

11% raises for Placer County workers in 4 years

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By Kathryn Reed

Placer County has put itself further into debt by agreeing to give employees four years of raises.

Supervisors on July 25 granted the more than 2,000 employees a 4 percent wage increase starting in August, a 3 percent increase in July 2018, 2 percent increase in 2019, and another 2 percent in 2020. The agreement is actually for five years, ending in June 2022.

The county's 85 confidential and unclassified non-management employees are receiving the same wage increase.

The nearly 250 upper managers have not received a salary increase. "That's not to say we won't at some date in the future be considered for a raise – but at this time, nothing is on the table," county spokeswoman DeDe Cordell told *Lake Tahoe News*.

The last spike in salaries for the union members was an agreement from 2014 that included a combined 6 percent raise over the last three years.

The new raises will cost taxpayers \$7.9 million this fiscal year. The county projects the annual impact over the remaining length of the agreement to range from \$13.5 million to \$20 million. Those figures include merit increases and pension costs.

Those pension expenses are what have been glossed over – last week and earlier this summer when the \$796,495,106 2017-18 budget was approved. The General Fund is about \$460 million;

this is considered the discretionary spending account. It includes wages. But when wages start taking up more of the budget it means less money for services. Services include repairing roads and other basics that residents expect government to provide.

For every dollar that goes to wages, approximately another 50 cents of taxpayer money go to pension costs. Retirees are given a defined amount of money they get to retire with for what can be decades after they've done any work for the county. (Placer retirees also have health benefits.)

David Boesch, county chief executive officer, in the budget report on June 13 barely mentioned CalPERS. The same goes for the July 25 staff report.

Earlier this year the state Public Employee Retirement System notified all member agencies that their obligations would be increasing. For Placer County the annual obligation is going from \$54 million to more than \$100 million a year. This was before the raises that were approved for the next four years.

According to PensionTracker, in 2015 the pension debt per household in Placer County was \$10,573. That means each household in the county would have to pony up that amount to pay off the county's CalPERS debt. (In El Dorado County it's \$12,856 and in South Lake Tahoe \$24,757.)

Placer County has no substantive plan to deal with the rising retiree costs. CalPERS can say it needs more money and member agencies have no choice but to pay. It would take an act of the Legislature to change how things are run.

For cities and counties that choose the status quo in terms of how to do business, layoffs will be the ultimate answer in how to pay for the raises because revenues can't keep pace. Giving raises is the easy out; providing that instant gratification for all within the agency instead of looking for innovative solutions or being fiscally conservative. It remains to be

seen if multi-year raises are the prudent thing for elected officials because it's the taxpayers – aka voters – who are left footing the bills that never end.