

Division: Nondepartmental - All Other

Program Characteristics:**Program Description**

The County passed Resolution No. 99-218 on November 4, 1999 authorizing the issuance of up to \$200,000,000 of bond proceeds to finance the estimated unfunded accrued actuarial liability (UAL) of the County to the Oregon Public Employees Retirement System (PERS).

Senate Bill 198-B, effective October 23, 1999, authorized the County to pledge taxes that the County may levy within the limitations of sections 11 and 11b, Article XI of the Oregon Constitution not subject to annual appropriation. On December 1, 1999 the County issued \$184,548,160 in Pension Obligation Bonds to fund its PERS unfunded liability. The bonds have a final maturity date in fiscal year 2030. Debt service payments are supported by a surcharge against payroll. The surcharge rate has fluctuated, on average, between 5% and 9% of payroll. A reserve has been established to support future escalating debt payments in order to maintain the surcharge at a constant level.

To mitigate rising PERS rates, the County Board approved the establishment of five PERS side accounts (\$25 million each) from fiscal year 2017-2023. Side accounts totaled \$125 million. Side accounts increase an employer's actuarial assets, reducing the difference between actuarial assets and actuarial liabilities, the PERS UAL. Side accounts reduce employer contributions/rates over time by paying down pension obligation. The County participated in the State of Oregon's SB 1049 PERS Employer Incentive Fund (EIF) match program, which provided for a 25% match on two qualifying side account (\$12.5 million). Though rate of relief can vary, the relief is estimated to be between 0.6% - 0.7% of payroll.

Equity Statement

This program ensures County pension obligations established by the issuance of debt are met. Timely payment of debt obligations and compliance to financing terms/conditions helps prevent non-compliance, penalties, and negative impacts to the County's debt rating. Maintaining a good debt rating helps reduce the cost of debt for future debt obligations. Pension Bonds help mitigate the financial impact of an unfunded actuarial liability (UAL).

Revenue/Expense Detail

	2026 General Fund	2026 Other Funds	2027 General Fund	2027 Other Funds
Contractual Services	\$0	\$450,700	\$0	\$450,700
Debt Service	\$0	\$34,885,000	\$0	\$36,800,000
Unappropriated & Contingency	\$0	\$45,625,591	\$0	\$45,097,875
Total GF/non-GF	\$0	\$80,961,291	\$0	\$82,348,575
Total Expenses:	\$80,961,291		\$82,348,575	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues

Other / Miscellaneous	\$0	\$27,820,781	\$0	\$32,505,287
Interest	\$0	\$1,400,000	\$0	\$1,400,000
Beginning Working Capital	\$0	\$51,740,510	\$0	\$48,443,288
Total Revenue	\$0	\$80,961,291	\$0	\$82,348,575

Performance Measures

Performance Measure	FY25 Actual	FY26 Estimate	FY27 Target
Moody's Rating of Aa1 or Better (1-Yes, 0-No)	1	1	1
Debt Service Payments Made as Scheduled (1-Yes, 0-No)	1	1	1