

Retiree Medical Insurance Stipend Fund

Fund 46 • Expendable Trust Fund Type

PROGRAM DESCRIPTION

The Retiree Medical Insurance Stipend Fund was created to account for the District's previous defined benefit post employment health plan. The District changed from the prior plan, which made a \$100 or less contribution per month for firefighters and employees who were disabled from active duty or retired with 20 or more years of service, until they reached Medicare eligible age. That plan was phased out for all current employees as of June 30, 2000, and was replaced with a defined contribution plan, which pre-funds employees' post employment benefits during their employment. The current plan allows investment returns to help pay for future costs.

The resources in this fund are used to pay for monthly stipends of \$100 or less per retiree, for employees who retired under the prior plan on or before June 30, 2002, until they reach Medicare eligible age. The fund also pays for certain contractual insurance commitments under early retirement contracts previously authorized by the Board of Directors.

BUDGET SUMMARY

Expenditures	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Budget
Personnel Services	\$143,751	\$128,762	\$152,740	\$152,740
Ending Fund Balance	262,871	231,045	200,860	154,680
Total Expenditures	\$406,622	\$359,807	\$353,600	\$307,420

Retiree Medical Insurance Stipend Fund

Historical Data

Actual Second Preceding Year 2005-06	Actual First Preceding Year 2006-07	Adopted Budget This Year 2007-08
\$308,244	\$262,871	\$260,890
12,569	11,127	6,901
85,809	85,809	85,809
<u>\$406,622</u>	<u>\$359,807</u>	<u>\$353,600</u>

\$143,751	\$128,762	\$152,740
262,871	231,045	200,860
<u>\$406,622</u>	<u>\$359,807</u>	<u>\$353,600</u>

Budget for Next Year 2008-09

Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Board
\$215,585	\$215,585	\$215,585
6,035	6,035	6,035
85,800	85,800	85,800
<u>\$307,420</u>	<u>\$307,420</u>	<u>\$307,420</u>

Resources

Beginning Fund Balance
Earnings from Investments
Transfer from Other Funds

Total Resources

Requirements

Post Employment Health Program
Unappropriated Ending Fund Balance

Total Requirements

Pension Trust Fund

Fund 61 • Pension Trust Fund Type

PROGRAM DESCRIPTION

The Pension Trust Fund is a non-governmental *fiduciary-type fund* in which earnings from the assets of the fund are managed in a prudent manner in order to provide for actuarially determined costs for employee retirement benefits. The plan is 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	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Budget
Personnel Services	\$313,733	\$321,354	\$361,025	\$361,025
Materials and Services	466	535	5,550	5,550
Ending Fund Balance	1,582,833	1,495,041	1,057,740	709,805
Total Expenditures	\$1,897,032	\$1,816,930	\$1,424,315	\$1,076,380

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 had been judged to be actuarially sound and accordingly, no contributions have been made to the Trust in recent years.

The Trust was actuarially evaluated as of July 1, 2001. The actuarial evaluation indicated the Trust was still actuarially sound, with the actuarial value of assets exceeding the actuarial accrued liability if the assets earn above 6%. Accordingly, the plan is still considered fully funded for the long term, but continued poor investment market returns reverse that assumption. In addition, the benefits paid will ultimately depend on how long the retirees live and thus, the District's actuary recommends revisiting the funding status of the plan every few years. The District has provided funding to obtain an actuarial update as of July 1, 2008.

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 2% 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. Investment earnings are budgeted at approximately 5.5%, reflecting a continued concern regarding both fixed income and equity investments.

Pension Trust Fund

<i>Historical Data</i>			<i>Budget for Next Year 2008-09</i>			
Actual Second Preceding Year 2005-06	Actual First Preceding Year 2006-07	Adopted Budget This Year 2007-08		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Board
			Resources			
\$1,765,855	\$1,582,833	\$1,383,240	Beginning Fund Balance (Cash Basis) or	\$1,047,060	\$1,047,060	\$1,047,060
131,177	234,097	41,075	Working Capital (Accrual Basis)	29,320	29,320	29,320
			Earnings from Investments			
\$1,897,032	\$1,816,930	\$1,424,315	Total Resources	\$1,076,380	\$1,076,380	\$1,076,380
			Requirements			
\$313,733	\$321,354	\$361,025	Pension Benefit Costs	\$361,025	\$361,025	\$361,025
466	535	5,550	Administrative Fees	5,550	5,550	5,550
314,199	321,889	366,575	Total Expenditures	366,575	366,575	366,575
1,582,833	1,495,041	1,057,740	Unappropriated Ending Fund Balance	709,805	709,805	709,805
\$1,897,032	\$1,816,930	\$1,424,315	Total Requirements	\$1,076,380	\$1,076,380	\$1,076,380

Volunteer LOSAP Fund

Fund 63 • Pension Trust Fund Type

PROGRAM 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, 1999. This valuation recommended annual contributions by the District of \$21,689. Due to capital market conditions since 2000, the District has budgeted for greater contributions, as investment returns of the investment portfolio invested in equities are not meeting actuarial assumptions of an 8% return.

BUDGET SUMMARY

Expenditures	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Budget
Personnel Services	\$11,801	\$11,040	\$592,870	\$592,870
Ending Fund Balance	653,344	792,227	101,890	250,760
Total Expenditures	\$665,145	\$803,267	\$694,760	\$843,630

Volunteer LOSAP Fund

<i>Historical Data</i>			<i>Budget for Next Year 2008-09</i>			
Actual First Preceding Year 2005-06	Actual First Preceding Year 2006-07	Adopted Budget This Year 2007-08		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Board
			Resources			
\$562,592	\$653,344	\$611,120	Beginning Fund Balance (Cash Basis) or			
42,553	89,923	23,640	Working Capital (Accrual Basis)	\$762,280	\$762,280	\$762,280
60,000	60,000	60,000	Earnings from Investments	21,350	21,350	21,350
			Transfer from Other Funds	60,000	60,000	60,000
\$665,145	\$803,267	\$694,760	Total Resources	\$843,630	\$843,630	\$843,630
			Requirements			
\$11,801	\$11,040	\$592,870	Pension Benefit Costs	\$592,870	\$592,870	\$592,870
653,344	792,227	101,890	Unappropriated Ending Fund Balance	250,760	250,760	250,760
\$665,145	\$803,267	\$694,760	Total Requirements	\$843,630	\$843,630	\$843,630