



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date: 4/15/14
Agenda Item #: B.1
Est. Start Time: 10:00 am
Date Submitted: 3/26/14

Agenda Title: **Board Briefing on Recent Changes to Oregon PERS and Impacts on Multnomah County**

Note: Title should not be more than 2 lines but be sufficient to describe the action requested.

Requested Meeting Date: April 8, 2014 **Time Needed:** 60 Minutes
Department: County Management **Division:** Finance & Risk Management
Contact(s): Mark Campbell
Phone: (503) 988-6229 **Ext.** X86229 **I/O Address:** 503/531
Presenter Name(s) & Title(s): Mark Campbell, Chief Financial Officer

General Information

1. What action are you requesting from the Board?

No action from the Board is necessary. This is an informational briefing on the PERS system and legislative changes made to it during the 2013 regular legislative session and the 2014 special session.

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.

Multnomah County is a participating employer in Oregon PERS, a multiple employer, defined benefit public employee pension plan. County contributions are determined based on a number of factors related to employee demographics and are charged as a percentage of payroll. Rates have fluctuated over time and are primarily dependent upon investment earnings credited to the system.

As a result of losses experienced during the stock market crash of 2008, the unfunded actuarial liability (UAL) of the PERS fund grew to nearly \$17 billion. Rates charged to employers increased, on average, by 4.5% in both the 2009-11 and 2011-13 bienniums. PERS reforms enacted by the Oregon legislature in 2013 have had a significant impact on system funding and led to a 50% reduction in the UAL. This briefing will focus on the changes made by the legislature and how they impact Multnomah County. It will also offer a recommendation for how the County can achieve PERS rate stability by using existing reserves to smooth future anticipated rate increases.

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

No direct fiscal impact. The recommended approach to managing the County's PERS liability may produce savings in future budgets.

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

N/A.

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: Karyne Kieta \s\ **Date:** 3/26/14

Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved."