
David Douglas School District No. 40



Side Account and Pension Bond Analysis

November 4, 2024

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David Douglas School District No. 40

Background Data

PERS Unfunded Actuarial Liability and Pension Bond Analysis

November 1, 2024

	2007 Valuation		2019 Valuation		2021 Valuation		2022 Valuation		2023 Valuation	
Rates Effective	7/1/09 - 6/30/11		7/1/21 - 6/30/23		7/1/23 - 6/30/25		Advisory Only		7/1/25 - 6/30/27	
System (\$ in millions)										
Combined Valuation Payroll	\$	7,721.8	\$	11,533.7	\$	12,684.1	\$	13,856.6	\$	15,316.5
OPSRP UAL	\$	(72.1)	\$	1,891.8	\$	1,555.0	\$	3,484.1	\$	4,088.7
Funded Status	95%		77%		80%		73%		76%	
School District Pool (\$ in millions)										
Combined Valuation Payroll	\$	2,693.3	\$	3,740.7	\$	4,141.8	\$	4,617.1	\$	4,985.0
Total T1/T2 UAL	\$	1,142.8	\$	7,880.4	\$	5,656.7	\$	7,853.8	\$	7,866.2
Funded Status	95%		74%		82%		76%		76%	
David Douglas School District No. 40										
Combined Valuation Payroll	\$	51,434,198	\$	80,365,678	\$	84,597,919	\$	91,674,179	\$	100,957,646
Allocated UAL/(surplus)										
T1/T2	21,824,129		169,302,006		115,540,576		155,938,864		159,308,991	
OPSRP	(479,976)		13,211,756		10,395,327		23,102,418		27,008,288	
Total Allocated Pooled UAL	21,344,153		182,513,762		125,935,903		179,041,282		186,317,279	
Less Side Account	36,065,469		19,158,394		18,215,765		14,711,525		12,038,648	
Net UAL	\$	(14,721,316)	\$	163,355,368	\$	107,720,138	\$	164,329,757	\$	174,278,631
	2007 Valuation		2019 Valuation		2021 Valuation		2022 Valuation		2023 Valuation	
	T1/T2	OPSRP	T1/T2	OPSRP	T1/T2	OPSRP	T1/T2	OPSRP	T1/T2	OPSRP
Rates Effective	7/1/09 - 6/30/11		7/1/21 - 6/30/23		7/1/23 - 6/30/25		Advisory Only		7/1/25 - 6/30/27	
Pension										
Normal cost rate	5.19%	5.81%	13.45%	8.64%	14.48%	9.89%	15.76%	10.55%	15.40%	10.47%
Tier 1/Tier 2 UAL rate ⁽¹⁾	8.82%	8.82%	14.09%	14.09%	14.10%	14.10%	14.03%	14.03%	14.01%	14.01%
OPSRP UAL rate	(0.08%)	(0.08%)	1.69%	1.69%	1.69%	1.69%	2.62%	2.62%	2.69%	2.69%
Total Pension Rate	13.93%	14.55%	29.23%	24.42%	30.27%	25.68%	32.41%	27.20%	32.10%	27.17%
Total Side account rate relief ⁽²⁾	(5.09%)	(5.09%)	(3.47%)	(3.47%)	(4.01%)	(4.01%)	(3.31%)	(3.31%)	(2.73%)	(2.73%)
Member redirect offset ⁽³⁾	0.00%	0.00%	(2.45%)	(0.70%)	(2.40%)	(0.65%)	(2.40%)	(0.65%)	(2.40%)	(0.65%)
Net Pension Rate	8.84%	9.46%	23.31%	20.25%	23.86%	21.02%	26.70%	23.24%	26.97%	23.79%
Retiree Healthcare										
Normal cost rate	0.10%	0.00%	0.05%	0.00%	0.04%	0.00%	0.04%	0.00%	0.04%	0.00%
UAL rate	0.19%	0.19%	0.00%	0.00%	0.04%	0.00%	0.04%	0.00%	0.04%	0.00%
Total Retiree Healthcare Rate	0.29%	0.19%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Net Employer Rate	9.13%	9.65%	23.36%	20.25%	23.86%	21.02%	26.70%	23.24%	26.97%	23.79%

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports.

(1) Includes Multnomah Fire District #10 rate and any impact of rate collar developed in the system-wide actuarial valuation report.

(2) The side account rate relief shown may be reduced such that the net pension contribution rate does not go below 0.00%.

(3) Redirected member contributions under Senate Bill 1049 (2.50% of payroll for T1/T2 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.

David Douglas School District No. 40

Historical Payroll and Payroll Growth

PERS Unfunded Actuarial Liability and Pension Bond Analysis

November 1, 2024

Combined Valuation Payroll and Payroll Growth						
	System		School Pool		District	
Calendar Year	PERS Covered Payroll	Annual Payroll	PERS Covered Payroll	Annual Payroll	PERS Covered Payroll	Annual Payroll
2007	\$ 7,721,819,358	5.39%	\$ 2,693,307,473	5.07%	\$ 51,434,198	----
2008	8,130,136,492	5.29%	2,815,403,743	4.53%	54,401,814	5.77%
2009	8,512,192,290	4.70%	2,873,703,874	2.07%	62,376,515	14.66%
2010	8,750,064,502	2.79%	2,950,661,440	2.68%	64,121,098	2.80%
2011	8,550,511,000	(2.28%)	2,786,000,000	(5.58%)	59,459,969	(7.27%)
2012	8,590,879,000	0.47%	2,731,500,000	(1.96%)	55,426,139	(6.78%)
2013	8,671,800,000	0.94%	2,723,500,000	(0.29%)	61,119,958	10.27%
2014	9,115,800,000	5.12%	2,872,700,000	5.48%	65,065,787	6.46%
2015	9,544,100,000	4.70%	3,060,700,000	6.54%	68,965,396	5.99%
2016	9,872,600,000	3.44%	3,240,700,000	5.88%	73,145,123	6.06%
2017	10,098,900,000	2.29%	3,314,200,000	2.27%	74,500,978	1.85%
2018	10,852,000,000	7.46%	3,543,500,000	6.92%	78,974,331	6.00%
2019	11,533,700,000	6.28%	3,740,700,000	5.57%	80,365,678	1.76%
2020	12,042,700,000	4.41%	3,821,900,000	2.17%	79,555,027	(1.01%)
2021	12,684,100,000	5.33%	4,141,800,000	8.37%	84,597,919	6.34%
2022	13,856,600,000	9.24%	4,617,100,000	11.48%	91,674,179	8.36%
2023	15,316,500,000	10.54%	4,985,000,000	7.97%	100,957,646	10.13%
5-Year Average Annual Growth Rate		7.13%			7.06%	5.03%
Average Annual Growth Rate Since 2007		4.37%			3.92%	4.31%

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports.

David Douglas School District No. 40

Pension Bond Side Account Analysis - Historic Savings 2007 Side Account

PERS Unfunded Actuarial Liability and Pension Bond Analysis

November 1, 2024

Pension Bonds Issued	Dated Date	Amount Issued	TIC
Series 2007	10/31/07	\$ 38,060,000	5.67%
Total Amount Issued		\$ 38,060,000	

CALENDAR Year End	PERS Covered Payroll	Balance on January 1	Admin. Expense	Reported Rate Credit	Pension Bond Deposits	Reported Investment Earnings (\$)	Reported Investment Earnings (%)	Balance on December 31	Calendar Year Debt Service	Calculated Pension Bond Savings
Dec-2007	\$ 51,434,198	\$ -	\$ -	\$ (560,352)	\$ 37,683,705	\$ (1,055,385)	9.5%	\$ 36,067,968	\$ -	\$ 560,352
Dec-2008	54,401,814	36,067,968	(2,500)	(3,124,292)	-	(9,197,812)	(27.2%)	23,743,364	3,645,570	(521,278)
Dec-2009	62,376,515	23,743,364	(1,000)	(3,577,142)	-	3,955,575	19.1%	24,120,797	3,387,495	189,648
Dec-2010	64,121,098	24,120,797	(1,000)	(2,869,845)	-	2,792,430	12.4%	24,042,382	2,344,186	525,659
Dec-2011	59,459,969	24,042,382	(1,000)	(2,828,211)	-	673,560	2.2%	21,886,731	2,427,447	400,764
Dec-2012	55,426,139	21,886,731	(1,000)	(1,536,207)	-	3,104,131	14.3%	23,453,655	2,514,794	(978,587)
Dec-2013	61,119,958	23,453,655	(1,000)	(1,802,020)	-	3,599,139	15.6%	25,249,774	2,605,693	(803,673)
Dec-2014	65,065,787	25,249,774	(1,000)	(2,037,432)	-	1,806,825	7.2%	25,018,167	2,699,367	(661,935)
Dec-2015	68,965,396	25,018,167	(1,000)	(2,297,656)	-	520,060	1.9%	23,239,571	2,799,892	(502,236)
Dec-2016	73,145,123	23,239,571	(1,000)	(3,053,421)	-	1,554,753	6.9%	21,739,903	2,901,612	151,809
Dec-2017	74,500,978	21,739,903	(500)	(2,763,977)	-	3,183,820	15.3%	22,159,246	3,002,436	(238,459)
Dec-2018	78,974,331	22,159,246	(500)	(2,789,715)	-	129,958	0.4%	19,498,989	3,111,551	(321,836)
Dec-2019	80,365,678	19,498,989	(500)	(2,854,505)	-	2,515,411	13.6%	19,159,395	3,224,573	(370,068)
Dec-2020	79,555,027	19,159,395	(500)	(2,811,039)	-	1,177,066	7.7%	17,524,922	3,340,659	(529,620)
Dec-2021	84,597,919	17,524,922	(500)	(2,725,516)	-	3,417,860	20.1%	18,216,766	3,458,965	(733,449)
Dec-2022	91,674,179	18,216,766	(500)	(3,195,204)	-	(308,536)	(1.6%)	14,712,526	3,583,511	(388,307)
Dec-2023	100,957,646	14,711,525	(500)	(3,421,080)	-	748,703	5.7%	12,038,648	3,713,171	(292,091)
Subtotal (Actual)										\$ (4,513,308)

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports. Information for calendar years 2003 and prior was not readily available.

David Douglas School District No. 40

Pension Bond Side Account Analysis - Projected Savings 2007 Side Account, Base Case

PERS Unfunded Actuarial Liability and Pension Bond Analysis

November 1, 2024

Pension Bonds Issued	Dated Date	Amount Issued	TIC
Series 2007	10/31/07	38,060,000	5.67%
Total Amount Issued		\$ 38,060,000	

Period End ⁽¹⁾	Projected PERS Covered Payroll	Balance, beginning	Admin. Expense	Projected Rate Credit	Projected Rate Credit (%)	Pension Bond Deposits	Projected Investment Earnings (\$)	Projected Investment Earnings (%)	Balance, ending	Semi-Annualized Debt Service Intercept	Projected Pension Bond Savings
Jun-2024	52,505,179	\$ 12,038,648	\$ (250)	(2,105,458)	4.01%	\$ -	\$ 367,342	3.34%	\$ 10,300,283	\$ 1,968,320	\$ 137,138
Dec-2024	53,904,180	10,300,283	(250)	(2,161,558)	4.01%	-	319,482	6.90%	8,457,957	2,040,862	120,695
Jun-2025	55,340,458	8,457,957	(250)	(2,219,152)	4.01%	-	256,178	6.90%	6,494,733	2,040,862	178,290
Dec-2025	56,815,006	6,494,733	(250)	(1,551,050)	2.73%	-	198,911	6.90%	5,142,343	2,117,059	(566,009)
Jun-2026	57,966,760	5,142,343	(250)	(1,582,493)	2.73%	-	152,546	6.90%	3,712,147	2,117,059	(534,566)
Dec-2026	58,881,218	3,712,147	(250)	(1,607,457)	2.73%	-	103,678	6.90%	2,208,117	2,196,206	(588,748)
Jun-2027	59,810,103	2,208,117	(250)	(1,632,816)	2.73%	-	52,299	6.90%	627,350	2,196,206	(563,390)
Dec-2027	60,753,641	627,350	(250)	(639,677)	1.05%	-	12,577	6.90%	-	1,130,102	(490,425)
Jun-2028	61,712,064	-	-	-	0.00%	-	-	6.90%	-	1,130,102	(1,130,102)
Subtotal (Projected)											(3,437,117)
Total (Actual + Projected)											\$ (7,950,425)

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports. Information for calendar years 2003 and prior was not readily available.

(1) Historical PERS rate credits and savings are reported on calendar year basis. Projected changes in PERS rates are reported on a fiscal year basis, therefore projected rate credits and savings are shown to match that timing.

Key Economic Assumptions:

* Payroll growth projected at 5.40% through 12/31/25 and then 3.18% thereafter, as assumed by PERS in its actuarial models. Actual payroll growth may differ from the assumption, and any changes in payroll growth rates from the assumption will affect the actual savings or costs realized.

** Investment returns projected at 6.90% annually, as assumed by PERS in its actuarial models. Calendar Year 2024 returns through June 30 have been reported at 3.34% and have been incorporated. Investment earnings for the period of 7/1/24 through 12/31/24 are credited at 6.90%. Further, future rates of return may also differ from the assumption. Any changes in investment earnings will affect the actual savings or costs realized.

David Douglas School District No. 40

Pension Bond Side Account Analysis - Projected Savings 2007 Side Account, High Payroll Growth

PERS Unfunded Actuarial Liability and Pension Bond Analysis

November 1, 2024

Pension Bonds Issued	Dated Date	Amount Issued	TIC
Series 2007	10/31/07	38,060,000	5.67%
Total Amount Issued		\$ 38,060,000	

Period End ⁽¹⁾	Projected PERS Covered Payroll	Balance, beginning	Admin. Expense	Projected Rate Credit	Projected Rate Credit (%)	Pension Bond Deposits	Projected Investment Earnings (\$)	Projected Investment Earnings (%)	Balance, ending	Semi-Annualized Debt Service Intercept	Projected Pension Bond Savings
Jun-2024	53,476,479	\$ 12,038,648	\$ (250)	(2,144,407)	4.01%	\$ -	\$ 367,063	3.34%	\$ 10,261,054	\$ 1,968,320	\$ 176,087
Dec-2024	57,347,135	10,261,054	(250)	(2,299,620)	4.01%	-	316,497	6.90%	8,277,681	2,040,862	258,758
Jun-2025	59,943,930	8,277,681	(250)	(2,403,752)	4.01%	-	247,483	6.90%	6,121,163	2,040,862	362,889
Dec-2025	61,541,137	6,121,163	(250)	(1,680,073)	2.73%	-	184,435	6.90%	4,625,274	2,117,059	(436,985)
Jun-2026	62,788,699	4,625,274	(250)	(1,714,131)	2.73%	-	133,161	6.90%	3,044,054	2,117,059	(402,927)
Dec-2026	63,779,226	3,044,054	(250)	(1,741,173)	2.73%	-	79,141	6.90%	1,381,772	2,196,206	(455,033)
Jun-2027	64,785,380	1,381,772	(250)	(1,404,263)	2.17%	-	22,741	6.90%	-	2,196,206	(791,942)
Dec-2027	65,807,406	-	-	-	0.00%	-	-	6.90%	-	1,130,102	(1,130,102)
Jun-2028	66,845,555	-	-	-	0.00%	-	-	6.90%	-	1,130,102	(1,130,102)
Subtotal (Projected)											(3,549,357)
Total (Actual + Projected)											\$ (8,062,665)

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports. Information for calendar years 2003 and prior was not readily available.

(1) Historical PERS rate credits and savings are reported on calendar year basis. Projected changes in PERS rates are reported on a fiscal year basis, therefore projected rate credits and savings are shown to match that timing.

Key Economic Assumptions:

* Payroll growth projected at 15.00% through 12/31/24, 5.40% through 12/31/25 and then 3.18% thereafter. Actual payroll growth may differ from the assumption, and any changes in payroll growth rates from the assumption will affect the actual savings or costs realized.

** Investment returns projected at 6.90% annually, as assumed by PERS in its actuarial models. Calendar Year 2024 returns through June 30 have been reported at 3.34% and have been incorporated. Investment earnings for the period of 7/1/24 through 12/31/24 are credited at 6.90%. Further, future rates of return may also differ from the assumption. Any changes in investment earnings will affect the actual savings or costs realized.

David Douglas School District No. 40

PERS Unfunded Actuarial Liability and Pension Bond Analysis

Pension Bond Side Account Analysis - Payroll Growth Sensitivity

	Base Case: Actuarial Assumed Payroll Growth	High Payroll: 15% Payroll Growth through 12/31/24	Difference
2023 Payroll	\$ 100,957,646	\$ 100,957,646	\$ -
Projected 2024 Payroll	106,409,359	110,823,614	4,414,256
Annual Growth 2024	5.40%	15.00%	9.60%
Projected final side account amortization	12/31/2027	5/31/2027	0.59 Years
Historical savings	\$ (4,513,308)	\$ (4,513,308)	\$ -
Projected savings, remaining years	(3,437,117)	(3,549,357)	(112,241)
Total projected savings	\$ (7,950,425)	\$ (8,062,665)	\$ (112,241)

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports.

Key Economic Assumptions:

* Payroll growth projected at either 5.40% or 15.00% through 12/31/24 per scenario, 5.40% through 12/31/25 and then 3.18% thereafter. Actual payroll growth may differ from the assumption, and any changes in payroll growth rates from the assumption will affect the actual savings or costs realized.

** Investment returns projected at 6.90% annually, as assumed by PERS in its actuarial models. Calendar Year 2024 returns through June 30 have been reported at 3.34% and have been incorporated. Investment earnings for the period of 7/1/24 through 12/31/24 are credited at 6.90%. Further, future rates of return may also differ from the assumption. Any changes in investment earnings will affect the actual savings or costs realized.

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