



# County of El Dorado

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September 24, 2019

Board of Supervisors  
County of El Dorado  
330 Fair Lane  
Placerville, California 95667

**Subject: Unfunded Obligations to CalPERS**

Ladies and Gentlemen:

This letter will serve as my transmittal to you of information that I received earlier this fiscal year regarding our financial relationship with CalPERS.

The most recent CalPERS Actuarial Report (the Report) indicates that a huge dark cloud continues to hang over our County's financial future. These reports again confirm that the current retirement benefits that have been contractually promised to our employees are unaffordable. The newly issued Report indicates that our Unfunded Pension Liability at June 30, 2018, was \$388,383,551. This is a \$41,618,255 increase in our Unfunded Pension Liability over a twelve month period despite making significantly higher payments to CalPERS. The County's Unfunded Pension Liability now totals approximately \$2,000 for each County resident.

A prior Board in 1999 and 2000 made horrible decisions related to our CalPERS contracts based on extremely low and inaccurate cost estimates provided by CalPERS. The County needs more options to reduce these unaffordable and insurmountable obligations. Your Board should seek the assistance of CSAC, CalPERS, and our representatives in the legislature so that changes in state law and CalPERS policies will provide better options to enable us to reduce these unaffordable obligations. Until the state takes action your only option is to set aside significant reserves to lighten the impact of these huge obligations on our residents in the future.

If you have any questions, please call me at 530-621-5456.

Sincerely,

A handwritten signature in blue ink that reads "Joe Harn".

Joe Harn, CPA  
Auditor-Controller

CC: Don Ashton, CAO