



City of Placerville

3101 Center Street

Placerville, California 95667

(530) 642-5200, Fax: (530) 642-5538

March 26, 2024

The Honorable Lola Smallwood-Cuevas, Chair
Senate Labor, Public Employment and Retirement Committee
State Capitol Building
Sacramento, CA 95814

RE: SB 1240 (Alvarado-Gil) –Public Employees’ Retirement System: contracting agencies: consolidation. (SUPPORT)

Dear Senator Smallwood-Cuevas:

The City of Placerville is pleased to support SB 1240, which would permit the El Dorado County Fire Protection District to amend their contract with the California Public Employee Retirement System (CalPERS) to offer the same benefits to all employees after the Diamond Springs-El Dorado Fire Protection District is annexed into the El Dorado County Fire Protection District. This bill has been referred to the Senate Labor, Public Employment and Retirement Committee for consideration, and we respectfully request your “AYE” vote on this measure when it comes before you.

The Diamond Springs-El Dorado Fire Protection District was founded in 1942 as a volunteer fire department and operated as such for thirty years before consolidating with another volunteer department to become the Diamond Springs-El Dorado Fire Protection District. This District serves a span of El Dorado County surrounding the town of Diamonds Springs with 13 full-time staff and five stations throughout their service area.

The El Dorado County Fire District is an independent special district that serves approximately 50,000 residents across 281 square miles of El Dorado County, stretching from Shingle Springs to the Summit on Highway 50, including the City of Placerville. With a \$15.8 million budget, the District staffs 80 uniformed personnel in rural, urban, and wildland-urban interface areas.

The Public Employees’ Retirement Law (PERL) contemplates scenarios where agencies may consolidate to achieve economies of scale while maintaining their

contract with CalPERS and such successor contracts are specifically authorized under Government Code Section 20508. Annexations, consolidations, and mergers are particularly prevalent in the fire service as larger agencies are able to economize across jurisdictional boundaries to provide the same level of high-quality service throughout a community.

The current law governing agency consolidations and other changes of organization of local governments, known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, make clear that when agencies consolidate or merge that any obligations of the original agencies become the obligation of the newly formed agency that emerges from that proceeding.

While Diamond Springs-El Dorado Fire Protection District and the El Dorado County Fire District believe that the laws governing agency mergers and consolidations granted them the authority necessary to consolidate the agencies' CalPERS contracts that govern the delivery of benefits to the firefighters and other employees, clarification of that authority under CalPERS law is necessary.

SB 1240 will help facilitate the annexation while protecting the retirement formulas of all employees moving from the Diamond Springs- El Dorado Fire Protection District to the El Dorado County Fire Protection District.

For these reasons, we are proud to support this important measure and would respectfully request your support when this measure comes before you.

Sincerely,

Jackie Neau
Mayor

cc: Members, Senate Labor, Public Employment and Retirement Committee
Senator Alvarado-Gil