

Auditor's Comment #3.1

BOS Rcvd. 12-30-22

From: Joe H. Harn
Sent: Friday, December 30, 2022 11:18 AM
To: John Hidahl; BOS-District V; Wendy Thomas; Lori Parlin; George Turnboo
Cc: Donald Ashton; David A Livingston; BOS-Clerk of the Board; Kim Dawson; Joseph Carruesco
Subject: Agenda Item #22-2168-CalPERS-15% Raise

Dear Board members,

I want to make sure that your Board understands the County's CalPERS contract and the effect and consequences it has on recruiting individuals from other local government jurisdictions.

Generally, experienced state and local government employees at other jurisdictions are enrolled as "Classic" CalPERS participants. Because of actions taken by prior Boards, when we hire "Classic" employees from other jurisdictions, they become enrolled in the "2 percent at 60" retirement program. These actions by prior Boards will save the County tens of millions of dollars over the decades, but keep in mind that the "2 percent at 60" program provides dramatically less benefits than the retirement benefits provided by our surrounding jurisdictions. The "2 percent at 60" program provided by El Dorado County is unique to "Classic" participants in our area.

If an experienced government employee in the "Classic" program came to our county and planned to retire at 55 years old, they would vest at an 84.9% lower rate than "Classic" employees at EID, Nevada County, or the City of Folsom. They would vest at a 71% lower rate than an employee at Placer County.

Because of our CalPERS contract, your Board has generally promoted our county leaders from within the organization, which generally has worked out fine.

Joe Harn, CPA
Auditor-Controller
El Dorado County