



**City
Budget
Office**

Fire & Police Retirement & Disability

Analysis by Christy Owen

SUMMARY

Key Decisions for Council

The Bureau of Fire and Police Disability and Retirement (FPDR) does not have supplemental budget decisions for Council as part of the Fall Budget Monitoring Process (BMP) and there are no key decision points for Council action.

Budget & Fiscal Monitoring: Planning for Resource Collections and Expenditures

The primary resource supporting FPDR is the local property tax levy; these funds account for 98-99% of the bureau's funding. Factors that impact bureau expenses are reactionary to the personal retirement decisions of FPDR members, the hiring rate of Police and Fire Bureau staff, and the effectiveness of loss prevention programs within Portland Police Bureau and Portland Fire & Rescue to mitigate on-the-job injury or long-term disability incurred expense.

- Property taxes in FY 2019-20 were collected prior to the declaration of the public health crisis, and FPDR included a minor increase in the potential dollar value of delinquent tax payments as part of the FY 2020-21 Adopted Budget. The bureau also has contingency resources and plans should the delinquency rate and collections fall short in the current year.
- In FY 2019-20 the bureau processed a historic low of nine member retirements. This is likely a direct result of the concerted planning efforts of FPDR members to strategically target the most financially advantageous months for retirement—the ones where there is 27-pay period look-back. The bureau anticipates significant increase in the number of retirements in FY 2020-21. There is low financial risk to the fund despite the potential for a significant increase in sworn retirements, based on current and future capacity projections for the tax levy.
- In August 2020 the City accepted the arbitration results and Council amended the City Charter to allow prior union members who retired as non-represented members to receive the bargained benefits associated with the calculation of wages based on the 27-pay period look-back. This results in a current year expenditure of \$240,000, and ongoing expense of approximately \$75,000, for the impacted non-represented members who are already retired. The additional expense for future retirees is unknown, although the pensions of most non-represented sworn staff will now be higher. There is adequate base resource in the tax levy, current and future, for this expense.

SUPPLEMENTAL BUDGET CHANGES TO ALL FUNDS

There are no recommended changes to the FY 2020-21 budget for FPDR.

	Current Revised Budget	Bureau Requested Changes	CBO Recommended Changes	Total Recommended Revised Budget
Resources				
Budgeted Beginning Fund Balance	\$ 17,685,965	\$ -	\$ -	\$ 17,685,965
Taxes	\$ 166,062,018	\$ -	\$ -	\$ 166,062,018
Licenses & Permits	\$ -	\$ -	\$ -	\$ -
Charges for Services	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -
Interagency Revenue	\$ 1,571,818	\$ -	\$ -	\$ 1,571,818
Fund Transfers - Revenue	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Bond and Note	\$ 42,000,000	\$ -	\$ -	\$ 42,000,000
Miscellaneous	\$ 1,382,800	\$ -	\$ -	\$ 1,382,800
General Fund Discretionary	\$ -	\$ -	\$ -	\$ -
General Fund Overhead	\$ -	\$ -	\$ -	\$ -
Total Resources	\$230,202,601	\$0	\$0	\$230,202,601
Requirements				
Personnel Services	\$ 2,464,800	\$ -	\$ -	\$ 2,464,800
External Materials and Services	\$ 145,124,200	\$ -	\$ -	\$ 145,124,200
Internal Materials and Services	\$ 25,501,327	\$ -	\$ -	\$ 25,501,327
Capital Outlay	\$ 50,000	\$ -	\$ -	\$ 50,000
Bond Expenses	\$ 43,152,972	\$ -	\$ -	\$ 43,152,972
Fund Transfers - Expense	\$ 1,641,151	\$ -	\$ -	\$ 1,641,151
Contingency	\$ 11,518,151	\$ -	\$ -	\$ 11,518,151
Unappropriated Fund Balance	\$ 750,000	\$ -	\$ -	\$ 750,000
Total Requirements	\$230,202,601	\$0	\$0	\$230,202,601