

**Lead Agency:** Nondepartmental - All

**Program Contact:** Mark Campbell

**Program Offer Type:** Existing Operating

**Related Programs:**

**Program Characteristics:** In Target

### Executive Summary

The PERS Pension Obligation Bond Sinking Program accounts for principal and interest payments on pension obligation revenue bonds issued December 1, 1999 in the amount of \$184,548,160 to retire the County's PERS unfunded actuarial accrued liability. Revenues that support debt payments are derived from charge backs to departments based on their departmental personnel cost.

### Program Description

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

Debt service payments are supported by a surcharge against payroll. The surcharge rate has fluctuated, on average, between 6% and 7% of payroll. A reserve is being established to support future, escalating debt payments in order to maintain the surcharge at a constant level.

### Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY11-12)	Current Year Purchased (FY12-13)	Current Year Estimate (FY12-13)	Next Year Offer (FY13-14)
Output	Moody's Rating of Aa2 or Better	1	1	1	1
Outcome		0	0	0	0

### Performance Measure - Description

Maintaining an investment grade bond rating limits the amount the County might otherwise have to pay towards annual debt service.

(1)-indicates Moody's Aa2 rating, (0)-represents rating lower than Aa2.

## Legal/Contractual Obligation

Principal and interest on the PERS Pension Obligation Bond are a binding debt obligation. The County passed Resolution No. 99-218 on November 4, 1999, authorizing the issuance of up to \$200,000,000 of bonds as authorized by state statute.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2013	2013	2014	2014
Contracts	\$0	\$50,000	\$0	\$25,000
Debt Service	\$0	\$17,041,600	\$0	\$18,036,600
Unappropriated & Contingency	\$0	\$58,335,900	\$0	\$60,108,400
<b>Total GF/non-GF:</b>	<b>\$0</b>	<b>\$75,427,500</b>	<b>\$0</b>	<b>\$78,170,000</b>
<b>Program Total:</b>	<b>\$75,427,500</b>		<b>\$78,170,000</b>	
Program FTE	0.00	0.00	0.00	0.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$18,000,000	\$0	\$19,520,000
Other / Miscellaneous	\$0	\$57,427,500	\$0	\$58,650,000
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$75,427,500</b>	<b>\$0</b>	<b>\$78,170,000</b>

## Explanation of Revenues

Interest earnings on the fund balance and service charges assessed to departments as a percentage of payroll. In FY 2014, departments will pay 6.25% of payroll costs toward the retirement of the Pension Obligation Bonds.

## Significant Program Changes

Last year this program was: #10025, PERS Pension Bond Fund