

Pension Trust Fund

Fund 61 • Pension Trust Fund Type

FUND DESCRIPTION

The Pension Trust Fund is a non-governmental *fiduciary-type fund* that has been maintained for the benefit of employees who retired prior to the District's integration into the Oregon Public Employee Retirement System on July 1, 1981.

BUDGET SUMMARY

Expenditures	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Budget
Personnel Services	\$321,354	\$330,571	\$361,025	\$348,806
Materials and Services	535		5,550	5,000
Ending Fund Balance	1,495,041	1,002,973	709,805	
Total Expenditures	\$1,816,930	\$1,333,544	\$1,076,380	\$353,806

TRUST MANAGEMENT

The Board of Directors controls the Pension Plan and the investment mix policy, while the District's Fire Chief/Administrator serves as advisor to the Board and authorizes increases in benefit payments.

Day-to-day administration of the plan, including annual trust report filings with the Internal Revenue Service, investment of plan assets, and payments to retirees, are managed by the District's Finance Division. The Trust has been closed to contributions and no contributions have been made to the Trust in recent years.

While the District has not made contributions to the plan for many years, unfavorable investment returns, coupled with the aging of the retirees, has led to the District investing remaining assets in a money market type investment and at the expected utilization of remaining assets by early 2010-11, the District will begin transferring in enough funds each month to meet remaining monthly obligations as the fund winds down.

PENSION BENEFIT

Two groups of retirees are covered under the Pension Trust Fund. One group consists of those individuals who retired prior to amending the plan in 1976. The second group is those individuals affected by the Amended and Restated Plan of 1976, and who retired on or before July 15, 1983.

The original retirement plan document stipulates that the retiree receives a benefit of sixty percent of the current salary range for the job classification held at time of retirement. Thus, their benefit increases are directly tied to raises of the existing employee group. There are five retirees under this plan.

Under the 1976 Amended and Restated Plan, benefits are determined by multiplying a percent, which is the value of the number of years of completed service times two percent per year, by the final average salary. The cost of living increases for the retirees under the 1976 Amended and Restated Plan are limited to two percent per year. There are three recipients under this plan.

Administrative fees of \$5,000 are budgeted for actuarial and legal services, as well as monthly pension check and tax return preparation fees.

Pension Trust Fund

<i>Historical Data</i>			<i>Budget for Next Year 2009-10</i>			
Actual Second Preceding Year 2006-07	Actual First Preceding Year 2007-08	Adopted Budget This Year 2008-09		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Board
			Resources			
\$1,582,833	\$1,495,041	\$1,047,060	Beginning Fund Balance (Cash Basis) or	\$353,455	\$353,455	\$353,455
234,097	(161,497)	29,320	Working Capital (Accrual Basis)	351	351	351
			Earnings from Investments			
\$1,816,930	\$1,333,544	\$1,076,380	Total Resources	\$353,806	\$353,806	\$353,806
			Requirements			
\$321,354	\$330,571	\$361,025	Pension Benefit Costs	\$348,806	\$348,806	\$348,806
535		5,550	Administrative Fees	5,000	5,000	5,000
321,889	330,571	366,575	Total Expenditures	353,806	353,806	353,806
1,495,041	1,002,973	709,805	Unappropriated Ending Fund Balance	0	0	0
\$1,816,930	\$1,333,544	\$1,076,380	Total Requirements	\$353,806	\$353,806	\$353,806

Volunteer LOSAP Fund

Fund 63 • Pension Trust Fund Type

FUND DESCRIPTION

The Volunteer LOSAP Plan Fund was established on July 1, 1998, to account for the resources set aside for a District-managed length of service award plan for its firefighting volunteers. Since analysis indicated the District could improve benefits and lower costs over time, the District established the plan and created this fund to manage the trust assets. The District Finance Division manages trust investments and plan benefit payments to retired volunteers. Transfers to the fund are based upon actuarial recommendations. The most recent actuarial valuation was completed as of July 1, 2008. This valuation recommended annual contributions by the District of \$39,274. Due to capital market conditions since 2000, the District has budgeted for greater contributions, as investment returns of the investment portfolio invested in equities have not met actuarial assumptions of an eight percent return.

BUDGET SUMMARY

Expenditures	2006-07 Actual	2007-08 Actual	2008-09 Budget	2009-10 Budget
Personnel Services	\$11,040	\$11,150	\$592,870	\$714,266
Ending Fund Balance	792,227	823,021	250,760	
Total Expenditures	\$803,267	\$834,171	\$843,630	\$714,266

Volunteer LOSAP Fund

<i>Historical Data</i>			<i>Budget for Next Year 2009-10</i>			
Actual Second Preceding Year 2006-07	Actual First Preceding Year 2007-08	Adopted Budget This Year 2008-09		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Board
			Resources			
			Beginning Fund Balance (Cash Basis) or			
\$653,344	\$792,227	\$762,280	Working Capital (Accrual Basis)	\$674,318	\$674,318	\$674,318
89,923	(18,056)	21,350	Earnings from Investments	674	674	674
60,000	60,000	60,000	Transfer from Other Funds	39,274	39,274	39,274
\$803,267	\$834,171	\$843,630	Total Resources	\$714,266	\$714,266	\$714,266
			Requirements			
			Pension Benefit Costs	\$714,266	\$714,266	\$714,266
\$11,040	\$11,150	\$592,870	Unappropriated Ending Fund Balance			
792,227	823,021	250,760	Total Requirements	\$714,266	\$714,266	\$714,266
\$803,267	\$834,171	\$843,630				