

EDC's CalPERS obligation tops \$280M

By Kathryn Reed

El Dorado County's unfunded obligation to CalPERS now exceeds \$280 million.

Auditor-Controller Joe Harn this week let the Board of Supervisors know the debt grew by \$51 million in one year.

"The most recent report of our financial position with CalPERS is as of June 30, 2015. Since CalPERS investment earnings for the year ended June 30, 2016, were dramatically less than estimated, our unfunded obligation will exceed \$300 million in our next CalPERS actuarial report," Harn told *Lake Tahoe News*. "Further, CalPERS has informed the county that six years from now the required annual payments to CalPERS will be \$13 million per year higher than they are now. Balancing the county's budget and providing critical public safety and road maintenance services will become much tougher in the future because of our unfunded obligation to CalPERS."

While *Lake Tahoe News* reached out to CAO Don Ashton and Supervisor Sue Novasel, it was spokesman Creighton Avila who responded by saying, "While El Dorado County has been proactive in reducing retiree health costs by removing this benefit for all new employees resulting in a capped retiree health unfunded obligation, the unfunded CalPERS liabilities continue to be a concern for the county and many jurisdictions across the state." (Retiree health benefits have nothing to do with CalPERS.)

The county has no plans for how to deal with the growing problem of funding a defined benefit for employees.

However, it would be more expensive for the county to withdraw

from CalPERS.

Part of the escalating debt is the result of CalPERS giving all member agencies low cost estimates in the 1990s. Against the advice of Harn, supervisors in 1999 and 2000 accepted CalPERS' numbers and offered county employees dramatically enhanced retirement benefits.

"It should be noted that South Lake Tahoe and South Tahoe Public Utility District and just about all of our surrounding counties have more lucrative and expensive retirement plans than El Dorado County does," Harn said.