BOS PASSED THE RESOLUTION (SEE BELOW), STATING THAT IT WASN'T IMPORTANT BECAUSE IT WAS ONLY A "PHILOSOPHY" AND NOT A PRACTICE.

<u>OPPOSITION TO PROPOSED RESOLUTION 137-2023</u>

Good morning, Board. My name is Marcia Woods and I am the president of El Dorado County Employees Association Local 1. I'm not here today to make an emotional appeal—we all know how much you appreciate us and how hard we work to serve El Dorado County. Instead, I'm going to draw on my many years of experience as a senior appraiser in the Assessor's Office to appeal to your logic and good business sense to explain why Resolution 137-2023 should not be adopted as it is now written.

The stated goal of this resolution is "to develop and maintain a competitive and fiscally responsible pay and benefit structure, based on market data, that pays employees on a fair and competitive basis. To achieve this, compensation shall be approximately equal to the median of the total compensation of the County's compensation comparator counties, which upon adoption of this Resolution shall be: Amador, Napa, Placer, Sacramento, and Yolo." However, this resolution fails to achieve its stated goals, as it ignores actual market reality, preferring instead to manipulate market data to produce a predetermined outcome that will not be fair and competitive. I'm referring to the removal of the State of California from the list of comparator agencies, thereby removing El Dorado County's largest competitor in the labor market.

Sacramento is a government town; as such, it is El Dorado County's largest and nearest direct competitor in the labor market. For this reason alone, the State of California should remain on our list of comparator agencies, as government agencies across the state are all fighting to fill vacancies from a dwindling labor pool. In addition, there have been cases where comparator counties do not have the same or similar classifications as El Dorado County, making it difficult to find matches for some of our classifications. In these cases, it was possible to find matches with State of California classifications.

The State of California currently has 1,426 openings in Sacramento County. The combined total of current job openings for all the comparator agencies recommended in this resolution is 278. How can fair data representative of the current labor market be considered when the largest direct competitor is not included in the analysis?

In a meeting with HR Labor Management earlier this year to express our objections to the State being removed from the list of comparator agencies, EDCEA objected to HR's characterization of having five

comparator agencies as being "more efficient," stating that we would hate to see any of our members' fair wages being sacrificed for the sake of efficiency. HR's reply was that it was easier to find the median with only five agencies. I find it hard to believe that HR's understanding of statistical functions is so unsophisticated that they are unable to calculate median wages without relying on "just pick the one in the middle." Even a simple Google search can provide directions:

To calculate the median of even numbers, you need to [1] [2] [3] [4] [5] :

1. Write the list of numbers in order from smaller to largest.

2. Find the two numbers in the middle of the list. If the list has n numbers, they are at positions n / 2 and (n / 2) + 1.

3. Add these two numbers together and divide the result by 2. This is the median.

1, 3, 3, **6**, 7, 8, 9

Median = <u>6</u>

1, 2, 3, **4, 5**, 6, 8, 9

Median = (4 + 5) ÷ 2

= <u>4.5</u>

Of the five counties included as comparator agencies in this resolution, the obvious outlier is Amador County, with a significantly smaller population (only 21% of that of El Dorado County) than any of the other comparator counties:

Sacramento 833%

Placer 146%

Napa 70%

Yolo 115%

I would suggest that it would be more reasonable to eliminate Amador County from the list of comparator agencies, since they recruit far fewer workers from the labor market in our geographical area, serve a significantly lower population, and have significantly lower housing costs than El Dorado County.

As a real property appraiser in the Assessor's Office for many years, I have a great deal of experience evaluating market data. The gold standard for selecting comparable sales to be used for determining market value is the principle of substitution: would this property be a reasonable substitution to meet

the same needs, wants, and desires of this buyer? The same perspective can be used when searching for appropriate comparator agencies—are the employment opportunities El Dorado County has to offer presenting a reasonable substitution to job seekers in today's labor market?

Furthermore, I would also like to state our objections to item #2 of this resolution, which proposes including special pays, differentials, and benefits to calculate total compensation. Only one other county in the list of comparator agencies offers geographical differentials, yet these are being added to base pay levels when establishing median wages. This a huge disservice to the bulk of our employees who live and work on the West Slope and are not eligible for these differentials, yet their base pay will be calculated at a significantly lower level than the actual medians which have not been inflated by these differentials. it's also a disservice to our sisters and brothers who live in Tahoe, as these differentials don't even approach ameliorating the actual cost of living in Tahoe when added to base pay which has been calculated far below actual medians. Additionally, total compensation from many of the comparator agencies includes benefit costs that are significantly lower than El Dorado County's, again inflating the numbers and shortchanging the actual wages, as well as negatively impacting those employees who do not receive those benefits. Returning to my earlier reference to using comparables to estimate market value, we never compare apples to oranges, and even when comparing oranges to oranges, we are required to adjust for anything that significantly skews the value, by removing the value of any features that add additional value so that we can isolate the actual market value. The proposed method of including differentials with base pay to determine median wage flies in the face of accepted and established norms of establishing market value.

In conclusion, I urge you to reject Resolution 137-2023 as it is currently written, and implore you to sincerely honor your stated goal to develop and maintain a competitive and fiscally responsible pay and benefit structure, based on market data, that pays employees on a fair and competitive basis, by keeping the State of California on the list of comparator agencies, and by using median wages absent differentials, special pays and benefits.

Labor Market Data (from 2021 U.S. Census Data)

El Dorado – No. of employees 1,900; 43 openings (2.3)

ⓘ Population Estimates, July 1, 2022, (V2022)	⚠ 192,646
ⓘ In civilian labor force, total, percent of population age 16 years+, 2017-2021	58.1%
ⓘ Persons 65 years and over, percent	⚠ 23.6%
ⓘ High school graduate or higher, percent of persons age 25 years+, 2017-2021	94.7%
ⓘ Bachelor's degree or higher, percent of persons age 25 years+, 2017-2021	36.8%

ⓘ Median value of owner-occupied housing units, 2017-2021	$510,200
ⓘ Median gross rent, 2017-2021	$1,409

Sacramento – No. of employees 11,900; 136 openings (1.1)

ⓘ Population Estimates, July 1, 2022, (V2022)	⚠ 1,584,169
ⓘ In civilian labor force, total, percent of population age 16 years+, 2017-2021	63.2%
ⓘ Persons 65 years and over, percent	⚠ 15.4%
ⓘ High school graduate or higher, percent of persons age 25 years+, 2017-2021	88.1%
ⓘ Bachelor's degree or higher, percent of persons age 25 years+, 2017-2021	32.0%
ⓘ Median value of owner-occupied housing units, 2017-2021	$398,300
ⓘ Median gross rent, 2017-2021	$1,434

Placer – No. of employees 2,781; 55 openings (1.9)

ⓘ Population Estimates, July 1, 2022, (V2022)	⚠ 417,772
ⓘ In civilian labor force, total, percent of population age 16 years+, 2017-2021	60.3%
ⓘ Persons 65 years and over, percent	⚠ 20.7%
ⓘ High school graduate or higher, percent of persons age 25 years+, 2017-2021	94.8%
ⓘ Bachelor's degree or higher, percent of persons age 25 years+, 2017-2021	41.6%
ⓘ Median value of owner-occupied housing units, 2017-2021	$539,400
ⓘ Median gross rent, 2017-2021	$1,734

Napa – No. of employees 1,300; 32 openings (2.4)

ⓘ Population Estimates, July 1, 2022, (V2022)	⚠ 134,300
ⓘ In civilian labor force, total, percent of population age 16 years+, 2017-2021	64.5%
ⓘ Persons 65 years and over, percent	⚠ 21.3%
ⓘ High school graduate or higher, percent of persons age 25 years+, 2017-2021	85.2%
ⓘ Bachelor's degree or higher, percent of persons age 25 years+, 2017-2021	37.0%
ⓘ Median value of owner-occupied housing units, 2017-2021	$685,500
ⓘ Median gross rent, 2017-2021	$1,880

Amador – No. of employees < 500; 12 openings (2.4)

ⓘ Population Estimates, July 1, 2022, (V2022)	⚠ 41,412
ⓘ In civilian labor force, total, percent of population age 16 years+, 2017-2021	46.5%
ⓘ Persons 65 years and over, percent	⚠ 27.9%
ⓘ High school graduate or higher, percent of persons age 25 years+, 2017-2021	91.3%
ⓘ Bachelor's degree or higher, percent of persons age 25 years+, 2017-2021	19.5%
ⓘ Median value of owner-occupied housing units, 2017-2021	$349,500
ⓘ Median gross rent, 2017-2021	$1,126

Yolo – No. of employees 1,575; 43 openings (2.7)

ⓘ Population Estimates, July 1, 2022, (V2022)	⚠ 222,115
ⓘ In civilian labor force, total, percent of population age 16 years+, 2017-2021	61.0%
ⓘ Persons 65 years and over, percent	⚠ 13.5%
ⓘ High school graduate or higher, percent of persons age 25 years+, 2017-2021	87.6%
ⓘ Bachelor's degree or higher, percent of persons age 25 years+, 2017-2021	43.1%
ⓘ Median value of owner-occupied housing units, 2017-2021	$476,000

ⓘ Median gross rent, 2017-2021 $1,475