

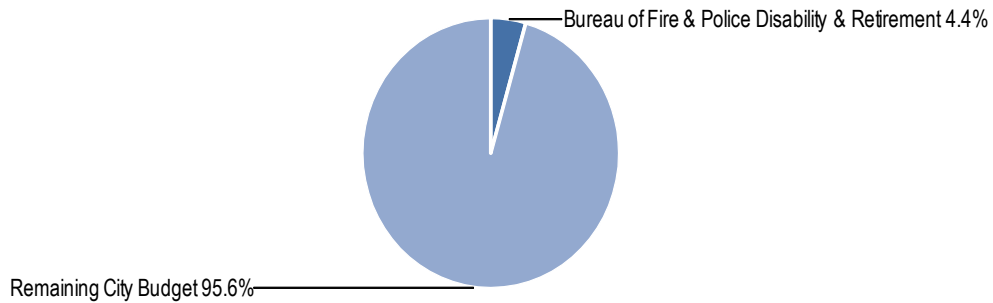
Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

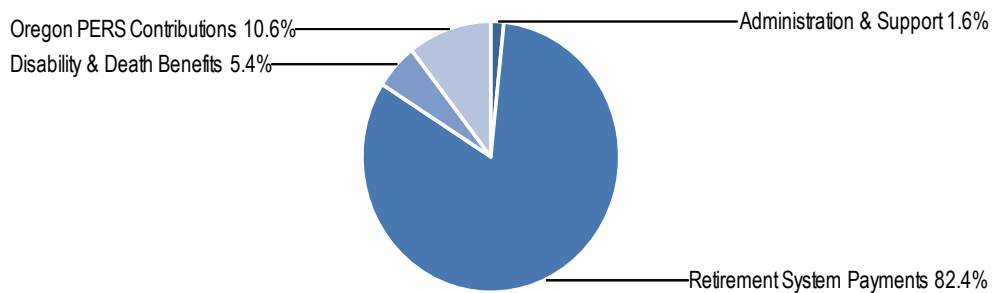
Dan Saltzman, Commissioner-in-Charge

Samuel Hutchison, Director

Percent of City Budget



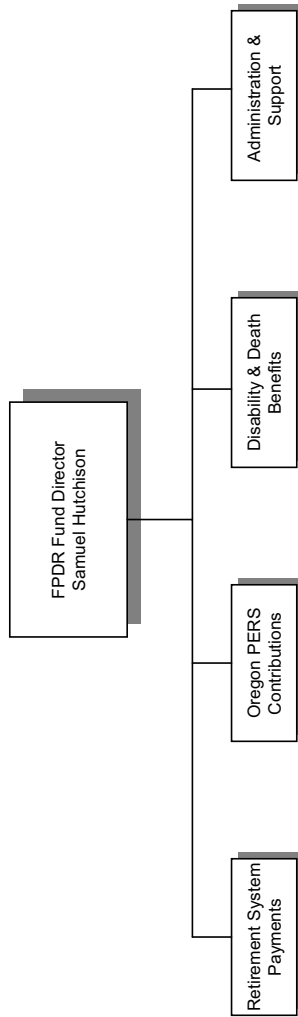
Bureau Programs



Bureau Overview

Requirements	Revised FY 2017-18	Adopted FY 2018-19	Change from Prior Year	Percent Change
Operating	201,756,376	225,962,793	24,206,417	12.00
Capital	156,451	42,850	(113,601)	(72.61)
Total Requirements	201,912,827	226,005,643	24,092,816	11.93
Authorized Positions	17.00	17.00	0.00	0.00

Bureau of Fire & Police Disability & Retirement



Bureau Summary

Bureau Mission

The mission of the Bureau of Fire & Police Disability & Retirement is to 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.

Bureau Overview

The Bureau of Fire & Police Disability & Retirement (FPDR) consists of four programs: two retirement programs - Retirement System Payments and Oregon Public Employees Retirement System (PERS) Contributions - plus the Disability and Death Benefits program and Administration and Support program.

Retirement System Payments

The Retirement System Payments program governs direct pension benefits to members hired before January 1, 2007 and their survivors and alternate payees. The FY 2018-19 Adopted Budget is \$127.0 million, including \$112,153 for program delivery. This is an increase of \$6.1 million or 5.1% over the FY 2017-18 Revised Budget. It is estimated that there will be 2,104 pension recipients in FY 2018-19.

Disability and Death Benefits

The Disability and Death Benefits program administers all disability benefits, including wage replacement for lost time from work, medical care expenses, vocational rehabilitation, and funeral benefits. Estimated expenditures for FY 2018-19 total \$8.4 million, an increase of \$0.2 million or 1.9% from the FY 2017-18 Revised Budget. The program budget includes \$1.1 million of costs related to program delivery.

Oregon PERS Contributions

The Oregon PERS Contributions program manages the reimbursements to Portland Fire & Rescue and the Portland Police Bureau for PERS contributions made on behalf of firefighters and police officers hired after 2006. Program expenditures are budgeted at \$16.3 million for FY 2018-19, an increase of \$2.7 million or 19.7% over the FY 2017-18 Revised Budget. The growth is due to the rising proportion of the sworn workforce hired after 2006, as well as to increasing wages included in the most recent Portland Police Association and Portland Fire Fighters Association contracts.

Administration and Support

The Administration and Support program includes all other costs of operating the bureau. Budgeted expenditures in the Administration and Support program total \$2.5 million, an increase of \$0.25 million or 11.3% from the FY 2017-18 Revised Budget. The Administration and Support budget represents 1.6% of total bureau requirements. Including delivery costs allocated to the retirement and disability programs, the percentage is 2.4%.

Strategic Direction

As a provider of pension and disability benefits for the City's sworn public safety workforce, FPDR's work contributes to Portland Plan Measure 11, to have a safer city. Benefits play an important role in recruiting and retaining the most qualified police officers and fire fighters.

The bureau's strategic goals are to fairly and compassionately administer pension and disability benefits for the City's sworn employees, and to be a good steward of the property taxes that underwrite those benefits. The bureau is dedicated to a smooth transition from the pay-as-you-go pension plans of the FPDR One and FPDR Two tiers, now closed, to the prefunded PERS pension plan for the FPDR Three tier added in 2007. Several of FPDR's key performance measures, such as the percent of the workforce on disability, the administrative cost percent, and the tax rate, relate to these goals.

FPDR also has a three-year strategic program, now in its final year. The plan has five major themes:

Disability Program Development

To reduce on-the-job injuries and return employees to work as quickly as possible, FPDR will work with the Fire and Police Bureaus to identify high-frequency injury causes, create injury reduction programs, and expand transitional duty and vocational rehabilitation opportunities.

Progress: FPDR has identified the top three injury types and is now working to classify the most common injury causes. FPDR and the Fire Bureau have partnered on several injury reduction programs over the last several years, and FPDR worked with the Police Bureau to double the number of transitional duty positions available to police officers who would otherwise be on disability. FPDR also hired a vocational consultant to help disabled members find nonsworn employment when appropriate.

Member Service Improvement

To improve member understanding of benefits, FPDR has published a Plan Summary document and made additional retirement planning materials (including videos of retirement workshop presentations) available on its web site. FPDR will also develop and distribute new instructions for filing disability claims and offer a wider array of retirement planning services.

Progress: In addition to publishing the new Plan Summary, FPDR redesigned pension estimates to make them more useful to younger members further from retirement. FPDR is in the beginning phases of a project to update and redesign all forms and instructions, including disability claim forms. Forms will also be converted to a format that is fillable online.

Technology Investment

FPDR will enhance technology associated with continuity of operations plans, expand a self-service web portal, and continue efforts to transition from paper-based to electronic processes.

Progress: FPDR went live with a new self-service web portal in January 2017. Members can update basic information, change key parameters (like their tax withholding), and print out documents (such as deposit notices and tax reports) at the portal. The bureau plans to explore options for creating an electronic payment system and portal for medical providers next. FPDR has also transitioned most records retention processes to the City's electronic record management system (TRIM).

Investment in Staff

FPDR will identify opportunities for cross-training and career development that will both prepare employees for advancement and ensure backup availability for critical tasks. FPDR will also encourage staff participation in diversity activities and trainings.

Progress: FPDR has completed a skills review for each position, identified back ups for all essential functions, and improved its continuity of operations plan (COOP). FPDR also tested its COOP with a two-day exercise in fall 2017. The bureau has addressed its greatest staff vulnerability by hiring a back up for the business systems analyst, who administers and manages the FPDR database. Failure would be catastrophic as FPDR uses the database to pay all FPDR benefits. Staff performance evaluations have been revised to include feedback on participation in diversity trainings and equity events. Staff participation in diversity trainings and events has increased notably, including a new FPDR equity book club, new monthly diversity presentations at staff meetings, and attendance at City-sponsored diversity events.

Board Development

FPDR will create a new education program for both new and experienced trustees, and work with the Mayor's office to identify diverse candidate pools for future vacancies in appointed positions.

Progress: A new Board of Trustees handbook was written and published in the fall of 2016, which is the basis of a new trustee training program rolled out for the four trustees who have joined the Board since. Three of the four new trustees are women.

Summary of Budget Decisions**New Sworn Staff in Portland Police and Portland Fire & Rescue**

The City's FY 2018-19 Adopted Budget includes funding for new sworn staff in the Portland Police and Portland Fire and Rescue bureaus. FPDR's Adopted Budget includes a total of \$309,257 in increased inter-agency expenses to support estimated benefit expenses of these staff.

Retirement System Payments

Description	This program provides pension benefits to retirees hired before January 1, 2007 (FPDR One and FPDR Two members), and their survivors and alternate payees.
Goals	Retirement benefits are essential in recruiting and retaining the most qualified individuals for important public safety operations. Thus, this program contributes to Portland Plan Measure 11, to have a safer city.
Performance	<p>There were 57 retirements from active service in each of the last two fiscal years, with a similar number expected in FY 2017-18. Based on actuarial assumptions related to members' ages and years of service, FPDR expects annual retirements to drop to about 50 in FY 2018-19 and beyond. However, the number of pension estimates requested and the number of active employees attending retirement workshops remains high compared with earlier years, which may indicate higher retirement rates in the near future. Prior to FY 2015-16, FPDR prepared 200 to 250 pension estimates annually, a number that has essentially doubled since. Similarly, annual attendance at retirement workshops has historically been less than 50. Attendance increased 132% to 123 attendees in FY 2015-16, and has remained high. Despite the increase in demand, estimate accuracy is still over 90% and the percentage of estimates prepared within one week has improved slightly, to about 83% in the current year. This is because FPDR increased the number of staff working on estimates.</p>
Changes to Services and Activities	<p>FPDR is working to change as many as possible of the remaining paper-based processes in this program to electronic processes. Only 24 retirees (approximately 1.0%) continue to receive paper checks. New in FY 2017-18, the FPDR database has been programed to automatically email secured direct deposit statements to beneficiaries who have provided email addresses, eliminating the need to mail many statements through the postal service. These changes enhance resiliency in a disaster, improve data security and reduce costs. Also new in FY 2017-18, pension recipients can now have their monthly payment deposited to multiple bank accounts.</p> <p>The new Portland Fire Fighters Association contract includes retroactive cost-of-living-adjustments and higher longevity pay that will increase pensions for all FPDR One Fire beneficiaries and some FPDR Two Fire beneficiaries. These costs will be reflected in higher ongoing pension amounts as well as retroactive payments are planned to be issued in FY 2017-18.</p> <p>FPDR also has a project to automate at least some portions of the pension estimate process. The current process has not been updated in decades and is labor-intensive, although it produces highly accurate results. With recent increases in the number of pension estimates requested, this approach is less sustainable. FPDR has already implemented several improvements to the current Excel-based process, and is now working to program additional improvements through the FPDR database.</p>

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

FTE & Financials	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Adopted FY 2018-19
FTE	1.00	1.00	1.00	1.00	1.00
Expenditures					
Pension Benefits	107,073,584	113,826,101	120,783,123	126,925,000	126,925,000
Retirement Administration and Support	97,022	99,824	106,157	112,153	112,153
Retirement System Payments	0	29,299	0	0	0
Total Expenditures	107,170,606	113,955,224	120,889,280	127,037,153	127,037,153
Performance	Actual FY 2015-16	Actual FY 2016-17	Yr End Est. FY 2017-18	Base FY 2018-19	Target FY 2018-19
Efficiency					
Percentage of pension estimates processed within one week	82%	76%	83%	85%	85%
Key Performance Measure					
Number of FPDR 2 retirements from active service	57	57	60	50	50
Outcome					
Percentage of workshop participants who rated workshop helpful	100%	100%	100%	100%	100%
Percentage of members whose final pay was 99% or more of last estimate	91%	100%	93%	95%	95%
Output					
Percentage of FPDR 2 members now or soon-to-be retirement eligible who received a pension estimate in the last two years	71%	62%	65%	65%	65%
Workload					
Number of pension estimates	424	397	376	376	376
Number of Fire & Police Disability & Retirement 1 and 2 pension recipients	1,981	2,018	2,073	2,104	2,104
Number of pre-retirement workshop participants	123	126	118	132	132

Disability & Death Benefits

Description This program provides disability benefits for injuries and illnesses, medical benefits, vocational rehabilitation benefits, and funeral benefits for sworn members of the Fire and Police Bureaus and their survivors.

Goals Disability benefits are essential in recruiting and retaining the most qualified individuals for important public safety operations. Thus, this program contributes to Portland Plan Measure 11, to have a safer city.

Performance The percentage of the sworn workforce on disability at June 30 has remained very stable at roughly 3.5%, which translates to about 50 sworn employees out on either short- or long-term disability at any given moment. During FY 2016-17 there were 37 employees on long-term disability and 244 employees who were on short-term disability at some point during the year. These numbers are expected to remain stable in FY 2017-18 and in future fiscal years. On the other hand, the number of disability claims filed has been dropping, from 379 two years ago to an expected 327 in FY 2017-18. This has helped to improve claims decision timeliness. In FY 2015-16 around half of claims received a decision within 30 days; now two-thirds of claims do. Roughly 90% of claims decisions are still made within the bureau’s target of 60 days, a rate that has been stable for the last several years. Nearly all claims receive a decision within 90 days.

Changes to Services and Activities The Disability Program made changes to medical case management in FY 2017-18. Hospital outreach and visits for inpatient members, assignment of a nurse case manager to complex cases, and home and transportation evaluations to support members’ recoveries have improved both the quality and continuity of members’ care. In addition, FPDR has changed the way it manages post-retirement medical benefits by assigning one senior analyst to oversee all these cases. Post-retirement disability cases have grown in both number and complexity since the 2012 City Charter change that provided FPDR-funded medical care for approved service-connected and occupational disabilities to all retirees.

The new Portland Fire Fighters Association contract has retroactive cost-of-living-adjustments and higher longevity pay that will increase time loss benefits (wage replacement for members unable to work because of a disability) for all Fire members. These costs will be reflected in higher ongoing disability costs.

FTE & Financials	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Adopted FY 2018-19
FTE	8.00	8.00	8.00	8.00	8.00
Expenditures					
Disability & Death Benefits	855,484	51,178	0	0	0
Disability Administration and Support	1,148,433	1,085,601	1,088,870	1,105,873	1,105,873
Funeral	40,348	64,748	81,900	87,800	87,800
Long-term Disability	3,652,368	1,599,981	1,779,000	1,878,000	1,878,000
Medical	2,222,857	2,850,407	2,776,200	3,035,000	3,035,000
Return to Work	409,584	461,704	469,000	481,900	481,900
Short-term Disability	1,923,571	1,544,908	2,024,000	1,790,500	1,790,500

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

FTE & Financials	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Adopted FY 2018-19
Vocational Rehabilitation	2,486	4,376	10,600	10,900	10,900
Total Expenditures	10,255,131	7,662,903	8,229,570	8,389,973	8,389,973
Performance	Actual FY 2015-16	Actual FY 2016-17	Yr End Est. FY 2017-18	Base FY 2018-19	Target FY 2018-19
Efficiency					
Percentage of disability claims decisions in 90 days	98%	99%	99%	99%	99%
Percentage of disability claims decisions in 60 days	88%	93%	94%	94%	94%
Percentage of disability claims decisions in 30 days	54%	65%	67%	67%	67%
Key Performance Measure					
Number of disability claims filed	379	342	327	327	327
Percentage of workforce on disability at June 30	3.4%	3.3%	3.5%	3.6%	3.6%
Output					
Amount of medical cost savings	\$1,382,411	\$1,958,772	\$1,828,800	\$1,901,952	\$1,901,952
Savings as a percentage of total medical costs	38.8%	40.1%	39.9%	39.9%	39.9%
Workload					
Number of members on short-term disability	257	244	244	244	244
Number of medical bills	3,671	3,996	3,855	3,855	3,855
Number of long-term disability recipients	35	37	36	37	37

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

Administration & Support

Description This program provides the general administrative and support services that the bureau requires to fulfill its mission.

Goals By providing the administrative and support services needed to deliver the retirement and disability benefits that are essential in recruiting and retaining the most qualified individuals for important public safety operations, this program contributes to Portland Plan Measure 11, to have a safer city.

Performance Administrative costs as a percentage of the total bureau budget have hovered near 1.5% for the last several years, and are expected to remain there for FY 2018-19. FPDR's goal is to keep administrative costs below 3.0% of the total bureau budget; the bureau has achieved this goal in all but one year over the last two decades.

The FPDR tax rate per \$1,000 of real market value (RMV) is also tracked within this program. The City Charter caps FPDR's dedicated property tax, the source of virtually all of FPDR's revenues, at \$2.80 per \$1,000 of RMV. Significant RMV growth over the last five years has allowed the rate to remain low even as FPDR's expenses are increasing. The rate has fallen each year since FY 2013-14 and is expected to drop from \$1.13 in FY 2017-18 to \$1.10 in FY 2018-19.

Changes to Services and Activities There are no changes to this program.

FTE & Financials	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Adopted FY 2018-19
FTE	7.50	8.00	8.00	8.00	8.00
Expenditures					
Administration & Support	2,058,852	2,086,985	2,381,237	2,503,029	2,504,904
Total Expenditures	2,058,852	2,086,985	2,381,237	2,503,029	2,504,904
Performance	Actual FY 2015-16	Actual FY 2016-17	Yr End Est. FY 2017-18	Base FY 2018-19	Target FY 2018-19
Key Performance Measure					
Administrative cost as a percentage of bureau budget	1.61%	1.41%	1.56%	1.62%	1.62%
FPDR tax levy rate (per \$1,000 of Real Market Value)	\$1.30	\$1.14	\$1.13	\$1.10	\$1.10

Oregon PERS Contributions

Description This program reimburses the Police and Fire Bureaus for the contributions they make to the Oregon Public Employees Retirement System (PERS) on behalf of their sworn members hired after 2006. Expenses are determined by the number of those members, their pensionable pay, and PERS contribution rates.

Goals Retirement benefits are essential in recruiting and retaining the most qualified individuals for important public safety operations. Thus, this program contributes to Portland Plan Measure 11, to have a safer city.

Performance FPDR does not have performance measures for this program, which simply reimburses the Police and Fire Bureaus for actual expenses. The measure below shows the percent of the sworn workforce covered by PERS each year, currently about 40% or 625 employees. In FY 2018-19 those numbers are expected to rise to 47% and 769 respectively. As the number of sworn employees hired in 2007 or later increases, expenditures for the Oregon PERS Contributions program will also increase, until they eventually overtake FPDR direct pension benefits (under the Retirement Systems Payment program) as the bureau’s single largest expense.

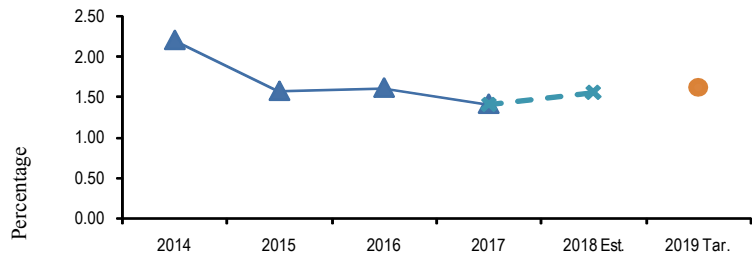
Changes to Services and Activities There are no changes to services and activities for this program.

FTE & Financials	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Adopted FY 2018-19
Expenditures					
Oregon PERS Contributions	8,699,501	9,672,695	13,610,000	16,637,489	16,287,257
Total Expenditures	8,699,501	9,672,695	13,610,000	16,637,489	16,287,257
Performance					
	Actual FY 2015-16	Actual FY 2016-17	Yr End Est. FY 2017-18	Base FY 2018-19	Target FY 2018-19
Key Performance Measure					
Percent of workforce who are FPDR 3	31%	35%	41%	47%	47%

Performance Measures

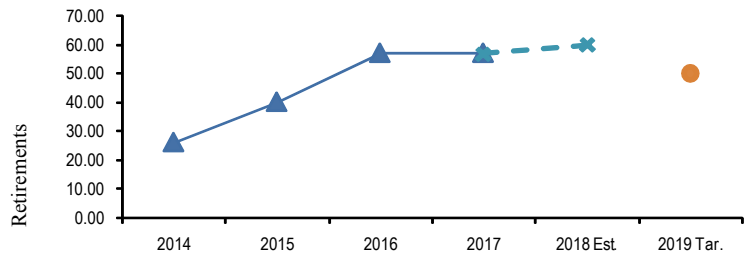
Administrative Cost as a Percentage of Bureau Budget

Administrative cost as a percent of bureau spending has hovered around 1.5% in recent years, with a brief spike in FY 2013-14, when the bureau had significant one-time legal expenses. Administrative costs are projected to increase to about 1.6% of bureau requirements in FY 2018-19. If program delivery costs allocated to the retirement and disability programs are included, administrative costs in FY 2018-19 would be approximately 2.4% of the bureau budget.



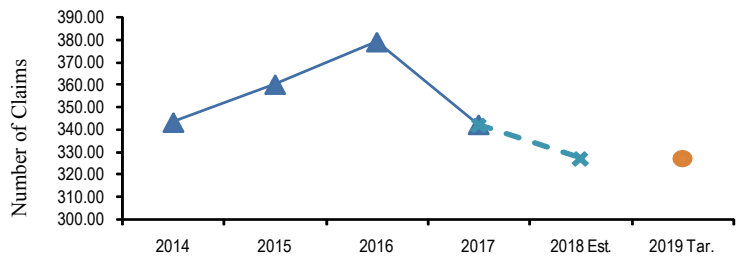
Number of FPDR 2 Retirements from Active Service

There were 57 service retirements in FY 2016-17 and FY 2015-16, and a similar number is expected this year. In FY 2018-19 and beyond, 50 annual retirements are expected based on actuarial assumptions. However, an unusually large number of members are retirement eligible and there will be two 27 pay date retirement opportunities during FY 2018-19, so actual retirements could be higher than forecast next year.



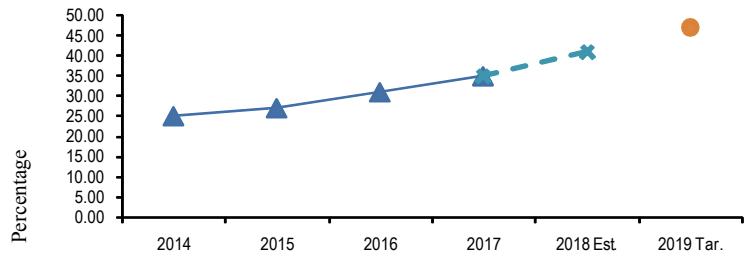
Disability Claims Filed

The number of disability claims filed grew each year for FY 2012-13 through FY 2015-16 and then dropped off to 342 in FY 2016-17. FPDR predicts the number of claims will level off at about 325 claims per year going forward.



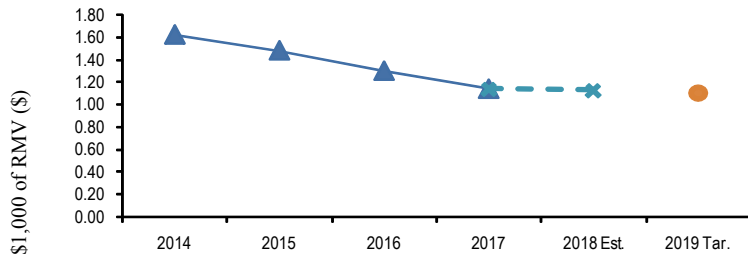
Percentage of Workforce Who are FPDR 3

FPDR 3 members are those hired in 2007 or later and are members of the Oregon Public Public Employee Retirement System (PERS) for retirement benefits. FPDR reimburses the Fire and Police Bureaus for the PERS contributions they make on behalf of these members. About 40% of the sworn workforce is currently comprised of FPDR 3 members; the percentage is expected to grow to 45% in FY 2018-19. The proportion will grow annually until it reaches 100% over the next 15 - 20 years.



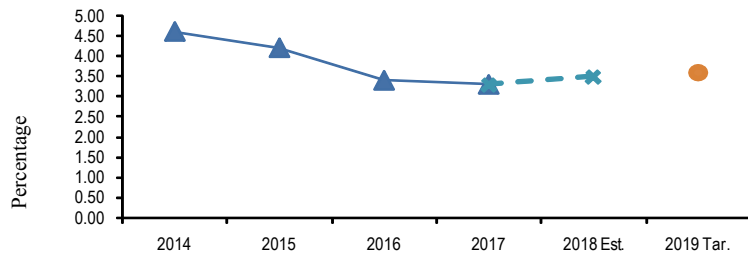
FPDR Tax Rate Per \$1,000 of RMV (\$)

FPDR's primary source of revenue is a dedicated property tax levy, authorized and capped at \$2.80 per \$1,000 of real market value (RMV) by the Portland City Charter. Despite increasing FPDR expenses, the rate has fallen each year for the last four years because of historic RMV growth. It is projected to drop again in FY 2018-19, to \$1.10. The most recent tax levy adequacy analysis estimates a 2.6% probability that FPDR will not be able to fund its requirements within the \$2.80 limit at some point over the next 20 years.



Percentage of Workforce on Disability at June 30

The percent of the sworn workforce on disability declined after the 2006 Charter reforms and is now holding remarkably steady at about 3.5%. The percentage shown includes those on both short and long-term disability. The number of members on long-term disability is relatively stable throughout the year, but the number on short-term disability fluctuates widely from pay period to pay period.



Bureau of Fire & Police Disability & Retirement

Summary of Bureau Budget

Public Safety Service Area

	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Adopted FY 2018-19
Resources					
External Revenues					
Taxes	122,764,713	128,197,553	144,268,948	151,783,789	151,442,839
Charges for Services	44	44	0	0	0
Bond & Note	24,637,339	29,129,050	44,312,000	57,700,000	57,700,000
Miscellaneous	495,685	694,664	664,300	1,143,400	1,143,400
Total External Revenues	147,897,781	158,021,311	189,245,248	210,627,189	210,286,239
Internal Revenues					
Fund Transfers - Revenue	0	0	1,500,000	1,500,000	1,500,000
Interagency Revenue	1,076,739	1,193,483	1,359,000	1,290,000	1,290,000
Total Internal Revenues	1,076,739	1,193,483	2,859,000	2,790,000	2,790,000
Beginning Fund Balance	18,467,432	14,383,435	9,808,579	12,929,404	12,929,404
Total Resources	\$167,441,952	\$173,598,229	\$201,912,827	\$226,346,593	\$226,005,643
Requirements					
Bureau Expenditures					
Personnel Services	1,948,783	1,973,764	2,163,014	2,250,600	2,250,600
External Materials and Services	116,476,183	120,536,788	128,004,484	134,479,191	134,479,191
Internal Materials and Services	9,705,354	10,812,495	14,786,138	17,795,003	17,446,646
Capital Outlay	53,770	54,760	156,451	42,850	42,850
Total Bureau Expenditures	128,184,090	133,377,807	145,110,087	154,567,644	154,219,287
Fund Expenditures					
Debt Service	24,762,001	29,371,007	44,835,166	58,593,081	58,593,081
Contingency	0	0	9,547,196	10,774,000	10,774,125
Fund Transfers - Expense	112,426	310,028	1,670,378	1,661,868	1,669,150
Total Fund Expenditures	24,874,427	29,681,035	56,052,740	71,028,949	71,036,356
Ending Fund Balance	14,383,435	10,539,387	750,000	750,000	750,000
Total Requirements	\$167,441,952	\$173,598,229	\$201,912,827	\$226,346,593	\$226,005,643
Programs					
Disability & Death Benefits	10,255,131	7,662,903	8,229,570	8,389,973	8,389,973
Administration & Support	2,058,852	2,086,985	2,381,237	2,503,029	2,504,904
Retirement System Payments	107,170,606	113,955,224	120,889,280	127,037,153	127,037,153
Oregon PERS Contributions	8,699,501	9,672,695	13,610,000	16,637,489	16,287,257
Total Programs	\$128,184,090	\$133,377,807	\$145,110,087	\$154,567,644	\$154,219,287

This table summarizes project expenses by capital programs.

Bureau Capital Program Project	Prior Years	Revised	Adopted	Capital Plan				5-Year Total
		FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	
Maintenance and Reliability								
Database Capital Improvements	448,990	156,451	42,850	44,130	45,460	46,820	48,230	227,490
Total Maintenance and Reliability	448,990	156,451	42,850	44,130	45,460	46,820	48,230	227,490
Total Requirements	448,990	156,451	42,850	44,130	45,460	46,820	48,230	227,490

Bureau of Fire & Police Disability & Retirement

FTE Summary

Public Safety Service Area

Class	Title	Salary Range		Revised FY 2017-18		Proposed FY 2018-19		Adopted FY 2018-19			
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount		
30000063	Accountant II	54,912	69,139	1.00	69,144	1.00	69,144	1.00	69,144		
30000449	Business Systems Analyst, Sr	71,510	95,472	1.00	95,472	1.00	95,472	1.00	95,472		
30000066	Claims Technician	45,885	60,819	1.00	60,816	1.00	60,816	1.00	60,816		
30000065	Claims Technician, Assistant	35,610	51,334	1.00	51,336	1.00	51,336	1.00	51,336		
30000568	Financial Analyst, Sr	71,510	95,472	1.00	95,472	1.00	95,472	1.00	95,472		
30000412	FPDR Director	105,248	146,973	1.00	146,976	1.00	146,976	1.00	146,976		
30001384	FPDR Financial Manager	91,104	121,368	1.00	84,909	1.00	88,389	1.00	88,389		
30000582	FPDR Operations Manager	84,739	112,882	1.00	112,884	1.00	112,884	1.00	112,884		
30000592	Legal Assistant, Sr	61,734	82,285	1.00	82,284	1.00	82,284	1.00	82,284		
30000451	Management Analyst	64,813	86,403	2.00	158,556	2.00	162,417	2.00	162,417		
30000450	Management Assistant	50,877	78,333	1.00	78,336	1.00	78,336	1.00	78,336		
30000012	Office Support Specialist II	34,798	49,962	1.00	42,992	1.00	46,295	1.00	46,295		
30000480	Workers Comp/Disability Analyst, Sr	68,078	90,792	3.00	261,566	3.00	264,842	3.00	264,842		
30000479	Workers Compensation/Disability Analyst	61,734	82,285	1.00	82,284	1.00	82,284	1.00	82,284		
TOTAL FULL-TIME POSITIONS						17.00	1,423,027	17.00	1,436,947	17.00	1,436,947
TOTAL PART-TIME POSITIONS						0.00	0	0.00	0	0.00	0
TOTAL LIMITED TERM POSITIONS						0.00	0	0.00	0	0.00	0
GRAND TOTAL						17.00	1,423,027	17.00	1,436,947	17.00	1,436,947

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriations Level (CAL) requirements.

Action	Amount			FTE	Decision
	Ongoing	One-Time	Total Package		
FY 2018-19	153,908,151	0	153,908,151	17.00	FY 2018-19 Current Appropriation Level
CAL Adjustments					
	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	657,489	0	657,489	0.00	Funding for new sworn staff costs in Police and Fire bureaus
	2,004	0	2,004	0.00	Technical adjustments
Approved Budget Additions and Reductions					
	(348,232)	0	(348,232)	0.00	Adjustments to new sworn staff costs in Police and Fire bureaus
Adopted Budget Additions and Reductions					
	0	(125)	(125)	0.00	Technical adjustments
	311,261	(125)	311,136	0.00	Total FY 2018-19 Decision Packages
			154,219,287	17.00	Total Adopted Budget

	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Approved FY 2018-19	Adopted FY 2018-19
Resources						
Taxes	122,764,713	128,197,553	144,268,948	151,783,789	151,442,839	151,442,839
Charges for Services	44	44	0	0	0	0
Bond & Note	24,637,339	29,129,050	44,312,000	57,700,000	57,700,000	57,700,000
Miscellaneous	495,685	694,664	664,300	1,143,400	1,143,400	1,143,400
Total External Revenues	147,897,781	158,021,311	189,245,248	210,627,189	210,286,239	210,286,239
Fund Transfers - Revenue	0	0	750,000	750,000	750,000	750,000
Interagency Revenue	1,076,739	1,193,483	1,359,000	1,290,000	1,290,000	1,290,000
Total Internal Revenues	1,076,739	1,193,483	2,109,000	2,040,000	2,040,000	2,040,000
Beginning Fund Balance	17,717,432	13,633,435	9,058,579	12,179,404	12,179,404	12,179,404
Total Resources	166,691,952	172,848,229	200,412,827	224,846,593	224,505,643	224,505,643
Requirements						
Personnel Services	1,948,783	1,973,764	2,163,014	2,250,600	2,250,600	2,250,600
External Materials and Services	116,476,183	120,536,788	128,004,484	134,479,191	134,479,191	134,479,191
Internal Materials and Services	9,705,354	10,812,495	14,786,138	17,795,003	17,446,771	17,446,646
Capital Outlay	53,770	54,760	156,451	42,850	42,850	42,850
Total Bureau Expenditures	128,184,090	133,377,807	145,110,087	154,567,644	154,219,412	154,219,287
Debt Service	24,762,001	29,371,007	44,835,166	58,593,081	58,593,081	58,593,081
Contingency	0	0	9,547,196	10,774,000	10,774,000	10,774,125
Fund Transfers - Expense	112,426	310,028	920,378	911,868	919,150	919,150
Total Fund Expenditures	24,874,427	29,681,035	55,302,740	70,278,949	70,286,231	70,286,356
Ending Fund Balance	13,633,435	9,789,387	0	0	0	0
Total Requirements	166,691,952	172,848,229	200,412,827	224,846,593	224,505,643	224,505,643

Fund Overview

Chapter 5 of the Portland City Charter establishes the Fire & Police Disability & Retirement (FPDR) Fund for the sworn employees of Portland Fire & Rescue and the Portland Police Bureau, their surviving spouses, and their dependent minor children. The fund is supported primarily through a separate property tax levy originally authorized by the voters in 1948. The levy is a rate-based levy, providing a maximum rate of \$2.80 per \$1,000 of real market value.

Managing Agency Bureau of Fire & Police Disability & Retirement

Significant Changes from Prior Year

Net of tax anticipation notes - which artificially inflate the size of the budget because proceeds are received and repaid in the same fiscal year - total fund requirements for FY 2018-19 are \$166.8 million. This is an increase of \$10.7 million or 6.9% from the FY 2017-18 Revised Budget. External materials and services, which mainly consists of direct pension benefits to members (or their beneficiaries) hired before 2007, continues to increase as more members retire with higher final pay.

Contributions to the Oregon Public Employees Retirement System (PERS) on behalf of active members hired after 2006, the largest component of internal materials and services, continues to grow. This is due to new FPDR Three employees replacing retiring FPDR Two employees in the sworn workforce, PERS contribution rates, and salary increases. The capital budget, which is exclusively for upgrades to the FPDR database, will hover around \$45,000 a year as opportunities for additional utility continue to be identified.

FPDR fund contingency, which has been set at 7% of bureau requirements for FY 2018-19, is budgeted at \$10.8 million. This is an increase of \$0.7 million from FY 2017-18, when it was also set at 7%. Bureau requirements are forecast to grow over the next five years, and contingency will follow in step. Fund transfers show as higher in current and future years because FPDR always budgets a transfer from the FPDR Reserve Fund, but when the transfer is not required, it is not reflected in prior year actuals. Debt service (and the offsetting bond and note proceeds in revenues) reflect FPDR's annual issuance of tax anticipation notes (TANs) to cover cash flow needs until property tax revenues are received in mid-November each year. TANs are budgeted as 4.5 months of requirements, less beginning fund balance, and therefore grow as fund requirements grow.

Budgeted property tax collections will increase by \$7.2 million, or 5.0%, from the FY 2017-18 Revised Budget to the FY 2018-19 Adopted Budget. Since property taxes make up roughly 98% of FPDR's resources, taxes typically grow in accordance with fund requirements. However, tax collections are budgeted to grow less for FY 2018-19 because of a higher projected beginning fund balance than planned, the result of likely underspending on pension and disability benefits in the current fiscal year.

Despite growing requirements and the resulting need for more tax revenue, very strong growth in Portland real market values (RMV) over the last several years has driven the FPDR RMV property tax levy down to \$1.13 in FY 2017-18 as compared to \$1.14 in FY 2016-17 and \$1.30 in FY 2015-16. The FY 2018-19 forecast RMV levy rate sits at \$1.10, the nadir for the five-year forecast.

Interagency revenue is budgeted to drop in FY 2018-19, out of concern that reduced staffing levels will diminish the Police Bureau's capacity to take on third-party work; when the Fire or Police Bureaus contract out their services to other organizations, FPDR receives a portion of the overhead charges to offset pension and disability costs. Interagency revenue is expected to rebound in FY 2019-20 as Police staffing levels recover. Miscellaneous revenue, which is primarily interest income and subrogation revenue, is expected to grow as interest rates continue their rise after years of remaining at historic lows, and as FPDR's fund balance grows.

	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Approved FY 2018-19	Adopted FY 2018-19
Resources						
Total External Revenues	0	0	0	0	0	0
Fund Transfers - Revenue	0	0	750,000	750,000	750,000	750,000
Total Internal Revenues	0	0	750,000	750,000	750,000	750,000
Beginning Fund Balance	750,000	750,000	750,000	750,000	750,000	750,000
Total Resources	750,000	750,000	1,500,000	1,500,000	1,500,000	1,500,000
Requirements						
Total Bureau Expenditures	0	0	0	0	0	0
Fund Transfers - Expense	0	0	750,000	750,000	750,000	750,000
Total Fund Expenditures	0	0	750,000	750,000	750,000	750,000
Ending Fund Balance	750,000	750,000	750,000	750,000	750,000	750,000
Total Requirements	750,000	750,000	1,500,000	1,500,000	1,500,000	1,500,000

Fund Overview

The Fire & Police Disability & Retirement (FPDR) Reserve Fund was established by City Charter and is to be maintained in the amount of \$750,000. The fund is for use only in the event the FPDR Fund becomes depleted to the extent that current obligations cannot be met. Interest income on the \$750,000 is booked directly to the FPDR Fund.

Managing Agency Bureau of Fire & Police Disability & Retirement