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County of El Dorado Clerk of the Board <edc.cob@edcgov.us>  
Bos Reud 9-21-21

**2021-2022 Budget FYE 6-30-2021 Departmental Budget Performance**

Joe Harn <joe.harn@edcgov.us> Tue, Sep 21, 2021 at 8:04 AM  
To: Sue Novasel <sue.novasel@edcgov.us>, George Turnboo <george.turnboo@edcgov.us>, John Hidahl <john.hidahl@edcgov.us>, Lori Parlin <lori.parlin@edcgov.us>, Wendy Thomas <wendy.thomas@edcgov.us>  
Cc: Donald Ashton <don.ashton@edcgov.us>, Sue Hennike <sue.hennike@edcgov.us>, Emma Owens <emma.owens@edcgov.us>, County of El Dorado Clerk of the Board <edc.cob@edcgov.us>, Kim Dawson <kim.dawson@edcgov.us>

September 21, 2021

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

**Subject: June 30, 2021 Fiscal Year End Dept. and Special Fund Performance**

Ladies and Gentlemen:

Attached you will find the General Fund Departmental Budget Performance and Special Fund reports for the year ended June 30, 2021.

The CAO and County Department Heads should be acknowledged for meeting the budget goals established by your Board.

Sincerely,

Joe Harn, CPA  
Auditor-Controller

CC: Don Ashton, CAO

Joe Harn  
Auditor-Controller  
El Dorado County

3 attachments

2020\_21NETCST.pdf  
44K

<b>FINAL REPORT OF</b>										
<b>GENERAL FUND Net County Cost Performance</b>										
<b>Fiscal Year 2020/2021</b>										
<b>Dept. Number</b>	<b>Department Name</b>	<b>FY 2020/2021 Budgeted Revenues</b>	<b>FY 2020/2021 Actual Revenues</b>	<b>FY 2020/2021 Rev. Variance Over/(Under) Budget</b>	<b>FY 2020/2021 Budget Appropriations</b>	<b>FY 2020/2021 Actual Expenditures</b>	<b>FY 2020/2021 Exp. Variance Under/(Over) Budget</b>	<b>Budgeted Net County Cost</b>	<b>Actual Net County Cost</b>	<b>Net County Cost Variance Under/(Over)</b>
01	Board of Supervisors	2,640	2,303	(337)	1,672,676	1,585,084	87,592	1,670,036	1,582,781	87,255
02	Administration	0	0	0	1,909,943	1,754,375	155,568	1,909,943	1,754,375	155,568
03	Auditor	491,547	450,737	(40,810)	4,162,804	3,937,053	225,751	3,671,257	3,486,317	184,940
04	Treasurer/Tax	2,037,289	2,383,836	346,547	3,106,823	2,871,704	235,119	1,069,534	487,868	581,666
05	Assessor	593,140	681,100	87,960	4,372,403	4,170,002	202,401	3,779,263	3,488,902	290,361
06	Central Services	5,810,476	2,364,817	(3,445,659)	13,924,514	9,867,092	4,057,422	8,114,038	7,502,275	611,763
07	County Counsel	409,616	440,156	30,540	3,805,269	3,405,620	399,649	3,395,653	2,965,464	430,189
08	Human Resources	0	0	0	2,478,016	1,904,617	573,399	2,478,016	1,904,617	573,399
10	Information Technology	0	517	517	10,605,112	8,940,740	1,664,372	10,605,112	8,940,223	1,664,889
12	EMS Preparedness	2,520,982	1,606,194	(914,788)	2,915,620	1,883,222	1,032,398	394,638	277,028	117,610
15	GF Other Opera.	161,838,427	172,312,640	10,474,214	44,385,726	27,501,583	16,884,143	(117,452,701)	(144,811,057)	27,358,357
18	Recorder-Clerk	1,823,876	2,188,957	365,081	1,797,634	1,303,140	494,494	(26,242)	(885,817)	859,575
19	Elections	1,943,532	885,237	(1,058,295)	3,329,297	1,920,039	1,409,258	1,385,765	1,034,801	350,964
20	Superior Court MOE	1,029,453	1,209,157	179,704	3,256,999	2,365,876	891,123	2,227,546	1,156,719	1,070,827
21	Grand Jury	0	0	0	60,000	32,038	27,963	60,000	32,038	27,963
22	District Attorney	3,825,154	3,753,606	(71,548)	13,746,761	12,161,338	1,585,423	9,921,607	8,407,732	1,513,875
23	Public Defender	500,906	395,192	(105,714)	4,507,637	4,067,039	440,598	4,006,731	3,671,847	334,884
24	Sheriff	38,671,335	20,416,396	(18,254,939)	90,147,087	63,508,904	26,638,183	51,475,752	43,092,508	8,383,244
25	Probation	6,513,657	6,506,470	(7,187)	17,800,797	16,913,495	887,302	11,287,140	10,407,025	880,115
30	Surveyor	131,639	105,714	(25,925)	1,735,994	1,645,686	90,308	1,604,355	1,539,972	64,383
31	Ag. Commissioner	1,108,901	1,066,303	(42,598)	1,638,776	1,428,931	209,845	529,875	362,628	167,247
35	CDS - Admin & Finance	2,300,535	1,882,904	(417,631)	2,592,489	1,986,614	605,875	291,954	103,710	188,244
36	Transportation - Co. Engine	2,418,400	1,176,959	(1,241,441)	2,538,977	946,358	1,592,619	120,577	(230,601)	351,178
37	Planning and Building	10,875,953	9,847,711	(1,028,242)	17,681,851	14,364,494	3,317,357	6,805,898	4,516,783	2,289,115
38	Environmental Mgmt	2,655,291	2,366,528	(288,763)	2,655,291	2,366,955	288,336	-	427	(427)
40	Child Support Services	4,480,566	4,282,498	(198,068)	4,490,566	4,286,153	204,413	10,000	3,654	6,346
41	Revenue Recovery	0	266	266	-	-	-	-	(266)	266
42	Veteran Affairs	102,342	64,533	(37,809)	739,841	573,636	166,205	637,499	509,103	128,396
43	Library	2,503,437	1,775,718	(727,719)	4,370,175	3,622,456	747,719	1,866,738	1,846,738	20,000
50	Hlth & Human Serv Agn	3,674,748	3,203,828	(470,920)	3,950,906	3,358,456	592,450	276,158	154,628	121,530
51	Social Services	63,003,281	56,435,991	(6,567,290)	65,959,500	58,632,108	7,327,392	2,956,219	2,196,117	760,102
55	Animal Services	1,637,982	1,422,806	(215,176)	3,725,042	3,185,357	539,685	2,087,060	1,762,551	324,509
56	Public Guardian	234,000	182,998	(51,002)	1,938,027	1,686,124	251,903	1,704,027	1,503,126	200,901
		<b>323,139,105</b>	<b>299,412,073</b>	<b>(23,727,032)</b>	<b>342,002,553</b>	<b>268,176,286</b>	<b>73,826,267</b>	<b>18,863,448</b>	<b>(31,235,787)</b>	<b>50,099,235</b>
						<b>Fund Balance in June Budget</b>				<b>27,074,809</b>
						<b>Excess Fund Balance</b>				<b>23,024,426</b>





**County of El Dorado**  
**OFFICE OF AUDITOR-CONTROLLER**

360 FAIR LANE  
PLACERVILLE, CALIFORNIA 95667-4193  
Phone: (530) 621-5487 Fax: (530) 295-2535

**JOE HARN, CPA**  
Auditor-Controller

**BOB TOSCANO**  
Assistant Auditor-Controller

**September 21, 2021**

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

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**Sincerely,**

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

**Joe Harn, CPA  
Auditor-Controller**

**CC: Don Ashton, CAO**





County of El Dorado Clerk of the Board &lt;edc.cob@edcgov.us&gt;

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## County Financial Position at 6-30-2021

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Joe Harn &lt;joe.harn@edcgov.us&gt;

Tue, Sep 21, 2021 at 8:31 AM

To: Sue Novasel <sue.novasel@edcgov.us>, Wendy Thomas <wendy.thomas@edcgov.us>, George Turnboo <george.turnboo@edcgov.us>, Lori Parlin <lori.parlin@edcgov.us>, John Hidahl <john.hidahl@edcgov.us>  
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September 21, 2021

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

**Subject: June 30, 2021 Fiscal Year End General Fund Financial Position**

**Ladies and Gentlemen:**

**The purpose of this letter is to give you a short report on the County's General Fund financial position as of June 30, 2021.**

**During the year ending June 30, 2021, the County's General Fund cash balance increased by \$30.8 million for an ending balance of \$92.7 million. Further, the County's General Fund, unreserved, undesignated fund balance increased by \$16.7 million for a total of \$50.1 million. Additionally, the General Fund has another approximately \$52 million in designated fund balances and reserves set aside for capital projects, future economic uncertainties, future CalPERS costs, and other Board priorities.**

**Your Board and the County's leadership deserves credit for keeping our General Fund "assets" in a favorable financial position. However, our unfunded obligations to CalPERS, our unfunded retirees' health stipend obligation, potential impacts of the Caldor Fire recovery, and our deficiencies in road maintenance spending dwarf the favorable side of our financial position.**

Sincerely,

**Joe Harn, CPA**  
**Auditor-Controller**

**CC: Don Ashton, CAO**

Joe Harn  
Auditor-Controller  
El Dorado County



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**BOB TOSCANO**  
Assistant Auditor-Controller

**September 21, 2021**

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

**Subject: June 30, 2021 Fiscal Year End General Fund Financial Position**

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Your Board and the County's leadership deserves credit for keeping our General Fund "assets" in a favorable financial position. However, our unfunded obligations to CalPERS, our unfunded retirees' health stipend obligation, potential impacts of the Caldor Fire recovery, and our deficiencies in road maintenance spending dwarf the favorable side of our financial position.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Harn", is written over a faint, larger version of the same signature.

**Joe Harn, CPA**  
Auditor-Controller

**CC: Don Ashton, CAO**



County of El Dorado Clerk of the Board &lt;edc.cob@edcgov.us&gt;

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## CalPERS Situation 9-20-2021

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Joe Harn &lt;joe.harn@edcgov.us&gt;

Tue, Sep 21, 2021 at 8:47 AM

To: Sue Novasel <sue.novasel@edcgov.us>, George Turnboo <george.turnboo@edcgov.us>, John Hidahl <john.hidahl@edcgov.us>, Lori Parlin <lori.parlin@edcgov.us>, Wendy Thomas <wendy.thomas@edcgov.us>  
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September 20, 2021

**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 year regarding our financial relationship with CalPERS.**

**The most recent CalPERS Actuarial Report (the Report) indicates that a huge dark cloud continues to grow 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, 2020, was \$425,057,016. This is a \$22,932,697 increase in our Unfunded Pension Liability over a twelve month period despite making significantly higher payments to CalPERS. It should be noted that for the year ended June 30, 2021, CalPERS investment returns far exceeded the actuarial assumed rate of return (see attached). The County's Unfunded Pension Liability now totals over \$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,**

**Joe Harn, CPA**  
**Auditor-Controller**

**CC: Don Ashton, CAO**





**County of El Dorado**  
OFFICE OF AUDITOR-CONTROLLER

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BOB TOSCANO  
Assistant Auditor-Controller

September 20, 2021

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

**Subject: Unfunded Obligations to CalPERS**

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

Sincerely,

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Joe Harn, CPA  
Auditor-Controller

CC: Don Ashton, CAO





# CalPERS Reports Preliminary 21.3% Investment Returns for Fiscal Year 2020-21; Strong Returns Trigger Reduction in Discount Rate to 6.8%

July 12, 2021

**Communications & Stakeholder Relations**

**Contact: Megan White, Information Officer**  
**(916) 795-3991 - newsroom@calpers.ca.gov**

**Sacramento, Calif.** – CalPERS today reported a preliminary 21.3% net return on investments for the 12-month period that ended June 30, 2021. CalPERS assets at the end of the fiscal year stood at more than \$469 billion. The preliminary 21.3% return lagged behind the fiscal year total fund benchmark of 21.7%.

Under the Funding Risk Mitigation Policy (PDF), approved by the CalPERS Board of Administration in 2015, the double-digit return will trigger a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) member contributions. The discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7%.

The Funding Risk Mitigation Policy lowers the discount rate in years of good investment returns. This is the first time it has been triggered.

The 21.3% 2020-21 fiscal year return for the Public Employees' Retirement Fund (PERF) were driven by Private Equity and Public Equity, with net returns of 43.8% and 36.3%, respectively.

Based on these preliminary fiscal year returns, the funded status of the overall PERF is an estimated 82%. This estimate is based on a 7% discount rate. Under the new 6.8% discount rate, however, the funded status of the overall PERF drops to 80%. This is because existing assets are assumed to grow at a slightly slower rate annually into the future. As intended under the Funding Risk Mitigation Policy, the lower discount rate increases the likelihood that CalPERS can reach its target over the longer term.

The CalPERS Board of Administration will continue to review the discount rate through its Asset Liability Management process during the rest of the calendar year.

"Our investment team has done an outstanding job of capturing strong returns in this very dynamic investment environment," said Theresa Taylor, chair of the CalPERS Investment Committee. "These results prove that we have the right investment strategy in place to take full advantage of what the markets have to offer."

"But as pleased as we are with these great returns, let me emphasize that we don't count on this kind of investing environment every year. We know markets go up and down. As a long-term investor, our job is to make sure we have a carefully considered plan to strengthen our fund no matter the economic climate so that we can pay the benefits our members have earned."

The 2020-21 fiscal year returns brings total fund performance to 10.3% for the five-year period, 8.5% for the 10-year period, and 6.9% for the 20-year period. Over the past 30 years, the PERF returned an annualized return of 8.4%.

Today's announcement includes 12-month asset class performance as follows:

Asset Class	Net Rate of Return
Total Fund	21.3%
Public Equity	36.3%
Private Equity	43.8%
Fixed Income	-0.1%
Real Assets	2.6%
Liquidity	0.1%

The official total fund performance numbers go through multiple layers of review and oversight. View the Total Fund and Benchmark Performance Calculation – Wilshire Associates (PDF) for more information.

Returns for real assets and private equity reflect market values through March 31, 2021. Private Equity has been CalPERS' highest returning asset class over longer periods, with 10-year annualized return of 12.0% and 20-year annualized return of 10.1%.

"I'm proud of our investment office and of our ability to execute on our strategy to achieve strong returns in these unprecedented times," said Dan Bienvenue, CalPERS interim chief investment officer. "But I'm also mindful that we're in the middle of determining our asset mix and discount rate for the future. As a long-term investor we're focused on ensuring that our analysis captures realistic projections about the investment outlook over many years and even decades."

CalPERS' 2020-21 final fiscal year investment performance will be calculated based on audited figures and will be reflected in contribution levels for the State of California and school districts in fiscal year 2022-23, and for contracting cities, counties, and special districts in fiscal year 2023-24.

The ending value of the PERF is based on several factors and not investment performance alone. Contributions made to CalPERS from employers and employees, monthly payments made to retirees, investment fees and the performance of its investments, among other factors, all influence the ending total value of the PERF.

## About CalPERS

For more than eight decades, CalPERS has built retirement and health security for state, school, and public agency members who invest their lifework in public service. Our pension fund serves more than 2 million members in the CalPERS retirement system and administers benefits for more than 1.5 million members and their families in our health program, making us the largest defined-benefit public pension in the U.S. CalPERS' total fund market value currently stands at approximately \$472 billion. For more information, visit [www.calpers.ca.gov](http://www.calpers.ca.gov).