

# POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

## Police compensation a challenge

The Pottstown Police Department is up to full strength — the chief and 45 uniformed officers.

The 2016 borough budget suggests a goal of adding one more officer each year by 2019 for a total of 49 officers and the chief.

But how many officers can Pottstown afford? In the last four years, the total wages earned by Pottstown officers, including overtime, longevity, and other factors, have increased 33 percent while inflation has increased just 5 percent. Seventeen officers earned more than \$100,000.

Police officers are entitled to other benefits that must be paid by local taxpayers long after the officers' active duty is over.

### Pensions

Police officers are eligible for full retirement at age 50 with at least 25 years of service. They receive an extra monthly payment for more than 26 years of service, plus cost of living increases.

Employees of school districts are different. Their pension costs are split 50-50 between the school district and the state.

But there is no such arrangement for municipal pensions. Instead, the state pays an annual subsidy to Pottstown which can vary from year

to year. In 2012, after the state subsidy, the general fund contributed \$232,000 for municipal pensions and other retirement benefits.

In the 2016 budget, the general fund will contribute \$750,000 toward municipal pensions, a three-fold increase in just four years.

### OPEBs

Another major taxpayer liability is OPEBs — Other Post-Employment Benefits. This refers to health insurance benefits paid to police retirees and their families.

At present, the taxpayer liability for these benefits is \$26 million, but the borough has only contributed \$1 million so far to cover it.

The borough plans to contribute \$250,000 each year toward the liability, but the liability is expected to grow \$2 million per year — eight times the annual contribution.

### Unfunded liabilities

It is well known Pennsylvania has an enormous pension crisis — at present, a \$50 billion debt. Pottstown seems to be heading toward a financial crisis of its own.

### Invaluable service

We all recognize police perform an indispensable service to the community. We greatly appreciate the risks they take for us. But there are limits to what we can afford.



Commentary by  
Tom Hylton

| Employee compensation based on W-2 forms |           |           |          |         |          |           |          |
|--|-----------|-----------|----------|---------|----------|-----------|----------|
| Officer                                  | 2012      | 2015      | increase | Officer | 2012     | 2015      | increase |
| Richard Drumheller, chief                | \$85,314  | \$113,080 | 33%      | M, C    | \$77,468 | \$100,354 | 30%      |
| Robert Thomas, captain                   | \$84,495  | \$99,258  | 17%      | M, T    | \$82,901 | \$90,762  | 9%       |
| B, M                                     | \$82,268  | \$119,447 | 45%      | M, S    | \$73,635 | \$98,781  | 34%      |
| B, M                                     | \$77,835  | \$115,921 | 49%      | M, D    | \$75,692 | \$106,095 | 40%      |
| F, B                                     | \$67,609  | \$91,692  | 36%      | O, J    | \$78,229 | \$94,857  | 21%      |
| F, G                                     | \$76,273  | \$128,268 | 68%      | P, M    | \$75,626 | \$105,912 | 40%      |
| G, F                                     | \$79,642  | \$102,673 | 29%      | P, J    | \$70,285 | \$93,676  | 33%      |
| G, M                                     | \$69,548  | \$87,436  | 26%      | R, B    | \$72,100 | \$109,133 | 51%      |
| G, B L                                   | \$79,841  | \$118,737 | 49%      | R, J    | \$64,808 | \$88,070  | 36%      |
| H, C                                     | \$67,942  | \$88,729  | 31%      | S, J    | \$70,182 | \$90,180  | 28%      |
| H, S                                     | \$74,731  | \$97,452  | 31%      | S, N    | \$75,775 | \$96,330  | 27%      |
| I, T                                     | \$75,613  | \$90,921  | 21%      | T, R    | \$70,843 | \$97,162  | 37%      |
| K, E                                     | \$103,523 | \$129,911 | 25%      | W, E    | \$76,204 | \$100,837 | 32%      |
| L, T                                     | \$68,561  | \$96,355  | 41%      | W, B    | \$82,001 | \$104,730 | 28%      |
| L, H                                     | \$66,178  | \$98,950  | 50%      | W, M    | \$77,124 | \$102,153 | 32%      |
| L, M                                     | \$81,655  | \$124,897 | 53%      | Y, P    | \$77,277 | \$96,443  | 25%      |
| M, M                                     | \$80,072  | \$100,405 | 25%      | Z, C    | \$76,018 | \$101,075 | 33%      |

**Employees with at least four years' service are listed**  
**Cumulative inflation rate 2012 to 2015 less than 5 percent**