

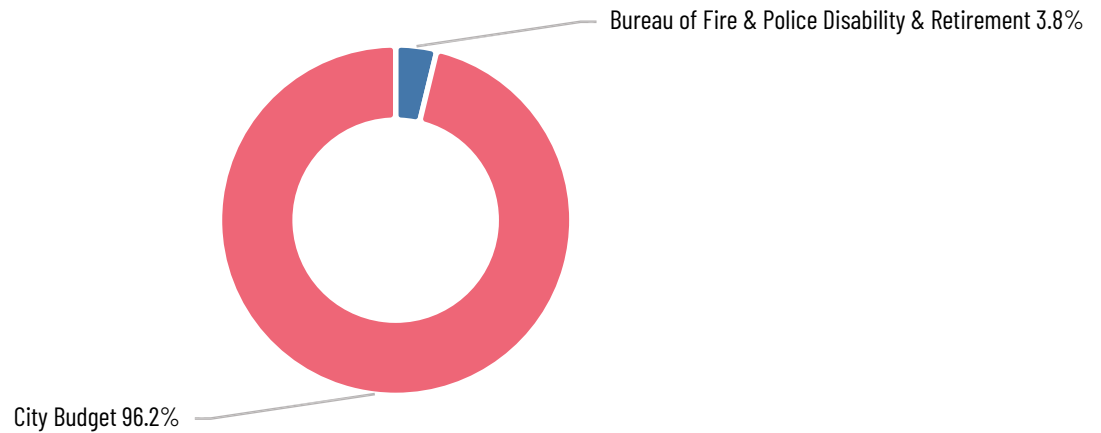
Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

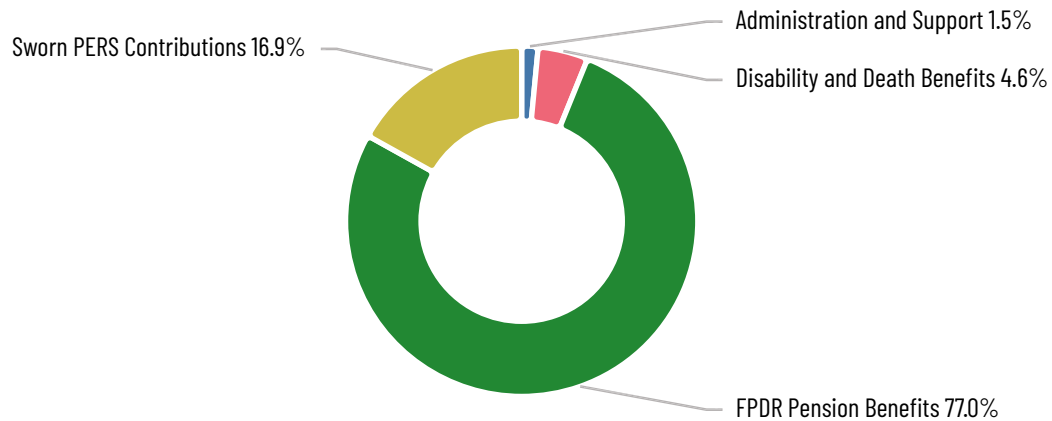
Jo Ann Hardesty, Commissioner-in-Charge

Samuel Hutchison, Director

Percent of City Budget Graph



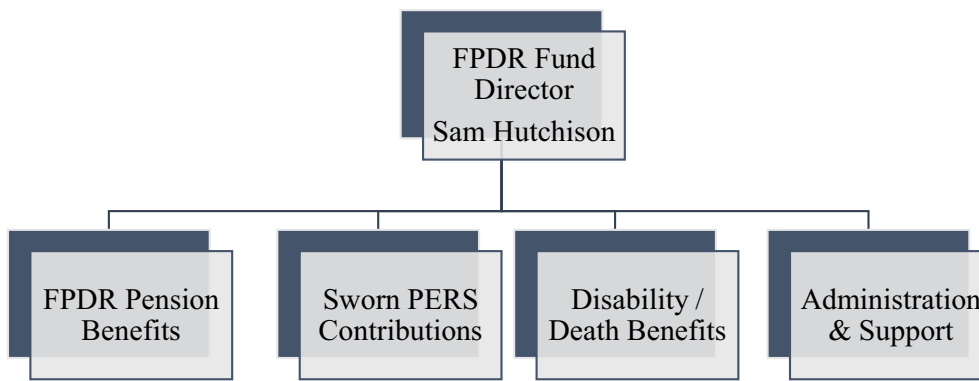
Bureau Programs



Bureau Overview

Requirements	Revised FY 2021-22	Adopted FY 2022-23	Change from Prior Year	Percent Change
Operating	\$262,273,666	\$257,112,467	\$(5,161,199)	(2)%
Capital	\$75,000	\$35,000	\$(40,000)	(53)%
Total	\$262,348,666	\$257,147,467	\$(5,201,199)	(2)%
Authorized Positions	17.00	17.00	—	—%

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 sub-programs: two retirement programs—FPDR Pension Benefits and Sworn PERS Contributions—plus the Disability and Death Benefits program and the Administration and Support program. FPDR serves plan members in three distinct tiers: FPDR One members are those who were retired or on long-term disability before January 1, 1990; FPDR Two members are those who were working or hired between December 31, 1989 and December 31, 2006; and FPDR Three members are those who were hired after December 31, 2006. The FPDR Plan provides pension and disability benefits for FPDR One and Two members, but only disability benefits for FPDR Three members. In addition, the FPDR Fund finances contributions to the Oregon Public Employees Retirement System (PERS) for FPDR Three members. FPDR benefits and administrative expenses are funded by a dedicated FPDR property tax levy, separate from the City's general government levy. The FPDR levy is capped at \$2.80 per \$1,000 of real market value by City Charter.

FPDR Pension Benefits

The FPDR Pension Benefits program pays direct pension benefits to FPDR One and Two members, and their survivors and alternate payees (former spouses). The program also provides pension estimates, retirement counseling, and retirement workshops for FPDR Two members who are still working. The FY 2022-23 Adopted Budget is \$150.8 million, including \$159,571 in direct program delivery costs. This is an increase of \$8.4 million or 5.9% over the FY 2021-22 Revised Budget. Costs are growing for a variety of reasons, but the primary cause is the record-breaking number of retirements in the prior fiscal year. There were 106 new retirees in FY 2020-21, the most in FPDR history. The large number of retirements was primarily due to the occurrence of two 27-pay date retirement months that year (months when the City's biweekly pay structure produces an extra pay date, which is then included in final pay for the pension calculation). In addition to the unusual number of new retirements in FY 2020-21, the increasing number of FPDR Two retirees in general is driving long-term cost increases in this program. FPDR Two members have a more generous pension benefit than FPDR One members. It is estimated that there will be 2,178 pension recipients in FY 2022-23, roughly 85% of whom will be FPDR Two beneficiaries. The Pension Benefits program represents 79.5% of total bureau requirements for FY 2022-23.

Disability and Death Benefits

The Disability and Death Benefits program administers both service-connected and nonservice disability benefits, including wage replacement for lost time from work, medical care expenses, vocational rehabilitation, and funeral benefits. The Adopted Budget for FY 2022-23 totals \$9.0 million, a decrease of \$1.5 million or 13.9% from the FY 2021-22 Revised Budget. The program budget includes \$1.4 million in costs related directly to program delivery. The Disability and Death Benefits program represents 4.9% of total bureau requirements for FY 2022-23.

Sworn PERS Contributions

The Sworn PERS Contributions program manages reimbursements to Portland Fire & Rescue and the Portland Police Bureau for PERS contributions made on behalf of FPDR Three members. Program expenditures are budgeted at \$33.1 million for FY 2022-23, an increase of \$3.7 million or 12.6% over the FY 2021-22 Revised Budget. Growth is due to the rising proportion of the sworn workforce hired after 2006; a 5.0% wage cost-of-living adjustment (COLA) for all sworn employees on July 1, 2022; and the movement of FPDR Three employees through the police officer and fire fighter pay steps, as well as their increasing promotion rates and specialty pay rates as they spread through the ranks. The new Portland Police Association contract includes a retroactive 2% premium that will increase pensions for FPDR One and FPDR Two Police beneficiaries as well as a one-time bonus that will increase FPDR Two pensions in FY 2022-23. PERS contribution rates will stay at 31.72% for FY 2022-23 in the tier to which most FPDR Three members belong (22.72%, plus a 9% contribution to the Individual Account Program). This program will experience exponential expenditure growth through the early- to mid-2030s, when all or nearly all active sworn employees will be FPDR Three members. At that point, cost increases will be limited to growth in wages and PERS contribution rates. Approximately 58% of the sworn workforce is expected to be comprised of FPDR Three members in FY 2022-23. The Sworn PERS Contributions program represents a growing proportion of total bureau requirements, 14.1% for FY 2022-23.

Administration and Support

The Administration and Support program includes all other costs of operating the bureau. Bureau expenditures in the Administration and Support program for FY 2022-23 are budgeted at \$2.9 million, a decrease of \$195,057 or 6.2% as compared to the FY 2021-22 Revised Budget. The decrease is caused by unusually high administrative spending in FY 2021-22 as FPDR incurs furniture and design costs for an office move. FPDR expects to reduce its office lease expenses by more than 20% in FY 2022-23. A move to a smaller office space has been made possible by the planned transition to hybrid in-person/remote work for most staff. The Administration and Support budget represents 1.5% of total bureau requirements for FY 2022-23, the same as in FY 2021-22.

Strategic Direction

Connection to City Goals	As a provider of pension and disability benefits for the City's public safety workforce, FPDR's work contributes to the Council Priority Area of Community Safety; Portland Plan Measure 11, to have a safer city; and a variety of other City goals related to public safety and community livability. Benefits play an important role in recruiting and retaining the most qualified police officers and fire fighters.
Bureau Objectives	FPDR'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 of the FPDR Three tier added in 2007.
Performance	Several of FPDR's performance measures gauge the bureau's success in achieving its ultimate purpose: to deliver benefits accurately and efficiently. The percent of disability decisions reached within 60 days held steady at 89% in FY 2020-21, despite a record-setting 536 new disability claims filed during the year. This represented an increase of more than 50% in new claim volume – a consequence of COVID infections and exposures in the sworn workforce. This unprecedented level of new claims has continued into FY 2021-22, but FPDR believes staff will be able to maintain timeliness standards. The percent of the sworn workforce on disability at June 30 each year continues to be about 3%. FPDR staff retired 106 members in FY 2020-21 including 99 from active service, more than in any previous year in FPDR history. The percent of members whose pensions were very close to the estimates they received (those with a negative variation of less than 1%) is still at or above 98%. Approximately three-quarters of members who are close to retirement have received updated pension estimates, similar to prior years, despite operational and staff transitions during the pandemic and the increased retirement workload. FPDR also strives to operate the plan as cost-effectively as possible. Administrative costs have been less than 1.5% of the bureau budget for the last several years. Administrative costs per plan participant are expected to increase 6.4% for FY 2022-23, from \$724 to \$770. The growth is in line with increasing personnel costs in the current high inflation environment. FPDR plans to draw down its fund balance rather than increasing taxes in FY 2022-23. The FPDR tax levy rate remains well under the \$2.80 cap, at \$1.26 currently, with a projected drop to \$1.15 for FY 2022-23.
Strategic Plan	FPDR's short-term strategic focus is to optimize office operations in the post-pandemic workplace environment. Most employees will blend in-person and remote work, the physical office footprint will be smaller, and more business than ever before will be conducted digitally and remotely. FPDR's objective is to ensure the bureau retains its superior customer service standards and satisfaction through this transition, while maximizing operational efficiency and employee morale and retention in the new environment.

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

More broadly, FPDR's long term strategic vision is for the bureau to become an "organization of the future." This means ensuring FPDR service delivery evolves to take advantage of the modern digital environment and to meet the growing desire of members and beneficiaries for convenience, speed and excellent customer service. Specific objectives include providing seamless, real time customer service across many platforms; digitizing as many paper records as possible, for cost, convenience, and continuity of operations purposes; recruiting and retaining top talent as employees retire; creating a supportive, efficient and modern work environment; and implementing next-generation claims processing. The pandemic presented an unexpected opportunity to accelerate FPDR's progress towards many of these goals. Numerous work processes were modernized and digitized more quickly than would otherwise have been the case. Master files for new members and new disability claim files are now exclusively digital. The bureau was forced to upgrade its technology infrastructure to accommodate new customer service delivery methods and remote work. FPDR is now positioned to allow most employees to telework routinely, an opportunity the modern workforce will expect.

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

Performance Measures

Performance	Actuals FY 2019-20	Actuals FY 2020-21	Target FY 2021-22	Target FY 2022-23	Strategic Target
EFFICIENCY					
Median days to prepare a pension estimate	5	5	5	5	5
Administrative spending per participant	\$657	\$679	\$724	\$770	\$825
Percentage of disability claims decisions in 60 days	89%	89%	89%	89%	89%
Percent of pension recipients who are paperless	36.0%	39.0%	41.0%	43.0%	50.0%
OUTCOME					
Percentage of members whose final pay was 99% or more of last estimate	100%	99%	99%	98%	98%
Administrative cost as a percentage of bureau budget	1.47%	1.35%	1.44%	1.45%	1.50%
OUTPUT					
FPDR tax levy rate (per \$1,000 of Real Market Value)	\$1.10	\$1.15	\$1.32	\$1.15	\$1.37
Percentage of FPDR 2 members now or soon-to-be retirement eligible who received a pension estimate in the last two years	74%	75%	74%	78%	80%
WORKLOAD					
Number of active employees in FPDR 3	657	723	754	855	1,152
Number of disability claims filed	331	536	320	388	388
Number of FPDR 1 and 2 pension recipients	2,052	2,129	2,129	2,178	2,358
Number of FPDR 2 retirements from active service	9	99	20	60	63
Number of long-term disability recipients	33	27	30	27	32
Number of medical bills	2,977	3,129	3,413	3,221	3,221
Number of members on short-term disability	220	402	260	296	296
Number of pension estimates	300	281	322	305	305
Number of pre-retirement workshop participants	110	0	107	107	107
Percent of workforce who are FPDR 3	45%	50%	52%	58%	75%
Percentage of workforce on disability at June 30	3.2%	3.2%	2.9%	2.9%	3.2%

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

Summary of Bureau Budget

	Actuals FY 2019-20	Actuals FY 2020-21	Revised FY 2021-22	Proposed FY 2022-23	Adopted FY 2022-23
Resources					
External Revenues					
Taxes	154,919,174	168,308,393	190,947,841	183,485,461	183,485,461
Charges for Services	49	23	0	0	0
Bond & Note	26,725,625	31,658,596	60,470,000	45,000,000	45,000,000
Miscellaneous	1,501,234	584,229	409,000	789,100	789,100
External Revenues Total	183,146,083	200,551,242	251,826,841	229,274,561	229,274,561
Internal Revenues					
Fund Transfers - Revenue	0	0	1,500,000	1,500,000	1,500,000
Interagency Revenue	1,346,630	420,096	228,200	393,900	393,900
Internal Revenues Total	1,346,630	420,096	1,728,200	1,893,900	1,893,900
Beginning Fund Balance	20,323,339	17,840,202	8,793,625	25,979,006	25,979,006
Resources Total	204,816,052	218,811,540	262,348,666	257,147,467	257,147,467
Requirements					
Bureau Expenditures					
Personnel Services	2,422,650	2,447,178	2,715,674	2,889,429	2,889,429
External Materials and Services	135,317,377	145,030,606	151,567,950	158,510,999	158,510,999
Internal Materials and Services	21,916,995	24,183,324	31,009,165	34,362,170	34,362,170
Capital Outlay	68,900	0	75,000	35,001	35,001
Bureau Expenditures Total	159,725,921	171,661,108	185,367,789	195,797,599	195,797,599
Fund Expenditures					
Debt Service	27,098,678	31,791,605	60,886,741	45,434,207	45,434,207
Contingency	0	0	13,707,443	13,494,412	13,494,412
Fund Transfers - Expense	151,251	141,151	1,636,693	1,671,249	1,671,249
Fund Expenditures Total	27,249,929	31,932,756	76,230,877	60,599,868	60,599,868
Ending Fund Balance	17,840,202	15,217,675	750,000	750,000	750,000
Requirements Total	204,816,052	218,811,540	262,348,666	257,147,467	257,147,467
Programs					
Administration & Support	2,344,930	2,324,218	3,140,041	2,944,984	2,944,984
Disability and Death Benefits	7,046,614	8,557,106	10,481,086	9,021,044	9,021,044
FPDR Pension Benefits	129,990,715	137,805,157	142,376,662	150,761,571	150,761,571
Pension Benefits	(729,204)	(365,840)	—	—	—
Return to Work	372,924	260,531	—	—	—
Sworn PERS Contributions	20,699,942	23,079,937	29,370,000	33,070,000	33,070,000
Total Programs	159,725,921	171,661,108	185,367,789	195,797,599	195,797,599

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

FTE Summary

Class	Title	Salary Range		Revised FY 2021-22		Proposed FY 2022-23		Adopted FY 2022-23	
		Min	Max	No.	Amount	No.	Amount	No.	Amount
3000063	Accountant II	54,912	84,875	1.00	79,560	1.00	79,560	1.00	79,560
30003003	Administrative Specialist II	48,277	101,226	1.00	94,515	1.00	94,515	1.00	94,515
30003006	Analyst I	53,290	111,696	2.00	199,805	2.00	199,805	2.00	199,805
30003007	Analyst II	63,336	119,136	3.00	298,314	3.00	298,314	3.00	298,314
30003012	Business Systems Analyst III	69,805	142,817	1.00	104,312	1.00	104,312	1.00	104,312
30000066	Claims Technician	45,885	74,645	1.00	69,971	1.00	69,971	1.00	69,971
30000065	Claims Technician, Assistant	35,610	63,018	1.00	59,072	1.00	59,072	1.00	59,072
30003034	Deputy Director I	91,728	172,177	1.00	111,632	1.00	111,632	1.00	111,632
30003037	Director I	111,696	214,637	1.00	170,664	1.00	170,664	1.00	170,664
30003055	Financial Analyst II	63,336	119,136	1.00	90,750	1.00	90,750	1.00	90,750
30003056	Financial Analyst III	69,805	142,817	1.00	115,419	1.00	115,419	1.00	115,419
30003077	Legal Assistant	53,290	111,696	1.00	95,555	1.00	95,555	1.00	95,555
30003081	Manager I	80,205	158,655	1.00	131,061	1.00	131,061	1.00	131,061
30000012	Office Support Specialist II	34,798	61,354	1.00	57,512	1.00	57,512	1.00	57,512
Total Full-Time Positions				17.00	1,678,142	17.00	1,678,142	17.00	1,678,142
Grand Total				17.00	1,678,142	17.00	1,678,142	17.00	1,678,142

Fund Summary

	Actuals FY 2019-20	Actuals FY 2020-21	Revised FY 2021-22	Proposed FY 2022-23	Approved FY 2022-23	Adopted FY 2022-23
Resources						
External Revenues						
Taxes	154,919,174	168,308,393	190,947,841	183,485,461	183,485,461	183,485,461
Charges for Services	49	23	0	0	0	0
Bond & Note	26,725,625	31,658,596	60,470,000	45,000,000	45,000,000	45,000,000
Miscellaneous	1,501,234	584,229	409,000	789,100	789,100	789,100
External Revenues Total	183,146,083	200,551,242	251,826,841	229,274,561	229,274,561	229,274,561
Internal Revenues						
Fund Transfers - Revenue	0	0	750,000	750,000	750,000	750,000
Interagency Revenue	1,346,630	420,096	228,200	393,900	393,900	393,900
Internal Revenues Total	1,346,630	420,096	978,200	1,143,900	1,143,900	1,143,900
Beginning Fund Balance	19,573,339	17,090,202	8,043,625	25,229,006	25,229,006	25,229,006
Resources Total	204,066,052	218,061,540	260,848,666	255,647,467	255,647,467	255,647,467
Requirements						
Bureau Expenditures						
Personnel Services	2,422,650	2,447,178	2,715,674	2,889,429	2,889,429	2,889,429
External Materials and Services	135,317,377	145,030,606	151,567,950	158,510,999	158,510,999	158,510,999
Internal Materials and Services	21,916,995	24,183,324	31,009,165	34,362,170	34,362,170	34,362,170
Capital Outlay	68,900	0	75,000	35,001	35,001	35,001
Bureau Expenditures Total	159,725,921	171,661,108	185,367,789	195,797,599	195,797,599	195,797,599
Fund Expenditures						
Debt Service	27,098,678	31,791,605	60,886,741	45,434,207	45,434,207	45,434,207
Contingency	0	0	13,707,443	13,494,412	13,494,412	13,494,412
Fund Transfers - Expense	151,251	141,151	886,693	921,249	921,249	921,249
Fund Expenditures Total	27,249,929	31,932,756	75,480,877	59,849,868	59,849,868	59,849,868
Ending Fund Balance	17,090,202	14,467,675	0	0	0	0
Requirements Total	204,066,052	218,061,540	260,848,666	255,647,467	255,647,467	255,647,467

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 (RMV).

Managing Agency Bureau of Fire & Police Disability & Retirement

Significant Changes from Prior Year

Net of tax anticipation notes (TANs)—which artificially inflate the size of the budget because the notes are issued and repaid in the same fiscal year—total fund requirements for FY 2022-23 are \$210.6 million. This is an increase of \$10.3 million or 5.1% from the FY 2020-21 Revised Budget, a slightly slower growth rate than in most recent years. In FY 2022-23, bureau expenditures are budgeted at \$195.8 million, an increase of 5.6% or \$10.4 million more than the FY 2020-21 Revised Budget. Benefit costs (specifically, increased pension benefit expenses for FPDR Two retirees and their survivors, and higher contributions to the Oregon Public Employees Retirement System (PERS) for working FPDR Three members) are the causes of the increase.

FPDR costs will continue to increase above and beyond inflation for the next 10 to 15 years as the fund bears the cost of financing two generations of retirees simultaneously: pay-as-you-go FPDR pension benefits for FPDR One and Two members during retirement, and prefunded contributions to PERS for FPDR Three members during their working lives. FPDR One and Two members were hired before January 1, 2007; FPDR Three members were hired on or after that date. More FPDR Two members retired in FY 2020-21 than in any previous year in FPDR history, accelerating this already steep cost curve.

Beginning fund balance for FY 2021-22 was originally projected to be the lowest in many years because of additional FY 2020-21 spending on the record-breaking number of new retirees, unusually high disability benefit costs caused by a winter COVID surge, and additional PERS contributions on overtime related to civic protests, pandemic staffing shortages, and wildfires. Fortunately, FPDR management ultimately needed to draw just \$3.5 million from fund contingency to cover these extra costs, with the result that ending fund balance for FY 2020-21 (and hence beginning fund balance for FY 2021-22) came in at \$14.5 million rather than the previously projected \$8.0 million. Moreover, the bureau only needed to draw \$2.0 million from FY 2022-23 fund contingency, which was set conservatively at \$16.1 million to mitigate for ongoing pandemic and retirement risk. The combination of these two factors means that FPDR is now projecting a large ending fund balance of \$25.2 million for FY 2021-22. This excess fund balance will make it unnecessary to increase the FPDR property tax levy for FY 2022-23, despite the growth in expenses.

Fund Requirements

Personnel services costs will increase to an unusual degree for FY 2022-23, and are expected to be 6.4% higher than FY 2021-22. The primary culprits are a 5.0% wage cost-of-living-adjustment (COLA) for all FPDR staff on July 1, 2022, and a projected 3.8% increase in health benefits costs. However, a 1.6% wage COLA retroactive to July 1, 2021 for some FPDR staff, potential merit pay increases and Oregon pay equity law adjustments for other staff, and upcoming leave payouts for two retiring employees are also contributing to the spike in FY 2022-23 personnel expenses.

Internal materials and services are the fastest growing component of FPDR's budget, increasing \$3.4 million, or 10.8%, in FY 2022-23. The largest item within internal materials and services is reimbursements to the Fire and Police Bureaus for PERS contributions made on behalf of FPDR Three members. These PERS contributions are responsible for nearly all of the growth in this budget category.

This budget will continue to increase exponentially over the next 10 to 15 years, as FPDR Three members constitute an ever larger percentage of the sworn workforce. In addition to growth in the number of employees on which PERS contributions must be made, the FPDR Three payroll is increasing as police officers and fire fighters hired since 2007 move through the annual pay steps and are promoted to higher ranks, and receive annual cost-of-living wage adjustments. A smaller portion of the internal materials and services budget comprises payments to City bureaus that provide internal services such as technology support, legal advice, printing, mail distribution, etc. Costs for these services are also growing significantly—in some cases by more than 10%—primarily because of the same wage inflation pressures faced by FPDR for its own workforce. However, most of these costs will be offset by a reduction in FPDR office space costs. FPDR hopes to save roughly \$50,000 by moving to a smaller office, made possible by the transition to a hybrid in-person/remote schedule for most staff.

Growth in external materials and services is in line with usual inflationary increases, mostly driven by escalating FPDR pension costs for FPDR One and Two retirees and their survivors. FPDR added 106 new FPDR Two retirees to the rolls in FY 2020-21, and the upcoming 5% wage COLA on July 1, 2022 will result in a 5% pension COLA for FPDR One beneficiaries (whose benefits are a percent of active duty pay) and will further increase future FPDR Two pension amounts (which are based partly on final pay before retirement). However, the FPDR pension program has also experienced more deaths than typical over the last 18 months, which has softened cost growth. Altogether, FPDR pension costs are expected to be 4.6% higher in FY 2022-23 than budgeted in FY 2021-22.

FPDR's capital budget is small and comprises only one type of expense: capital upgrades to the custom database used for FPDR benefit payment and tax reporting, tracking beneficiary information, and managing disability claims. This budget will decline to \$35,001 for FY 2022-23, a more than 50% decline compared with the FY 2021-22 budget, now that projects to automate portions of the pension estimate process and improve disability claim management are complete.

Within fund level expenditures, FY 2022-23 debt service for the annual TAN issue is budgeted at \$45.0 million, which is 25.6% less than the FY 2021-22 budget. However, this is primarily due to a methodology refinement intended to more closely align budget with actuals. As compared with the actual TAN issue for FY 2021-22, the FY 2022-23 budget is roughly \$6.5 million, or 16.9% higher. This growth is in line with expenditure growth, plus a 10% cushion. As financial uncertainty appears to be abating, FPDR management has decided to return fund contingency to the usual level of 7% of operating expenses, or \$13.5 million, for FY 2022-23. This is a drop from FY 2021-22, when fund contingency was set to the historically high level of 9% of operating expenses, or \$16.1 million.

Fund Revenues

As discussed above, FPDR expects an unusually large beginning fund balance for FY 2022-23 of \$25.2 million. As a result, fewer FPDR property tax proceeds are required to fund expenditure growth next year: \$183.5 million as compared with \$191 million in FY 2021-22, a 3.9% drop. (Additional tax proceeds are expected as late payments for prior year tax levies, which is why these figures are slightly lower than the total Taxes budget in the table above.) This opportunity to reduce the tax levy, even on a one-year basis, is unusual in recent times; generally, the tax levy must grow in proportion with FPDR benefit costs, which are rising rapidly as FPDR continues to fund two generations of pensions simultaneously. The FPDR

property tax rate on RMV remains well below the \$2.80 cap proscribed by City Charter; the rate is currently \$1.26 but will drop to an estimated \$1.15 for FY 2022-23 as the tax levy is lowered. The FPDR tax rate on assessed value, which is the basis for actual tax bills, is also expected to decline, from \$3.01 currently to \$2.75 for FY 2022-23. Both the RMV and AV tax rates will resume their growth in the proceeding years however, with the RMV rate projected at \$1.37 by FY 2026-27 and the AV rate at \$3.20 in that same year.

Excluding bond and note proceeds for the TAN issue and transfer from FPDR's own Reserve Fund, non-property tax revenues are expected to comprise only 0.64% of FPDR's total revenues in FY 2022-23. This is a notable drop from historic levels. Nearly all of FPDR's non-property tax revenue is comprised of interest income (part of Miscellaneous Revenue in the table above) and overhead charges collected when the Police and Fire Bureaus contract their services out to third parties (part of Interagency Revenue in the table above). Interest revenue declined in FY 2021-22 when interest rates fell and is expected to rebound in FY 2022-23. FPDR projects interest earnings of just \$284,000 on FPDR Fund balance in FY 2021-22 increasing to \$648,000 in FY 2022-23, as compared with \$512,998 in FY 2020-21. The Police Bureau canceled their largest third-party contract, with TriMet to provide Transit Police, in FY 2020-21. Since then, overhead charges collected on sworn services provided to external organizations has dropped by more than half, from around \$1.2 million annually to an anticipated \$320,000 in FY 2021-22 and \$340,000 in FY 2022-23.

Fire & Police Disability & Retirement Reserve Fund **Fire & Police Disability & Retirement Reserve Fund**

Fund Summary

	Actuals FY 2019-20	Actuals FY 2020-21	Revised FY 2021-22	Proposed FY 2022-23	Approved FY 2022-23	Adopted FY 2022-23
Resources						
Internal Revenues						
Fund Transfers - Revenue	0	0	750,000	750,000	750,000	750,000
Internal Revenues Total	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
Resources Total	750,000	750,000	1,500,000	1,500,000	1,500,000	1,500,000
Requirements						
Fund Expenditures						
Fund Transfers - Expense	0	0	750,000	750,000	750,000	750,000
Fund Expenditures Total	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
Requirements Total	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 currently totals \$1.5 million. 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 these resources is booked directly to the FPDR Fund.

Managing Agency Bureau of Fire & Police Disability & Retirement