



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

Board Clerk Use Only

Meeting Date: 8/2/12
Agenda Item #: R.3
Est. Start Time: 10:35 am
Date Submitted: _____

Agenda Title: Authorizing Multnomah County's Acceptance of Proposed Settlement Terms in White v. PERB

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: August 2, 2012 **Amount of Time Needed:** 5 minutes
Department: DCM/Non-Departmental **Division:** Finance/County Attorney
Contact(s): Mark Campbell and Jenny M. Morf
Phone: (503) 988-6229 **Ext.** 86229 **I/O Address:** 503/5/501
Presenter(s): Mark Campbell, Chief Financial Officer

General Information

1. What action are you requesting from the Board?

Approve terms of a settlement agreement proposed by outside legal counsel.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

This case is one in which the County is an "intervenor-respondent" and relates to issues associated with the Public Employee Retirement System (PERS). The case has its origins in another court case, *City of Eugene v. PERB*, as well as the PERS reforms enacted by the 2003 legislature.

The Supreme Court for Oregon issued an opinion in *White v. PERB* in December, 2011. All issues in the case were decided in favor of the defendant except for one. At question was a \$61 million transfer that was made from the PERS contingency to the employer accounts of nine public employers. Multnomah County is one of those nine public employers. The issue was remanded to trial court to determine whether the transfer was a proper remedy. Legal counsel for both sides has reached a settlement agreement that will avoid further litigation over this issue.

This is not a monetary settlement – in the sense that the County and the other public employers would be required to repay PERS for their share of the settlement. Rather, the settlement will be reflected as a reduction to the earnings credited to employer accounts for the 2012 calendar year. PERS rates may be increased in future biennium as a result of the settlement, although staff believes that the impact will be negligible.

3. Explain the fiscal impact (current year and ongoing).

Possible increase in PERS employer rates in future bienniums. Rate increases are assumed to be negligible but cannot be calculated at this time.

4. Explain any legal and/or policy issues involved.

On December 18, 2003, the Board adopted Resolution 03-171 delegating authority to the County Attorney to settle claims and litigation against the County or its employees in amounts up to \$25,000 per case. The County Attorney must obtain Board approval for all settlements of over \$25,000

5. Explain any citizen and/or other government participation that has or will take place.

N/A

Required Signature

**Elected Official or
Department/
Agency Director:**

Mark Campbell /s/

Date: 7-26-12
