ADMINISTRATION
The following consent item(s) are considered to be routine and will be acted upon by the Board in one motion, without discussion, unless a Board member, staff member or the public requests an item be held for discussion.

1 Approval of Minutes – May 24, 2016 Meeting

INTRODUCTION OF VISITORS

PUBLIC COMMENT PERIOD
A sign up sheet for members of the public wishing to make public comments will be available at the meeting. The public comment period will not exceed 30 minutes. Therefore, the Board may limit individual comments to three minutes per person. In addition, a sign up sheet will be available prior to the meeting to allow public members the opportunity to sign up for an agenda item which they wish to provide comment on. When discussion on a specific agenda item is to begin, the public member will be allowed three minutes to provide comments, unless additional time is allowed by the Board.

ACTION ITEMS

1 Actuarial Assumptions for Valuation and Levy Adequacy Analysis
   o Milliman will present recommended changes to actuarial assumptions for the upcoming plan valuation and levy adequacy analysis.
   o Expected Outcome: Board accepts recommended changes and provides direction on any alternative assumptions they wish to have analyzed.

2 Resolution No. 511 – FPDR Office Space
   o Issue: Extension of FPDR office lease.
   o Expected Outcome: Board will adopt resolution authorizing FPDR Director to enter into an agreement for extension of office lease.

3 Resolution No. 512 - Amend Online Business Systems Contract
   o Issue: Online Business Systems contract will expire on October 15, 2016.
   o Expected Outcome: Board will adopt resolution amending contract to extend term and increase compensation as proposed by staff.

4 Resolution No. 513 - Amend Piracle, Inc. Contract
   o Issue: Piracle, Inc. contract will expire on November 18, 2014.
   o Expected Outcome: Board adopts amendment to contract to extend term and increase compensation as proposed by staff and to create a new contract to address ongoing yearly maintenance requirements.

INFORMATION ITEMS
The following information items do not require action by the Board and are solely for informational purposes unless a Board member, staff member or the public requests an item be held for discussion.

1 State of FPDR
2 FPDR Updates
3 Future Meeting Agenda Items
   o 2017 FPDR Board of Trustees Meeting Schedule (Proposed)
4 FPDR Summary of Expenditures

Copies of materials supplied to the Board before the meeting, except confidential items and those referred to Executive Session, are available for review by the public on the FPDR website at www.portlandoregon.gov/fpdr or at the FPDR offices located at: 1800 SW First Avenue, Suite 450, Portland, Oregon 97201

NOTE: If you have a disability that requires any special materials services or assistance call (503) 823-6823 at least 48 hours before the meeting.
#denotes items will be in Executive Session pursuant to ORS 192.660(2)(h) and not open to the public
Regular Meeting on May 24, 2016 of the Board of Trustees  
Fire & Police Disability & Retirement Fund  
Page 1 of 3  
Minutes - Summary

[[THE FOLLOWING SUMMARIZED MINUTES WERE CONDUCTED IN PUBLIC SESSION. THERE WAS NO PORTION OF THE MINUTES THAT WERE IN EXECUTIVE SESSION.]]

A regular meeting of the Board of Trustees of the Fire and Police Disability and Retirement Fund was called to order on the 24th day of May, 2016 at 1:02 p.m.

Board Members Present Included:

Mr. Jason Lehman, Fire Trustee, Chair Pro Tempore  
Mr. Justin Delaney, Citizen Trustee  
Mr. Robert Foesch, Police Trustee  
Mr. David Dougherty, Citizen Trustee

Board Members Absent Were:

Mayor Charlie Hales

Also Present Were:

Mr. Samuel Hutchison, FPDR Director  
Ms. Kimberly Mitchell, FPDR Claims Manager  
Ms. Stacy Jones, FPDR Finance Manager  
Mr. Kenneth A. McGair, Deputy City Attorney  
Mr. Lorne Dauenhauer, FPDR Outside Legal Counsel  
Mr. Gabe Sansone, Fire Liaison  
Ms. Crystal Viiuhkola, Police Liaison  
Mr. Alan Ferschweiler, President PFPA  
Mr. Trevor Caldwell, Attorney  
Mr. Dave Short, Retired Fire Member  
Mr. Del Stevens, Retired Fire Member  
Mr. Henry Groepper, Retired Police Member  
Other unknown audience members

Mr. Lehman called the meeting to order. A roll call of those present was taken. Mr. Lehman then asked for approval of the minutes.

**Mr. Dougherty made a motion that was seconded by Mr. Delaney and unanimously passed to approve the minutes of the March 15, 2016 Board meeting.**

<table>
<thead>
<tr>
<th>Aye</th>
<th>Mr. Lehman, Mr. Dougherty, Mr. Delaney, Mr. Foesch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nay</td>
<td>None</td>
</tr>
<tr>
<td>Abstain</td>
<td>None</td>
</tr>
<tr>
<td>Absent</td>
<td>Mayor Hales</td>
</tr>
</tbody>
</table>
Regular Meeting on May 24, 2016 of the Board of Trustees  PUBLIC SESSION
Fire & Police Disability & Retirement Fund
Page 2 of 3
Minutes - Summary

[[THE FOLLOWING SUMMARIZED MINUTES WERE CONDUCTED IN PUBLIC SESSION. THERE WAS NO PORTION OF THE MINUTES THAT WERE IN EXECUTIVE SESSION.]]

General Public Comments:

Mr. Del Stevens addressed the Board and asked about the overpayment recovery issue. He stated that while some people think it is resolved, it is not. He went on to say it is still possible to pay back 40 percent to the people who originally paid the full amount and there is a process to do that. He explained that he had spoken with Risk Management and the process includes an ordinance going to City Council. He also pointed out previous statements made by the Mayor. Mr. Stevens then stated that at prior meetings he brought to the Board’s attention information that PERS absorbed an overpayment issue for their members, as well as an article that the IRS had come out with a statement on collection of an overpayment. He added that he appreciates the fact that it is an awkward spot for the Board, but that repairing credibility damage is just as important as repairing structural damage.

Action Item No. 1 – Resolution No. 510 – Tax Anticipation Notes

Ms. Jones stated that Resolution 510 is to authorize FPDR to issue tax anticipation notes (TANs) for $34,476,000. She explained that TANs are just very short term bonds backed by property tax revenues and FPDR does it every year to cover cash flow needs between July 1 and mid-November.

Mr. Delaney made a motion which was seconded by Mr. Dougherty and passed by a roll call vote of 4-0 to approve Resolution No. 510.

<table>
<thead>
<tr>
<th>Aye</th>
<th>Mr. Delaney, Mr. Foesch, Mr. Lehman, Mr. Dougherty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nay</td>
<td>None</td>
</tr>
<tr>
<td>Abstain</td>
<td>None</td>
</tr>
<tr>
<td>Absent</td>
<td>Mayor Hales</td>
</tr>
</tbody>
</table>

Action Item No. 2 – Appoint Actuarial Committee

Ms. Jones explained the need to conscript or get two volunteers for the Actuarial Committee. Mr. Lehman and Mr. Dougherty volunteered and the Board had no objection and supported their appointment to the Actuarial Committee.

Information Item No. 1 – FPDR Updates

Mr. Hutchison provided some background about the FPDR retirement workshops. He stated that the FPDR surveys have shown that the workshops are well received and people appreciate the information. He explained that a typical workshop includes a speaker from Social Security that goes over Social Security and Medicare, a speaker from City benefits that goes over the medical insurance options and deferred compensation, a
VEBA representative and FPDR staff that presents members their personalized estimates and walk them through the numbers. He went on to explain that FPDR typically has three to four workshops a year and until recently, they have had 15 to 30 members in attendance. However, over the last six months, they have experienced a significant increase and there were 55 in attendance at the most recent workshop.

**Information Item No. 2 – Future Meeting Agenda Items**

Mr. Hutchison stated that he had no meeting topics that needed board attention or votes for the meeting scheduled in July. However, he asked the board to hold that meeting date so they can hold a work session to review a draft of the board handbook. Mr. Dougherty stated that he would be unable to attend the work session. The other board members present had no objection to the work session.

**Information Item No. 3 – FPDR Summary of Expenditures**

Ms. Jones explained that there was nothing unusual in the Summary of Expenditures. She added that the board would see the settlement in the Miller case in the next set of expenditure reporting.

There being no further business, the meeting was adjourned at 1:24 p.m.

/Signed/

Samuel Hutchison
Director

/kk
MEMORANDUM

September 20, 2016

To: FPDR Board; Stacy Jones
From: Matt Larrabee; Scott Preppernau
Re: Actuarial Assumptions for June 30, 2016 Actuarial Valuation

We have recently commenced our work on the June 30, 2016 actuarial valuation of the FPDR program and the associated levy-adequacy modeling project. This memo summarizes the assumptions we intend to use for this work, which we discussed with the FPDR Board Actuarial Subcommittee in August. In addition, this memo describes additional analysis regarding the Board’s COLA policy that we could conduct along with the valuation and levy-adequacy study, if desired by the Board. We welcome any questions from the Board and/or the subcommittee.

The last “experience study” for FPDR was completed and presented to the Board in May 2014; the results of that study were first used in the June 30, 2014 actuarial valuation. As its name implies, an experience study reviews recent historical experience for the plan to assist the Board in establishing appropriate and reasonable assumptions. An experience study is typically conducted every four to six years. Most of the demographic and economic assumptions from the 2014 study will continue to be used for the June 30, 2016 valuation. However, a few assumptions warrant additional discussion.

Discount Rate

Beginning with the June 30, 2014 valuation, the discount rate used for the FPDR valuation has been the same as the rate used for GASB financial reporting (i.e., accounting) at the same date. GASB requires the use of a municipal bond rate or index for plans which are not pre-funded.

FPDR and the City have used the Bond Buyer General Obligation 20-Bond Municipal Index as the source of the GASB rate. Unless the City or FPDR wishes to revisit this practice, we will prepare the June 30, 2016 valuation with a discount rate of 2.85%, which was the most recently published value of this index as of June 30, 2016. This is lower than the rates used at both the June 30, 2014 valuation date and the GASB roll-forward for June 30, 2015 financial reporting, which were 4.29% and 3.80%, respectively. Due to the long-duration nature of the plan’s projected benefit payments, this change will significantly increase the liabilities calculated this year compared to the prior two measurements even without any material change in the plan’s projected benefit payments each year.
Mortality

The mortality assumption used in recent FPDR valuations has been based on mortality assumptions used for police & fire members in Oregon PERS. We recommended use of an assumption based on the Oregon PERS experience because that group of public safety personnel is far larger than the FPDR membership and thus its mortality experience has greater statistical credibility. The most recent FPDR study continued this practice, and updated the mortality assumptions based on the current PERS assumptions at that time.

For the June 30, 2016 FPDR valuation, we recommend continuing to link to current PERS assumptions. This will result in updating the assumption to align with the PERS Experience study published in September 2015. In that study, the most significant change to the mortality assumptions affecting police & fire members is updating the projection of future mortality improvement to the more recently published Projection Scale BB (from Projection Scale AA, which was previously used). When we implemented the newer improvement scale for PERS, it increased the life expectancy of current and future male retirees by between one and two years.

Mortality assumptions for spouses, beneficiaries, and disabled retirees will also be updated to current PERS assumptions.

Future FPDR Two COLA

We understand the cost-of-living adjustment (COLA) payable to FPDR Two members is subject to Board discretion, up to a maximum of the COLA paid by Oregon PERS in a given year. The June 30, 2014 FPDR actuarial valuation assumed the FPDR Two COLA would be 1.25% per year for each year in the future. At the time, 2013 legislative changes meant that was the maximum amount payable under PERS.

After the April 2015 Oregon Supreme Court decision in Moro v. State of Oregon, PERS now applies a blended COLA that reflects both the period during which service was earned and the amount of the annual benefit (a lower COLA factor is used for the portion of benefits exceeding $60,000 per year). A rate of up to 2.00% (with COLA bank) applies to benefits earned before October 2013; service after that date receives a COLA of 1.25% for annual benefits up to $60,000 and 0.15% for benefits above that threshold. This approach to determine the COLA results in an individually determined COLA level for every retiree and beneficiary.

At its March 2016 meeting, the FPDR board elected to use a simplified version of this treatment for the COLA to be applied subsequent to that meeting. The simplified version is referred to as the “Modified PERS” method in the March 2016 Board materials. This approach blends a rate of 2.00% for service prior to October 8, 2013 and 1.25% for service after that date. Compared to PERS methodology, this would provide higher COLA benefits for FPDR Two members with over $60,000 in annual benefits than the “New PERS” approach.

At the March Board meeting, some members of the Board expressed a desire to assess the difference of the “Modified PERS” approach versus a “New PERS” COLA, which employed the
0.15% marginal COLA rate for benefits above $60,000 per year. At the same meeting, there was discussion of the “Old PERS” COLA, which provided an annual adjustment of up to 2%, based on changes in CPI and any “COLA bank” from prior years.

Key aspects of the three COLA policies are summarized below:

<table>
<thead>
<tr>
<th>COLA Policy</th>
<th>Details</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Old PERS”</td>
<td>COLA of up to 2.00% per year, with COLA bank</td>
<td>Due to banking aspect, participants typically receive 2.00% COLA most years</td>
</tr>
<tr>
<td>“Modified PERS”</td>
<td>Blended COLA:</td>
<td>Effective COLA for new retirees will trend down from 2.00% toward 1.25% over time as members with more post-October 2013 service retire.</td>
</tr>
<tr>
<td></td>
<td>Service before 10/8/2013: Up to 2.00%, with bank</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Service after 10/8/2013: 1.25%</td>
<td></td>
</tr>
<tr>
<td>“New PERS”</td>
<td>Blended COLA:</td>
<td>Effective COLA will reduce further than under “Modified PERS”, due to the effect of the $60,000 threshold.</td>
</tr>
<tr>
<td></td>
<td>Service before 10/8/2013: Up to 2.00%, with bank</td>
<td>The $60,000 is not indexed in the future, so will affect a growing share of retirees.</td>
</tr>
<tr>
<td></td>
<td>Service after 10/8/2013: 1.25% up to $60,000 in annual benefit; 0.15% above that level</td>
<td></td>
</tr>
</tbody>
</table>

Barring direction to the contrary, we anticipate completing the June 30, 2016 actuarial valuation and baseline levy adequacy modeling using the “Modified PERS” COLA approach for future years. Based on the discussion from the March meeting and subsequent follow-up with the Board Actuarial Subcommittee and FPDR staff, we could if requested also prepare results of both projects using both the “New PERS” and “Old PERS” approaches for comparison. This does require additional work which is beyond the scope of our standard biennial valuation engagement, which uses a single set of assumptions and provisions, so we would like to confirm this is still desired before incurring the costs associated with the additional analysis. The additional analysis would allow the Board to assess the effect varying COLA policies have on both valuation results and the levy adequacy study analysis.

27 Pay Period Adjustments

We understand that charter changes were made to FPDR’s one-year final pay averaging calculation in 2012 to eliminate a dynamic that made certain retirement months more favorable than others. That dynamic caused members retiring in particular months to use 27 pay periods in their averaging period rather than 26. Our understanding is that this change was overturned since our prior valuation. As a result, we intend to add an assumption regarding the average increase to a member’s final average pay that will be applied in the June 30, 2016 valuation due to the possibility that half or more of future retirements could occur in
months with 27 pay periods. (Each time a member retires in a 27 pay period month, it is estimated to increase his or her final average pay by 3.85% compared to retiring during a 26 pay period month.) We will work with FPDR staff to develop an appropriate assumption, but it likely will be between a 1.9% to 2.9% increase to the liability of current FPDR Two actives. In our 2014 valuation, the actuarial accrued liability for FPDR Two members active as of the valuation date was approximately $925 million.
RESOLUTION NO. 511

WHEREAS, the Board of Trustees of the Fire and Police Disability and Retirement Fund (FPDR), pursuant to Resolution No. 275, entered into a lease agreement with Oregon Pacific Investment & Development Company (Oregon Pacific) for offices in the Harrison Square Building on December 16, 1994, and

WHEREAS, the terms of the lease agreement will expire on July 31, 2017, and

WHEREAS, comparables and tours of other office buildings have been made, and

WHEREAS, the FPDR Director and Oregon Pacific have negotiated an extension to the lease agreement for said office space in the Harrison Square Building, and

WHEREAS, the City’s Facilities Services Division of the Office of Management & Finance approves of the extension to the lease, and

WHEREAS, an addendum to the lease agreement setting forth the details of the extension has been prepared and is attached hereto as Exhibit “A”.

NOW, THEREFORE BE IT RESOLVED by the Board of Trustees of the FPDR that the FPDR Director be and hereby is authorized to execute on behalf of the Board of Trustees and the FPDR an addendum to the lease agreement.

ADOPTED by the Board of Trustees on this 27th day of September, 2016.

__________________________________________
Samuel Hutchison
Director
June 17, 2016

Randy Lovre
Oregon Pacific Investment & Development Company
1800 SW First Avenue
Portland, OR 97201

Re: Letter of Intent to Extend Lease
On Behalf of the City of Portland Bureau of Fire Police Disability & Retirement
For the Harrison Square Building
1800 SW First Avenue, Portland, Oregon 97201

Dear Randy:

Thank you for our counter proposal dated June 7, 2016. It is my pleasure to respond on behalf of the City of Portland Bureau of Fire Police Disability & Retirement (“FPDR”), with this Letter of Intent to extend the lease for office space located in the Harrison Square Building as follows:

1. Building: The Harrison Square Building
   1800 SW First Avenue, Suite 450
   Portland, Oregon 97201

2. Premises: Approximately 8,060 rentable square feet on the fourth (4th) floor
   Suite 450

3. Tenant: City of Portland Bureau of Fire Police Disability & Retirement
   (“FPDR”).

4. Lease
   Commencement Date: August 1, 2017.

5. Extension Term: Please provide a thirty-nine (39) month term with three (3) six (6)
   month options to renew the lease with six (6) months prior written notice. At the annual
   anniversary date of the lease the base rental option period(s) will reflect the 3% annualized
   Base Rental as if the option periods were part of the original extension term.

6. Base Full Service
   Rental Rate: $25.40 with 3% annual increases at the Anniversary Date of the lease.

7. Base Year: Calendar Year 2018
8. Rent Concessions: Landlord shall grant tenant a $16,000 rental credit for the month of July, 2017.

9. Right of First Refusal (“ROFR”): The Tenant shall have a five (5) business day ROFR on any contiguous space on the fourth (4th) floor in the Building.

10. Parking Landlord shall continue to provide Tenant up to nine (9) monthly parking stalls at the then prevailing monthly parking rates. In addition, Landlord shall provide Tenant three (3) monthly parking stalls for the duration of the Lease Term and Extension Option period(s) at no cost to Tenant. All Tenant parking stalls shall be located in the Building parking garage.

11. Tenant Improvements: Tenant shall accept in its “as-is” condition but at its option shall have the right to use the rental credit shown in Section 8 above towards any work in Tenant’s premises.


13. Access: The Tenant shall have access to the building and building common grounds and Premises seven (7) days per week, 24 hours per day, 365 days per year.

14. Building Amenities: The Lease will detail availability rights and obligations and costs, if any, with regard to the following:

   (a) Lockers and showers for those employees who like to walk, jog or bicycle during the day.

   (b) Records storage availability within the building.

   (c) Bicycle storage availability in the Tri-Met locker.

   (d) Building Conference Room(s).

The lease document shall detail terms and conditions relating to availability and use of lockers and showers, conference room(s) records storage and bicycle storage.

15. Building Improvements We understand the Landlord has just completed the installation of a new mechanical system which includes two new chillers and cooling towers at a cost of one million dollars.

Landlord has engaged a local architectural firm to develop a revitalization and repositioning plan to upgrade and energize the
building’s common area. It is the Tenant’s understanding that the Landlord expects to initiate this work in the fourth quarter of this year.

16. Sustainability

Landlord has and will commit to a reduction of concerns which have been raised by Tenant as Landlord adjusts and fine tunes the new cooling system.

17. Real Property Tax Exemption

Tenant is a tax exempt government entity which may be exempt from real property taxes. Tenant will apply for such exemption through Multnomah County and, if successful, will receive the benefit of reimbursement of its pro-rata portion of such taxes each year from the Landlord.

18. Brokerage:

Landlord shall pay Colliers International a lease commission equal to four percent (4%) of the gross rents for up to the first five years of the lease term. The lease commission shall be due the brokerage firm upon execution of the lease.

19. Caveat:

This Lease proposal is not intended to be legally binding and there shall be no legal obligation between the Landlord and Tenant until a lease has been fully executed and exchanged between both parties. Any agreement between Landlord and Tenant shall be subject to approval of FPDR board and the approval by the Portland City Council estimated to be October 2016.

Hopefully this summary of lease points we have discussed, accurately reflects your understanding of our agreement to move this conversation forward. If you have any questions or need additional information, please do not hesitate to contact me at 503.499.0055.

We look forward to receipt of your response no later than 5:00 pm, Friday, May 24, 2016.

Sincerely,

Michael D. Holzgang
Senior Vice President
Corporate Services

cc: Samuel Hutchison
### Proposed Lease

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly</th>
<th>Annual</th>
<th>Sq Ft Annual Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>$227.70</td>
<td>$27,773</td>
<td>$2,770.06</td>
</tr>
<tr>
<td>2019-20</td>
<td>$230.94</td>
<td>$28,238</td>
<td>$2,823.81</td>
</tr>
<tr>
<td>2020-21</td>
<td>$234.03</td>
<td>$28,084</td>
<td>$2,808.43</td>
</tr>
<tr>
<td>2021-22</td>
<td>$237.33</td>
<td>$28,479</td>
<td>$2,847.90</td>
</tr>
<tr>
<td>2022-23</td>
<td>$240.45</td>
<td>$28,854</td>
<td>$2,885.40</td>
</tr>
</tbody>
</table>

### Existing Lease

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly</th>
<th>Annual</th>
<th>Sq Ft Annual Equivalent</th>
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<tbody>
<tr>
<td>2016-17</td>
<td>$175.99</td>
<td>$21,119</td>
<td>$2,111.90</td>
</tr>
<tr>
<td>2017-18</td>
<td>$179.38</td>
<td>$21,526</td>
<td>$2,152.60</td>
</tr>
<tr>
<td>2018-19</td>
<td>$182.28</td>
<td>$21,874</td>
<td>$2,187.40</td>
</tr>
<tr>
<td>2019-20</td>
<td>$184.94</td>
<td>$22,194</td>
<td>$2,219.40</td>
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<tr>
<td>2020-21</td>
<td>$187.38</td>
<td>$22,486</td>
<td>$2,248.60</td>
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<tr>
<td>2021-22</td>
<td>$189.76</td>
<td>$22,771</td>
<td>$2,277.10</td>
</tr>
<tr>
<td>2022-23</td>
<td>$192.00</td>
<td>$23,040</td>
<td>$2,304.00</td>
</tr>
</tbody>
</table>

### Percent Increase from 2016-17 to 2017-18: 6.7%

### Note

- 3% Annual Increase
- 2% Annual Increase

8060 Square Feet

August 16, 2016

FPDR Lease Comparison
Sam,

We have confirmation of the lease terms per the note below. Now, we will await the approval of your board and the City Council. Let me know what I can do to support you and your team. Best,
Mike

Mike Holzgang
Senior Vice President
Tenant Representation Services
Occupier Services Group
Direct +1 503 499 0055 | Mobile +1 503 888 5078
Main +1 503 223 3123 | Fax +1 503 227 2447
mike.holzgang@colliers.com  Download vCard

Colliers International
851 SW Sixth Avenue, Suite 1200 | Portland, OR 97204 | USA
www.tenantrep-pdx.com

Named one of Oregon’s Most Admired Companies by the Portland Business Journal.

From: Randy Lovre [mailto:rlvre@OPIIPortland.com]
Sent: Tuesday, June 21, 2016 2:22 PM
To: Holzgang, Mike <Mike.Holzgang@colliers.com>
Subject: RE: Emailing - City of PDX fire Dis LOI to extend lease Harrison Sq 06.17.2016.pdf

Mike;
Please consider this mail as confirmation of our understanding and agreement extending the Fire and Police Board lease here in Harrison Square.
Thank you for your assistance, we look forward to finalizing our agreement.
Randy

From: Holzgang, Mike [mailto:Mike.Holzgang@colliers.com]
Sent: Tuesday, June 21, 2016 2:16 PM
To: Randy Lovre
Subject: FW: Emailing - City of PDX fire Dis LOI to extend lease Harrison Sq 06.17.2016.pdf

Randy,

Please see the attached as you requested. Thanks, Mike

Mike Holzgang
Senior Vice President
Tenant Representation Services
From: Holzgang, Mike  
Sent: Monday, June 20, 2016 9:36 AM  
To: Randy Lovre <rlovre@opipdportland.com>  
Cc: 'Hutchison, Sam' <sam.hutchison@portlandoregon.gov>  
Subject: FW: Emailing - City of PDX fire Dis LOI to extend lease Harrison Sq 06.17.2016.pdf

Randy,  

I hope you had a great Father’s Day weekend. I have attached a final LOI that incorporates the details that should be a date related to the Fire and Police Disability and Retirement (FPDR) tenancy at Harrison Square. Please note that we accept your response to Section 14 as FPDR is certainly familiar with the amenities in the building by now.

Please send me a note that affirms our agreement based upon the attached document so we can seek the requisite approvals that are mentioned in Section 19 of the LOI. In the meantime, I will leave the Security discussions to you and Sam. Please call if you have any questions.

Best, Mike
RESOLUTION NO. 512

WHEREAS, the Bureau of Fire and Police Disability and Retirement (FPDR) requires the continued services of Online Business Systems (OBS) to provide computer systems design, maintenance and programming services; and

WHEREAS, by Contract No. 30002409, the FPDR entered into an agreement with OBS to provide computer systems design, maintenance and programming services; and

WHEREAS, OBS’s contract with FPDR will expire on October 15, 2016; and

WHEREAS, OBS has been the FPDR’s computer services specialists for the past five years and is familiar with and has the specific knowledge of the FPDR’s system; and

WHEREAS, FPDR wishes to continue the services of OBS by extending the contract for a five-year period through October 14, 2021; and

WHEREAS, the not-to-exceed value of the contract is increased by $500,000.00 from $650,000.00 to $1,150,000.00; and

WHEREAS, a copy of a contract amendment between the FPDR and OBS is attached as Exhibit “A” and by this reference made a part hereof.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Fire and Police Disability and Retirement Fund, that the FPDR Director or Chief Procurement Officer be and hereby is authorized to administer, on behalf of the Board, an Amendment to Contract substantially in accordance with the form of Amendment to Contract attached hereto as Exhibit “A”.

ADOPTED by the Board of Trustees on this 27th day of September 2016.

Samuel Hutchison
FPDR Director
AMENDMENT No. 2
CONTRACT No. 30002409

Agreement for Professional Technical, or Expert Services (IT)
FIRE AND POLICE DISABILITY AND RETIREMENT
APPLICATION REPLATFOR

This Contract was made and entered into on the 15th day of October 2011, by and between Online Business Systems, Inc., a Minnesota corporation, hereinafter called “Contractor,” and the City of Portland, a municipal corporation of the State of Oregon, hereinafter called “City,” by and through their duly authorized representatives. This Amendment may refer to the City and Contractor individually as a Party or collectively as the Parties.

The effective date of this Amendment is October 15, 2016. The purposes of this Amendment are to extend the term of the Contract, to increase the not-to-exceed value of the Contract to cover Maintenance and other Services for the extended term, and to modify certain sections of the Contract as set forth herein.

As authorized by Ordinance No. [blank], the Parties hereby agree to amend the Contract as follows:

1. The term of the Contract is extended by five years, and the new expiration date is October 14, 2021.

2. The not-to-exceed value of the Contract is increased by $500,000.00, from $650,000.00 to $1,150,000.00.

3. Contractor’s prices for the extended term are as follows:

<table>
<thead>
<tr>
<th>Charges</th>
<th>Years 6-7</th>
<th>Years 8-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance and support</td>
<td>$30,000 per year</td>
<td>$35,000 per year</td>
</tr>
<tr>
<td>Development</td>
<td>$130/hour (with increases capped at 3% per year)</td>
<td></td>
</tr>
</tbody>
</table>

Contractor shall bill Maintenance Fees on a quarterly basis. The Maintenance Fees may increase if the City requires server and or platform changes. For Software Enhancements, Contractor shall bill development charges on a monthly basis for the hours agreed-upon and worked.

4. Section 3.6.2 is DELETED.

5. Section 3.7 Substitution of Software at No Charge is DELETED.

6. Section 4.3.1 Preventative is REPLACED with the following text:

   a. “4.3.1 Preventative. Maintenance shall include preventative services and tools for the System such as, without limitation, the development, release and assistance in installation of Updates and Upgrades which are designed to prevent operational errors, bugs, viruses, and the like.”
7. Section 4.6 Training is REPLACED with the following text:

   a. "Training. At the City's request, Contractor shall provide the City with remote or
      on-site training in connection with Upgrades or major repairs that change the
      functional operation of the System, or any Software or Equipment component,
      whether such repair or alteration is a permanent or interim modification. Such
      training may be charged to the City at Contractor's then-current rates."

8. Section 4.7 Version Support is DELETED.

9. In Section 4.8 Redundant Systems, the phrase "redundant System/Product" is
    REPLACED with the phrase "development/test System/Product."

10. The following text is ADDED as paragraph two in Section 4.10 in Section 4.0
    MAINTENANCE SPECIFIC PROVISIONS,

    a. "Notwithstanding the resolution times set forth in the table below, the Parties
       may agree in writing to a longer resolution time, especially in cases there the
       source of the Error may involve City infrastructure or databases."

11. The following text is ADDED to Section 2.e.i of Exhibit B Statement of Work:

    a. "D. Contractor is responsible for Maintenance and Enhancement of Software
       including but not limited to:
          • Federal and State Tax processing programming needs, testing and
            validation
          • Software Enhancements subject to cost estimates and Bureau
            prioritization

All other terms and conditions of the Contract shall remain unchanged by this Amendment and in
full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed.

CITY OF PORTLAND

Chief Procurement Officer Date

Approved as to Form

Office of City Attorney Date

ONLINE BUSINESS SYSTEMS (CONTRACTOR)

Authorized Signature Date

Printed Name and Title

Address:

Phone:
Database 5 year Contract Actual Spending - $650,000
2011-2016

- Initial Development: 31%
- Maintenance: 16%
- New Functionality: 23%
- Bugs & Enhancements: 10%
- Portal-phase 1 & 2: 7%
- Taxes & Legislation: 5%
- Ending Balance: 8%

Database 5 year Contract Estimated Spending - $500,000
2017-2021

- Contingency: 27%
- Maintenance: 33%
- New Functionality: 10%
- Bugs & Enhancements: 20%
- Portal-phase 1,2 & 3: 5%
- Taxes & Legislation: 5%

**Maintenance** includes infrastructure, application components and 3rd party tools with which the FPDR system was originally developed, routine tax updates to existing functionality and bugs where functionality is no longer working.

**Enhancements** include major upgrades to infrastructure (e.g. server/operating system) that require system re-engineering, new functionality, upgrades to application modules, required legislative & tax calculation changes and bugs that are determined to be additional use-cases. These are subject to cost estimates and Bureau prioritization.

**Note:** This database is owned by FPDR. It is entirely FPDR's responsibility for the maintenance and upgrades to ensure the application is operational in the City's current and future technology infrastructure.
RESOLUTION NO. 513

WHEREAS, on November 19, 2012, the Bureau of Fire and Police Disability and Retirement (FPDR) entered into a contract with Piracle, Inc. to provide interface development services in an amount not to exceed $15,000; and

WHEREAS, the contract with Piracle, Inc. will expire on November 18, 2016; and

WHEREAS, Piracle, Inc. developed and implemented the FPDR “Create-A-Check” program and also provides yearly maintenance and other upgrades; and

WHEREAS, upon review of the current contract with Piracle, Inc., the City’s Procurement Services discovered that it did not adequately address the FPDR’s annual support and maintenance upgrade needs in the current contract; and

WHEREAS, Procurement Services recommends that FPDR renew the current contract for their periodic needs and create a new contract to address the ongoing yearly maintenance requirements; and

WHEREAS, Piracle, Inc. is familiar with and has specific knowledge of the FPDR’s system and it is reasonable to have them continue their services. It would be extremely difficult, time-consuming and expensive to have any other vendor achieve the level of complete understanding of the FPDR software systems and operations that Piracle, Inc. has provided; and

WHEREAS, FPDR wishes to continue the services of Piracle, Inc. by extending the current contract for a five-year period through November 16, 2021 with no additional funds required to be added at this time. The remaining not-to-exceed balance of the current contract is $12,500; and

WHEREAS, FPDR also wishes to enter into a new contract with Piracle, Inc. in the amount of $15,000 for the period July 1, 2016 through June 30, 2021 for the purpose of paying the FY 16/17 annual support invoice. The breakdown of the not-to-exceed costs are as follows:

<table>
<thead>
<tr>
<th>Annual Support – July 1, 2016 – June 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>18% of total Software Value</td>
</tr>
<tr>
<td>Year 1 (FY 16/17)</td>
</tr>
<tr>
<td>Year 2 (FY 17/18)</td>
</tr>
<tr>
<td>Year 3 (FY 18/19)</td>
</tr>
<tr>
<td>Year 4 (FY 19/20)</td>
</tr>
<tr>
<td>Year 5 (FY 20/21)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Maintenance Upgrades – May require custom interface upgrades approximately every 18 months

Year 1 (2016- Windows 10) $1,500
Year 3 (2018) $1,500
Year 5 (2020) $1,500

Maintenance Upgrade Total $4,500

WHEREAS, agreements implementing the desires of the parties have been prepared and are attached hereto as Exhibit "A" and Exhibit "B".

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the FPDR that the Chief Procurement Officer is authorized and directed to execute the agreements with Piracle, Inc. in a form substantially in accordance to Exhibit "A" and Exhibit "B".

ADOPTED by the Board of Trustees on this 27th day of November 2016.

Samuel Hutchison
FPDR Director

fund/resolut513
AMENDMENT No. 2  
CONTRACT No. 30003095  
PIRACLE INTERFACE DEVELOPMENT SERVICES

This Contract was made and entered into effective November 19, 2012, by and between Piracle, Inc., ("Contractor"), and the City of Portland ("City"), a municipal corporation of the State of Oregon, by and through their duly authorized representatives. This Amendment may refer to the City and Contractor individually as a Party or collectively as the Parties.

The Effective Date of this Amendment is November 17, 2016. The purpose of this Amendment is to extend the term of the Contract.

The term of the Contract is hereby extended by five years, to November 18, 2021.

All other terms and conditions shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.

CITY OF PORTLAND

Chief Procurement Officer Date

Approved as to Form

Office of City Attorney Date

PIRACLE, INC. (Contractor)

Authorized Signature Date

Printed Name and Title

Address:

Phone:

City of Portland  
Contract No. 30003095, Amendment No. 2.  
Page 1 of 1  
Project No. 114964  
Piracle, Inc

EXHIBIT "A"
CONTRACT No. 30005431
MAINTENANCE AND SUPPORT AGREEMENT
FOR PIRACLE SOFTWARE

This Contract ("Contract") is made effective on July 1, 2016 ("Effective Date"), by and between the City of Portland, a municipal corporation of the State of Oregon (hereinafter referred to as "City") and Piracle, Inc. (hereinafter referred to as "Contractor"), a Utah corporation, by and through their duly authorized representatives. This Contract may refer to the City and Contractor individually as a "Party" or jointly as the "Parties."

The term of this Contract shall be July 1, 2016, through June 23, 2021. The total not-to-exceed price under this Contract is $15,000.00.

The points of contact for this Contract shall be:

<table>
<thead>
<tr>
<th>For City of Portland:</th>
<th>For Contractor:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheri Miller</td>
<td>Name:</td>
</tr>
<tr>
<td>Bureau of Fire &amp; Police Disability &amp; Retirement</td>
<td>Title:</td>
</tr>
<tr>
<td>City of Portland</td>
<td>Address:</td>
</tr>
<tr>
<td>1800 SW First Avenue, Suite 450</td>
<td>City, State:</td>
</tr>
<tr>
<td>Portland, OR 97201</td>
<td>e-mail:</td>
</tr>
<tr>
<td><a href="mailto:Sheri.Miller@portlandoregon.gov">Sheri.Miller@portlandoregon.gov</a></td>
<td></td>
</tr>
</tbody>
</table>

WHEREAS, the City has a valid Software license granting the City a perpetual license to use Contractor's check writing Software (current version of the Software license incorporated as Exhibit B to this Contract), and the City has previously purchased Maintenance Services from Contractor, and the City wishes to continue make use of Contractor's expertise in providing Maintenance Services for this Software; and

WHEREAS, Contractor agrees to provide such expertise;

NOW THEREFORE, THE PARTIES AGREE:

1.0 DEFINITIONS

"Coverage Hours" means those hours specified in this Contract during which period Contractor shall provide Maintenance.

"Documentation" means user manuals and other written materials in any form that describe the features or functions of the Software, including but not limited to published specifications, marketing materials, technical manuals, and operating instructions provided by Contractor to the City, or readily available to the public.
“Effective Date” means that date indicated in the first paragraph of this Contract.

“Error” means any defect, problem, condition, bug, or other partial or complete inability of the Software to operate in accordance with the Documentation.

“Maintenance” means Services provided by Contractor to the City under this Contract designed to keep Software operating in optimum condition.

“Maintenance Request” means an order from the City to Contractor requesting service, repair or maintenance, either in writing, through mail, email, facsimile, or via telephone through Contractor’s help desk.

“Repair” means to fix, patch, reprogram, or replace Software so as to eliminate Errors or failure, to the City’s satisfaction; provided, however, that a work-around or patch which temporarily eliminates the symptoms of the particular problem reported, but impairs the efficiency of the City’s operations, shall be deemed an “interim repair,” not a Repair. An interim repair cannot last longer than seven (7) calendar days, unless otherwise mutually agreed in writing by both parties.

“Services” means the ordinary and/or professional services, including performance of activities or obligations by Contractor for or on behalf of the City, which may include, without limitation, Maintenance, consulting, training, site management, installation, development or programming, need assessment, technology review or analysis, outsourcing of certain operational or production functions, and the like, as required by this Contract.

“Software” means the check writing Software licensed to the City by Contractor, for which Maintenance Services are to be provided by Contractor under this Contract.

“Update” means a change, modification, or enhancement to the Software, and related Documentation, that improves its performance or efficiency, but does not alter its core functionality.

“Upgrade” means a change, modification, or enhancement to the Software, and related Documentation, which incorporates major new features or increases the core functionality of the Software and may be considered a new version.

2.0 SCOPE OF WORK

2.1 Services. Contractor shall provide Services in support of the Software as required to keep the Software conforming in all material respects to all applicable and most current Documentation and Specifications. Services shall be initiated through a Maintenance Request placed by the City to Contractor. Services include:

2.1.1 Issue Resolution. Contractor shall resolve issues and Repair Errors in the Software.

2.1.2 MICR Testing. Contractor shall conduct quarterly MICR document testing which ensures that checks printed by the City meet the standards of the City’s banks. Contractor is an
active member of the American National Standards Institute (ANSI) X9B Committee and can guarantee the checks printed by the City will process flawlessly. Each test confirms that documents printed by City equipment and supplies are printed properly. If any problems/Errors are detected Contractor will help the City solve the problem/Error quickly and efficiently to prevent processing flaws.

2.1.3 Updates and Upgrades. In the event the Software covered by this Contract is upgraded, modified, or enhanced, Contractor shall provide such Upgrades, Updates, changes, enhancements, or fixes to the City at no additional cost, not later than fifteen (15) calendar days after they are released to any other licensee of the Software.

2.1.4 New Versions. Contractor will provide the City a fifty percent (50%) discount on major version releases.

2.2 Coverage Hours shall be 7:00 a.m. to 7:00 p.m., Mountain Time. Maintenance Requests from the City will receive top priority and will be answered by support staff from Contractor’s headquarters in Salt Lake City. Technical support is available after Coverage Hours at the rate of $8.00 per minute.

2.3 Contractor warrants that the Services will be performed in a timely and professional manner by qualified maintenance technicians familiar with the Software and its operation, and the Services shall conform to the standards generally observed in the industry for similar Services. Contractor shall perform or re-perform such additional work as may be necessary to correct Errors in the work required under this Contract without undue delays and without additional cost to City.

2.4 Contractor agrees to provide active Maintenance and Services for the term of this Contract notwithstanding any planned obsolescence in its product road map or plans for a replacement for the Software which may result in reduced support.

3.0 PRICE AND PAYMENT

3.1 Price. Prices for Maintenance and Upgrades are set forth in Exhibit A, Price, to this Contract.

3.2 Invoicing and Payment. (09/15) Payment(s) shall be in accordance with the payment schedule set forth in Exhibit A to this Contract. Payment shall be issued by the City net thirty (30) calendar days from receipt of a complete and acceptable invoice from Contractor. Contractor invoices must contain Contractor’s name and address; invoice number; date of invoice; Contract number and date; description of products and/or Services; quantity, unit price, (where appropriate), and total amount; City-required reporting, if any, and the title and phone number of the person to whom payment is to be sent. The City may stipulate how line items are entered on an invoice to ensure compatibility with the City’s accounting and financial systems and to facilitate payment to Contractor.

3.3 ACH. (09/15) The City makes payments via electronic fund transfers through the Automated Clearing House (ACH) network. To initiate payment of invoices, Contractor shall execute the City’s standard ACH Vendor Payment Authorization Agreement. Upon verification of the data provided, the ACH Vendor Payment Authorization Agreement will authorize the City to deposit payment directly into
specified Contractor accounts with specified financial institutions. All payments shall be made in United States currency.

**4.0 GENERAL PROVISIONS**

4.1 **Authority to Conduct Business.** Contractor warrants it is duly authorized to operate and do business in all places where it shall be required to do business under the Contract; that it has obtained or shall obtain all necessary licenses and permits required in connection with the Contract, and that it shall fully comply with all laws, ordinances, orders, decrees, labor standards and regulations of its domicile and wherever performance occurs during the term of this Contract. Contractor warrants it is lawfully organized and constituted under all federal, state and local laws, ordinances and other authorities of its domicile and is otherwise in full compliance with all legal requirements of its domicile.

4.2 **Compliance with All Applicable Laws.** Contractor warrants it has complied and shall comply with all applicable law in connection with the execution, delivery, and performance of this Contract and shall not contravene the terms of any contracts with third parties, or any third-party rights in any patent, trademark, copyright, trade secret, or similar right; and, as of the date of this Contract, there are no actual or threatened legal actions with respect to the matters in this Contract.

4.3 **Governing Law and Venue.** This Contract shall be construed according to the laws of the State of Oregon. Any litigation between the City and Contractor arising under this Contract or out of work performed under this Contract shall occur, if in the state courts, in the Multnomah County Circuit Court, and if in the federal courts, in the United States District Court for the District of Oregon.

4.4 **Indemnification.** Contractor shall defend, save, and hold harmless the City of Portland, its officers, agents, and employees, from all claims, demands, suits, or actions, losses, damages, liabilities, costs and expenses (including attorneys’ fees and costs) of whatsoever nature, including intentional acts, resulting from or arising out of the activities, professionally negligent acts, errors or omissions of Contractor or its officers, subcontractors, agents or employees under this Contract.

4.5 **Indemnification from Taxes.** Contractor agrees to hold harmless and indemnify the City against any taxes, premiums, assessments, and other liabilities (including penalties and interest) that the City or its Affiliates may be required to pay arising from products and/or Services provided by Contractor under this Contract. The City of Portland, as a municipal corporation of the State of Oregon, is a tax-exempt unit of local government under the laws of the State of Oregon and is not liable for any taxes.

4.6 **Written Notifications.** All notices to, and other written communication between, the Parties to this Contract shall be deemed received five (5) business days after being sent by first class mail, or upon receipt when sent by courier services or by fax transmission with telephone confirmation of receipt. All notices and written communications shall be sent to the Parties identified on the first page of this Contract, or to such other places as they may designate by like notice from time to time:

5.18 **Amendment.** Any changes to the provisions of this Contract shall be in the form of an Amendment. No provision of this Contract may be amended unless such Amendment is approved as to form by the City Attorney and executed in writing by authorized representatives of the Parties.
5.19 **Waiver.** No waiver or any breach hereunder shall be held to be a waiver of any other or subsequent breach of this Contract.

5.20 **Severability.** Any section of this Contract which is held or declared, void, invalid, illegal or otherwise not fully enforceable shall not affect any other provision of this Contract and the remainder of this Contract shall continue to be binding and of full force and effect. This Contract shall be binding upon and inure to the benefit of the City and its successors and assigns.

This Contract, together with all exhibits or other attachments referenced herein, constitutes the entire agreement between Contractor and the City and supersedes all proposals and oral and written agreements between the Parties on this subject.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be executed.

<table>
<thead>
<tr>
<th>CITY OF PORTLAND (CITY)</th>
<th>PIRACLE, INC. (CONTRACTOR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Procurement Officer  Date</td>
<td>Authorized Signature  Date</td>
</tr>
<tr>
<td>Approved as to Form</td>
<td></td>
</tr>
<tr>
<td>Office of City Attorney  Date</td>
<td>Printed Name and Title</td>
</tr>
<tr>
<td></td>
<td>Address:</td>
</tr>
<tr>
<td></td>
<td>Phone:</td>
</tr>
</tbody>
</table>

Contract No. 30005431  
Project No. 120424  
Page 5 of 6  
Piracle, Inc.
Piracle Create-A-Check Support and Maintenance

Estimate of Charges

**Annual Support – July 1 to June 30**

18% of total Software Value

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 (FY 16/17)</td>
<td>$1,900</td>
</tr>
<tr>
<td>Year 2 (FY 17/18)</td>
<td>$2,000</td>
</tr>
<tr>
<td>Year 3 (FY 18/19)</td>
<td>$2,100</td>
</tr>
<tr>
<td>Year 4 (FY 19/20)</td>
<td>$2,200</td>
</tr>
<tr>
<td>Year 5 (FY 20/21)</td>
<td>$2,300</td>
</tr>
</tbody>
</table>

**Annual Support Total** $10,500

**Maintenance Upgrades – May require custom interface upgrades approximately every 18 months**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 (2016-Windows 10)</td>
<td>$1,500</td>
</tr>
<tr>
<td>Year 3 (2018)</td>
<td>$1,500</td>
</tr>
<tr>
<td>Year 5 (2020)</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

**Maintenance Upgrade Total** $4,500
EXHIBIT B
SOFTWARE LICENSE AGREEMENT
CONTRACT No. 30005431

PIRACLE, an AvidXchange Company

SOFTWARE LICENSE AGREEMENT for City of Portland, Oregon

PLEASE READ THIS LICENSE CAREFULLY BEFORE USING THE SOFTWARE. BY USING THE SOFTWARE, YOU ARE
AGREEING TO BE BOUND BY THE TERMS OF THIS LICENSE. IF YOU DO NOT AGREE TO THE TERMS OF THIS
LICENSE, PROMPTLY RETURN THE UNUSED SOFTWARE TO THE PLACE WHERE YOU OBTAINED IT AND YOUR
MONEY WILL BE REFUNDED.

1 License. The application, demonstration, system, and other software accompanying this License, whether on disk or
on any other media (the “Software”) and related documentation are licensed to you by PIRACLE. You own the disk
on which the Software is recorded, but PIRACLE retains title to the Software and related documentation.

2 Restrictions. The Software contains copyrighted material, trade secrets, and other proprietary material and in order
to protect them you may not decompile, reverse engineer, disassemble, or otherwise reduce the Software to a human-
perceivable form. Your may not modify, rent, lease, loan, distribute, or create derivative works based upon the
Software in whole or in part. If you have acquired a network version of the Software, you may electronically
transmit the Software within a single network.

3 Termination. This License is effective until terminated. You may terminate this License at any time by destroying
the Software and related documentation and all copies thereof, except that the City shall keep one archived copy for
public records as required by state law and City code. This License will terminate immediately without notice from
PIRACLE if you fail to comply with any provision of this License. Upon termination you must destroy the Software
and related documentation and all copies thereof.

4 Export Law Assurances. You agree and certify that neither the Software nor any other technical data received from
PIRACLE, nor the direct product thereof, will be exported outside the United States except as authorized and as
permitted by the laws and regulations of the United States.

5 Limited Warranty. PIRACLE warrants the disks on which the Software is recorded to be free from defects in
materials and workmanship under normal use for a period of sixty (60) days from the date of purchase as evidenced
by a copy of the receipt. This limited warranty is only available if you use the Software with PIRACLE furnished or
approved MICR toner cartridges and check stock, and if the Software and toner cartridges are maintained by
PIRACLE or a PIRACLE authorized representative pursuant to a maintenance agreement. PIRACLE’s entire
liability and your exclusive remedy under this warranty will be replacement of the disk following its return to
PIRACLE or a PIRACLE authorized representative with a copy of the receipt. PIRACLE will have no responsibility
to replace a disk damaged by accident, abuse, or misuse.

6 Disclaimer of Warranty on Software. You expressly acknowledge and agree that the use of the Software is at your
sole risk. The software and related documentation are provided "AS IS" and without warranty of any kind.

PIRACLE EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT
LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR
PURPOSE. PIRACLE DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE SOFTWARE
WILL MEET YOUR REQUIREMENTS, OR THAT THE OPERATION OF THE SOFTWARE WILL BE
UNINTERRUPTED OR ERROR-FREE, OR THAT DEFECTS IN THE SOFTWARE WILL BE CORRECTED.
FURTHERMORE, PIRACLE DOES NOT WARRANT OR MAKE ANY REPRESENTATIONS REGARDING
THE USE OR THE RESULTS OF THE USE OF THE SOFTWARE OR RELATED DOCUMENTATION IN
TERM OF THEIR CORRECTNESS, ACCURACY, RELIABILITY, OR OTHERWISE. NO ORAL OR WRITTEN
INFORMATION OR ADVICE GIVEN BY PIRACLE OR A PIRACLE AUTHORIZED REPRESENTATIVE
SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF THIS WARRANTY. SHOULD THE SOFTWARE PROVE DEFECTIVE, YOU (AND NOT PIRACLE OR A PIRACLE AUTHORIZED
REPRESENTATIVE) ASSUME THE ENTIRE COST OF ALL NECESSARY SERVICING, REPAIR OR
CORRECTION. SOME STATES DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, SO THE
ABOVE EXCLUSION MAY NOT APPLY TO YOU.

7 Limitation of Liability. UNDER NO CIRCUMSTANCES, INCLUDING NEGLIGENCE, SHALL PIRACLE BE
 LIABLE FOR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES THAT RESULT FROM THE
USE OR INABILITY TO USE THE SOFTWARE OR RELATED DOCUMENTATION, EVEN IF PIRACLE OR A
PIRACLE AUTHORIZED REPRESENTATIVE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH
DAMAGES. SOME STATES DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY FOR
INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY
NOT APPLY TO YOU. IN NO EVENT SHALL PIRACLE’S TOTAL LIABILITY TO YOU FOR DAMAGES, LOSSES, AND CAUSES OF
ACTION (WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE) EXCEED THE AMOUNT PAID BY YOU FOR THE SOFTWARE.

8 Controlling Law and Severability. This License shall be governed by and construed in accordance with the laws of
the United States and State of Utah. If for any reason a court of competent jurisdiction finds any provision of this
License, or portion thereof, to be unenforceable, that provision of the License shall be enforced to the maximum
extent permissible so as to effect the intent of the parties, and the remainder of this License shall continue in full
force and effect.
10 Complete Agreement. This License constitutes the entire agreement between the parties with respect to the use of the Software and related documentation, and supersedes all prior or contemporaneous understandings or agreements, written or oral, regarding such subject matter. No amendment to or modification of this License will be binding unless in writing and signed by a duly authorized representative of PIRACLE and the City of Portland.

Create-A-Check® is a trademark of Piracle, an AvidXchange Company. Copyright© 2002-2011 Piracle, an AvidXchange Company.

The remainder of this page intentionally left blank.
We deliver peace of mind to our fire and police members and their survivors by providing disability and retirement benefits in a timely, compassionate and fiscally responsible manner.
What Happened This Year

- **Arbitration Decisions**
  - 27 Pay Dates (Ongoing)
  - Alternate Payee Reversionary Benefits (Final Resolution in July)

- *Miller et al.* settled in May for $2.7 million

- *Moro* decision fall-out: New PERS & FPDR 2 COLA methodologies; higher PERS rates in future

- Timeliness Study presented to the Board
Key Performance Measures

Percent of Workforce on Disability at June 30

<table>
<thead>
<tr>
<th>FY 11-12</th>
<th>FY 12-13</th>
<th>FY 13-14</th>
<th>FY 14-15</th>
<th>FY 15-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.9%</td>
<td>4.1%</td>
<td>4.6%</td>
<td>4.2%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>
Key Performance Measures

FPDR 2 Retirements & FPDR 3 Percent of Workforce

<table>
<thead>
<tr>
<th>FY 11-12</th>
<th>FY 12-13</th>
<th>FY 13-14</th>
<th>FY 14-15</th>
<th>FY 15-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of FPDR 2 retirements: 74</td>
<td>45</td>
<td>26</td>
<td>40</td>
<td>57</td>
</tr>
<tr>
<td>Percent of workforce FPDR 3: 0%</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
</tr>
</tbody>
</table>

- Number of FPDR 2 retirements
- Percent of workforce FPDR 3
Key Performance Measures

FPDR Tax Levy: Real Market Value Rate

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual</th>
<th>Projected at 50th Percentile</th>
<th>Projected at 5th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>$1.41</td>
<td>$1.55</td>
<td>$1.62</td>
</tr>
<tr>
<td>2012-13</td>
<td>$1.62</td>
<td>$1.48</td>
<td>$1.30</td>
</tr>
<tr>
<td>2013-14</td>
<td>$1.41</td>
<td>$1.38</td>
<td>$1.29</td>
</tr>
<tr>
<td>2014-15</td>
<td>$1.55</td>
<td>$1.63</td>
<td>$1.43</td>
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<tr>
<td>2015-16</td>
<td>$1.62</td>
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<td>$1.43</td>
</tr>
<tr>
<td>2016-17</td>
<td>$1.48</td>
<td>$1.63</td>
<td>$1.43</td>
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<tr>
<td>2017-18</td>
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<td>$1.63</td>
<td>$1.43</td>
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<tr>
<td>2018-19</td>
<td>$1.38</td>
<td>$1.63</td>
<td>$1.43</td>
</tr>
<tr>
<td>2019-20</td>
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<td>$1.63</td>
<td>$1.43</td>
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<tr>
<td>2020-21</td>
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<td>$1.63</td>
<td>$1.43</td>
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<tr>
<td>2021-22</td>
<td>$1.38</td>
<td>$1.63</td>
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<tr>
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<td>$1.38</td>
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<td>$1.43</td>
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<tr>
<td>2023-24</td>
<td>$1.38</td>
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<td>2024-25</td>
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<td>$1.63</td>
<td>$1.43</td>
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<tr>
<td>2025-26</td>
<td>$1.38</td>
<td>$1.63</td>
<td>$1.43</td>
</tr>
<tr>
<td>2026-27</td>
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<td>$1.63</td>
<td>$1.43</td>
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<td>2027-28</td>
<td>$1.38</td>
<td>$1.63</td>
<td>$1.43</td>
</tr>
<tr>
<td>2028-29</td>
<td>$1.38</td>
<td>$1.63</td>
<td>$1.43</td>
</tr>
<tr>
<td>2029-30</td>
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<td>$1.63</td>
<td>$1.43</td>
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<tr>
<td>2030-31</td>
<td>$1.38</td>
<td>$1.63</td>
<td>$1.43</td>
</tr>
<tr>
<td>2031-32</td>
<td>$1.38</td>
<td>$1.63</td>
<td>$1.43</td>
</tr>
<tr>
<td>2032-33</td>
<td>$1.38</td>
<td>$1.63</td>
<td>$1.43</td>
</tr>
<tr>
<td>2033-34</td>
<td>$1.38</td>
<td>$1.63</td>
<td>$1.43</td>
</tr>
</tbody>
</table>

Rate per $1,000 Value
Key Performance Measures

Administrative Costs as Percent of Total Budget

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 11-12</td>
<td>1.90%</td>
</tr>
<tr>
<td>FY 12-13</td>
<td>1.80%</td>
</tr>
<tr>
<td>FY 13-14</td>
<td>2.20%</td>
</tr>
<tr>
<td>FY 14-15</td>
<td>1.57%</td>
</tr>
<tr>
<td>FY 15-16</td>
<td>1.61%</td>
</tr>
</tbody>
</table>
Disability Program

Approve / Deny Rates

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Denied</th>
<th>Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>3%</td>
<td>93%</td>
</tr>
<tr>
<td>2014-15</td>
<td>7%</td>
<td>92%</td>
</tr>
<tr>
<td>2013-14</td>
<td>5%</td>
<td>93%</td>
</tr>
<tr>
<td>2012-13</td>
<td>4%</td>
<td>91%</td>
</tr>
<tr>
<td>2011-12</td>
<td>4%</td>
<td>91%</td>
</tr>
</tbody>
</table>

Remaining percentage represents claims that were incomplete or withdrawn by the member after filing.
Disability Program

Approved Fire Claims in Fiscal Year 2015-16

**Injury Cause**
- In Lifting: 40%
- Over-Exertion: 30%
- In Pulling or Pushing: 12%
- Communicable Diseases-Exposure: 7%
- In Reaching/Hyperextension: 6%
- Others: 5%

**Injury Location**
- At Scene of Fire or Call: 54%
- Precinct/Station: 30%
- Training Site: 13%
- Multiple Locations: 2%
- In Vehicle (In Transit): 1%

**Body Part**
- Back: 38%
- Abdomen: 30%
- Shoulder(s): 9%
- Multiple Parts: 9%
- Knee: 9%
- Others: 5%
Disability Program

Approved Police Claims in Fiscal Year 2015-16

**Injury Cause**
- Assault by Human/Altercation: 23%
- Motor Vehicle Accidents: 8%
- Communicable Diseases-Exposure: 7%
- Slip/Trip (No Fall): 6%
- In Lifting: 42%
- Others: 10%

**Injury Location**
- At Scene of Fire or Call: 60%
- Training Site: 8%
- Precinct/Station: 8%
- Slip/Trip (No Fall): 8%
- In Lifting: 8%
- Others: 8%

**Body Part**
- Multiple Parts: 23%
- Knee: 42%
- Back: 12%
- Finger(s): 6%
- Shoulder(s): 7%
- Others: 10%
Disability Program

Disability Costs by Fiscal Year ($ Millions)

FY 2011-12
FY 2012-13
FY 2013-14
FY 2014-15
FY 2015-16

Time Loss | Medical
---|---
$4.48 | $2.21
$3.87 | $2.52
$4.16 | $2.98
$3.90 | $2.13
$4.04 | $2.22
Disability Program

Medical Savings

- Medical Savings for FY 2016
  - Total Billed: $3,563,725
  - Total Paid: $2,063,002
  - Savings: $1.5M, 42% of billed overall

- Savings Breakdown
  - 34%, $1.2M
    Utilization of the Oregon fee schedule
  - 3.3%, $118,311
    Additional fee schedule reduction allowed on MHN medical providers billings
  - 4.7%, $170,649
    Our in-house bill payer’s ability to negotiate savings for treatment with an out of state non-MCO provider
Disability Program

Days to Claim Decision by Fiscal Year

- **FY 11-12**: 1-30 days: 80%, 31-60 days: 20%
- **FY 12-13**: 1-30 days: 80%, 31-60 days: 20%
- **FY 13-14**: 1-30 days: 80%, 31-60 days: 20%
- **FY 14-15**: 1-30 days: 80%, 31-60 days: 20%
- **FY 15-16**: 1-30 days: 80%, 31-60 days: 20%

Colors:
- Green: 1-30 days
- Blue: 31-60 days
- Orange: 61-90 days
- Red: Over 90 days
Disability Program

Other Services

- **Loss Prevention/Reduction**
  - Financial support and data collaboration with Portland Fire and Rescue’s Stability & Mobility program aimed at injury prevention and reduction

- **Retiree Post-Retirement Benefits**
  - Created and implemented an application for benefit form/process for members who are eligible for post-retirement medical benefits

- **Medical Management**
  - Approved and supported members through 45 surgeries from simple outpatient procedures to those complex in nature requiring specialty physicians
Pension Program

Pension Counts* as of June 30 Each Year

<table>
<thead>
<tr>
<th>Year</th>
<th>FPDR 1</th>
<th>FPDR 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,798</td>
<td>35%</td>
</tr>
<tr>
<td>2013</td>
<td>1,795</td>
<td>34%</td>
</tr>
<tr>
<td>2014</td>
<td>1,776</td>
<td>32%</td>
</tr>
<tr>
<td>2015</td>
<td>1,789</td>
<td>29%</td>
</tr>
<tr>
<td>2016</td>
<td>1,814</td>
<td>27%</td>
</tr>
</tbody>
</table>

*Member and Survivors
Pension Program

Active Members as of June 30 Each Fiscal Year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FPDR 2</th>
<th>FPDR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>1,616</td>
<td>22%</td>
</tr>
<tr>
<td>2012-13</td>
<td>1,594</td>
<td>24%</td>
</tr>
<tr>
<td>2013-14</td>
<td>1,561</td>
<td>25%</td>
</tr>
<tr>
<td>2014-15</td>
<td>1,546</td>
<td>27%</td>
</tr>
<tr>
<td>2015-16</td>
<td>1,519</td>
<td>31%</td>
</tr>
</tbody>
</table>

OPSHP Contributions are Paid on FPDR 3 Member Wages
Pension Program

Pension Costs by Fiscal Year ($ Millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Pension Costs (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>$99.44</td>
</tr>
<tr>
<td></td>
<td>$4.74</td>
</tr>
<tr>
<td>2012-13</td>
<td>$104.68</td>
</tr>
<tr>
<td></td>
<td>$5.27</td>
</tr>
<tr>
<td>2013-14</td>
<td>$109.51</td>
</tr>
<tr>
<td></td>
<td>$6.00</td>
</tr>
<tr>
<td>2014-15</td>
<td>$110.31</td>
</tr>
<tr>
<td></td>
<td>$6.95</td>
</tr>
<tr>
<td>2015-16</td>
<td>$115.77</td>
</tr>
<tr>
<td></td>
<td>$8.70</td>
</tr>
</tbody>
</table>

- Pension Benefits (FPDR 1 & 2)
- OPSRP Contributions (FPDR 3)
Pension Program

Number of Pension Estimates

- FPDR prepared 77% more pension estimates this year
- Workshop attendance increased 132%
Pension Program

Why the Increase in Demand?
- 27 Pay Date Interest
- Liaison outreach
- FPDR outreach
- Impending retirement wave

The Good
- Readiness: Up from 50% to 71% (percent of members at or near retirement eligibility with recent estimates)
- Timeliness: Up from 73% to 82%, despite growth (percent of members who receive pension estimates within one week)
- Accuracy: remains 100% (Actual benefit at least 99% of estimated benefit)

The Bad
- Struggled to fit everyone into workshops
Pension Program

- Published and distributed new Plan Summary document
- Began providing illustrative 27 pay date estimates for PPA members
- Focus on retirement readiness
  - Ensure members at or near retirement receive updated estimates
  - Redesigned retirement information:
    - Highlight survivor benefit options
    - Show percent of pay replaced by benefit
- Implemented new FPDR 2 COLA Methodology
Technology

- **Active Participant web portal**
  - Phase 1 on City devices in use
  - View personal data and claim status
  - Add or modify contact information and family members
  - Upload documentation
  - Use Contact form on a variety of subjects

- **Enhanced Active & Retiree Participant web portal**
  - Phase 2 on all devices
  - Security requires a POG (PortlandOregon.gov) account
  - Communication going out soon
Survey Results

Sent separate surveys to active members and retirees.

<table>
<thead>
<tr>
<th></th>
<th>Active Members (Online survey)</th>
<th>Retirees (Paper survey with online option)</th>
<th>2014 Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent</td>
<td>1364</td>
<td>1921</td>
<td>3085</td>
</tr>
<tr>
<td>Responses (%)</td>
<td>202</td>
<td>160</td>
<td>317</td>
</tr>
<tr>
<td>(%)</td>
<td>14.8%</td>
<td>8.3%</td>
<td>10.3%</td>
</tr>
</tbody>
</table>
## 2016 Survey Results

### Member Satisfaction

<table>
<thead>
<tr>
<th>Active Members</th>
<th>Retirees</th>
<th>2014 Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>68% Above average or Excellent on 5-point scale</td>
<td>91% Above average or Excellent on 5-point scale</td>
<td>74% Excellent on 3-point scale</td>
</tr>
</tbody>
</table>
Over 50 respondents provided comments; many expressed dissatisfaction with FPDR’s service.

Comments focused on:

- **Claims**
  - Claim investigations too onerous and take too long
  - Denying too many/all claims

- **Pensions**
  - Not providing 27 pay period pension estimates

- **Not looking out for the members**

- **Lot of input and feedback on our website**
Survey responses submitted by mail: 129 (80%)

20 respondents provided comments regarding FPDR’s service

- 15 said they do not have access to internet
- Half the comments were positive
- Two said FPDR was not looking out for retirees
- Others covered various topics
Customer Service

Service Enhancements

- Member Portal Now Available for Active Members
  - Retiree portal coming soon
- Improved and streamlined the application process for post retirement medical benefits
- Published and distributed new Plan Summary document
- Increased focus on retirement readiness
  - Ensure members at or near retirement receive updated estimates
  - Redesigned retirement information on estimate form
Excellent Service

- Personally visited 14 surviving spouses after their husbands died
  - Attended Retired Police & Widows Association meeting

- Supported members through 45 surgeries

- Pension estimate requests were up 77%; 82% processed within one week versus 73% last year; retained 100% accuracy

- Worked closely with members and City Payroll to create easy and fair repayment plans for interim benefits overpayment
Excellent Service

- Retired multiple members on just a few hours notice
- Sent liaisons out to conduct welfare checks when members and surviving spouses were unreachable
- For those who can’t attend a retirement workshop:
  - Provided one-on-one retirement education appointments
  - Posted workshop presentations to our web site for on-demand viewing
Labor Comments
Questions
As the World Turns...
So Does FPDR

Presentation to the FPDR Board of Trustees

September 27, 2016
Disclaimer

Opinions expressed in this presentation are solely my own and do not express the views or opinions of FPDR, FPDR staff, FPDR Board of Trustees or the City of Portland.

Sam Hutchison
Director
FPDR

September 27, 2016
Tax Reform

Income tax

Property tax

Sales tax
Property Tax Reform
2016 Legislative Session
SJR 201

Resolution to send an Oregon Constitutional amendment to voters to modify Measure 50 (1977) to require property taxes to be assessed on real market value of property.
Impact of SJR 201 on FPDR

1. Would have imposed a permanent fixed rate equal to a tax entity’s 2016 tax rates. This means FPDR tax rate would have been permanently frozen at 1.30%. This rate is much less than our $2.80 limit. Essentially, it would have cut the maximum FPDR rate in half.

2. The increased tax base could be more than offset by an allowable homestead exemption.

3. Would have struck out the section of the Constitution that considers FPDR a separate tax entity from the City of Portland. Eliminating that explicit provision could have negative impacts for FPDR and the City.
Legislature

SJR 201 was put on the table in 2016 to test the waters for property tax reform. It was not expected to pass.

City of Portland Government Relations says there is no interest in revisiting the resolution in the 2017 legislative session.
It is still happening across the country
Oregon

Due to the Moro decision and lower than expected investment returns, employer PERS contributions for non-school entities will increase 30-35%.

This will impact FPDR Three PERS contributions.
FPDR is 99.2% “Unfunded”

$3.0 Billion
Others are looking

IRS
GASB
FASB
US Dept. of Treasury
Moody’s
ASB
Pension Benefit Guaranty Corp
Pew Research Center
US Senate Finance Committee
US Dept. of Labor (ERISA)
Employee Benefits Security Administration
WORKERS COMP
Trends / Issues

Consolidation
Private sector insurers
TPAs
Vendors

State opt out options

Cost of specialty drugs

Opioid use

Marijuana
Medical – Recreational

ACA

Medicare Set Asides

Cost of specialty drugs
Other

Affordable Care Act

Aging Workforce
THE CHANGING LOOK OF FPDR
2016

No. of Retirees 1,814

No. of active FPDR Two members 1,055
No. of active FPDR Three members 464
2024

No. of active FPDR Two members  675
No. of active FPDR Three members  925

* Active FPDR Three members will hold many officer and management positions in the Police and Fire Bureaus and in their unions. They may hold one or both of the elected FPDR Board of Trustees positions.
2034

No. of FPDR One & Two Retirees 1,900

No. of active FPDR Two members 150
No. of active FPDR Three members 1,450

* Active FPDR Three members will hold all officer and management positions in their unions and in the Police and Fire Bureaus. They will hold both of the elected FPDR Board of Trustees positions.

* Total annual pension payments will start decreasing.
Why is all this important?

Taxes
Pension Reform
Workers Comp
Changing Look of FPDR
Other
<table>
<thead>
<tr>
<th>FOCUS AREA</th>
<th>GOAL</th>
<th>OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss Prevention</td>
<td>Reduce on-the-job injuries of firefighters and police officers</td>
<td>▪ Identify injury causes for the Fire and Police bureaus&lt;br&gt;  - FPDR has identified the top 3 injuries to firefighters and police officers. Data is being gathered on cause of those injuries and will be given to each bureau to promote discussion on the impact of loss from injury/illness on the members personally and the impact on staffing and public service&lt;br&gt;  - Work with the Fire and Police bureaus to create injury reduction programs&lt;br&gt;   - The Board approved the collaborative efforts of FPDR and PF&amp;R to prevent injury by funding the PF&amp;R stability and mobility program. The program has been underway since May.</td>
</tr>
<tr>
<td>Return to Work</td>
<td>Rapidly return injured firefighters and police officers to work at their prior position; assist those who cannot return to active duty in finding other work</td>
<td>▪ Work with the Fire and Police bureaus to expand the transitional duty program&lt;br&gt;  - Police Bureau’s Chief Marshman increased the number of Operational Support Unit transitional duty positions for employees recovering from injuries or illnesses from 10 to 20 positions. This increase affords more TD positions to members who suffer work injuries. This will aid in quicker recovery for the member and aid in reducing the workload of street officers by providing support&lt;br&gt;  - Facilitate the members return to their job at injury at the earliest opportunity following an injury through medical management.&lt;br&gt;  - Evaluate and update vocational rehab, job search skills training and return-to-work efforts for members who are unable to return to their job at injury&lt;br&gt;   - FPDR has hired a vocational consultant to work with members who have had challenges with their job search efforts.</td>
</tr>
<tr>
<td>FOCUS AREA</td>
<td>GOAL</td>
<td>OBJECTIVES</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Workforce Development       | Assure that each employee is effective at his or her job and is supported in preparing for promotional opportunities within FPDR | ▪ Complete necessary skills review for each position  
  – Completed for all nonrepresented staff  
  ▪ Perform gap analysis for each employee and develop training plan to close any identified skills gap  
  ▪ Identify promotion opportunities; encourage, prepare and develop staff for those opportunities; discuss promotional opportunities with each employee at least annually and, where possible, provide training, reassign duties and/or cross train to prepare for promotional opportunities  
  ▪ Review and further define the liaisons’ roles, responsibilities and education needs to insure the liaisons are optimally utilized  
  – Liaison “Scope and Role” document created; “Duties and Responsibilities” document updated; Inter Agency Agreements PF&R and PPB updated to include new documents |
| Equity in Hiring and Retention | Increase awareness of and inspire diversity development              | ▪ Integrate diversity development training or activity into performance evaluations  
  – Performance Evaluation form currently being examined to include participation in equity activities and other events  
  ▪ Encourage staff participation in cultural diversity events, activities and training  
  – The staff has been participating in numerous events including: FPDR Equity Committee meetings, bi-annual staff diversity training, FPDR Equity Book Club, monthly diversity presentations in staff meetings, City sponsored equity and diversity events, North West Diversity Conference and Black Public Administrators National Conference. |
<table>
<thead>
<tr>
<th>Staff Turnover</th>
<th>Lessen the impact of upcoming staff turnover on bureau operations and customer service</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Determine core knowledge required for bureau operations; work to transfer/document knowledge of experienced staff</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Core knowledge and essential functions for most positions documented</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Formal transition/training plan and a “double fill” period allowed for smooth transition following Financial Manager’s retirement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For each essential function, train at least one employee to serve as backup; document each essential function in sufficient detail to allow a new or backup employee to effectively perform the function; practice backup roles at least annually</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Backups for most positons identified, trained and are regularly performing back up duties</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Currently hiring a new employee to address most critical gap in backup roles, for the business systems analyst</td>
<td></td>
</tr>
<tr>
<td>FOCUS AREA</td>
<td>GOAL</td>
<td>OBJECTIVES</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Education and Outreach      | Provide FPDR members with important information about their benefits and retirement | • Develop separate tools and educational materials for members at different stages of retirement planning.  
  - Redesigned pension estimates to show percent of pay replaced by pension (more useful than dollar amount for younger workers)  
  - Began discussions with City Benefits office on combined workshops targeted at FPDR Three members  
• Update, publish and distribute materials on how to file a disability claim and the disability claim process  
• Increase member outreach  
  - Began contacting members at or near retirement eligibility without a recent pension estimate; increased the percentage with up-to-date estimates  
• Publish and maintain Plan Summary document  
  - Published and distributed in February |
|                             | Provide FPDR Members with online self-service and education tools   | • Create an FPDR self-service menu for active members and retirees  
  - Self-service menu is included in the Member Portal (See “Technology Investment”)  
• Create opportunities for member self-education on web site  
  - Added “plain language” Plan Summary Document to web site; other materials will be researched this year |

**THEME: Member Service Improvement**

August 26, 2015
Status update: September 6, 2016
## THEME: Technology Investment

<table>
<thead>
<tr>
<th>FOCUS AREA</th>
<th>GOAL</th>
<th>OBJECTIVES</th>
</tr>
</thead>
</table>
| Member Portal            | Create portal to FPDR self-service menu for our active members, retirees and Managed Care Organizations | ▪ Develop a self-service portal for active FPDR members  
  – Portal for active members using City devises (Beta version) is in use  
  ▪ Develop a self-service portal for retired FPDR members  
  – Portal for use by all members using personal devises is in process with target date Fall 2016  
  ▪ Explore a self-service portal for Managed Care Organizations  
  – Reviewing options and requirements |
| File and Document Management | Move FPDR from a paper centric office to an electronic document centric office | ▪ Train staff on retention schedule and HP Records Manager (formerly TRIM); monitor compliance  
  – FPDR-specific retention schedule finalized and implemented; all staff trained; all documents moved into proper retention folders; began new processes for electronic archiving in City TRIM system  
  ▪ Advocate with BTS for Document Management system |
| Continuity of Operations | Insure electronic data can be recovered quickly in a disaster or event. | ▪ Explore using Hot Site, Cloud services, Payment services |

## THEME: Board Development

<table>
<thead>
<tr>
<th>FOCUS AREA</th>
<th>GOAL</th>
<th>OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity</td>
<td>Increase Board diversity</td>
<td>▪ Director will work with the Office of the Mayor to identify a diverse pool of candidates for future appointed trustee positions</td>
</tr>
</tbody>
</table>
| Education  | Create an education program for new and experienced trustees | ▪ Develop onboarding and training plan for new trustees  
  – Board of Trustees Handbook drafted and awaiting approval by Board  
  – Training plan will be developed by January 2017  
  ▪ Develop a continuing education program for experienced trustees |
### 2017 FPDR Board of Trustees Meeting Schedule

**Proposed**
Agenda items subject to change

<table>
<thead>
<tr>
<th>Date</th>
<th>Agenda Items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January 24th</strong></td>
<td>Introduction of new trustees</td>
</tr>
<tr>
<td></td>
<td>Financial</td>
</tr>
<tr>
<td></td>
<td>▪ Actuarial Valuation and Levy Adequacy Analysis Report</td>
</tr>
<tr>
<td></td>
<td>▪ Budget approval</td>
</tr>
<tr>
<td></td>
<td>▪ Financial audit results</td>
</tr>
<tr>
<td></td>
<td>General business</td>
</tr>
<tr>
<td><strong>February 28th</strong></td>
<td><em>Meet at Board’s Discretion</em></td>
</tr>
<tr>
<td><strong>March 21st</strong></td>
<td>FPDR Two benefit adjustment</td>
</tr>
<tr>
<td></td>
<td>General business</td>
</tr>
<tr>
<td><strong>April 25th</strong></td>
<td><em>Meet at Board’s Discretion</em></td>
</tr>
<tr>
<td><strong>May 23rd</strong></td>
<td>Tax anticipation notes</td>
</tr>
<tr>
<td></td>
<td>FPDR Two benefit adjustment, if necessary</td>
</tr>
<tr>
<td></td>
<td>General business</td>
</tr>
<tr>
<td><strong>June 27th</strong></td>
<td><em>Meet at Board’s Discretion</em></td>
</tr>
<tr>
<td><strong>July 25th</strong></td>
<td>General business</td>
</tr>
<tr>
<td><strong>August 22nd</strong></td>
<td><em>Meet at Board’s Discretion</em></td>
</tr>
<tr>
<td><strong>September 26th</strong></td>
<td>Rule amendment adoption (proposed rule changes, if any)</td>
</tr>
<tr>
<td></td>
<td>State of FPDR</td>
</tr>
<tr>
<td></td>
<td>Review progress on FPDR Strategic Plan</td>
</tr>
<tr>
<td></td>
<td>General business</td>
</tr>
<tr>
<td><strong>October 24th</strong></td>
<td><em>Meet at Board’s Discretion</em></td>
</tr>
<tr>
<td><strong>November 28th</strong></td>
<td>General business</td>
</tr>
<tr>
<td><strong>December</strong></td>
<td><em>No Meeting</em></td>
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<tr>
<td>Description</td>
<td>Original Budget</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>-177,234,312</td>
</tr>
<tr>
<td><strong>Beginning fund balance</strong></td>
<td>-12,588,094</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>-128,071,818</td>
</tr>
<tr>
<td><strong>Bond and note proceeds</strong></td>
<td>-34,476,000</td>
</tr>
<tr>
<td><strong>Miscellaneous Sources</strong></td>
<td>-443,200</td>
</tr>
<tr>
<td><strong>Interfund Cash Transfer Revenues</strong></td>
<td>-750,000</td>
</tr>
<tr>
<td><strong>Interagency Revenues</strong></td>
<td>-905,200</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>177,234,312</td>
</tr>
<tr>
<td><strong>Beginning fund balance</strong></td>
<td>-12,588,094</td>
</tr>
<tr>
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<tr>
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<td>-905,200</td>
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<td><strong>Revenues</strong></td>
<td>177,234,312</td>
</tr>
<tr>
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<td>-12,588,094</td>
</tr>
<tr>
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<td>-128,071,818</td>
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<tr>
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<td>-34,476,000</td>
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<tr>
<td><strong>Miscellaneous Sources</strong></td>
<td>-443,200</td>
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<tr>
<td><strong>Interfund Cash Transfer Revenues</strong></td>
<td>-750,000</td>
</tr>
<tr>
<td><strong>Interagency Revenues</strong></td>
<td>-905,200</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>177,234,312</td>
</tr>
<tr>
<td>Description</td>
<td>Original Budget</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Net Total</strong></td>
<td>19,860,325.66</td>
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<tr>
<td><strong>Miscellaneous</strong></td>
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<tr>
<td><strong>Beginning fund balance</strong></td>
<td>173,507,441.00</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Service Charges &amp; Fees</strong></td>
<td>121,159,002.00</td>
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<tr>
<td><strong>Bond and note proceeds</strong></td>
<td>31,885,000.00</td>
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<td><strong>Miscellaneous Sources</strong></td>
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<td><strong>Interfund Cash Transfer Revenues</strong></td>
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<tr>
<td><strong>Intergy Revenues</strong></td>
<td>952,200.00</td>
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<td><strong>Expenses</strong></td>
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<td><strong>Program Budget Expenses</strong></td>
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<td><strong>8110 Personal services</strong></td>
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<tr>
<td><strong>External Materials &amp; Services</strong></td>
<td>116,071,215.00</td>
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<tr>
<td><strong>52100 Professional services</strong></td>
<td>48,500.00</td>
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<tr>
<td><strong>52110 Consulting</strong></td>
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<tr>
<td><strong>52120 Legal</strong></td>
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<tr>
<td><strong>54100 Education</strong></td>
<td>7,000.00</td>
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<tr>
<td><strong>54120 Subscriptions &amp; public</strong></td>
<td>3,700.00</td>
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<tr>
<td><strong>54130 Dues</strong></td>
<td>1,200.00</td>
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<tr>
<td><strong>54200 Local travel</strong></td>
<td>500.00</td>
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<tr>
<td><strong>54210 Local mileage</strong></td>
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</tr>
<tr>
<td><strong>54400 Out of town travel</strong></td>
<td>5,000.00</td>
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<tr>
<td><strong>54800 Services rental</strong></td>
<td>193,200.00</td>
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<tr>
<td><strong>547000 Retirement system payment</strong></td>
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<tr>
<td><strong>54710 F&amp;P benefit &amp; refund</strong></td>
<td>6,937,600.00</td>
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<td><strong>54800 Facilities operating lease</strong></td>
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<td><strong>549000 Miscellaneous</strong></td>
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<td><strong>Internal Materials &amp; Services</strong></td>
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<tr>
<td><strong>56106 Motor pool tickets</strong></td>
<td>266.00</td>
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<tr>
<td><strong>56121 Copy/Print/Bind</strong></td>
<td>13,282.00</td>
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<tr>
<td><strong>56122 Pre-press</strong></td>
<td>770.00</td>
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<tr>
<td><strong>56124 Copier Services</strong></td>
<td>3,388.00</td>
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<tr>
<td><strong>56128 Mail Sorting &amp; Delivery</strong></td>
<td>7,458.00</td>
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<tr>
<td><strong>56129 US Mail Processing</strong></td>
<td>2,726.00</td>
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<tr>
<td><strong>56130 Postage</strong></td>
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<tr>
<td><strong>56131 Special Delivery</strong></td>
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<tr>
<td><strong>56135 Space Rent</strong></td>
<td>1,448.00</td>
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<tr>
<td><strong>56150 Cellular Phones</strong></td>
<td>2,599.00</td>
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<tr>
<td><strong>56151 Radios &amp; Video Billable</strong></td>
<td>1,755.00</td>
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<tr>
<td><strong>56152 BTS Corporate Services</strong></td>
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<tr>
<td><strong>56153 Storage Area Network</strong></td>
<td>7,778.00</td>
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<tr>
<td><strong>56154 EMD</strong></td>
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<tr>
<td><strong>56155 Internal Access</strong></td>
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<tr>
<td><strong>56156 Desktop Support</strong></td>
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<tr>
<td><strong>56157 Server Support</strong></td>
<td>28,325.00</td>
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<tr>
<td><strong>56158 Data Networks</strong></td>
<td>6,222.00</td>
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<tr>
<td><strong>56159 Operations Pass through</strong></td>
<td>561.34</td>
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<tr>
<td><strong>56160 Liab ins and claims</strong></td>
<td>15,997.00</td>
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<tr>
<td><strong>56162 Workers Compensation</strong></td>
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<tr>
<td><strong>56221 Financial Services</strong></td>
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<tr>
<td><strong>56232 Legal Services</strong></td>
<td>240,164.00</td>
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<tr>
<td><strong>56233 Miscellaneous Services</strong></td>
<td>6,990.00</td>
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<tr>
<td><strong>56245 Staffing Support</strong></td>
<td>123,000.00</td>
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<tr>
<td><strong>56255 Management Services</strong></td>
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<td><strong>56243 Pensions</strong></td>
<td>8,601,132.00</td>
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<td><strong>56246 Return to Work/Light Duty</strong></td>
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<tr>
<td><strong>56247 Capital Outlay</strong></td>
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<tr>
<td><strong>56248 Fund Level Expenses</strong></td>
<td>45,900,735.00</td>
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<tr>
<td><strong>56249 Debt Retirement</strong></td>
<td>32,277,309.00</td>
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<tr>
<td><strong>56250 Cash Transfer Expenses</strong></td>
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<tr>
<td><strong>56251 Contingency</strong></td>
<td>12,761,000.00</td>
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</tbody>
</table>