



CITY OF
PORTLAND, OREGON

Dan Saltzman, Commissioner
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Date: January 14, 2011

To: Office of Management & Finance, Financial Planning Division

From: Commissioner Dan Saltzman

Re: FPDR FY 2010-11 Winter BuMP Submittal

Attached please find the FY 2010-11 winter BuMP submittal from the Bureau of Fire & Police Disability & Retirement.

FPDR has one request in the winter BuMP, creating a \$1000 interagency agreement with OMF for Technical Accounting's work in preparing FPDR's financial statements for our audit.

The fund projection reports show that:

- The FPDR Fund projects revenue, excluding the tax anticipation note, of \$2.7M above budget. This is primarily due to beginning balance being \$2.8M above budget.
- Ending balance is projected to be \$16.0M. In addition to above-budget revenue, we do not expect to spend the budgeted contingency, and materials and services will be \$4.5M below budget.
- The FPDR Reserve Fund was not needed to maintain a positive cash balance before the November property tax turnover and will end the year with its normal \$750,000 balance.

If you have any questions or need more information, you may contact FPDR directly at 503.823.6823.

BUDGET AMENDMENT REQUEST

Bureau of Fire & Police Disability & Retirement

PERIOD Winter BuMP

FISCAL YEAR FY 2010-11

DR_002 - FPDR IA with OMF

FPDR and OMF Financial Services have established a \$1000 interagency agreement for the support Technical Accounting gives FPDR in the preparation of its audited financial statements. The offset is from external materials and services.

Dollar Amount: \$0

Type: Technical Adjustment

Resources: Internal Transfer

Fund Projection Report

	Winter BuMP Revised Budget	FY 2010-11 Year to Date Actuals	Winter BuMP Year-End Projection	% of Projected Actuals to Revised Bud
Fire & Police Disability & Retirement Fund				
EXPENDITURES				
Unappropriated Fund Balance	\$0	\$0	\$16,007,899	
Personal Services	\$1,584,867	\$667,883	\$1,559,636	98%
External Materials and Services	\$103,173,727	\$33,005,882	\$99,879,654	97%
Internal Materials and Services	\$5,218,860	\$169,153	\$4,056,467	78%
Capital Outlay	\$0	\$0	\$35,000	
Bond Expenses	\$32,844,224	\$21,536	\$22,277,124	68%
Fund Transfers - Expense	\$384,734	\$159,866	\$384,734	100%
Contingency	\$8,599,222	\$0	\$0	0%
TOTAL EXPENDITURES	\$151,805,634	\$34,024,321	\$144,200,514	95%
REVENUES				
Budgeted Beginning Fund Balance	\$8,793,144	\$0	\$11,591,042	132%
Taxes	\$109,330,290	\$481,846	\$110,120,000	101%
Interagency Revenue	\$7,200	\$3,000	\$7,200	100%
Fund Transfers - Revenue	\$750,000	\$0	\$0	0%
Bond and Note	\$32,450,000	\$22,170,272	\$22,170,272	68%
Miscellaneous	\$475,000	\$168,723	\$312,000	66%
TOTAL REVENUES	\$151,805,634	\$22,823,840	\$144,200,514	95%

Fund Projection Narrative

Revenue, excluding the tax anticipation note (TAN), is projected to be \$2.7M above budget. Beginning balance is \$2.8M above budget, due primarily to FYE10 tax revenue of \$2.1M above budget. FYE11 tax revenue is projected to be \$0.8M above budget. FPDR does not expect to transfer any funds from the FPDR Reserve Fund this year. Miscellaneous revenues are expected to be \$0.2M below budget because of lower interest income projections.

Ending fund balance is projected to be \$16.0M. In addition to \$2.7M of above-budget revenue, contingency should not be needed unless one or more of the three large claims against FPDR result in charges to the fund. External materials and services, which are primarily pension costs, are expected to be \$3.3M below budget, due to fewer retirements than were projected. Internal materials and services are projected to be \$1.2M below budget because of lower than expected OPSRP and return to work costs with Police and Fire. The \$35,000 in capital expense represents expected investment in FPDR's database intangible asset.

Fund Projection Report

	Winter BuMP Revised Budget	FY 2010-11 Year to Date Actuals	Winter BuMP Year-End Projection	% of Projected Actuals to Revised Bud
Fire & Police Disability & Retirement Res Fund				
EXPENDITURES				
Unappropriated Fund Balance	\$0	\$0	\$750,000	
Fund Transfers - Expense	\$750,000	\$0	\$0	0%
TOTAL EXPENDITURES	\$750,000	\$0	\$750,000	100%
REVENUES				
Budgeted Beginning Fund Balance	\$750,000	\$0	\$750,000	100%
TOTAL REVENUES	\$750,000	\$0	\$750,000	100%

Fund Projection Narrative

Each year, FPDR budgets a transfer from the FPDR Reserve Fund to the FPDR Fund to cover a potential cash shortfall prior to the receipt of property tax revenue in November. For FYE11, the proceeds of the tax anticipation notes were sufficient to maintain a positive cash balance in the FPDR Fund. Therefore, the budgeted transfer from the Reserve Fund will not be needed.

FPDR Winter 2011 BuMP: Add Package Report

Increase Contingency to 7%

Because of the risks to the forecast identified in the five-year plan, FPDR increased its operating contingency from 5% to 7% for FY 2010-11. The appropriate contingency level is reviewed annually.

FPDR Winter 2011 BuMP: Service Improvement Plan Update

FY 2010-11 Adopted Budget Strategic Direction

Enhancements to Program Areas

Staff will continue to develop and implement enhancements to the FPDR program areas. The emphasis will continue to be improved customer service, efficiency of service delivery, professional program administration, and fiscal responsibility. Significant progress has been made with respect to the disability audit recommendations, and implementation of the pension audit recommendations began in FY 2009-10 and will be completed in FY 2010-11.

Community Conversations

The FPDR Community Conversations, held in September 2009, were an opportunity for members and staff to develop a shared vision of the relationships between members and staff and to discuss what they can do together to create the envisioned relationships. The conversations have led to a series of actions items that also will be completed in FY 2010-11. For example, the FPDR member survey will be conducted in 2010 after a gap of six years, various communication pieces will be developed about accessing FPDR benefits, more retirement workshops will be scheduled, and the FPDR website will be enhanced as part of the Portland Online refresh.

Update

Since the above was written, we have:

- Completed the biennial membership survey. The survey was distributed in the quarterly member newsletter, and that may account for the low response rate (6% compared to 18% in 2004, the prior survey). Future surveys will be distributed in a separate mailing to retired and disabled members, and active members will be offered an online survey.
- Reviewed disability packets for easy-to-follow, complete information on filing a claim. Delivered new packets July 1. Brochures have been created and/or updated.
- An informational notice on how to access FPDR benefits to post in Fire and Police offices has been developed, and a business-card size resource guide for members will be printed now that a new Fire liaison has been named.
- We recently conducted an online pulse poll to ask members who are eligible for retirement their format preference for retirement workshops and will continue with the mix of full-day and half-day formats.
- FPDR is still awaiting its turn for the PortlandOnline refresh; more information will be available once that is completed.

Other efforts need to be integrated into FPDR's overall IT strategy and/or to be coordinated with the Police and Fire Bureaus' leadership.