POLK COUNTY BOARD OF COMMISSIONERS

DATE: November 13, 2024
TIME: 9:00 a.m.
PLACE: Polk County Courthouse, Dallas, Oregon

THE LOCATION OF THIS MEETING IS ADA ACCESSIBLE. PLEASE ADVISE THE BOARD OF COMMISSIONERS AT (503-623-8173), AT LEAST 24 HOURS IN ADVANCE, OF ANY SPECIAL ACCOMMODATIONS NEEDED TO ATTEND OR TO PARTICIPATE IN THE MEETING VIRTUALLY.

PAGE:

AGENDA ITEMS

1. CALL TO ORDER AND NOTE OF ATTENDANCE

2. ANNOUNCEMENTS

   (a) Regular meetings of the Board of Commissioners are held on Tuesday and Wednesday each week. Each meeting is held in the Courthouse Conference Room, 850 Main Street, Dallas, Oregon. Each meeting begins at 9:00 a.m. and is conducted according to a prepared agenda that lists the principal subjects anticipated to be considered. Pursuant to ORS 192.640, the Board may consider and take action on subjects that are not listed on the agenda. The Board also holds a department staff meeting at 9:00am on every Monday in the Commissioners Conference Room at 850 Main Street, Dallas, Oregon.

   (b) The Homeless Prevention Advisory Council (AKA P.A.T.H.S) will be meeting on November 13, 2024 from 12:00 pm to 2:00 pm located at 1407 Monmouth Independence Hwy, Monmouth OR 97361.

   (c) The Polk County Board of Commissioner's meetings on November 19th & 20th, 2024 have been cancelled.

3. COMMENTS (for items not on this agenda and limited to 3 minutes)
4. APPROVAL OF AGENDA
5. APPROVAL OF THE MINUTES FROM November 6, 2024
6. APPROVAL OF CONSENT CALENDAR
7. LENGTH OF SERVICE AWARDS – Matt Hawkins
   - Sergio Gutierrez, 20 years of service
8. ALYRICA – BETHEL HEIGHTS BROADBAND PROPOSAL - Sam Dotson & Kimberli Lipscomb
9. PERS UPDATE – Greg Hansen
10. FAIR BOARD REQUEST – OPERATING LEVY – Greg Hansen
11. RECLASSIFICATION OF AN EMPLOYEE – Matt Hawkins

CONSENT CALENDAR

a) Polk County Contract No. 24-186, City of Salem
(Morgan Smith, County Counsel)

THE BOARD OF COMMISSIONERS WILL MEET IN EXECUTIVE SESSION PURSUANT TO ORS 192.660.

ADJOURNMENT

POLK COUNTY PUBLIC MEETINGS AND PUBLIC HEARINGS
GUIDELINE FOR CITIZENS

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REGULAR MEETING AGENDA

Regular meetings of the Polk County Board of Commissioners convene at 9 a.m. each Wednesday morning. Any person wishing to bring a matter before the Board at one of these meetings may do so by mailing or delivering written notice, concisely describing the nature of the item, to the Board of Commissioners, Polk County Courthouse, Dallas, Oregon 97338, by noon on the preceding Thursday. Unless otherwise announced, meetings are held in the Main Conference Room of the Courthouse.

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APPEARANCE OF INTERESTED CITIZENS

The Board sets aside a time at each regular meeting for comment by the public on subjects not appearing on the Agenda. Individuals may come forward and make any statement they wish, but not to exceed three (3) minutes in length, except as is required to give concise answers to questions from Board members. If the subject will require a lengthier presentation, or merits inclusion as an item on the Agenda of a future meeting, the Board shall schedule it accordingly.

****

PUBLIC HEARING FORMAT
Land Use

1. Chairman opens hearing.
   a. Reading of hearing request or appeal statement.
   b. Call for abstentions (ex parte contact or conflict of interest).
2. County staff presents background, summary and its recommendation (20-minute limit).
3. Applicant (Appellant) presents his/her case (15-minute limit).
4. Public testimony. Note that all testimony and evidence must be directed toward the applicable factual and legal criteria as identified in the record and/or during this hearing. Do not repeat previous testimony. Simply note for the record that you are in agreement with that earlier testimony. Your time to present testimony is limited. FAILURE TO RAISE AN ISSUE IN THIS HEARING, IN PERSON OR BY LETTER, OR FAILURE TO PROVIDE ADEQUATE SPECIFICITY TO AFFORD THE BOARD AN OPPORTUNITY TO RESPOND TO THE ISSUE MAY PRECLUDE LATER APPEAL TO LUBA ON THAT ISSUE.
   a. Individuals in favor of the application or appeal.
   b. Individuals against the application or appeal. At the discretion of the Chairman, an attorney, consultant, or other designated representative of two or more individuals may be allowed the combined time for each represented individual who does not speak, not to exceed 20 minutes. The Chairman may require proof of designation.
5. Rebuttal by Applicant (Appellant) (10-minute limit).
6. Questions from Board (discussion limited to individuals questioned by the Board).
   a. Staff.
   b. Applicant (Appellant).
   c. Individuals testifying.
7. Chairman closes hearing and announces closing of Record.
8. Chairman announces date for deliberation and decision.
9. The Board's decision is deemed the final decision of Polk County. It may be appealed to LUBA within 21 days of its issuance in written form. The address and phone number of LUBA may be obtained from the Polk County Community Development Department and will also appear on the Notice of Decision which will be mailed to all persons who testify, submit comments, or print their name and address on the hearing attendance sheet at the back of the hearing room.

POLK COUNTY BOARD OF COMMISSIONERS
MINUTES November 6, 2024

1. CALL TO ORDER & ATTENDANCE

At 9:00 a.m., Commissioner Pope declared the meeting of the Polk County Board of Commissioners to be in session. Commissioner Mordhorst and Commissioner Gordon were present.

Staff present: Greg Hansen, Administrative Officer
Morgan Smith, County Counsel
Matt Hawkins, Administrative Services Director

2. ANNOUNCEMENTS

Regular meetings of the Board of Commissioners are held on Tuesday and Wednesday each week. Each meeting is held in the Courthouse Conference Room, 850 Main Street, Dallas, Oregon. Each meeting begins at 9:00 a.m. and is conducted according to a prepared agenda that lists the principle subjects anticipated to be considered. Pursuant to ORS 192.640, The Board may consider and take action on subjects that are not listed on the agenda. The Board also holds a department staff meeting at 9:00 a.m. on every Monday in the Commissioners Conference Room at 850 Main Street, Dallas, Oregon.

The Polk County Board of Commissioner’s Meeting on November 12th, 2024 is cancelled.

3. COMMENTS

Mandy Straus provided public comment that was finishing a statement that she was reading aloud yesterday to the Commissioners. Her statement is directed to Commissioner Gordon and towards Sheriff Garton.

4. APPROVAL OF AGENDA

MOTION: COMMISSIONER MORDHORST MOVED, COMMISSIONER GORDON SECONDED, TO APPROVE THE AGENDA.

MOTION PASSED BY UNANIMOUS VOTE OF THE BOARD.

5. APPROVAL OF MINUTES OF October 30, 2024

MOTION: COMMISSIONER GORDON MOVED, COMMISSIONER MORDHORST SECONDED, TO APPROVE THE MINUTES OF October 30, 2024.

MOTION PASSED BY UNANIMOUS VOTE OF THE BOARD.

6. APPROVAL OF CONSENT CALENDAR

MOTION: COMMISSIONER MORDHORST MOVED, COMMISSIONER GORDON SECONDED, TO APPROVE THE CONSENT CALENDAR.

MOTION PASSED BY UNANIMOUS VOTE OF THE BOARD.

7. SECOND READING OF POLK COUNTY ORDINANCE NO. 24-06

Morgan Smith, County Counsel, provided background information on what Polk County Ordinance No. 24-06 is and why he is recommending the Board sign and adopt this into the record. Mr. Smith stated that the first reading was completed on October 23, 2024 and today he would be completing the second reading. The Commissioners thanked Mr. Smith and stated they did not have any questions. Mr. Smith stated the second reading would take place two weeks from now on November 6, 2024.

MOTION: COMMISSIONER MORDHORST MOVED, COMMISSIONER GORDON SECONDED, TO APPROVE AND SIGN POLK COUNTY ORDINANCE NO 24-06.

MOTION PASSED BY UNANIMOUS VOTE OF THE BOARD.

The following items were approved by Motion under **5. APPROVAL OF CONSENT CALENDAR:**

a) Property Values Appeals Board Appointment, Michael Sewell (Cole Steckley, PVAB Clerk)

b) Polk County Contract No. 24-183 (Amendment 12 to 23-109, Oregon Health Authority Rosana Warren Rivera, Public Health)

Commissioner Pope asked Mr. Hansen for an update on behalf of Mrs. Williams, County Clerk, and Mr. Hansen talked about the day and what the voter turnout looked like and the number of ballots that have been counted so far for our county. Mr. Hansen said that the Clerk did very well on her first major election and that the observation went very smoothly as well. Commissioner Mordhorst asked about the observers being able to observe after yesterday and Mr. Hansen said he wasn't sure about that and that would be a question for the Clerk and that he would follow up with her.

There no need for an executive session and Commissioner Pope adjourned the meeting at 9:22 a.m.

POLK COUNTY BOARD OF COMMISSIONERS

Craig Pope, Chair

Jeremy Gordon, Commissioner

Lyle Mordhorst, Commissioner

Minutes: Nicole Pineda
Approved: November 13, 2024

Summary of PERS Employer Contribution Rates

Rates shown reflect the effect of side account rate offsets and retiree healthcare contributions, and exclude contributions to the IAP and debt service for pension obligation bonds.

Employer Number	Employer Name	Net Employer Contribution Rate 7/1/23 - 6/30/25			Net Employer Contribution Rate 7/1/25 - 6/30/27		
		Tier One / Tier Two Payroll (reflects 2.40% member redirect offset)	OPSRP General Service Payroll (reflects 0.65% member redirect offset)	OPSRP Police and Fire Payroll (reflects 0.65% member redirect offset)	Tier One / Tier Two Payroll (reflects 2.40% member redirect offset)	OPSRP General Service Payroll (reflects 0.65% member redirect offset)	OPSRP Police and Fire Payroll (reflects 0.65% member redirect offset)
	Independent Employers						
	City						
2189	City of Willamina	0.00%	0.00%	3.15%	4.89%	3.85%	9.12%
2253	Town of Butte Falls	21.78%	15.48%	20.27%	26.67%	20.97%	26.24%
	County						
2001	Clackamas County	27.59%	22.57%	27.36%	30.21%	25.95%	31.22%
2002	Curry County	34.15%	27.37%	32.16%	37.09%	32.86%	38.13%
2003	Douglas County	44.42%	36.99%	41.78%	46.99%	39.68%	44.95%
2006	Jefferson County	17.16%	11.19%	15.98%	18.60%	12.85%	18.12%
2008	Lane County	9.11%	3.82%	8.61%	16.45%	11.67%	16.94%
2014	Linn County	30.46%	24.74%	29.53%	34.86%	29.19%	34.46%
2039	Malheur County	22.21%	17.64%	22.43%	27.81%	22.47%	27.74%
2897	Morrow County	17.12%	10.82%	15.61%	17.38%	11.68%	16.95%
2037	Polk County	27.68%	22.14%	26.93%	28.91%	23.73%	29.00%
2050	Wallowa County	20.95%	11.08%	15.87%	22.27%	16.57%	21.84%
2015	Yamhill County	21.30%	15.42%	20.21%	23.99%	18.94%	24.21%
	Special Districts						
2898	Adair Rural Fire Protection District	N/A	N/A	N/A	17.89%	12.19%	17.46%
2664	Applegate Valley Rural Fire Protection District #9	35.66%	21.71%	26.50%	36.15%	27.20%	32.47%
2702	Banks Fire District #13	26.93%	20.63%	25.42%	24.42%	22.12%	27.39%
2596	Bend Parks & Recreation	18.44%	15.19%	19.98%	19.85%	17.27%	22.54%
2648	Black Butte Ranch Rural Fire Protection District	24.20%	17.90%	22.69%	39.39%	28.78%	34.05%
2833	Boardman Fire & Rescue District	22.29%	15.99%	20.78%	23.18%	17.48%	22.75%
2890	Central Cascades Fire & EMS	17.38%	11.08%	15.87%	18.27%	12.57%	17.84%
2403	Central Coos Fire and Rescue	N/A	N/A	N/A	30.74%	25.04%	30.31%
2678	Central Oregon Regional Housing Authority	16.24%	15.26%	20.05%	16.55%	15.41%	20.68%
2645	Chiloquin Agency Lake Rural Fire Protection District	27.81%	19.01%	23.80%	24.97%	20.50%	25.77%
2693	City-County Insurance Services	15.75%	14.45%	19.24%	18.28%	18.07%	23.34%
2518	Clackamas County Housing Authority	19.54%	14.85%	19.64%	23.23%	20.34%	25.61%
2870	Clackamas River Water Providers	12.19%	13.78%	18.57%	15.59%	17.12%	22.39%
2679	Columbia River People's Utility District	24.31%	22.21%	27.00%	26.69%	25.73%	31.00%
2828	Deschutes Public Library District	18.42%	15.79%	20.58%	19.88%	17.28%	22.55%
2527	Deschutes Valley Water District	22.44%	18.25%	23.04%	29.60%	24.79%	30.06%
2729	Douglas County Fire District #2	66.19%	55.09%	59.88%	73.01%	61.29%	66.56%
2743	Douglas Soil & Water Conservation District	N/A	N/A	N/A	19.48%	13.78%	19.05%
2529	East Fork Irrigation District	14.01%	11.08%	15.87%	20.03%	17.74%	23.01%
2618	Estacada Cemetery District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2623	Evans Valley Fire District #6	17.61%	11.31%	16.10%	22.50%	16.80%	22.07%

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Milliman
1455 SW Broadway, Suite 1600
Portland, OR 97201-3412
503 227 0634

October 2024

Polk County/2037
Oregon Public Employees Retirement System

As part of our engagement with the Oregon Public Employees Retirement Board, we performed a system-wide actuarial valuation of the Oregon Public Employees Retirement System ("PERS" or "the System") as of December 31, 2023. The attached report, which is an informational supplement to the system-wide actuarial valuation report, provides you with employer-specific contribution rates that will become effective July 1, 2025. Information to assist you in preparing your required financial reporting disclosures under Statement 68 and Statement 75 of the Governmental Accounting Standards Board (GASB) will be provided separately by PERS and is not included in this report.

This report reflects the System's benefit provisions in effect as of December 31, 2023, as modified by House Bill 4045 from the 2024 legislative session, as described in the system-wide actuarial valuation report. The full development of the valuation results for the Oregon Public Service Retirement Plan (OPSRP) and Retiree Health Insurance Account (RHIA) programs can be found in the separate system-wide actuarial valuation report. Costs of the IAP (Individual Account Program) are not included in this or the system-wide actuarial valuation report. Further, costs of pension obligation bond payments are not included in this or the system-wide actuarial valuation report.

If you have any questions about this report, please contact actuarial.services@pers.oregon.gov.

Contents of Report

The executive summary provides the basic information you need, including:

- Contribution rates for Tier One/Tier Two, OPSRP general service, and OPSRP police and fire payroll, and
- A summary of principal valuation results.

The remainder of the report provides additional information, including:

- Side account balances, transactions, and rate relief,
- Detailed development of Tier One/Tier Two valuation results,
- A brief summary of methods and assumptions, and
- A brief summary of any changes in System benefit provisions.

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Additional information is provided in the system-wide actuarial valuation report, which is available at www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx.

The actuarial computations presented in this report are for purposes of determining the contribution rates effective from July 2025 to June 2027 for System employers. The calculations in the enclosed report have been made on a basis consistent with our understanding of the System's funding requirements and goals, and with our understanding of the System benefit provisions described in the appendices of this report. Determinations for other purposes may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Board. The Board is responsible for selecting the System's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in the valuation are those that have been so adopted and are described in this report. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias.

This valuation report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as, but not limited to, the following: System experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the System's funded status); and changes in System benefit provisions or applicable law. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of future measurements. The Board has the final decision regarding the selection of the assumptions and actuarial cost methods and adopted them as indicated herein at the September 2023 Board Meeting.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the System's staff. This information includes, but is not limited to, System benefit provisions as defined by statute, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

October 2024

Polk County/2037 Milliman's work has been prepared for a specific and limited purpose solely for the use and benefit of the Oregon Public Employees Retirement System, the employer named above, or its auditors for the purpose of completing an audit related to matters herein. Milliman does not intend to benefit or create a legal duty to any third-party recipient of this work. It is a complex, technical analysis that assumes a high level of knowledge concerning the System's operations, and uses the System's data, which Milliman has not audited. No third-party recipient of Milliman's work product should rely upon this report. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs, for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the System. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Additional information is provided in the system-wide actuarial valuation report.

Sincerely,

Scott Preppernau

Matt Larrabee, FSA, EA, MAAA
Principal and Consulting Actuary

Scott Preppernau, FSA, EA, MAAA
Principal and Consulting Actuary

ACTUARIAL VALUATION REPORT DECEMBER 31, 2023

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Milliman

INDEPENDENT EMPLOYERS

Polk County -- #2037

October 2024

CONTENTS

Milliman has prepared this report for Polk County to:

- Provide summary December 31, 2023 valuation results for the Oregon Public Service Retirement Plan (OPSRP) and the Retiree Health Insurance Account (RHIA),
- Provide employer-specific contribution rates effective July 1, 2025 through June 30, 2027, and
- Provide employer-specific valuation results for side accounts and Tier One/Tier Two assets and liabilities as of December 31, 2023.

Text96:This report summarizes the valuation results for the OPSRP and RHIA. The full development of these results can be found in the December 31, 2023 system-wide actuarial valuation report. This report develops employer-specific Tier One/Tier Two and side account rates and applies the results from the system-wide actuarial valuation to Polk County.

Retirement System Risks

Oregon PERS, like all defined benefit plans, is subject to various risks that will affect the future plan liabilities and contribution requirements, including investment risk, demographic risk, and contribution risk. While the results of an actuarial valuation are based on one set of reasonable assumptions, it is almost certain that future experience will not exactly match the assumptions. The section of the

Executive Summary

system-wide actuarial valuation report report titled "Risk Disclosure" discusses the System's risks in more detail.

Employer Contribution Rates

The following tables summarize the employer contribution rates effective July 1, 2025 through June 30, 2027 calculated as of December 31, 2023 and the employer contribution rates effective July 1, 2023 through June 30, 2025 calculated as of December 31, 2021 for each type of payroll. There are separate normal cost rates for each of the payrolls based on the benefit structure supported by that payroll. The other rates apply to all payrolls regardless of the benefit structure to which they are attributed.

The employer contribution rates effective July 1, 2023 through June 30, 2025 are as previously published and do not reflect subsequent changes such as supplemental payments made by the employer.

In this report, the payroll of Tier One and Tier Two members is referred to as Tier One/Tier Two valuation payroll. Combined valuation payroll refers to the payroll for Tier One/Tier Two members, OPSRP general service members, and OPSRP police and fire members.

As discussed in the system-wide actuarial valuation report, we believe the contribution rates shown in this report constitute "reasonable actuarially determined contributions" as defined in Actuarial Standards of Practice. See the system-wide actuarial valuation report for more detail.

Employer Contribution Rates (continued)

Employer Contribution Rates Effective July 1, 2025

	Payroll		
		OPSRP	
	Tier One/Tier Two	General Service	Police & Fire
Pension	17.40%	10.47%	15.74%
Normal cost rate	11.16%	11.16%	11.16%
Tier One/Tier Two UAL rate	0.06%	0.06%	0.06%
Multnomah Fire District #10 UAL rate	2.69%	2.69%	2.69%
OPSRP UAL rate	0.00%	0.00%	0.00%
Side account rate relief [1]	(2.40%)	(0.65%)	(0.65%)
Member redirect offset [2]	**28.91%**	**23.73%**	**29.00%**
Net employer pension contribution rate			
Retiree Healthcare	0.04%	0.00%	0.00%
Normal cost rate	(0.04%)	0.00%	0.00%
UAL rate	**0.00%**	**0.00%**	**0.00%**
Net retiree healthcare rate	**28.91%**	**23.73%**	**29.00%**
Total net employer contribution rate			

Employer Contribution Rates Effective

	Payroll

Executive Summary

		OPSRP	
	Tier One/Tier Two	General Service	Police & Fire
Pension			
Normal cost rate	17.18%	9.89%	14.68%
Tier One/Tier Two UAL rate	11.06%	11.06%	11.06%
Multnomah Fire District #10 UAL rate	0.15% 1.69%	0.15% 1.69%	0.15%
OPSRP UAL rate	0.00%	0.00%	1.69%
Side account rate relief [1]	(2.40%)	(0.65%)	0.00%
Member redirect offset [2]	**27.68%**	**22.14%**	(0.65%)
Net employer pension contribution rate			**26.93%**
Retiree Healthcare	0.04%	0.00%	
Normal cost rate	(0.04%)	0.00%	0.00%
UAL rate	**0.00%**	**0.00%**	0.00%
Net retiree healthcare rate	**27.68%**	**22.14%**	**0.00%**
Total net employer contribution rate			**26.93%**

[1] *The side account rate relief shown may be reduced such that the net pension contribution rate does not go below 0.00%.*

[2] *Redirected member contributions under Senate Bill 1049 (2.50% of payroll for Tier One/Tier Two and 0.75% of payroll for OPSRP) will offset employer contribution rates. Redirect does not apply to members with monthly pay below a threshold. The values shown in the table incorporate an estimate of the effect of this limitation.*

Employer Contribution Rates (continued)

Range of Potential Tier One/Tier Two UAL Contribution Rates for the July 2027 to June 2029 Biennium

The rate collar limits changes in the Tier One/Tier Two UAL Rate for an employer, but does not limit changes related to side accounts and does not limit the change in the normal cost rate. The table below shows the possible minimum and maximum Tier One/Tier Two UAL Rates first effective as of July 1, 2027. The collar width, which in general is the amount the UAL Rate could increase or decrease from the current UAL Rate being paid, is 4% of pay or (if greater) one-third of the difference between the collared and uncollared UAL rates at the last rate-setting valuation. However, the UAL Rate is only allowed to decrease by the full collar width if the employer's funded status (excluding side accounts) is greater than or equal to 90%. The UAL Rate is not allowed to decrease at all if funded status is below 87%, and the allowable decrease is phased in for funded status levels from 87% to 90%.

For reference, the employer's funded status (excluding side accounts) as of December 31, 2023 is 67%.

2025-2027 Biennium	2027-2029 Biennium	
	15.16%	**<<<No higher than this**
11.16%	11.16%	**<<<No lower than this if December 31, 2025 funded status is 87% or lower**

Executive Summary

	7.16%	**<<<No lower than this if December 31, 2025 funded status is 90% or higher**

Normal Cost Rates

As seen on the prior page, the other large rate components are the normal cost rates for the Tier One/Tier Two and OPSRP programs. The normal cost rate represents the projected cost of benefits earned by current year service.

The normal cost rate in any biennium is driven by the active member demographics of the experience pooling groups in which the employer's members participate. The active member census as of this rate-setting valuation is used to calculate the adopted 2025 - 2027 biennium normal cost rate.

Each biennium's normal cost rate is also sensitive to the investment return assumption, or assumed rate, adopted by the PERS Board for the valuation. The lower the assumed rate, the higher the normal cost rate. The normal cost rate that will be effective as of July 1, 2027 will be based on the active demographics and investment return assumption as of December 31, 2025.

Accounting Information

Milliman is not an accounting or audit firm and cannot provide accounting advice. Milliman is not responsible for the interpretation of, or compliance with, accounting standards; citations to, and descriptions of accounting standards provided in this report are for reference purposes only. The information provided in this section is intended to assist the employer in completing its financial statements, but any accounting determination should be reviewed by your auditor.

Pension

In June 2012 the GASB issued Statement No. 68 (GASB 68), which replaced Statement No. 27 and governs employer financial reporting for fiscal years beginning after June 15, 2014. The new standard replaced many of the key elements of the prior reporting requirements. Under the new rules, employers are required to record a balance sheet liability for their unfunded pension obligations. In addition, the timing and coordination of plan and employer reporting has changed under the new requirements. GASB 68 information for employers will be provided separately by PERS and is not included in this report.

Schedule of Funding Progress

Under GASB 27, the Schedule of Funding Progress for Tier One/Tier Two pension liabilities was reported in the Required Supplementary Information. This schedule is no longer required now that GASB 68 has replaced GASB 27. However, for additional information and the sake of historical comparison, the updated schedule is shown below for the last several valuations. For employers with side accounts, the actuarial value of assets in this Schedule includes the value of the employer's side accounts.

Executive Summary

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b - a)	Funded Ratio (a ÷ b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) ÷ c)
12/31/2018	$74,316,884	$109,864,088	$35,547,203	68%	$19,876,454	179%
12/31/2019	78,040,501	112,880,121	34,839,620	69%	20,851,293	167%
12/31/2020	81,018,411	120,941,318	39,922,907	67%	23,428,807	170%
12/31/2021	92,814,082	123,978,529	31,164,447	75%	23,307,160	134%
12/31/2022	87,936,514	127,354,232	39,417,718	69%	26,812,891	147%
12/31/2023	87,099,157	130,251,791	43,152,634	67%	28,361,232	152%

Accounting Information (continued)

Retiree Healthcare

In June 2015, the GASB issued Statement No. 75 (GASB 75), which replaced Statement No. 45 and governs employer financial reporting for retiree healthcare obligations for fiscal years beginning after June 15, 2017. In general, the changes required by GASB 75 parallel those that occurred for pension reporting when GASB 68 replaced GASB 27. Accounting information for reporting the Retiree Health Insurance Account (RHIA) under GASB 75 will be provided separately and is not included in this report.

Executive Summary
Principal Valuation Results

A summary of principal valuation results from the current valuation and the prior valuation follows. Any changes in actuarial assumptions, methods, or plan provisions between the two valuations are described later in this report. More detailed information can be found in the system-wide actuarial valuation report.

Polk County

	Actuarial Valuation as of	
	December 31, 2023	December 31, 2022
Tier One/Tier Two UAL	$43,152,634	$39,417,718
Allocated pooled OPSRP UAL	7,587,224	6,757,002
Side account	0	0
Net unfunded pension actuarial accrued liability	50,739,858	46,174,720
Combined valuation payroll	28,361,232	26,812,891
Net pension UAL as a percentage of payroll	179%	172%
Calculated side account rate relief	0.00%	0.00%
Allocated pooled RHIA UAL	($740,970)	($725,534)

In the above exhibit, UAL amounts for the pools (OPSRP and RHIA) are allocated pro-rata based on the ratio of an employer's combined valuation payroll to the combined valuation payroll of the applicable pool. Pool total results are summarized on page 8 of this report. Allocated amounts shown above differ from the proportionate share of Net Pension Liability (NPL) that will be allocated to employers under GASB 68.

Principal Valuation Results (continued)

Tier One/Tier Two

	Actuarial Valuation as of	
	December 31, 2023	December 31, 2022

Executive Summary

Normal cost	$904,041	$1,070,856
Tier One/Tier Two valuation payroll	5,196,108	6,049,323
Tier One/Tier Two pension normal cost rate	17.40%	17.70%
Tier One/Tier Two Actuarial accrued liability	$130,251,791	$127,354,232
Actuarial asset value	87,099,157	87,936,514
Tier One/Tier Two Unfunded actuarial accrued liability	43,152,634	39,417,718
Tier One/Tier Two Funded status	67%	69%
Combined valuation payroll	$28,361,232	$26,812,891
Tier One/Tier Two UAL as a percentage of payroll	152%	147%
Tier One/Tier Two UAL rate	11.22%	11.14%
(includes Multnomah Fire District #10)		
Tier One/Tier Two active members [1]	52	62
Tier One/Tier Two dormant members	67	75
Tier One/Tier Two retirees and beneficiaries	494	477

In our opinion, the funded status measures shown in this report are appropriate for assessing the need for and amount of future contributions as part of an ongoing long-term funding policy. The funded status measures are not intended to estimate the cost of settling the System's obligations through an annuity purchase or similar transaction.

Principal Valuation Results (continued)

OPSRP

	Actuarial Valuation as of	
($ in millions)	**December 31, 2023**	**December 31, 2022**

[1] *Active counts do not include concurrent employees who have a separate dominant employer.*

Executive Summary

General service normal cost	$1,103.9	$970.5
OPSRP general service valuation payroll	10,546.7	9,200.3
General service normal cost rate	10.47%	10.55%
Police and fire normal cost	$230.1	$191.9
OPSRP police and fire valuation payroll	1,462.1	1,267.8
Police and fire normal cost rate	15.74%	15.14%
Actuarial accrued liability	$17,041.2	$14,544.9
Actuarial asset value	12,952.4	11,060.9
Unfunded actuarial accrued liability	4,088.7	3,484.1
Funded status	76%	76%
Combined valuation payroll	$15,316.5	$13,856.6
UAL as a percentage of payroll	27%	25%
UAL rate	2.69%	2.62%

Retiree Healthcare

($ in millions)	Actuarial Valuation as of	
RHIA	**December 31, 2023**	**December 31, 2022**
Normal cost	$1.2	$1.3
Tier One/Tier Two valuation payroll	3,307.7	3,388.6
Normal cost rate	0.04%	0.04%
Actuarial accrued liability	$329.8	$345.0
Actuarial asset value	729.9	720.0
Unfunded actuarial accrued liability	(400.2)	(374.9)
Funded status	221%	209%
Combined valuation payroll	$15,316.5	$13,856.6
UAL as a percentage of payroll	(3%)	(3%)
UAL rate	(0.04%)	(0.04%)

Side Account Information

Reconciliation of Side Accounts

The following table reconciles the total side account from the beginning of the year to the end of the year. Side account transfers were calculated by PERS and made on a monthly basis. The amount of these transfers is shown in the table below.

All information in this table has been provided by PERS.

	New	Continuing	Total
1. Side account as of December 31, 2022 **N/A**			
2. Deposits made during 2023			
3. Administrative expenses			
4. Amount transferred to employer reserves during 2023			
5. Side account earnings during 2023			
6. Side account as of December 31, 2023 ***(1. + 2. + 3. + 4. + 5.)***			

Tier One/Tier Two Valuation Results
Side Account Information

Side Account Balances

	Deposit Date	Rate Offset End Date	December 31, 2023	December 31, 2022
Side Account 1			0	0
Side Account 2			0	0
Side Account 3			0	0
Side Account 4			0	0
Side Account 5			0	0
Total			**$0**	**$0**

Development of Side Account Rate

The rate relief attributable to an employer's side account is determined by amortizing the side account balance on the valuation date over a fixed period and expressing the result as a percentage of combined valuation payroll. For side accounts established prior to December 31, 2009, the fixed period ends December 31, 2027. For side accounts established at a later date, the default fixed period ends 18 years after the first rate-setting valuation following its creation, though employers can select a shorter period under certain specified circumstances. For employers with more than one side account, the total side account rate is determined by calculating the rate on each side account separately and adding the rates together.

December 31, 2023			December 31, 2022		
Combined valuation payroll		$28,361,232	Combined valuation payroll		$26,812,891
	Side account balance	**Amortization**	**Side account balance**	**Amortization factor** [1, 2]	**Side account rate** [1]
1.	0		0		0.00%
2.	0		0		0.00%
3.	0		0		0.00%
4.	0		0		0.00%
5.	0		0		0.00%
Total	**$0**		**$0**		**0.00%**

factor [1, 2]	Side account rate [1]
	0.00%
	0.00%
	0.00%
	0.00%
	0.00%
	0.00%

Assets

A summary of the market value of pension assets, and reconciliation from the prior year are shown below.

Summary of Market Value of Tier One/Tier Two Pension Assets

	December 31, 2023	December 31, 2022
1. Member reserves	$6,112,329	$7,112,816
2. Employer reserves	59,917,505	58,339,187
3. Benefits in force reserve	20,583,722	22,073,902
4. Employee Pension Stability Account (EPSA)	485,601	410,610
5. **Total market value of assets** ***(1. + 2. + 3. + 4.)***	**$87,099,157**	**$87,936,514**

The market value of member and employer reserves is provided by PERS. The benefits in force reserve provided by PERS is allocated each year among employers in proportion to their liabilities for retired members and beneficiaries.

Reconciliation of Tier One/Tier Two Pension Assets

	December 31, 2022 to December 31, 2023

[2] *Effective December 31, 2022, includes adjustment for contribution lag as described in the system-wide actuarial valuation report*
[1] *Amortization factor and side account rate not shown for side accounts with less than two years remaining in the amortization period*

Tier One/Tier Two Valuation Results

1.	Market value of assets at beginning of year	$87,936,514
2.	Regular employer contributions	3,779,955
3.	EPSA contributions	135,379
4.	Benefit payments and expenses	(7,697,915)
5.	Adjustments [1]	(1,961,131)
6.	Interest credited	4,906,354
7.	Total transferred from side accounts	0
8.	**Market value of assets at end of year** ***(1. + 2. + 3. + 4. + 5. + 6. + 7.)***	**$87,099,157**

[1] Note the adjustment item above includes a reallocation of the benefits in force reserve, transfers to Multnomah Fire District #10, and other adjustments made by PERS.

Tier One/Tier Two Valuation Results

Liabilities

Normal Cost

The normal cost represents the present value of benefits allocated to the next year of service by the actuarial cost method. If all actuarial assumptions are met, the normal cost represents the percent of payroll that would need to be contributed each year to fund plan benefits. Amounts shown below include assumed administrative expenses, which are allocated pro-rata based on normal cost.

Summary of Normal Cost by Tier/Member Classification

	December 31, 2023	**December 31, 2022**
Tier One Police & Fire	$26,695	$63,190
Tier One General Service	80,008	143,740
Tier Two Police & Fire	441,537	480,366
Tier Two General Service	355,801	383,560
Total	**$904,041**	**$1,070,856**

Change in Tier One/Tier Two Normal Cost

The following table shows the impact of the assumption, method, and plan changes on normal cost as of December 31, 2023.

	Before Changes	**After Changes**	**Net Change**
Normal Cost	$904,041	$904,041	$0

Liabilities

Actuarial Accrued Liability

The actuarial accrued liability represents the present value of benefits allocated to service performed before the valuation date by the actuarial cost method.

Summary of Actuarial Accrued Liability by Tier/Member Classification

	December 31, 2023	**December 31, 2022**

Tier One/Tier Two Valuation Results

Active Members	$1,518,666	
▪ Tier One Police & Fire	5,470,713	$3,968,816
▪ Tier One General Service ▪	11,514,250	8,156,227
Tier Two Police & Fire	14,539,127	12,091,360
▪ Tier Two General Service	**$33,042,756**	14,806,196
▪ **Total Active Members**	8,134,159	**$39,022,599**
Dormant Members	89,074,876	8,020,572
Retired Members and Beneficiaries	**$130,251,791**	80,311,061
Total Actuarial Accrued Liability		**$127,354,232**

ed Liability

Change in Tier One/Tier Two Actuarial Accru

The following table shows the impact of the assumption, meth on the actuarial accrued liability as of December 31, 2023.

	Before Changes	After	Net Changes Change
Actuarial Accrued Liability	$130,251,791	$130,251,791	$0

Unfunded Accrued Liability (UAL)

Summary of UAL

The UAL represents the difference between the assets accumulated and the liability attributed to prior years of service by the cost method.

	December 31, 2023	December 31, 2022
1. Actuarial accrued liability	$130,251,791	$127,354,232
2. Actuarial value of assets	87,099,157	87,936,514
3. Unfunded accrued liability *(1. – 2.)*	43,152,634	39,417,718
4. Funded percentage *(2. ÷ 1.)*	67%	69%
5. Combined valuation payroll	$28,361,232	$26,812,891
6. Unfunded accrued liability as % of combined valuation payroll *(3. ÷ 5.)*	152%	147%

Reconciliation of UAL Bases

Beginning with the December 31, 2013 actuarial valuation, the PERS Board established a policy to amortize the Tier One/Tier Two UAL over a 20-year period, with each subsequent odd-year valuation establishing a new 20-year closed-period amortization schedule for new Tier One/Tier Two UAL amounts based on the total Tier One/Tier Two UAL as of that valuation date less the remaining

Tier One/Tier Two Valuation Results

unamortized balance of previously established Tier One/Tier Two UAL bases. As part of Senate Bill 1049, passed in 2019, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier One/Tier Two UAL over 22 years. This means that, effective with the December 31, 2019 ratesetting valuation, the entire unamortized Tier One/Tier Two UAL for each rate pool and independent employer was re-amortized over a 22-year period as a level percentage of projected future payroll. For the December 31, 2021 and subsequent odd-year valuations, the PERS Board again has authority to set the amortization schedule. In subsequent experience studies, the PERS Board confirmed the policy of 20-year closed-period amortization schedules for Tier One/Tier Two UAL going forward.

Amortization Base, December 31	UAL December 31, 2022	Payment	Interest	UAL December 31, 2023	Years Remaining	Next Year's Payment
2019	$34,827,832	$2,508,306	$2,310,807	$34,630,333	18	$2,593,450
2021	($3,756,886)	($270,572)	($249,267)	($3,735,581)	18	($279,756)
2023	N/A	N/A	N/A	$12,257,882	20	$851,242
Total				**$43,152,634**		**$3,164,936**

Unfunded Accrued Liability (UAL)

Actuarial Gain or Loss since Prior Valuation

The system-wide actuarial valuation report contains a detailed analysis of gains and losses since the last valuation. The table below shows the gain or loss for the individual employer.

1. Expected actuarial accrued liability

Tier One/Tier Two Valuation Results

a. Actuarial accrued liability at December 31, 2022	$127,354,232
b. Normal cost at December 31, 2022 (excluding assumed expenses)	1,041,008
c. Benefit payments during 2023	(7,628,619)
d. Interest at 6.90% to December 31, 2023	8,560,169
e. Expected actuarial accrued liability before changes *(a. + b. + c. + d.)*	129,326,791
f. Change in actuarial accrued liability due to assumption, method, and plan changes	0
g. Expected actuarial accrued liability at December 31, 2023 *(e. + f.)*	129,326,791
2. Actuarial accrued liability at December 31, 2023	130,251,791
3. Gain/(loss) on actuarial accrued liability *(1.g. – 2.)*	(925,000)
4. Expected actuarial value of assets	
a. Actuarial value of assets at December 31, 2022	87,936,514
b. Contributions for 2023[1]	3,915,334
c. Benefit payments and expenses during 2023	(7,697,915)
d. Interest at 6.90% to December 31, 2023	5,937,120
e. Expected actuarial value of assets at December 31, 2023 *(a. + b. + c. + d.)*	90,091,054
5. Actuarial value of assets at December 31, 2023	87,099,157
6. Gain/(loss) on actuarial value of assets *(5. - 4.e.)*	(2,991,897)
7. **Total actuarial gain/(loss)** ***(3. + 6.)***	**($3,916,897)**

Unfunded Accrued Liability Reconciliation

A reconciliation of the Tier One/Tier Two UAL from December 31, 2022 is provided below.

1. UAL at December 31, 2022	**$39,417,718**
2. Expected increase	(181,981)
3. Liability (gain)/loss	925,000
4. Asset (gain)/loss	2,991,897
5. Change due to changes in assumptions, methods, and plan provisions	0
6. UAL at December 31, 2023 ***(1. + 2. + 3. + 4. + 5.)***	**$43,152,634**

[1] *Includes EPSA contributions and rate relief from side accounts.*

Valuation Results

Contribution Rate Development
Normal Cost Rate

For independent employers, the normal cost calculated previously is divided by projected payroll to determine a normal cost rate. The table below shows the development of the rate for each tier and member classification. Normal cost rates shown below are before any offset for redirected member contributions under Senate Bill 1049.

Development of Tier One/Tier Two Total Normal Cost Rate

	December 31, 2023			December 31, 2022		
	Normal Cost	**Employer Tier One/Tier Two Valuation Payroll**	**Normal Cost Rate**	**Normal Cost**	**Employer Tier One/Tier Two Valuation Payroll**	**Normal Cost Rate**
Tier One Police & Fire	$26,695	$103,996	25.67%	$63,190	$254,303	24.85%
Tier One General Service	80,008	583,351	13.72%	143,740	924,674	15.54%
Tier Two Police & Fire	441,537	1,941,481	22.74%	480,366	2,120,456	22.65%
Tier Two General Service	355,801	2,567,280	13.86%	383,560	2,749,890	13.95%
Total	**$904,041**	**$5,196,108**	**17.40%**	**$1,070,856**	**$6,049,323**	**17.70%**

An independent employer that has no Tier One/Tier Two active payroll will be assigned the weighted average normal cost rate of all independent employers as calculated in the system-wide actuarial valuation report.

Development of Tier One/Tier Two UAL Rates

The UAL rate is determined by calculating the next year's scheduled payment to the UAL as a percentage of combined valuation payroll.

	December 31, 2023	December 31, 2022

Valuation Results

Contribution Rate Development

1.	Total Tier One/Tier Two UAL	$43,152,634	$39,417,718
2.	Next year's Tier One/Tier Two UAL payment	3,164,936	2,817,371
3.	Combined valuation payroll	28,361,232	26,812,891
4.	Tier One/Tier Two UAL rate (2. ÷ 3.)	11.16%	10.51%

Valuation Results

Contribution Rate Development

Tier One/Tier Two Employer Contribution Rate Summary (Pre-Rate Collar)

The following table summarizes the employer's pension contribution rate for Tier One/Tier Two. The normal cost rates apply to Tier One/Tier Two payroll only, but all other rates apply to combined valuation payroll. These rates do not reflect adjustments due to the rate collar or side accounts.

	July 1, 2025 Rates calculated as of December 31, 2023	**Advisory July 1, 2025 Rates calculated as of December 31, 2022**
1. Tier One/Tier Two pension contribution rates		
a. Tier One/Tier Two pension normal cost rate	17.40%	17.70%
b. Tier One/Tier Two UAL rate	11.16%	10.51%
c. Multnomah Fire District #10 rate	0.06%	0.08%
d. Total Tier One/Tier Two pension rate *(a. + b. + c.)*	28.62%	28.29%

Valuation Results

Contribution Rate Development
Adjustments Due to Rate Collar and Decrease Restrictions

The UAL Rate for an employer is confined to a collared range based on the prior biennium's collared UAL Rate. For an independent employer, the collar width for the Tier One/Tier Two UAL Rate is the greater of 4% of payroll or one-third of the difference between the collared and uncollared UAL Rate at the prior rate-setting valuation. The maximum Tier One/Tier Two UAL Rate will always be at least 0.00% of payroll if the employer's funded status (excluding side accounts) is less than 100%. The PERS Board adopted restrictions on when the UAL Rate may decrease: the UAL Rate may not decrease if the funded status (excluding side accounts) is 87% or lower, while it may decrease by the full collar width if funded status is 90% or greater. The allowable decrease is phased in from 87% to 90% funded.

The table below shows the current Tier One/Tier Two UAL Rate for the period from July 1, 2023 through June 30, 2025, develops the maximum and minimum UAL Rates effective July 1, 2025 based on the collar, and determines the collared Tier One/Tier Two UAL Rate.

1. Current Tier One/Tier Two UAL Rate	11.06%
2. Size of rate collar	
a. Impact of rate collar, prior rate-setting valuation	1.77%
b. Size of rate collar *(maximum of 4% or absolute value of [a. / 3])*	4.00%
c. Funded percentage	67%
d. Permissible decrease to UAL Rate *(If c. > 90%, b.; if c. < 87%, 0.00%; otherwise, graded between those rates)*	0.00%
3. July 1, 2025 minimum Tier One/Tier Two UAL Rate (1. – 2.d.)	11.06%
4. July 1, 2025 maximum Tier One/Tier Two UAL Rate (1. + 2.b., but not less *than 0% if 2.c. < 100%)*	15.06%
5. July 1, 2025 Tier One/Tier Two UAL Rate, before collar	11.16%
6. Net adjustment due to rate collar *(3. – 5., but not < 0, or 4. – 5., but not > 0)*	0.00%
7. July 1, 2025 Tier One/Tier Two UAL Rate, after collar (5. + 6.)	11.16%

Valuation Results

Contribution Rate Development

Tier One/Tier Two Employer Contribution Rate Summary (Post-Rate Collar)

The table below summarizes the employer's pension contribution rate for Tier One/Tier Two after adjustments for the rate collar.

	July 1, 2025 Rates calculated as of December 31, 2023	Advisory July 1, 2025 Rates calculated as of December 31, 2022
1. Tier One/Tier Two pension contribution rates		
a. Tier One/Tier Two pension normal cost rate	17.40%	17.70%
b. Tier One/Tier Two UAL rate	11.16%	11.06%
c. Multnomah Fire District #10 rate	0.06%	0.08%
d. Total Tier One/Tier Two pension rate *(a. + b. + c., minimum 0.00%)*	28.62%	28.84%

Data

Demographic Information

Employer Valuation Payroll

	General Service	Police & Fire	Total
Tier One	$583,351	$103,996	$687,347
Tier Two	2,567,280	1,941,481	4,508,761
Tier One/Tier Two valuation payroll	3,150,631	2,045,477	5,196,108
OPSRP valuation payroll	18,878,044	4,287,080	23,165,124
Combined valuation payroll	**$22,028,675**	**$6,332,557**	**$28,361,232**

Employer Member Census

	December 31							
	2023				2022			
	Tier One	Tier Two	OPSRP	Total	Tier One	Tier Two	OPSRP	Total
Active Members [1]								
General Service	7	28	276	311	11	31	248	290
Police & Fire	1	16	45	62		18	42	62
Total	8	44	321					

Active Members with previous service segments with the employer

[1] *Active counts do not include concurrent employees who have a separate dominant employer.*

General Service	24	54	N/A	373	2	49	290	352
Police & Fire	5	9	N/A		13			
Total	29	63	N/A	78		53	N/A	82
Dormant Members				14	29	10	N/A	17
General Service	20	39	64	92	7	63	N/A	99
Police & Fire	1	7	5		36			
Total	21	46	69	123		46	65	132
Retired Members and				13	21	7	4	12
Beneficiaries General Service	348	53	17	136	1	53	69	144
Police & Fire	72	21	1		22			
Total	420	74	18	418		46	14	406
		227	**408**					
Grand Total Number of Members	**478**			94	346	17	1	86
				512	68	63	15	492
				1,113		**228**	**374**	**1,087**
					414			
					485			

Data

Demographic Information (continued)

Employer Tier One/Tier Two Active Members as of December 31, 2023

	Years of Service									
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Age										
<20										
20-24										
25-29										
30-34										
35-39										
40-44				3	2					**5**
45-49			1	1	9	1				**12**
50-54				1	10	3				**14**
55-59		1			8	3	1			**13**
60-64				1	2	2	1			**6**
65-69					1	1				**2**
70-74										
75+										
Total	**0**	**1**	**1**	**6**	**32**	**10**	**2**	**0**	**0**	**52**

Distribution of Employer Tier One/Tier Two Members as of December 31, 2023

Dormant Members

Age	Count	Average Deferred Monthly Benefit
	Age <20 <45	
20-24		
25-29		
30-34		
35-39		
40-44	1	808
45-49	17	837
50-54	8	702
55-59	16	683
60-64	11	1,363
65-69	7	1,707
70-74	3	938
75+	4	130
Total	67	923

Retired Members and Beneficiaries

	Count	Average Monthly Benefit
45-49		
50-54	15	2,182
55-59	35	1,482
60-64	43	1,329
65-69	91	1,000
70-74	111	1,188
75-79	99	1,213
80-84	52	1,341
85-89	31	1,129
90-94	13	799
95-99	4	657
100+		
Total	494	1,220

Brief Summary of Actuarial Methods and Assumptions

A detailed summary of the actuarial methods and assumptions used to prepare the December 31, 2023 valuation can be found in the system-wide actuarial valuation report.

Actuarial Methods and Valuation Procedures

A brief summary of the methods used in this valuation is shown below:

Actuarial cost method	Entry Age Normal.

Amortization method	The UAL is amortized as a level percentage of combined payroll. The OPSRP UAL as of December 31, 2007 and experience in each subsequent biennium is amortized over a closed 16 year period. The Retiree Healthcare UAL as of December 31, 2007 and experience in each subsequent biennium is amortized over a closed 10-year period. If a Retiree Healthcare program is over 100% funded the actuarial surplus is amortized over a rolling 20-year period over Tier One/Tier Two payroll. Senate Bill 1049 was signed into law in June 2019 and required a one-time reamortization of Tier One/Tier Two UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which set actuarially determined contribution rates for the 2021-2023 biennium. Future Tier One/Tier Two gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll over a closed 20-year period.
Asset valuation method	Market value of assets, excluding reserves.
Contribution rate stabilization method (rate collar)	The contribution rate stabilization method, also referred to as the rate collar, is applied separately to OPSRP and to each Tier One/Tier Two experience sharing pool (State and Local Government Rate Pool, School Districts) and independent employer. The UAL Rate contributon rate component is confined to a collared range based on the prior biennium's collared UAL Rate and a defined collar width. The UAL Rate is not allowed to decrease if the funded status of the rate pool or employer is 87% or lower. The rate collar does not limit the change in the normal cost rate or changes for individual employers related to side accounts.

Economic Assumptions

A brief summary of the key economic assumptions used in this valuation is shown below:

Investment return	6.90% compounded annually on system assets.
Interest crediting	6.90% compounded annually on members' regular account balances. 6.90% compounded annually on members' variable account balances.
Inflation	2.40% per year.
Payroll Growth	3.40% per year.
Healthcare cost trend	Ranging from 6.6% in 2023 to 3.8% in 2074.
Administrative Expenses	$64 million per year is added to the total system normal cost and allocated between Tier One/Tier Two and OPSRP based on valuation payroll.

Brief Summary of Actuarial Methods and Assumptions

Changes Since Last Valuation

The key changes since the December 31, 2022 actuarial valuation are described briefly below and are described in additional detail in the system-wide actuarial valuation report.

Changes in Actuarial Methods and Allocation Procedures

There were no changes in actuarial methods and allocation procedures since the December 31, 2022 actuarial valuation. A complete summary of the Tier One/Tier Two, OPSRP, RHIA, and RHIPA actuarial methods and allocation procedures is provided as part of the system-wide actuarial valuation report.

Changes in Assumptions

The retirement assumptions for OPSRP Police and Fire members were revised to estimate possible changes in retirement patterns that could arise from the plan changes included in House Bill 4045. There were no other changes in assumptions since the December 31, 2022 actuarial valuation. A complete summary of the Tier One/Tier Two, OPSRP, RHIA, and RHIPA assumptions is provided as part of the system-wide actuarial valuation report.

Brief Summary of Changes in Plan Provisions

House Bill 4045 from the 2024 legislative session lowered the normal retirement age for OPSRP Police Fire from age 60 to 55, effective January 1, 2025. Members still qualify for earlier unreduced retirement if age 53 with 25 or more years of service. This plan change is reflected in the December 31, 2023 actuarial valuation.

There were no other changes in plan provisions reflected since the December 31, 2022 actuarial valuation. A complete summary of the Tier One/Tier Two, OPSRP, RHIA, and RHIPA plan provisions valued is provided as part of the system-wide actuarial valuation report.

Glossary

Actuarial Accrued Liability

The portion of the present value of prospective benefits allocated to service and compensation before the valuation date in accordance with the actuarial cost method.

Actuarial Asset Value

The value of assets used in calculating the required contributions. The actuarial asset value may be equal to the fair market value of assets, or it may spread the recognition of certain investment gains or losses over a period of years in accordance with an asset valuation method.

Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement and retirement, rates of investment earnings, and other relevant items.

Actuarial Cost Method

Sometimes called "funding method," a particular technique used by actuaries to establish the amount and incidence of the annual actuarial cost of pension plan benefits, or normal cost, and the related unfunded actuarial accrued liability. Ordinarily, the annual contribution to the plan comprises the normal cost and an amount for amortization of the unfunded actuarial accrued liability.

Actuarial Gain or (Loss)

A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

Actuarially Determined Contribution (ADC)

A potential payment to a pension plan determined by an actuary which is developed using an actuarial cost method and may use an amortization method, asset valuation, method, and/or an output smoothing method. The ADC for a plan may or may not be the amount actually paid by the plan sponsor or other contributing entity.

Combined Valuation Payroll

Projected payroll subject to PERS employer contribution rates for the calendar year following the valuation date for both Tier One/Tier Two and OPSRP active members. This payroll is used to calculate UAL rates.

Employer Contribution Rate

Consists of the normal cost rate and the UAL rates, plus adjustments for other items such as side account rate offsets.

Funded Status

The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

Normal Cost

The annual cost allocated to the current year under the actuarial cost method in use. The normal cost divided by the applicable payroll is the normal cost rate.

OPSRP Valuation Payroll

Projected payroll subject to PERS employer contribution rates for the calendar year following the valuation date for OPSRP active members. This payroll is used to calculate OPSRP normal cost rates.

Glossary

Pre-SLGRP Liability/(Surplus)

The sum of Pre-SLGRP Pooled Liabilities and Transition Liabilities.

Pre-SLGRP Pooled Liability/(Surplus)

The difference between the total UAL and the UAL attributable to the SLGRP for a pool of employers that joined the SLGRP. There are currently two pre-SLGRP pools. One was created for State Agencies and Community Colleges when the SLGRP was formed. The other one was created when the Local Government Rate Pool joined the SLGRP. **Present Value**

Sometimes called "actuarial present value," the estimated cost (as of the valuation date) of a series of future payments. The present value is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Rate Collar

A contribution rate setting methodology that defines the maximum biennium-to-biennium change in the UAL contribution rate for a given experience-sharing pool.

Required Supplementary Information (RSI)

Schedules, statistical data, and other information that are an essential part of financial reporting and should be presented with, but are not part of, the basic financial statements of a governmental entity.

Statement No. 68 of the Governmental Accounting Standards Board (GASB 68) The accounting standard governing a state or local governmental employer's accounting for pensions. The standard replaced GASB 27 for fiscal years beginning after June 15, 2014.

Statement No. 75 of the Governmental Accounting Standards Board (GASB 75)
The accounting standard governing a state or local governmental employer's accounting for postemployment benefits other than pensions. The standard replaced GASB Statement 45 for fiscal years beginning after June 15, 2017.

Tier One/Tier Two Valuation Payroll

Projected payroll subject to PERS employer contribution rates for the calendar year following the valuation date for Tier One and Tier Two active members. This payroll is used to calculate the Tier One/Tier Two normal cost rates.

Transition Liability/(Surplus)

The difference between the total UAL and the UAL attributable to the SLGRP for an individual employer that joined the SLGRP or the Local Government Rate Pool. The initial balance of liability or surplus is calculated at the time an employer joins the pool. That balance is then amortized over time via employer contribution rate charges (for a liability) or rate offsets (for a surplus).

Unfunded Accrued Liability (UAL)

The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. The UAL is divided by combined valuation payroll and an amortization factor to determine an initial pre-collar UAL rate. The final UAL rate can be adjusted by the rate collar.

Milliman
1455 SW Broadway, Suite 1600
Portland, OR 97201-3412
503 227 0634

INTEROFFICE MEMORANDUM

POLK COUNTY COURTHOUSE

TO: BOARD OF COMMISSIONERS

FROM: FAIR BOARD & GREG HANSEN, ADMIN. OFFICER

DATE: NOVEMBER 12 & 13, 2024

SUBJECT: POLK COUNTY FAIRGROUNDS OPERATING LEVY

RECOMMENDATION:

The Polk County Board of Commissioners consider the following:

1. To place a Local Option Tax (operating levy) measure on the ballot for the May 13, 2025, general election to fund operations/improvement at the Polk County Fairgrounds..

2. A local option tax (operating levy) in an amount not to exceed $0.15/$1,000 assessed value for a duration of five (5) years.

3. Direct staff to provide all of the coordination to move the process forward.

ISSUE:

Should the County Board of Commissioners consider placing on the May 2025 election, a ballot measure (Local Option Tax) to fund operations/improvements at the Polk County Fairgrounds?

BACKGROUND:

On November 12th the Polk County Fair Board voted to move a Local Option Tax forward to the Board of County Commissioners to consider placing on the May 2025 election an operating levy for the Polk County Fairgrounds.

Over the past four (4) years the Fairgrounds has made significant improvements to their facilities. Those improvements were made with monies from the State, ARPA, and Polk County General Fund. Unfortunately, those sources of revenue will either be going away (ARPA) or are not stable (State/Polk County).

Recently, a project list was developed for the next five years which totals $4 million. The list (attached) includes required improvements (electrical, asphalt replacement, HVAC upgrades) and other improvements such as Main building, relocation of the maintenance shed and main office and lastly the development of a amphitheater/stage area in the northwest corner of the Fairgrounds property.

In our opinion, the only way to address these needs/improvements is through a new source of revenue. The best option for that revenue source is through a Local Option Tax (operating levy).

For that to occur, the Board of Commissioners must go through a public hearing process and pass a Resolution placing it on the ballot for consideration by the voters of Polk County (attached timetable).

QUESTIONS:

There will be some questions centered on the need for this levy. The following are some of the most likely asked questions:

1. **Why are we seeking a Local Option Tax (operating levy) for the Polk County Fairgrounds?** As the costs associated with operations and maintenance continue to increase and the ability for the County General Fund to pay for these costs, it is apparent that for the Fairgrounds to continue to provide services in the future, supplemental revenue is necessary.

2. **What would the tax rate be?** A levy rate of $0.15/$1,000 would generate approximately $1,237,500 in the first year and would grow by 3%-4% annually thereafter for the next four (4) years.

3. **How many years would the levy be?** Five (5) years. A levy of this length would get us through June of 2029-30.

4. **When would we hold the election?** The earliest we could get an Operating Levy on the ballot would be the May of 2025 election. A May election, if successful would allow the County to levy taxes in November of 2025.

ALTERNATIVE:

The following are alternatives to consider:

1. Authorize a Local Option Tax (operating levy) as proposed by the Fair Board. Requires staff to put together the proper paperwork and public hearings to put it on the May 2025 election.

2. Go forward with a May 2025 election, but change the amount of the levy that we are seeking. Recommend a range not to exceed $0.175/$1,000 and not lower than $0.10/$1,000.

3. Not seek operating levy and live within existing funding. The result would be to push out necessary maintenance and infrastructure upgrades at the Fairgrounds complex.

FISCAL IMPACT:

The revenue generated with an operating levy is dependent upon the amount of the tax rate. A tax rate of $0.15/$1,000 would generate approximately $1,237,500 and allow the County to maintain current operations/maintenance and make improvements to the Polk County Fairgrounds.

Operating Levy Authorization

Timetable

Subject	Date
Internal Staff Recommendation	Nov/Dec of 2024
Latest Dates:	
BOC Meeting – Public Hearing – Local Option Tax	February 12, 2025
BOC Meeting – Board Resolution	February 26, 2025
Measure Delivered to the County Clerk	February 28, 2025
Measure Filed with County Clerk	March 20, 2025
Election	May 13, 2025
Formation of PAC	??????
Meeting with advocacy groups	??????

Projects by Year

Year #1	Electrical replacement/upgrades	$ 650 k
	Asphalt replacement/paving stones and expansion phase 1	$ 350 k
Year #2	Asphalt replacement/paving stones and expansion phase 2	$ 450 k
	Exterior Main Building	$ 450 k
	Interior Main Building	$ 100 k
Year #3	Re-locate maintenance shed/paint shop (south edge of property)	$ 250 k
	Re-locate main office into a new building where the maintenance Shed was located	$ 600 k
	Main Building HVAC (phase 1)	$ 150 k
Year #4	Develop amphitheater/stage northwest corner of property	$ 700 k
	Upgrade Building B and C	$ 150 k
	Main Building HVAC	$ 150 k

Whatever the rate of the levy the first $300,000 - $350,000 will go to ongoing operations and maintenance.

Depending on the levy amount the years will shift and projects could shift depending upon available monies.

Potential Measures on the Ballot - May 2025

City of Dallas	**Police Station**	**estimated $18 million**	**bond**
City of Independence	**Operating Levy**	**estimated $1.00 - $1.40**	**levy**
Central School Dist	**Bond Renewal**		**bond**
Chemekat C.C.	**Bond Renewal**		**bond**

The bottom three (3) will be second tries for their measures. The Dallas police station have a cost $1.00 plus

Levy Rates and Revenue Generated

Every $0.01 will raise approximately $87,500. As a result here are the following numbers:

$0.10/$1,000	**$825,000**
$0.125/$1,000	**$1,031,200**
$0.15/$1,000	**$1,237,500**

POLK COUNTY

HUMAN RESOURCES

POLK COUNTY COURTHOUSE ★ DALLAS, OREGON 97338-3174
(503) 623-1888 ★FAX (503) 623-1889

MEMORANDUM

TO: Board of Commissioners

FROM: Matt Hawkins, Admin. Services Director

DATE: November 7, 2024

SUBJECT: Reclassification of an Accounting Technician I

Wednesday – October 9, 2024 (5 minutes)

RECOMMENDATION:
The Board of Commissioners approve the reclassification of an Accounting Technician I.

ISSUE:
Shall the Board approve the reclassifications?

DISCUSSION:
It is recommended that Brenda Dornbusch in the Finance Department be reclassified from an Accounting Technician I to an Accounting Technician II. Brenda has been with the Finance Department since May of 2023 and proven to be a valuable employee with many skills above her current position. She has taken on more duties and has the years of experience to move into the Accounting Technician II position.

Brenda is currently at step 4 of the Accounting Technician I position which is $4,445 monthly. If the reclassification is approved, she will move to step 2 of the Accounting Technician II position which is $4,746.

Should the reclassification be approved, it would be effective November 1, 2024.

FISCAL IMPACT:
This reclassification will have an impact on the budget for FY 24-25 of approximately $5,000 including PERS contribution should it be for 12 months.

INTERGOVERNMENTAL AGREEMENT
Between
POLK COUNTY and THE CITY OF SALEM

1. PARTIES TO AGREEMENT

This Agreement is between Polk County, a political subdivision of the state of Oregon, hereafter called Polk, and the City of Salem, a political subdivision of the state of Oregon, hereafter called Salem, (Collectively referred to as "Parties") and is made pursuant to ORS Chapter 190.

2. PURPOSE/STATEMENT OF WORK

The purpose of this Agreement is to establish the terms and conditions under which the Parties will jointly implement Schedule A (3) (d) and (e) of the National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Phase II General Permit, of which Polk is the Permit Registrant. These terms and conditions are further described in Section 5 and pertain to implementing the MS4 Phase II Permit requirements for Construction Site Runoff Control and Post-Construction Site Runoff for New Development and Redevelopment. The terms of this agreement only apply to development that is within Polk County's jurisdiction and within the City of Salem's adopted Urban Growth Boundary (UGB) that is depicted on Polk County's Official Zoning Map, hereafter called the Agreement Area.

3. TERM AND TERMINATION

3.1 This Agreement shall begin once executed by both parties and be in place through the term of the Oregon Department of Environmental Quality (DEQ) Permit No. 116224, unless terminated or extended as provided herein.

3.2 This Agreement may be extended by agreement of the parties. Any modifications in the terms of such amendment shall be in writing.

3.3 This agreement may be terminated by mutual consent of both parties at any time or by either party upon 30 days' notice in writing, and delivered by mail or in person. Any such termination of this agreement shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

4. OBLIGATIONS UNDER THE TERMS OF THIS AGREEMENT

4.1 UNDER THE TERMS OF THIS AGREEMENT, SALEM SHALL:

a. Receive and review applications and issue evaluation for Erosion Prevention and Sediment Control (EPSC) and Green Stormwater Infrastructure (GSI) within the Agreement Area. Evaluations will be issued only if applicants comply with all applicable Salem Revised Code (SRC) requirements in effect at the time of application, including, SRC Chapter 70 "Utilities", SRC Chapter 71 "Stormwater", SRC Chapter 75 "Erosion Prevention and Sediment Control", SRC Chapter 82

"Clearing and Grading of Land", SRC Chapter 810 "Landslide Hazards", and in conformance with the most current version of Salem's Public Works Design Standards. Salem shall provide inspection for all such EPSC and GSI permits during construction and for this service each individual applicant shall pay to Salem the permit fees adopted by the Salem City Council.

b. Administer through its Public Works Department the rules and regulations adopted by Polk under this Agreement. During the inspection process, the Director shall notify Polk of all evaluations for which compliance has not been obtained.

4.2 **UNDER THE TERMS OF THIS AGREEMENT, POLK SHALL:**

a. Update Polk County's Code of Ordinances to require construction site operators to obtain an Erosion Prevention and Sediment Control evaluation (EPSC) from Salem for construction projects that will result in a minimum land disturbance of 10,890 square feet (a quarter of an acre) or more within Polk County's jurisdiction and within Salem's adopted UGB. Polk County to issue EPSC permits upon receipt of an evaluation recommending such a permit.

b. Update Polk County's Code of Ordinances to require a Green Stormwater Infrastructure evaluation (GSI) from Salem for projects that will create or replace 10,890 square feet (a quarter of an acre) or more of new impervious surface within Polk County's jurisdiction and within the Salem's adopted UGB. Polk County to issue a GSI permit upon a receipt of an evaluation recommending such a permit.

c. Be responsible for determining when the MS4 Phase II General Permit requires an EPSC and/or GSI for a project, and notify the applicant.

d. Provide Salem a copy of the permit and all other supporting documents for the project that requires obtaining an EPSC and/or GSI from Salem.

e. Require property owners to sign and record a long-term operation and maintenance agreement with the Polk County Clerk for Post-Construction Stormwater Controls that are installed as part of a GSI.

f. Be responsible for enforcement and inspections that are associated with long-term operation and maintenance requirements.

g. Amend procedures and train Polk County staff to identify what projects require an EPSC and/or GSI from Salem.

h. Maintain records for all permits that require an EPSC and/or a GSI.

i. Remain responsible for compliance with any MS4 Phase II Permit requirements that another permit registrant or entity fails to implement.

j. Notify Salem of changes prior to amending any rules, regulations or ordinances governed by this agreement that change the obligations of Salem under the agreement at least 60 days prior to first legislative or administrative action on the relevant rules, regulations or ordinances.

5. FUNDING

Salem will charge applicants a fee for the cost of service with the submission and/or issuance of an EPSC and/or a GSI evaluation.

6. COMPLIANCE WITH APPLICABLE LAWS

The parties agree that both shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this agreement. The parties agree that this agreement shall be administered and construed under the laws of the state of Oregon.

7. NONDISCRIMINATION

The parties agree to comply with all applicable requirements of Federal and State civil rights and rehabilitation statutes, rules and regulations in the performance of this agreement.

8. HOLD HARMLESS

To the extent permitted by Article XI, Section 7 of the Oregon Constitution and by the Oregon Tort Claims Act, each party agrees to waive, forgive, and acquit any and all claims it may otherwise have against the other and the officers, employees, and agents of the other, for or resulting from damage or loss, provided that this discharge and waiver shall not apply to claims by one party against any officer, employee, or agent of the other arising from such person's malfeasance in office, willful or wanton neglect of duty, or actions outside the course and scope of his or her official duties. For any and all claims against either Polk or Salem from a third party, Polk County agrees to defend and indemnify Salem for any and all claims arising from the actions of their employees and/or agents.

9. INSURANCE AND RISK MANAGEMENT

9.1 Each party shall insure or selfinsure and be independently responsible for the risk of its own liability for claims within the scope of the Oregon tort claims act (ORS 30.260 TO 30.300).

10. MERGER CLAUSE

Parties concur and agree that this agreement constitutes the entire agreement between the parties. No waiver, consent, modification or change to the terms of this agreement shall bind either party unless in writing and signed by both parties. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this agreement. Parties, by the signatures below of their authorized representatives, hereby agree to be bound by its term and conditions.

11. **NOTICES**

Any notice required to be given to Polk or Salem under this Agreement shall be sufficient if given, in writing, by first class mail or in person as follows:

Salem:
Brian D. Martin, PE
Public Works Director
555 Liberty St SE, Suite 325,
Salem, OR 97301

Polk:
Austin McGuigan
Community Development Director
850 Main St.
Dallas, OR 97338

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SIGNATURES

This agreement and any changes, alterations, modifications, or amendments will be effective when approved in writing by the authorized representative of the parties hereto as of the effective date set forth herein.

In witness whereof, the parties hereto have caused this agreement to be executed on the date set forth below.

CITY OF SALEM SIGNATURE

____

Signature

____
Print Name

Phone: ________________________
E-mail: ________________________

POLK COUNTY SIGNATURE

____
Signature

____
Print Name

Phone: ________________________
E-mail: ________________________