

AGENDA ITEM 3 A
Information Item

MEMORANDUM

DATE: February 11, 2026

TO: El Dorado County Transit Authority
Transit Advisory Committee

FROM: Kate Hewett, Finance Manager

SUBJECT: Status of Unfunded Liabilities for Pension and Other Post-Employment Benefit (OPEB) Programs

REQUESTED ACTION:

BY MOTION,

No Action. Information Item.

BACKGROUND

The El Dorado County Transit Authority (El Dorado Transit) is a California Special District governed by a five-member board composed of three El Dorado County Supervisors and two City of Placerville council members. As a public agency, El Dorado Transit contracts with the California Public Employees' Retirement System (CalPERS) to provide pension benefits and Other Post-Employment Benefits (OPEB), including retiree health coverage for unrepresented and management employees.

With the passing of Governmental Accounting Standards Board (GASB) 45 in 2004, public agencies are required to present the unfunded liabilities of each program on their audited financial statements.

In June 2017, changes were made to the accounting guidelines. One of these changes was GASB 75 succeeding GASB 45. GASB 45 and GASB 75 both serve the same purpose, which is to value an entity's Other Post-Employment Benefits (OPEB). Both Standards require a calculation of a present liability for future non-pension benefits for employees and retirees. The two standards differ in how liability is disclosed on financial statements.

DISCUSSION

Over the past five (5) fiscal years (FY), El Dorado Transit has used Federal grant income first, as directed by our Bylaws. In turn the "savings" of local dollars has allowed for the Board approved action of additional payments towards Pension and OPEB Unfunded Liabilities. Additionally, funds have been set aside in a 115 Trust to be used towards future pension expenses.

The excerpt, Note D – Long-Term Liabilities, referenced below is from the audited financial statements presented in today’s agenda. As indicated, the liability for pension has been reduced from \$3,122,217 in 2024 to \$3,027,085 in 2025. This indicates total funding of Classic and PEPRAs plans combined at 83.7% for 2023.

NOTE D - LONG-TERM LIABILITIES

Long-term liability activity consisted of the following for the year ended June 30:

	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025	Due Within One Year
Compensated absences	\$ 539,405	\$ 161,000	\$ (269,703)	\$ 430,702	\$ 215,351
Capital liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net pension liability	\$ 3,122,217	\$ 0	\$ (95,132)	\$ 3,027,085	\$ 0
	<u>\$ 3,661,622</u>	<u>\$ 161,000</u>	<u>\$ (364,835)</u>	<u>\$ 3,457,787</u>	<u>\$ 215,351</u>
	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Due Within One Year
Compensated absences	\$ 561,300	\$ 174,624	\$ (196,519)	\$ 539,405	\$ 269,703
Capital liability	\$ 64,872	\$ 0	\$ (64,872)	\$ 0	\$ 0
Net pension liability	\$ 4,469,477	\$ 0	\$ (1,347,260)	\$ 3,122,217	\$ 0
	<u>\$ 5,095,649</u>	<u>\$ 174,624</u>	<u>\$ (1,608,651)</u>	<u>\$ 3,661,622</u>	<u>\$ 269,703</u>

El Dorado Transit has funds reserved in the California Employers’ Pension Prefunding Trust (CEPPT) Section 115 Trust in the amount of \$453,502. These funds are restricted for future pension expenses.

Note H – Other Post-Employment Benefits (OPEB), referenced below is also from the audited financial statements. Due to the Additional Discretionary Payments (ADP) made in prior years, the Net OPEB Liability has funded fully and has resulted in an asset position of \$129,037. These funds are held in the California Employers’ Retiree Benefit Trust (CERBT) Section 115 Trust.

NOTE H – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

	2025			2024		
	Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at beginning of year	\$ 592,050	\$ 721,087	\$ (129,037)	\$ 533,123	\$ 667,761	\$ (144,638)
Changes in the year:						
Service cost	39,901	0	39,901	35,770	0	35,770
Interest	38,119	0	38,119	34,905	0	34,905
Differences between expected and actual experience	9,774	0	9,774	70,391	0	70,391
Changes in assumption	(14,294)	0	(14,294)	(72,146)	0	(72,146)
Contributions – employer	0	14,112	(14,112)	0	9,993	(9,993)
Net investment income	0	79,178	(79,178)	0	43,523	(43,523)
Benefits payments	(14,112)	(14,112)	0	(9,993)	(9,993)	0
Administrative and other expenses	0	(235)	235	0	(197)	197
Net changes	59,338	78,943	(19,555)	58,927	43,326	15,601
Balance at end of year	\$ 651,438	\$ 800,030	\$ (148,592)	\$ 592,050	\$ 721,087	\$ (129,037)