



Fire & Police Disability & Retirement

Analysis by Christy Owen

	2020-21 Revised Budget	2020-21 Actuals	Remaining Budget	Percent Remaining
Expenses	\$230,202,601	\$124,321,239	\$105,881,362	46%
Operating Expenses	\$173,090,327	\$92,496,561	\$80,593,766	47%
Personnel	\$2,464,800	\$1,594,822	\$869,978	35%
External Materials and Services	\$145,124,200	\$84,081,419	\$61,042,781	42%
Internal Materials and Services	\$25,501,327	\$6,820,320	\$18,681,007	73%
Capital Expenses	\$50,000	\$0	\$50,000	100%
Capital Outlay	\$50,000	\$0	\$50,000	100%
Fund Level Expenses	\$57,062,274	\$31,824,678	\$25,237,596	44%
Contingency	\$11,518,151	\$0	\$11,518,151	100%
Debt Service	\$43,152,972	\$31,732,036	\$11,420,936	26%
Ending Fund Balance	\$750,000	\$0	\$750,000	100%
Fund Transfers - Expense	\$1,641,151	\$92,642	\$1,548,509	94%
Revenue	\$230,202,601	\$188,780,795	\$41,421,806	18%
External Revenue	\$209,444,818	\$188,775,858	\$20,668,960	10%
Bond & Note Proceeds	\$42,000,000	\$31,658,596	\$10,341,404	25%
Miscellaneous	\$1,382,800	\$353,628	\$1,029,172	74%
Taxes	\$166,062,018	\$156,763,635	\$9,298,384	6%
Internal Revenue	\$20,757,783	\$4,937	\$20,752,846	100%
Beginning Fund Balance	\$17,685,965	\$0	\$17,685,965	100%
Fund Transfers - Revenue	\$1,500,000	\$0	\$1,500,000	100%
Interagency Revenue	\$1,571,818	\$4,937	\$1,566,881	100%

Figure 1. This table shows the Fire & Police Disability & Retirement's all funds budget.

INTRODUCTION

Two-thirds through the fiscal year, the Fire & Police Disability & Retirement (FPDR) has expended 53% of its budgeted expenses and has collected 90% of its budgeted revenues. The bureau's Spring Supplemental Budget includes requests to ensure resources and expenditures are adequate to support bureau operations through June 30, 2021. **CBO anticipates that the bureau will end the year within budget appropriations.**

KEY DECISIONS FOR COUNCIL

The FY 2020-21 Spring Supplemental Budget submission for FPDR includes two requests to adjust bureau resources in accordance with planned expenditures. FPDR is primarily funded by a dedicated property tax levy, which supports the pay-as-you-go pension and disability payments for sworn Portland Police Bureau and Portland Fire & Rescue Members.

Technical Adjustments

Increase Interagency with Portland Police Bureau for Wellness Program

- Request to transfer \$10,000 from bureau contingency to interagency materials and services to fund a new wellness program for the Police Bureau Rapid Response Team (RRT) members as they transition from sustained assignments to patrol duties.

- This is a preventative measure to mitigate potential disability and timeloss claims due to stress and fatigue associated with repeated assignment on the RRT. The FPDR Board approved this action at the November 2020 Board Meeting.

CBO does recommend this request as the FPDR Board has approved and this investment is geared towards mitigating future costs to the bureau.

Allocate Resources Based on Current Year Expenditures

- Request to transfer \$3,525,000 in bureau contingency to support unplanned expenditures in FPDR programs. Of this request \$1.0 million is to cover the larger than planned for number of sworn retirement payments. This contingency draw will prevent the bureau from over-expending its pension budget.
- There is a request to transfer \$1.025 million from contingency to cover a shortfall in interagency revenue associated with the mid-year withdrawal of Portland Police Bureau from its contract for service with Trimet. In addition, there are fewer events where contracted services from the Portland Police Bureau are utilized, primarily due to cancellations of events due to the COVID-19 public health crisis. The result is reduced interagency funds coming into FPDR associated with these programs.
- The final action requiring a draw on bureau contingency relates to the increased sworn overtime in the Portland Fire Bureau from the response to wildland fires in the fall of 2020. Increased overtime results in increased pension plan costs through increases in sworn PERS payments.

CBO does recommend this request as these actions were unplanned expenses where bureau contingency is the appropriate resource.

CURRENT YEAR BUDGET MONITORING

There are no significant concerns with current year expenditures and revenues in FPDR. As with other bureaus, FPDR is collecting less interest earnings, likely a result of financial downturn brought on by the COVID-19 public health crisis.

Revenues from bureaus through interagency agreements are proposed to be adjusted in the Spring Supplemental Budget to reflect current activities in Portland Police Bureau and Portland Fire & Rescue.

As highlighted in the CBO Budget Review for FY 2021-22, the risks to the bureau's financial planning is dependent on the financial impacts on property tax collections and delinquencies.

SPRING SUPPLEMENTAL BUDGET CHANGES

	2020-21 Spring Revised Base (A)	Spring Decision Package Total (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Expense	\$230,202,601	(\$1,025,000)	\$0	\$229,177,601
Personnel	\$2,464,800	\$0	\$0	\$2,464,800
External Materials and Services	\$145,124,200	\$2,000,000	\$0	\$147,124,200
Internal Materials and Services	\$25,501,327	\$510,000	\$0	\$26,011,327
Capital Outlay	\$50,000	\$0	\$0	\$50,000
Debt Service	\$43,152,972	\$0	\$0	\$43,152,972
Ending Fund Balance	\$750,000	\$0	\$0	\$750,000
Fund Transfers - Expense	\$1,641,151	\$0	\$0	\$1,641,151
Contingency	\$11,518,151	(\$3,535,000)	\$0	\$7,983,151
Revenue	\$230,202,601	(\$1,025,000)	\$0	\$229,177,601
Beginning Fund Balance	\$17,685,965	\$0	\$0	\$17,685,965
Bond & Note Proceeds	\$42,000,000	\$0	\$0	\$42,000,000
Fund Transfers - Revenue	\$1,500,000	\$0	\$0	\$1,500,000
Interagency Revenue	\$1,571,818	(\$1,025,000)	\$0	\$546,818
Miscellaneous	\$1,382,800	\$0	\$0	\$1,382,800
Taxes	\$166,062,018	\$0	\$0	\$166,062,018