

# **EDITORIAL: Fresno County needs a brain drain strategy**

By The Bee Editorial Board

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As The Bee's John Ellis spelled out in a Dec. 27 story, Fresno County is losing talented managers to other California counties that pay better and may provide their top employees with better working environments.

In recognition of what has become a critical problem, Supervisor Andreas Borgeas said: "We must reverse this talent drain or Fresno County risks undermining its entire market competitiveness."

We agree with Borgeas' assessment, but we also agree with Supervisor Debbie Poochigan's observation that Fresno County can't afford to compete with counties such as Los Angeles, Santa Clara and San Francisco. Poochigan called for Fresno to be competitive with neighboring San Joaquin Valley counties.

Our advice to the supervisors is to be strategic about how they address pay disparity and the talent drain. Such a strategy starts with raising the pay for top managers above those of neighboring counties such as Kings, Tulare, Madera and Merced. This is justified because Fresno County's operations are larger and, in many cases, the challenges are greater.

The supervisors also should keep in mind that turnover is inevitable. Talented people seek greater pay and new challenges. A young manager, for example, may see Fresno as a stepping stone to a bigger job.

But we also recommend that the board not panic and dramatically raise the pay of managers nearing retirement just to keep them around for a year or two. A hefty raise in that situation could result in pension spiking and end up costing taxpayers and the Fresno County pension fund many hundreds of thousands of dollars.

It is our belief that when local governments consider pay hikes — whether to top managers, mid-level managers or rank-and-file employees — an accompanying public analysis should include the pension obligations and total costs created by those raises.

Fresno County has gone through considerable pain trying to get a handle on a pension system that is more than generous to longtime employees. Even with modifications to the plan for more recent hires, taxpayers contributed \$186 million to the pension fund in the 2012-13 fiscal year. Following a lowering of the fund's expected investment return percentage in August, that figure will rise by as much as \$66 million in 2017.

Reiterating our advice to the supervisors: Make Fresno County's pay for top managers competitive with other Valley counties, but don't give pension-spiking fat raises to soon-retiring managers.

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