 | - | | |
| Maintenance Technician I | (7) | 1 | 30.34 | 31.85 | 33.44 | 35.11 | 36.87 | - | | |
| Maintenance Technician II | (7) | 1 | 31.85 | 33.44 | 35.11 | 36.87 | 38.71 | - | | |
| Maintenance Technician III | (7) | 0 | 31.85 | 33.44 | 35.11 | 36.87 | 38.71 | 40.65 | | |
| Police Chief | (1) | 1 | 85.82 | - | - | - | - | - | Reso 2016-06 | 02/10/2016 11/12/2015 |
| Police Commander | (1) | 1 | 61.35 | 64.41 | 67.64 | 71.02 | 74.57 | - | | |
| Police Communications/Dispatcher Supervisor | (2)(4) | 1 | 45.63 | 46.89 | 48.17 | 49.44 | 50.70 | - | | |
| Police Dispatcher / Clerk | (6)(4) | 3 | 37.86 | 38.92 | 39.97 | 41.02 | 42.06 | - | | |
| Police Officer 1 | (1)(3)(5) | 4 | 42.37 | 44.49 | 46.72 | 49.05 | - | - | | |
| Police Officer 2 | (1)(3)(5) | 3 | 44.06 | 46.27 | 48.58 | 51.01 | - | - | | |
| Police Officer 3 | (1)(3)(5) | 5 | 44.92 | 47.17 | 49.52 | 51.99 | - | - | | |
| Police Sergeant 1 | (1)(3)(5) | 0 | 53.70 | 54.82 | 55.95 | 59.04 | - | - | | |
| Police Sergeant 2 | (1)(3)(5) | 0 | 55.85 | 57.01 | 58.18 | 61.41 | - | - | | |
| Police Sergeant 3 | (1)(3)(5) | 5 | 56.92 | 58.10 | 59.29 | 62.59 | - | - | | |
| Public Works Maintenance Supervisor | (7) | 1 | 38.73 | 40.67 | 42.70 | 44.84 | 47.07 | - | | |
| Recreation Coordinator | | 2 | 30.25 | 31.76 | 33.35 | 35.01 | 36.76 | - | | |
| Recreation Leader | | 7 | 10.65 | 11.18 | 11.74 | 12.33 | 12.95 | - | Reso 2016-16 | 03/23/2016 |
| Senior Recreation Leader | | 4 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |

(1) These positions receive a \$1,025 per year uniform allowance

(2) This position receives a 5.0% incentive for RIMS Administrator

(3) These positions receive an additional 5% Holiday Pay

(4) These positions receive a \$775 per year uniform allowance

(5) These positions may receive a 5% incentive for Acting Commander, Acting Sergeant, Officer in Charge, Training Officer, and/or Detective

(6) This position may receive a 2.5% incentive for Back-up RIMS Administrator

(7) These positions may receive \$100 per week stand-by pay

Town of Colma Pay Schedule Adopted 09/09/15
Revised 07/03/16

| | | Incumbents | | | | | | Ordinance # or Resolution # | Dated | Effective |
|---|-----------|------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|--------------|-----------------------|
| Elected Officials (Monthly) | | | | | | | | | | |
| Mayor & City Council | | 924.00 | | | | | | ORD. 729 | 11/13/2013 | |
| Hourly | | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | | |
| Accounting Technician | | 2 | 33.90 | 35.60 | 37.38 | 39.25 | 41.22 | - | | |
| Administrative Technician I | | 1 | 31.64 | 33.23 | 34.89 | 36.63 | 38.45 | - | | |
| Administrative Technician II | | 0 | 33.23 | 34.89 | 36.63 | 38.45 | 40.38 | - | | |
| Administrative Technician III | | 1 | 33.23 | 34.89 | 36.63 | 38.45 | 40.38 | 42.40 | | |
| City Clerk | | 1 | 42.40 | 44.52 | 46.75 | 49.08 | 51.53 | - | | |
| City Manager | | 1 | 91.35 | - | - | - | - | - | Reso 2015-07 | 02/11/2015 |
| Community Service Officer | | 1 | 30.87 | 32.41 | 34.03 | 35.74 | 37.52 | - | | |
| Director of Recreation Services | | 1 | 47.22 | 49.59 | 52.08 | 54.67 | 57.41 | - | | |
| Facility Attendant | | 7 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |
| Human Resources Manager | | 1 | 46.45 | 48.77 | 51.21 | 53.77 | 56.46 | - | | |
| Maintenance Technician I | (7) | 1 | 30.94 | 32.49 | 34.11 | 35.81 | 37.61 | - | | |
| Maintenance Technician II | (7) | 1 | 32.49 | 34.11 | 35.81 | 37.61 | 39.49 | - | | |
| Maintenance Technician III | (7) | 0 | 32.49 | 34.11 | 35.81 | 37.61 | 39.49 | 41.47 | | |
| Police Chief | (1) | 1 | 85.82 | - | - | - | - | - | Reso 2016-06 | 02/10/2016 11/12/2015 |
| Police Commander | (1) | 1 | 62.58 | 65.70 | 68.99 | 72.44 | 76.06 | - | | |
| Police Communications/Dispatcher Supervisor | (2)(4) | 1 | 46.54 | 47.83 | 49.13 | 50.43 | 51.72 | - | | |
| Police Dispatcher / Clerk | (6)(4) | 3 | 38.62 | 39.69 | 40.77 | 41.84 | 42.90 | - | | |
| Police Officer 1 | (1)(3)(5) | 4 | 43.22 | 45.38 | 47.65 | 50.03 | - | - | | |
| Police Officer 2 | (1)(3)(5) | 3 | 44.95 | 47.20 | 49.56 | 52.03 | - | - | | |
| Police Officer 3 | (1)(3)(5) | 5 | 45.82 | 48.11 | 50.51 | 53.03 | - | - | | |
| Police Sergeant 1 | (1)(3)(5) | 0 | 54.78 | 55.91 | 57.07 | 60.22 | - | - | | |
| Police Sergeant 2 | (1)(3)(5) | 0 | 56.97 | 58.15 | 59.35 | 62.63 | - | - | | |
| Police Sergeant 3 | (1)(3)(5) | 5 | 58.06 | 59.26 | 60.48 | 63.85 | - | - | | |
| Public Works Maintenance Supervisor | (7) | 1 | 39.50 | 41.48 | 43.55 | 45.74 | 48.01 | - | | |
| Recreation Coordinator | | 2 | 30.86 | 32.40 | 34.02 | 35.72 | 37.50 | - | | |
| Recreation Leader | | 7 | 10.65 | 11.18 | 11.74 | 12.33 | 12.95 | - | Reso 2016-16 | 03/23/2016 |
| Senior Recreation Leader | | 4 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |

(1) These positions receive a \$880 per year uniform allowance

(2) This position receives a 5.0% incentive for RIMS Administrator

(3) These positions receive an additional 5% Holiday Pay

(4) These positions receive a \$665 per year uniform allowance

(5) These positions may receive a 5% incentive for Acting Commander, Acting Sergeant, Officer in Charge, Training Officer, and/or Detective

(6) This position may receive a 2.5% incentive for Back-up RIMS Administrator

(7) These positions may receive \$100 per week stand-by pay

Town of Colma Pay Schedule Adopted 09/09/15
Revised 07/04/16

| | | Incumbents | | | | | | Ordinance # or Resolution # | Dated | Effective |
|---|-----------|------------|---------------|---------------|---------------|---------------|---------------|--------------------------------|--------------|-----------------------|
| Elected Officials (Monthly) | | | | | | | | | | |
| Mayor & City Council | | 924.00 | | | | | | ORD. 729 | 11/13/2013 | |
| Hourly | | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | | |
| Accounting Technician | | 2 | 33.90 | 35.60 | 37.38 | 39.25 | 41.22 | - | | |
| Administrative Services Director | | 1 | 70.34 | 73.86 | 77.55 | 81.43 | 85.50 | - | Reso 2016-30 | 06/22/2016 7/4/2016 |
| Administrative Technician I | | 1 | 31.64 | 33.23 | 34.89 | 36.63 | 38.45 | - | | |
| Administrative Technician II | | 0 | 33.23 | 34.89 | 36.63 | 38.45 | 40.38 | - | | |
| Administrative Technician III | | 1 | 33.23 | 34.89 | 36.63 | 38.45 | 40.38 | 42.40 | | |
| City Clerk | | 1 | 42.40 | 44.52 | 46.75 | 49.08 | 51.53 | - | | |
| City Manager | | 1 | 91.35 | - | - | - | - | - | Reso 2015-07 | 02/11/2015 |
| Community Service Officer | | 1 | 30.87 | 32.41 | 34.03 | 35.74 | 37.52 | - | | |
| Facility Attendant | | 7 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |
| Human Resources Manager | | 1 | 46.45 | 48.77 | 51.21 | 53.77 | 56.46 | - | | |
| Maintenance Technician I | (7) | 1 | 30.94 | 32.49 | 34.11 | 35.81 | 37.61 | - | | |
| Maintenance Technician II | (7) | 1 | 32.49 | 34.11 | 35.81 | 37.61 | 39.49 | - | | |
| Maintenance Technician III | (7) | 0 | 32.49 | 34.11 | 35.81 | 37.61 | 39.49 | 41.47 | | |
| Police Chief | (1) | 1 | 85.82 | - | - | - | - | - | Reso 2016-06 | 02/10/2016 11/12/2015 |
| Police Commander | (1) | 1 | 62.58 | 65.70 | 68.99 | 72.44 | 76.06 | - | | |
| Police Communications/Dispatcher Supervisor | (2)(4) | 1 | 46.54 | 47.83 | 49.13 | 50.43 | 51.72 | - | | |
| Police Dispatcher / Clerk | (6)(4) | 3 | 38.62 | 39.69 | 40.77 | 41.84 | 42.90 | - | | |
| Police Officer 1 | (1)(3)(5) | 4 | 43.22 | 45.38 | 47.65 | 50.03 | - | - | | |
| Police Officer 2 | (1)(3)(5) | 3 | 44.95 | 47.20 | 49.56 | 52.03 | - | - | | |
| Police Officer 3 | (1)(3)(5) | 5 | 45.82 | 48.11 | 50.51 | 53.03 | - | - | | |
| Police Sergeant 1 | (1)(3)(5) | 0 | 54.78 | 55.91 | 57.07 | 60.22 | - | - | | |
| Police Sergeant 2 | (1)(3)(5) | 0 | 56.97 | 58.15 | 59.35 | 62.63 | - | - | | |
| Police Sergeant 3 | (1)(3)(5) | 5 | 58.06 | 59.26 | 60.48 | 63.85 | - | - | | |
| Public Works Maintenance Supervisor | (7) | 1 | 39.50 | 41.48 | 43.55 | 45.74 | 48.01 | - | | |
| Recreation Coordinator | | 2 | 30.86 | 32.40 | 34.02 | 35.72 | 37.50 | - | | |
| Recreation Leader | | 7 | 10.65 | 11.18 | 11.74 | 12.33 | 12.95 | - | Reso 2016-16 | 03/23/2016 |
| Senior Recreation Leader | | 4 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |

(1) These positions receive a \$880 per year uniform allowance

(2) This position receives a 5.0% incentive for RIMS Administrator

(3) These positions receive an additional 5% Holiday Pay

(4) These positions receive a \$665 per year uniform allowance

(5) These positions may receive a 5% incentive for Acting Commander, Acting Sergeant, Officer in Charge, Training Officer, and/or Detective

(6) This position may receive a 2.5% incentive for Back-up RIMS Administrator

(7) These positions may receive \$100 per week stand-by pay

**Town of Colma Pay Schedule Adopted 09/09/15
Revised 01/01/17**

| | | Incumbents | | | | | | Ordinance # or Resolution # | Dated | Effective |
|---|-----------|------------|---------------|---------------|---------------|---------------|---------------|--------------------------------|--------------|-----------------------|
| Elected Officials (Monthly) | | | | | | | | | | |
| Mayor & City Council | | 924.00 | | | | | | ORD. 729 | 11/13/2013 | |
| Hourly | | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | | |
| Accounting Technician | | 2 | 34.58 | 36.31 | 38.13 | 40.03 | 42.04 | - | | |
| Administrative Services Director | | 1 | 70.34 | 73.86 | 77.55 | 81.43 | 85.50 | - | Reso 2016-30 | 06/22/2016 7/4/2016 |
| Administrative Technician I | | 1 | 32.27 | 33.89 | 35.59 | 37.36 | 39.22 | - | | |
| Administrative Technician II | | 0 | 33.89 | 35.59 | 37.36 | 39.22 | 41.19 | - | | |
| Administrative Technician III | | 1 | 33.89 | 35.59 | 37.36 | 39.22 | 41.19 | 43.25 | | |
| City Clerk | | 1 | 43.24 | 45.41 | 47.68 | 50.06 | 52.56 | - | | |
| City Manager | | 1 | 91.35 | - | - | - | - | - | Reso 2015-07 | 02/11/2015 |
| Community Service Officer | | 1 | 31.48 | 33.06 | 34.71 | 36.45 | 38.27 | - | | |
| Facility Attendant | | 7 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |
| Human Resources Manager | | 1 | 47.37 | 49.75 | 52.23 | 54.85 | 57.59 | - | | |
| Maintenance Technician I | (7) | 1 | 31.56 | 33.14 | 34.79 | 36.53 | 38.36 | - | | |
| Maintenance Technician II | (7) | 1 | 33.14 | 34.79 | 36.53 | 38.36 | 40.28 | - | | |
| Maintenance Technician III | (7) | 0 | 33.14 | 34.79 | 36.53 | 38.36 | 40.28 | 42.30 | | |
| Police Chief | (1) | 1 | 85.82 | - | - | - | - | - | Reso 2016-06 | 02/10/2016 11/12/2015 |
| Police Commander | (1) | 1 | 63.83 | 67.01 | 70.37 | 73.89 | 77.58 | - | | |
| Police Communications/Dispatcher Supervisor | (2)(4) | 1 | 47.47 | 48.78 | 50.11 | 51.43 | 52.75 | - | | |
| Police Dispatcher / Clerk | (6)(4) | 3 | 39.39 | 40.49 | 41.59 | 42.67 | 43.76 | - | | |
| Police Officer 1 | (1)(3)(5) | 4 | 44.08 | 46.29 | 48.61 | 51.03 | - | - | | |
| Police Officer 2 | (1)(3)(5) | 3 | 45.84 | 48.14 | 50.55 | 53.07 | - | - | | |
| Police Officer 3 | (1)(3)(5) | 5 | 46.73 | 49.07 | 51.52 | 54.10 | - | - | | |
| Police Sergeant 1 | (1)(3)(5) | 0 | 55.87 | 57.03 | 58.21 | 61.43 | - | - | | |
| Police Sergeant 2 | (1)(3)(5) | 0 | 58.11 | 59.31 | 60.53 | 63.89 | - | - | | |
| Police Sergeant 3 | (1)(3)(5) | 5 | 59.22 | 60.44 | 61.69 | 65.12 | - | - | | |
| Public Works Maintenance Supervisor | (7) | 1 | 40.29 | 42.31 | 44.42 | 46.65 | 48.97 | - | | |
| Recreation Coordinator | | 2 | 31.47 | 33.05 | 34.70 | 36.43 | 38.25 | - | | |
| Recreation Leader | | 7 | 10.65 | 11.18 | 11.74 | 12.33 | 12.95 | - | Reso 2016-16 | 03/23/2016 |
| Senior Recreation Leader | | 4 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |

(1) These positions receive a \$880 per year uniform allowance

(2) This position receives a 5.0% incentive for RIMS Administrator

(3) These positions receive an additional 5% Holiday Pay

(4) These positions receive a \$665 per year uniform allowance

(5) These positions may receive a 5% incentive for Acting Commander, Acting Sergeant, Officer in Charge, Training Officer, and/or Detective

(6) This position may receive a 2.5% incentive for Back-up RIMS Administrator

(7) These positions may receive \$100 per week stand-by pay

Town of Colma Pay Schedule Adopted 09/09/15
Revised 07/02/17

| | | Incumbents | | | | | | Ordinance # or Resolution # | Dated | Effective |
|---|-----------|------------|---------------|---------------|---------------|---------------|---------------|--------------------------------|--------------|-----------------------|
| Elected Officials (Monthly) | | | | | | | | | | |
| Mayor & City Council | | 924.00 | | | | | | ORD. 729 | 11/13/2013 | |
| Hourly | | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | | |
| Accounting Technician | | 2 | 35.27 | 37.03 | 38.89 | 40.83 | 42.88 | - | | |
| Administrative Services Director | | 1 | 70.34 | 73.86 | 77.55 | 81.43 | 85.50 | - | | |
| Administrative Technician I | | 1 | 32.92 | 34.57 | 36.30 | 38.11 | 40.01 | - | | |
| Administrative Technician II | | 0 | 34.57 | 36.30 | 38.11 | 40.01 | 42.01 | - | | |
| Administrative Technician III | | 1 | 34.57 | 36.30 | 38.11 | 40.01 | 42.01 | 44.11 | | |
| City Clerk | | 1 | 44.11 | 46.32 | 48.63 | 51.06 | 53.61 | - | | |
| City Manager | | 1 | 91.35 | - | - | - | - | - | Reso 2015-07 | 02/11/2015 |
| Community Service Officer | | 1 | 32.11 | 33.72 | 35.40 | 37.18 | 39.04 | - | | |
| Facility Attendant | | 7 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |
| Human Resources Manager | | 1 | 48.32 | 50.74 | 53.28 | 55.95 | 58.74 | - | | |
| Maintenance Technician I | (7) | 1 | 32.19 | 33.80 | 35.48 | 37.26 | 39.13 | - | | |
| Maintenance Technician II | (7) | 1 | 33.80 | 35.48 | 37.26 | 39.13 | 41.08 | - | | |
| Maintenance Technician III | (7) | 0 | 33.80 | 35.48 | 37.26 | 39.13 | 41.08 | 43.14 | | |
| Police Chief | (1) | 1 | 85.82 | - | - | - | - | - | Reso 2016-06 | 02/10/2016 11/12/2015 |
| Police Commander | (1) | 1 | 65.11 | 68.35 | 71.78 | 75.37 | 79.13 | - | | |
| Police Communications/Dispatcher Supervisor | (2)(4) | 1 | 48.42 | 49.76 | 51.12 | 52.46 | 53.81 | - | | |
| Police Dispatcher / Clerk | (6)(4) | 3 | 40.18 | 41.30 | 42.42 | 43.53 | 44.63 | - | | |
| Police Officer 1 | (1)(3)(5) | 4 | 44.96 | 47.21 | 49.58 | 52.06 | - | - | | |
| Police Officer 2 | (1)(3)(5) | 3 | 46.76 | 49.10 | 51.56 | 54.14 | - | - | | |
| Police Officer 3 | (1)(3)(5) | 5 | 47.67 | 50.05 | 52.55 | 55.18 | - | - | | |
| Police Sergeant 1 | (1)(3)(5) | 0 | 56.99 | 58.17 | 59.37 | 62.66 | - | - | | |
| Police Sergeant 2 | (1)(3)(5) | 0 | 59.27 | 60.49 | 61.74 | 65.17 | - | - | | |
| Police Sergeant 3 | (1)(3)(5) | 5 | 60.40 | 61.65 | 62.92 | 66.43 | - | - | | |
| Public Works Maintenance Supervisor | (7) | 1 | 41.10 | 43.16 | 45.31 | 47.58 | 49.95 | - | | |
| Recreation Coordinator | | 2 | 32.10 | 33.71 | 35.39 | 37.16 | 39.01 | - | | |
| Recreation Leader | | 7 | 10.65 | 11.18 | 11.74 | 12.33 | 12.95 | - | Reso 2016-16 | 03/23/2016 |
| Senior Recreation Leader | | 4 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |

(1) These positions receive a \$880 per year uniform allowance

(2) This position receives a 5.0% incentive for RIMS Administrator

(3) These positions receive an additional 5% Holiday Pay

(4) These positions receive a \$665 per year uniform allowance

(5) These positions may receive a 5% incentive for Acting Commander, Acting Sergeant, Officer in Charge, Training Officer, and/or Detective

(6) This position may receive a 2.5% incentive for Back-up RIMS Administrator

(7) These positions may receive \$100 per week stand-by pay

Town of Colma Pay Schedule Adopted 09/09/15
Revised 12/31/17

| | | Incumbents | | | | | | Ordinance # or Resolution # | Dated | Effective |
|---|-----------|------------|---------------|---------------|---------------|---------------|---------------|--------------------------------|--------------|-----------------------|
| Elected Officials (Monthly) | | | | | | | | | | |
| Mayor & City Council | | 924.00 | | | | | | ORD. 729 | 11/13/2013 | |
| Hourly | | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | | |
| Accounting Technician | | 2 | 35.97 | 37.77 | 39.67 | 41.65 | 43.74 | - | | |
| Administrative Services Director | | 1 | 70.34 | 73.86 | 77.55 | 81.43 | 85.50 | - | | |
| Administrative Technician I | | 1 | 33.57 | 35.26 | 37.02 | 38.87 | 40.81 | - | | |
| Administrative Technician II | | 0 | 35.26 | 37.02 | 38.87 | 40.81 | 42.85 | - | | |
| Administrative Technician III | | 1 | 35.26 | 37.02 | 38.87 | 40.81 | 42.85 | 45.00 | | |
| City Clerk | | 1 | 44.99 | 47.24 | 49.61 | 52.08 | 54.69 | - | | |
| City Manager | | 1 | 91.35 | - | - | - | - | - | Reso 2015-07 | 02/11/2015 |
| Community Service Officer | | 1 | 32.76 | 34.39 | 36.11 | 37.92 | 39.82 | - | | |
| Facility Attendant | | 7 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |
| Human Resources Manager | | 1 | 49.29 | 51.76 | 54.34 | 57.07 | 59.91 | - | | |
| Maintenance Technician I | (7) | 1 | 32.84 | 34.47 | 36.19 | 38.01 | 39.91 | - | | |
| Maintenance Technician II | (7) | 1 | 34.47 | 36.19 | 38.01 | 39.91 | 41.90 | - | | |
| Maintenance Technician III | (7) | 0 | 34.47 | 36.19 | 38.01 | 39.91 | 41.90 | 44.00 | | |
| Police Chief | (1) | 1 | 85.82 | - | - | - | - | - | Reso 2016-06 | 02/10/2016 11/12/2015 |
| Police Commander | (1) | 1 | 66.41 | 69.72 | 73.22 | 76.88 | 80.72 | - | | |
| Police Communications/Dispatcher Supervisor | (2)(4) | 1 | 49.39 | 50.75 | 52.14 | 53.51 | 54.88 | - | | |
| Police Dispatcher / Clerk | (6)(4) | 3 | 40.98 | 42.12 | 43.27 | 44.40 | 45.53 | - | | |
| Police Officer 1 | (1)(3)(5) | 4 | 45.86 | 48.16 | 50.57 | 53.10 | - | - | | |
| Police Officer 2 | (1)(3)(5) | 3 | 47.70 | 50.08 | 52.59 | 55.22 | - | - | | |
| Police Officer 3 | (1)(3)(5) | 5 | 48.62 | 51.05 | 53.60 | 56.28 | - | - | | |
| Police Sergeant 1 | (1)(3)(5) | 0 | 58.13 | 59.33 | 60.56 | 63.91 | - | - | | |
| Police Sergeant 2 | (1)(3)(5) | 0 | 60.45 | 61.70 | 62.98 | 66.47 | - | - | | |
| Police Sergeant 3 | (1)(3)(5) | 5 | 61.61 | 62.88 | 64.18 | 67.75 | - | - | | |
| Public Works Maintenance Supervisor | (7) | 1 | 41.92 | 44.02 | 46.22 | 48.54 | 50.95 | - | | |
| Recreation Coordinator | | 2 | 32.74 | 34.38 | 36.10 | 37.90 | 39.79 | - | | |
| Recreation Leader | | 7 | 10.65 | 11.18 | 11.74 | 12.33 | 12.95 | - | Reso 2016-16 | 03/23/2016 |
| Senior Recreation Leader | | 4 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |

(1) These positions receive a \$880 per year uniform allowance

(2) This position receives a 5.0% incentive for RIMS Administrator

(3) These positions receive an additional 5% Holiday Pay

(4) These positions receive a \$665 per year uniform allowance

(5) These positions may receive a 5% incentive for Acting Commander, Acting Sergeant, Officer in Charge, Training Officer, and/or Detective

(6) This position may receive a 2.5% incentive for Back-up RIMS Administrator

(7) These positions may receive \$100 per week stand-by pay

**Town of Colma Pay Schedule Adopted 09/09/15
Revised 07/01/18**

| | | Incumbents | | | | | | Ordinance # or Resolution # | Dated | Effective |
|---|-----------|------------|---------------|---------------|---------------|---------------|---------------|--------------------------------|--------------|-----------------------|
| Elected Officials (Monthly) | | | | | | | | | | |
| Mayor & City Council | | 924.00 | | | | | | ORD. 729 | 11/13/2013 | |
| Hourly | | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | | |
| Accounting Technician | | 2 | 36.69 | 38.53 | 40.46 | 42.48 | 44.61 | - | | |
| Administrative Services Director | | 1 | 70.34 | 73.86 | 77.55 | 81.43 | 85.50 | - | | |
| Administrative Technician I | | 1 | 34.25 | 35.96 | 37.76 | 39.65 | 41.62 | - | | |
| Administrative Technician II | | 0 | 35.96 | 37.76 | 39.65 | 41.62 | 43.71 | - | | |
| Administrative Technician III | | 1 | 35.96 | 37.76 | 39.65 | 41.62 | 43.71 | 45.90 | | |
| City Clerk | | 1 | 45.89 | 48.19 | 50.60 | 53.12 | 55.78 | - | | |
| City Manager | | 1 | 91.35 | - | - | - | - | - | Reso 2015-07 | 02/11/2015 |
| Community Service Officer | | 1 | 33.41 | 35.08 | 36.84 | 38.68 | 40.61 | - | | |
| Facility Attendant | | 7 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |
| Human Resources Manager | | 1 | 50.27 | 52.79 | 55.43 | 58.21 | 61.11 | - | | |
| Maintenance Technician I | (7) | 1 | 33.49 | 35.16 | 36.92 | 38.77 | 40.71 | - | | |
| Maintenance Technician II | (7) | 1 | 35.16 | 36.92 | 38.77 | 40.71 | 42.74 | - | | |
| Maintenance Technician III | (7) | 0 | 35.16 | 36.92 | 38.77 | 40.71 | 42.74 | 44.88 | | |
| Police Chief | (1) | 1 | 85.82 | - | - | - | - | - | Reso 2016-06 | 02/10/2016 11/12/2015 |
| Police Commander | (1) | 1 | 67.74 | 71.12 | 74.68 | 78.41 | 82.33 | - | | |
| Police Communications/Dispatcher Supervisor | (2)(4) | 1 | 50.38 | 51.77 | 53.18 | 54.58 | 55.98 | - | | |
| Police Dispatcher / Clerk | (6)(4) | 3 | 41.80 | 42.97 | 44.13 | 45.28 | 46.44 | - | | |
| Police Officer 1 | (1)(3)(5) | 4 | 46.78 | 49.12 | 51.58 | 54.16 | - | - | | |
| Police Officer 2 | (1)(3)(5) | 3 | 48.65 | 51.09 | 53.64 | 56.32 | - | - | | |
| Police Officer 3 | (1)(3)(5) | 5 | 49.59 | 52.08 | 54.68 | 57.41 | - | - | | |
| Police Sergeant 1 | (1)(3)(5) | 0 | 59.29 | 60.52 | 61.77 | 65.19 | - | - | | |
| Police Sergeant 2 | (1)(3)(5) | 0 | 61.66 | 62.94 | 64.24 | 67.80 | - | - | | |
| Police Sergeant 3 | (1)(3)(5) | 5 | 62.84 | 64.14 | 65.46 | 69.11 | - | - | | |
| Public Works Maintenance Supervisor | (7) | 1 | 42.76 | 44.90 | 47.14 | 49.51 | 51.97 | - | | |
| Recreation Coordinator | | 2 | 33.40 | 35.07 | 36.82 | 38.66 | 40.59 | - | | |
| Recreation Leader | | 7 | 10.65 | 11.18 | 11.74 | 12.33 | 12.95 | - | Reso 2016-16 | 03/23/2016 |
| Senior Recreation Leader | | 4 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |

(1) These positions receive a \$880 per year uniform allowance

(2) This position receives a 5.0% incentive for RIMS Administrator

(3) These positions receive an additional 5% Holiday Pay

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(5) These positions may receive a 5% incentive for Acting Commander, Acting Sergeant, Officer in Charge, Training Officer, and/or Detective

(6) This position may receive a 2.5% incentive for Back-up RIMS Administrator

(7) These positions may receive \$100 per week stand-by pay

**Town of Colma Pay Schedule Adopted 09/09/15
Revised 12/30/18**

| | | Incumbents | | | | | | Ordinance # or Resolution # | Dated | Effective |
|---|-----------|------------|---------------|---------------|---------------|---------------|---------------|--------------------------------|--------------|-----------------------|
| Elected Officials (Monthly) | | | | | | | | | | |
| Mayor & City Council | | 924.00 | | | | | | ORD. 729 | 11/13/2013 | |
| Hourly | | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | | |
| Accounting Technician | | 2 | 37.43 | 39.30 | 41.27 | 43.33 | 45.51 | - | | |
| Administrative Services Director | | 1 | 70.34 | 73.86 | 77.55 | 81.43 | 85.50 | - | | |
| Administrative Technician I | | 1 | 34.93 | 36.68 | 38.52 | 40.44 | 42.46 | - | | |
| Administrative Technician II | | 0 | 36.68 | 38.52 | 40.44 | 42.46 | 44.58 | - | | |
| Administrative Technician III | | 1 | 36.68 | 38.52 | 40.44 | 42.46 | 44.58 | 46.81 | | |
| City Clerk | | 1 | 46.81 | 49.15 | 51.61 | 54.18 | 56.89 | - | | |
| City Manager | | 1 | 91.35 | - | - | - | - | - | Reso 2015-07 | 02/11/2015 |
| Community Service Officer | | 1 | 34.08 | 35.78 | 37.57 | 39.46 | 41.42 | - | | |
| Facility Attendant | | 7 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |
| Human Resources Manager | | 1 | 51.28 | 53.85 | 56.54 | 59.37 | 62.34 | - | | |
| Maintenance Technician I | (7) | 1 | 34.16 | 35.87 | 37.66 | 39.54 | 41.52 | - | | |
| Maintenance Technician II | (7) | 1 | 35.87 | 37.66 | 39.54 | 41.52 | 43.60 | - | | |
| Maintenance Technician III | (7) | 0 | 35.87 | 37.66 | 39.54 | 41.52 | 43.60 | 45.78 | | |
| Police Chief | (1) | 1 | 85.82 | - | - | - | - | - | Reso 2016-06 | 02/10/2016 11/12/2015 |
| Police Commander | (1) | 1 | 69.09 | 72.54 | 76.18 | 79.98 | 83.98 | - | | |
| Police Communications/Dispatcher Supervisor | (2)(4) | 1 | 51.39 | 52.80 | 54.25 | 55.67 | 57.10 | - | | |
| Police Dispatcher / Clerk | (6)(4) | 3 | 42.64 | 43.83 | 45.01 | 46.19 | 47.37 | - | | |
| Police Officer 1 | (1)(3)(5) | 4 | 47.71 | 50.10 | 52.61 | 55.24 | - | - | | |
| Police Officer 2 | (1)(3)(5) | 3 | 49.62 | 52.11 | 54.71 | 57.45 | - | - | | |
| Police Officer 3 | (1)(3)(5) | 5 | 50.58 | 53.12 | 55.77 | 58.55 | - | - | | |
| Police Sergeant 1 | (1)(3)(5) | 0 | 60.48 | 61.73 | 63.01 | 66.49 | - | - | | |
| Police Sergeant 2 | (1)(3)(5) | 0 | 62.90 | 64.20 | 65.52 | 69.15 | - | - | | |
| Police Sergeant 3 | (1)(3)(5) | 5 | 64.10 | 65.42 | 66.77 | 70.49 | - | - | | |
| Public Works Maintenance Supervisor | (7) | 1 | 43.62 | 45.80 | 48.08 | 50.50 | 53.01 | - | | |
| Recreation Coordinator | | 2 | 34.07 | 35.77 | 37.56 | 39.43 | 41.40 | - | | |
| Recreation Leader | | 7 | 10.65 | 11.18 | 11.74 | 12.33 | 12.95 | - | Reso 2016-16 | 03/23/2016 |
| Senior Recreation Leader | | 4 | 13.15 | 13.81 | 14.50 | 15.22 | 15.98 | - | Reso 2016-16 | 03/23/2016 |

(1) These positions receive a \$880 per year uniform allowance

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Project Overview

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Compensation Survey Summary

Project Overview

IEDA was retained by the Town of Colma to conduct a total compensation survey for 18 classes selected by the Town of Colma and their 19 comparator jurisdictions. IEDA gathered all data and documents from the comparator jurisdictions, matched job classifications to those of the comparator jurisdictions, extrapolating data elements necessary for the compensation survey from MOU, Benefit Summaries, Salary Schedules, and Agency inquiries, and creating a finished product of Total Compensation Survey Reports customized to the Town of Colma's requirements.

The data presented for the Town of Colma is as of 11/1/2015.

Classifications and Jurisdictions

The following classifications were surveyed:

Accounting Technician
Administrative Technician II
City Clerk
City Manager
Director of Recreation Services
Facility Attendant
Human Resources Manager
Maintenance Technician II
Public Works Maintenance Super
Recreation Coordinator
Recreation Leader III
Community Service Officer
Police Chief
Police Commander
Dispatch Supervisor
Police Dispatcher - Clerk
Police Officer
Police Sergeant

The following comparator jurisdictions were used:

Atherton, Town of
Belmont, City of
Brisbane, City of
Burlingame, City of
Daly City, City of
East Palo Alto, City of
Foster City, City of
Half Moon Bay, City of
Hillsborough, Town of
Menlo Park, City of
Millbrae, City of
Pacifica, City of
Portola Valley, Town of
Redwood City, City of
San Bruno, City of
San Carlos, City of
San Mateo, City of
South San Francisco, City of
Woodside, Town of

Compensation Survey Summary

Salary

For comparison purposes, the top step, or MAXIMUM base salary, is used.

Table I below illustrates how The Town of Colma compares to the comparator jurisdictions with respect to base pay. The following data is presented:

- Title of The Town of Colma's classification
- The Town of Colma's current top step base salary for each classification
- The median of the comparator jurisdictions for top step salary
- Percentage of median salary of the comparator jurisdictions that The Town of Colma's salary is below or above median salary, for example if The Town of Colma's salary is \$8,000 and the Median is 10,000, The Town of Colma's salary is 20% below the median salary, represented as -20%.

Table I For the Town of Colma
Data as of 11/01/2015

| Job Title | Top Step Salary | | | |
|---------------------------------|------------------------|-----------------------|----------------------|------------------|
| | Colma Top Step (\$/mo) | Market Median (\$/mo) | % Above/Below Market | # of Comparators |
| Accounting Technician | \$6,867.47 | \$5,813.57 | 18.13% | 12 |
| Administrative Technician II | \$6,427.07 | \$5,508.58 | 16.67% | 8 |
| City Clerk | \$8,585.20 | \$9,743.25 | -11.89% | 10 |
| City Manager | \$15,834.00 | \$19,000.00 | -16.66% | 15 |
| Director of Recreation Services | \$9,564.53 | \$14,489.58 | -33.99% | 5 |
| Facility Attendant | \$2,107.73 | \$2,914.70 | -27.69% | 8 |
| Human Resources Manager | \$9,406.80 | \$10,199.00 | -7.77% | 3 |
| Maintenance Technician II | \$6,578.00 | \$5,560.00 | 18.31% | 3 |
| Public Works Maintenance Super | \$7,999.33 | \$8,712.08 | -8.18% | 4 |
| Recreation Coordinator | \$6,246.93 | \$6,732.00 | -7.21% | 13 |
| Recreation Leader III | \$2,213.47 | \$3,037.37 | -27.13% | 6 |
| Community Service Officer | \$6,250.40 | \$5,410.00 | 15.53% | 9 |
| Police Chief | \$14,166.53 | \$16,236.13 | -12.75% | 13 |
| Police Commander | \$12,672.40 | \$14,539.00 | -12.84% | 7 |
| Dispatch Supervisor | \$8,616.40 | \$8,555.17 | 0.72% | 4 |
| Police Dispatcher - Clerk | \$7,148.27 | \$7,213.00 | -0.90% | 9 |
| Police Officer | \$8,752.38 | \$8,560.93 | 2.24% | 13 |
| Police Sergeant | \$10,308.48 | \$10,421.00 | -1.08% | 13 |

Total Compensation

Total compensation is made up of these data elements:

Salary: Monthly top step, not including incentive/assignment pays or longevity.

Retirement Formula: The formula shown is the “Tier 1” retirement formula at each agency.

EPMC: any portion of the employee’s contribution paid by the Agency (if employee pays both the entirety of the employee member contribution AND a portion of the Agency contribution, it is represented as a negative).

Uniform Allowance: MAXIMUM amount provided as a monthly figure. This is for uniforms only, and does not include boots or other items.

Education Incentive: Maximum additional pay offered for completing additional education.

Benefits- health, dental, vision, life, cafeteria plan, & long term disability insurance: MAXIMUM amount provided by the Agency for any plans offered, at the highest offered coverage level.

Deferred compensation: MAXIMUM amount provided or matched by the Agency.

The *Median and Mean* shown on the survey are calculated for the Top Step Salary and Total Compensation columns and The Town of Colma’s numbers are not included in the calculation.

The *percentage* The Town of Colma’s salary and total compensation is above or below the mean and median of the comparator jurisdictions is also shown. This is calculated by The Town of Colma’s number divided by the market mean or median. A value of 15% indicates that The Town of Colma’s salary or total compensation is 15% above the market mean or median.

Table II illustrates how The Town of Colma compares to the comparator jurisdictions with respect to total compensation. The following data is presented:

- Title of The Town of Colma’s classification
- The Town of Colma’s current total compensation for each classification
- The median of the comparator jurisdictions for total compensation
- Percentage The Town of Colma’s total compensation is above or below the median of the comparator jurisdictions

Table II For the Town of Colma
Data as of 11/01/2015

| Job Title | Total Compensation | | | |
|---------------------------------|----------------------------------|-----------------------|----------------------|------------------|
| | Colma Total Compensation (\$/mo) | Market Median (\$/mo) | % Above/Below Market | # of Comparators |
| Accounting Technician | \$9,600.15 | \$7,879.94 | 21.83% | 12 |
| Administrative Technician II | \$9,159.75 | \$7,760.43 | 18.03% | 8 |
| City Clerk | \$11,317.88 | \$11,807.18 | -4.14% | 10 |
| City Manager | \$18,566.68 | \$21,367.61 | -13.11% | 15 |
| Director of Recreation Services | \$12,297.21 | \$16,489.03 | -25.42% | 5 |
| Facility Attendant | n/a | n/a | n/a | |
| Human Resources Manager | \$12,139.48 | \$12,246.47 | -0.87% | 3 |
| Maintenance Technician II | \$9,310.68 | \$7,844.29 | 18.69% | 3 |
| Public Works Maintenance Super | \$10,732.01 | \$10,945.48 | -1.95% | 4 |
| Recreation Coordinator | \$8,976.86 | \$8,642.95 | 3.86% | 13 |
| Recreation Leader III | n/a | n/a | n/a | |
| Community Service Officer | \$8,983.08 | \$7,412.28 | 21.19% | 9 |
| Police Chief | \$16,972.54 | \$18,679.07 | -9.14% | 13 |
| Police Commander | \$15,478.41 | \$16,552.84 | -6.49% | 7 |
| Dispatch Supervisor | \$11,251.75 | \$10,365.46 | 8.55% | 4 |
| Police Dispatcher - Clerk | \$9,783.62 | \$9,271.18 | 5.53% | 9 |
| Police Officer | \$11,932.03 | \$11,244.39 | 6.12% | 13 |
| Police Sergeant | \$13,581.50 | \$13,290.37 | 2.19% | 13 |