

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

RESOLUTION NO. 2016-117

Directing the Chief Financial Officer to Make Lump Sum Payments to PERS to Reduce the County's Annual PERS Costs.

The Multnomah County Board of Commissioners Finds:

- a. The Oregon Public Employees Retirement System (PERS) is a pension plan providing retirement benefits for public service employees throughout the state, including County employees.
- b. PERS sets the rate, as a percentage of payroll, that the County must pay to PERS to fund the County's portion of pension obligations for public retirees.
- c. The County levies an internal PERS payroll charge to enable the County to make required payments to PERS and debt service payments in connection with the County's 1999 Pension Obligation Bonds, and the County has developed a committed reserve fund from these PERS payroll charges.
- d. The most recent actuarial valuation of PERS indicated an increase in PERS's unfunded actuarial liability from \$8.5 billion as of December 31, 2013, to \$21.8 billion as of December 31, 2015.
- e. As a result of the increase in the unfunded actuarial liability, PERS is likely to increase the rates charged to all local government employers, including the County, over the coming years.
- f. Increases in the rates charged by PERS will increase the County's overall labor costs.
- g. Making lump sum payments to PERS for the purpose of opening side accounts can bring about significant reductions in the amount that the County otherwise would have to pay to PERS over the following 18 – 20 years, protecting the County's ability to provide vital services to residents.
- h. One of the missions of the Board is to promote a prosperous community for all Multnomah County residents.
- i. With assets of approximately \$68 billion, PERS represents over 75% of the funds invested by the Oregon Investment Council (OIC), and ORS 293.733 requires the OIC to invest at least \$100 million in Oregon-based businesses unless it is not prudent to do so.

The Multnomah County Board of Commissioners Resolves:

1. The Chief Financial Officer is directed to make a lump sum payment in the amount of \$25,000,000 to PERS using funds from the reserve fund created from the PERS payroll charges.
2. The Chief Financial Officer is directed to make future lump sum payments to PERS using funds from the reserve fund created from the PERS payroll charges when doing so, in the opinion of the Chief Financial Officer, is prudent and will not result in the County failing to maintain an appropriate amount in the reserve fund.
3. The County supports the OIC making prudent investments using PERS funds totaling more than \$100 million in local businesses that are based in Multnomah County and throughout Oregon.

ADOPTED this 1st day of December, 2016.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Loretta Smith, Vice-Chair

REVIEWED:
JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON



By _____
Jenny M. Madkour, County Attorney