

County Commissioners
Colm Willis, Chair
Kevin Cameron
Danielle Bethell



Chief Administrative Officer
Jan Fritz

**MARION COUNTY BOARD OF COMMISSIONERS
WORK SESSION**

**Finance Update/Public Employees Retirement System (PERS)
Minutes**

Tuesday, October 6, 2026, 1:30 p.m. – 3:00 p.m.
Commissioners' Boardroom
Courthouse Square, 555 Court St. NE, Suite 5231
Salem, Oregon 97301

ATTENDANCE:

Commissioners: Danielle Bethell, Colm Willis and Kevin Cameron.

Chief Administrative Officer: Jan Fritz

Board Office: Chris Eppley, Jonathan Sanford, and Matt Lawyer.

Legal Counsel: Andrew Mittendorf.

Finance: Jeff White.

Piper Sandler Companies (PSC): Carol Samuels, David Willians, and Brendan Watkins.

Commissioner Colm Willis called the meeting to order at 1:35 p.m.

1. Welcome & Introductions - Commissioner Colm Willis

Summary of Discussion:

The meeting was arranged to provide the Board with more information about pension obligation bonds and whether Marion County should consider one.

2. Pension Obligation Bond Presentation - Carol Samuels, PSC

Summary of Discussion:

The taxable pension obligation bond proceeds may be deposited into a PERS side account. Then it is drawn down over time to offset portions of the County's PERS payments. Investment returns are not guaranteed, so the strategy involves risk. Echo Northwest's modeled probability of a positive outcome as 87% at a 4.25% borrowing rate, 82% at 4.75%, and approximately 75% at 5.25%. Note that those rates were not then available. Marion County's prior bond history reviewed, including more than \$12 million in savings associated with the 2004 issue. Estimate County's share of the PERS shortfall at approximately \$200 million. For a hypothetical \$200 million issue, estimate immediate rate credit of about 10% against debt service of roughly 9% of payroll. Or overall savings of about 1% of payroll, subject to market conditions and investment returns.

3. Discussion - All

Summary of Discussion:

Board members discussed the source of PERS liabilities and risks of borrowing. Jeff White described how employer rates, investment returns, benefit obligations, and statutory rate limits contribute to the funding gap. Commissioner Willis raised concern that issuing bonds could shift debt to the County without changing the factors contributing to PERS liabilities.

Commissioner Cameron emphasized risk of committing future boards to debt without a physical asset. He would like to review numbers and obtain a second opinion before considering a proposal. Commissioner Willis questioned borrowing the full estimated amount and mentioned \$20 million as a hypothetical smaller amount.

The discussion covered preparation costs and staff workload. An estimated \$2,500 fee for a requested Milliman calculation and potential rating-agency costs that could be substantial for a \$200 million issue. Jeff White said he personally would prefer to wait at least three months while the County completed its ERP work.

4. Next Steps-All

Summary of Discussion:

Carol Samuels identified a market update with an underwriter scheduled for November 16th. The County could continue monitoring conditions if rates did not improve. Commissioner Willis said he wanted to hear the update before deciding on next steps.

Jeff White noted two additional Echo Northwest reports expected under current arrangement. Ms. Samuels identified the next assessments as scheduled for June 2027 and June 2028. She would send Jeff the Zoom link for the November update.

Direction & Follow-Up:

Pursuing a bond issue remained undecided. Commissioner Willis stated that he wanted to hear the market update before making a decision. No board decision to proceed given.

Task: Provide the scheduled market update with an underwriter.

Assigned To: Carol Samuels / Piper Sandler.

Deadline/Timeline: November 16th.

Task: Send Jeff the Zoom link for the November market update.

Assigned To: Carol Samuels.

Deadline/Timeline: Before November 16th.

Task: Provide the two additional Echo Northwest assessments discussed.

Assigned To: Carol Samuels.

Deadline/Timeline: June 2027 and June 2028.

Adjourned – time: 2:41 p.m.

Minutes by: Mary Vityukova

Reviewed by: Gary L. White