



## City of Portland, Oregon



### BUREAU OF FIRE AND POLICE DISABILITY AND RETIREMENT

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Linda L. Jefferson, CPDM, Director

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Date: March 29, 2013

To: Mayor Charlie Hales  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
Commissioner Dan Saltzman  
Auditor LaVonne Griffin-Valade  
City Budget Office

From: Linda Jefferson, Director

Re: FPDR FY 2012-13 Spring BMP Submittal

Attached please find the FY 2012-13 spring BMP submittal from the Bureau of Fire & Police Disability & Retirement.

FPDR has two requests in the spring BMP:

- Return \$750,000 to the FPDR Reserve Fund that was transferred to the FPDR Fund in the fall to maintain a positive cash position prior to the arrival of tax revenues.
- Technical adjustments that add \$80,000 to capital, reduce the interagency agreement with Portland Fire & Rescue by \$100,000 to better align the budget with expected spending for OPSRP contributions and light duty, and add \$1,000 to the interagency agreement with OMF Technical Accounting. The addition to capital is needed because FPDR has been able to make planned database enhancements ahead of its expected schedule and because the bureau decided to bring medical bills processing in house and had to make previously unplanned enhancements to do so.

The following major object categories were addressed in the fund projection report for the FPDR Fund:

- Bond expense and revenue are below budget, because the actual tax anticipation note issue was less than the budgeted authority.

Unappropriated ending balance for the FPDR Fund is projected to be \$14.2 million. This is slightly above the \$13.8 million beginning balance included in the FY 2013-14 Requested Budget. The FPDR Reserve Fund's ending balance will be \$750,000 as expected.

If you have any questions or need more information, please contact us at 503.823.6823.

# BUDGET AMENDMENT REQUEST

Bureau of Fire & Police Disability & Retirement

PERIOD Spring BuMP

FISCAL YEAR FY 2012-13

## DR\_001 - Return Transfer to FPDR Reserve Fund

FPDR transferred \$750,000 from the FPDR Reserve Fund to the FPDR Fund in November 2012. The funds were used to maintain a positive cash balance until property tax revenues had been received. This request will return the \$750,000 to the FPDR Reserve Fund.

Dollar Amount: \$0

Type: Technical Adjustment

Resources: Internal Transfer

## DR\_002 - Technical Adjustments

This request includes three internal transfers. The first increases the interagency agreement with OMF Financial Services by \$1,000 to cover the increased cost of its accounting service. The second reduces the interagency agreement with the Fire Bureau by \$100,000 for OPSRP reimbursement. The third adjustment increases capital outlay by \$80,000 to cover the cost of implementing database improvements originally planned for future years and to implement the work on bringing medical bills processing in-house.

Dollar Amount: \$0

Type: Technical Adjustment

Resources: Internal Transfer

# Fund Projection Report

	Spring BuMP Revised Budget	FY 2012-13 YTD Actuals Thru AP8	Spring BuMP Year-End Projection	% of Projected Actuals to Revised Bud
<b>Fire &amp; Police Disability &amp; Retirement Fund</b>				
<b>EXPENDITURES</b>				
Unappropriated Fund Balance	\$0	\$0	\$14,189,535	
Personnel Services	\$1,774,413	\$1,120,841	\$1,701,410	96%
External Materials and Services	\$107,696,421	\$61,824,317	\$106,708,606	99%
Internal Materials and Services	\$6,567,947	\$2,573,305	\$6,358,555	97%
Capital Outlay	\$175,500	\$86,215	\$175,000	100%
Bond Expenses	\$25,516,569	\$24,816	\$21,440,142	84%
Fund Transfers - Expense	\$821,534	\$47,169	\$821,534	100%
Contingency	\$11,280,009	\$0	\$0	0%
<b>TOTAL EXPENDITURES</b>	<b>\$153,832,393</b>	<b>\$65,676,662</b>	<b>\$151,394,782</b>	<b>98%</b>
<b>REVENUES</b>				
Budgeted Beginning Fund Balance	\$13,927,817	\$0	\$14,393,884	103%
Taxes	\$112,072,367	\$102,329,257	\$112,964,367	101%
Interagency Revenue	\$360,200	\$4,800	\$360,200	100%
Fund Transfers - Revenue	\$753,009	\$750,000	\$753,009	100%
Bond and Note	\$25,211,000	\$21,355,124	\$21,355,124	85%
Miscellaneous	\$1,508,000	\$940,742	\$1,568,198	104%
<b>TOTAL REVENUES</b>	<b>\$153,832,393</b>	<b>\$125,379,923</b>	<b>\$151,394,782</b>	<b>98%</b>

## Fund Projection Narrative

Overall, fund revenues and expenditures are projected to be within 10% of budget. Variances of more than 10% are anticipated in bond expenses and revenues. FPDR issues tax anticipation notes (TANs) each year to prevent a cash shortfall prior to the receipt of property tax revenue in November. The TAN issue is budgeted in January while the size of the actual TAN issue is determined in the following June. This timing difference generally results in a variance in this category.

Capital outlay was projected to exceed the Adopted Budget level, but FPDR is requesting a budget increase of \$80,500. Some of the planned post go-live updates to the FPDR database have been shifted into the current year from future years, and the decision to bring medical bills processing in-house added to the need for capital improvements.

## Fund Projection Report

	Spring BuMP Revised Budget	FY 2012-13 YTD Actuals Thru AP8	Spring BuMP Year-End Projection	% of Projected Actuals to Revised Bud
<b>Fire &amp; Police Disability &amp; Retirement Res Fund</b>				
<b>EXPENDITURES</b>				
Unappropriated Fund Balance	\$0	\$0	\$750,000	
Fund Transfers - Expense	\$750,000	\$750,000	\$750,000	100%
Contingency	\$750,000	\$0	\$0	0%
<b>TOTAL EXPENDITURES</b>	<b>\$1,500,000</b>	<b>\$750,000</b>	<b>\$1,500,000</b>	<b>100%</b>
<b>REVENUES</b>				
Budgeted Beginning Fund Balance	\$750,000	\$0	\$750,000	100%
Fund Transfers - Revenue	\$750,000	\$0	\$750,000	100%
<b>TOTAL REVENUES</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>100%</b>

### Fund Projection Narrative

FPDR projects no variance between the Revised Budget and actual expenditures and revenues for the FPDR Reserve Fund. This fund will have only two transactions: a transfer of \$750,000 to the FPDR Fund to manage cash flow before sufficient property tax revenues were received in November, and a return transfer of the same \$750,000 at year-end.

**FPDR Decision Package Report  
FY 2012-13 Spring BMP**

Eliminate Half-Time Program Coordinator Position

This decision package eliminated a part-time program coordinator position for ongoing savings of about \$45,000 per year. The position was added in 2008 to implement the provisions of a new federal law. In 2010 the position was reduced to half-time and the duties changed to implementing new Medicare reporting requirements. With business processes for both new requirements in place, FPDR determined that the position was no longer critical and that ongoing oversight could be provided by other staff. The position was eliminated on July 1, 2012.

## Capital Program Status Report

### Fire and Police Disability and Retirement

CIP Program	FY 2011-12 Adopted Budget	FY 2011-12 Revised Budget	FY 2011-12 Year-End Actuals	Variance \$	Variance %	FY 2012-13 Adopted Budget	Spring BuMP Revised Budget	FY 2012-13 Year to Date Actuals	Variance \$	Variance %
Acquisitions	\$240,000	\$240,000	\$138,934	(\$101,066)	(42%)	\$95,500	\$175,500	\$86,215	\$80,000	84%
<b>Total</b>	<b>\$240,000</b>	<b>\$240,000</b>	<b>\$138,934</b>	<b>(\$101,066)</b>	<b>(42%)</b>	<b>\$95,500</b>	<b>\$175,500</b>	<b>\$86,215</b>	<b>\$80,000</b>	<b>84%</b>

\* Prior Year variances compare Year-End Actuals to Revised Budget

\*\* Current Year variances compare Revised Budget to Adopted Budget

#### Prior Year Variance Description

FPDR's only capital project is the rebuilding of a FoxPro database in SQL server, and subsequent capital upgrades to the new database.

There is a variance of more than 10% between the FY 2011-12 budget and actual expenditures. When the FY 2011-12 budget was adopted FPDR anticipated completing the project in that fiscal year, with go live planned for summer 2012. After vendor selection go live was shifted to fall 2012, and roughly \$100,000 of the project's pre-go live budget was shifted from FY 2011-12 to FY 2012-13.

#### Current Year Variance Description

There is a variance of more than 10% between the FY 2012-13 Adopted and Revised Budgets. The new database went live within budget in October 2012. However, post go-live capital expenses in the current fiscal year have been more than originally anticipated for two reasons. First, a decision was made after budget adoption to process medical bills in-house, rather than through an external vendor. FPDR believes this decision will be cost neutral overall, at a minimum, but it required the programming of an entirely new database module immediately after go-live. Second, more of the anticipated post go-live capital upgrades have been shifted into the current fiscal year from outyears, primarily because of vendor availability.