

June 21, 2018

18-155

A RESOLUTION OF THE BOARD OF DIRECTORS OF
PORTLAND COMMUNITY COLLEGE, MULTNOMAH,
CLACKAMAS, COLUMBIA, YAMHILL AND WASHINGTON
COUNTIES, OREGON AUTHORIZING FULL FAITH AND
CREDIT PENSION BONDS

PREPARED BY: Jim Langstraat, Vice President, Finance and Administration

FINANCIAL RESPONSIBILITY: Jim Langstraat, Vice President, Finance and Administration

APPROVED BY: Mark Mitsui, College President

REPORT: The District is authorized pursuant to Oregon Revised Statutes Chapters 287A and 238 to finance its pension liability as defined in ORS 238.692(1).

The District has an estimated net unfunded actuarial accrued liability ("UAL") of approximately \$215,057,273 as of December 31, 2016. PERS requires the District to pay this UAL over a period of years with interest at PERS' assumed earnings rate, which is currently seven and two-tenths percent per annum. Current interest rates in the bond market are below the rate of return that PERS may receive in the future, creating the opportunity for the District to finance its unfunded pension liability and to reduce its costs.

The District adopts this resolution to authorize the issuance, sale and delivery of its full faith and credit pension bonds in an amount which does not exceed the amount necessary to produce net proceeds equal to the District's estimated UAL as of the expected closing date of the bonds, plus estimated costs related to the bonds.

RECOMMENDATION: That the Board of Directors adopts Resolution 18-155 as specified in Exhibit A to provide the terms under which the full faith and credit pension bonds will be sold and issued, and to authorize the issuance of the full faith and credit pension bonds to finance the District's UAL.