

AGENDA ITEM 3 A  
Information Item

**MEMORANDUM**

**DATE:** December 1, 2022

**TO:** El Dorado County Transit Authority

**FROM:** Julie Petersen, Finance Manager

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

**REQUESTED ACTION:**  
**BY MOTION,**  
Information Only

**BACKGROUND**

As a public agency, the El Dorado County Transit Authority (El Dorado Transit), contracts with the California Public Employees Retirement System (CalPERS) for pension and for Other Post-Employment Benefits (OPEB) that include 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 include an accounting of the unfunded liabilities of each program on their financial statements.

**DISCUSSION**

Over the past two (2) fiscal years, El Dorado Transit has prioritized the use of Federal grant income, as directed by the Bylaws. The influx of Federal pandemic relief funds allowed for the forwarding of additional payments from local funds towards Pension and OPEB liabilities. Additionally, funds were set aside in a 115 Trust to be used towards future pension expenses.

The excerpt below is from the audited financial statements presented in today's agenda. As indicated in the statements, the liability for pension has been reduced from \$3,541,021 in 2021 to \$1,466,472 in 2022. This indicates total funding of Classic and PEPRAs combined at 91.80%.

Per individual plan valuations, the OPEB and PEPRAs plans have zero unfunded liability currently. However, this adjusts with each valuation as demographics are always changing.

NOTE D - LONG-TERM LIABILITIES

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

	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Due Within One Year
Compensated absences	\$ 370,092	\$ 210,743	\$ (185,046)	\$ 395,789	\$ 197,894
Capital Lease	\$ 564,825		\$ (245,807)	\$ 319,018	\$ 254,146
Net pension liability	\$ 3,541,021		\$ (2,074,549)	\$ 1,466,472	
Net OPEB liability	\$ 119,166		\$ (119,166)		
	<u>\$ 4,595,104</u>	<u>\$ 210,743</u>	<u>\$ (2,624,568)</u>	<u>\$ 2,181,279</u>	<u>\$ 452,040</u>
	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Due Within One Year
Compensated absences	\$ 443,064	\$ 148,560	\$ (221,532)	\$ 370,092	\$ 185,046
Capital Lease	\$ 802,567		\$ (237,742)	\$ 564,825	\$ 245,807
Net pension liability	\$ 3,237,285	\$ 303,736		\$ 3,541,021	
Net OPEB liability	\$ 140,558		\$ (21,392)	\$ 119,166	
	<u>\$ 4,623,474</u>	<u>\$ 452,296</u>	<u>\$ (480,666)</u>	<u>\$ 4,595,104</u>	<u>\$ 430,853</u>