Rocklin, CA 95765
April 13, 2010

Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95814

Subject: Pensions ands "Pension Spiking"

As you are undoubtedly aware, and the public is becoming more aware, the California Public Employee Pension System, Calpers, is getting a bit out of hand. The promises made by various Government entities many years ago, are becoming a real burden on Calpers and the CA taxpayers.

We residents of Rocklin recently were introduced to what can happen when our elected officials are unduly influenced by a City employee. The City Manager, with the blessing of our City Council, was given a $60k (or 40%) raise in the last few years of his employment. Part of this was done by transferring payments that the City had been making on behalf on the Manager to the Manager's salary. This didn't cost the City any more in wages, but raised the Managers pay so a higher pay rate would be used to compute his pension. I think they call this "Pension Spiking" They also bought two extra years of retirement credit which the City will pay ($134,000) for over the next 20 years.

Rocklin City Council claims this will save the City hundreds of thousands of dollars over the next 20 years. It may save the City some money, but I think that California taxpayers will end up paying in the long run.

Another problem I have with this situation is the City is able to rehire the retired City Manager at a hefty salary while he collects his pension. Is this reasonable? If you are collecting Social Security, you may only receive work related pay up to a certain dollar amount and then you start losing some of your Social Security payments. Why shouldn't this procedure apply here also??

I think the way that State Retirement Pensions are figured MUST be adjusted to meet the realities of the current political and economic world we live in. Maybe we have to go to a "tiered system" where new hires start and end up with pensions that are lower than some of the current ones. California taxpayers can't sustain the current system's payments.

Sincerely

Don Perera

attachments