

FIRE AND POLICE DISABILITY AND RETIREMENT BOARD OF TRUSTEES MEETING	MINUTES
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This meeting was held remotely via a Zoom webinar platform.

Date and Time: July 25, 2023, at 1:00 p.m.; Meeting adjourned at 1:28 p.m.
Board Members Present: Catherine MacLeod (Citizen Trustee); Christopher Kulp (Police Trustee); Kyle MacLowry (Fire Trustee)
Also Present: Sam Hutchison (FPDR Director); Kimberly Mitchell (FPDR Claims Manager); Asha Bellduboset (FPDR Financial Analyst III); Julie Crisp (FPDR Business Systems Analyst); Julie Hall (FPDR Legal Assistant); Franco A. Lucchin (Sr. Deputy City Attorney); Lorne Dauenhauer (Outside Legal Counsel); Tom Kramer (Employee Benefits Attorney and future Citizen Trustee); Ryan Bren (FPDR Police Liaison); OpenSignal PDX
Motions Made and Approved: <ul style="list-style-type: none">• Motion by Trustee MacLowry that was seconded by Trustee Kulp and unanimously passed (3-0) to approve the May 23, 2023 minutes.• Motion by Trustee Kulp that was seconded by Trustee MacLowry and unanimously passed (3-0) Resolution 550 authorizing Director Hutchison to negotiate and enter into a contract with House of Lopez Campa LLC in an amount not to exceed \$125,000 for a five-year period. (Action Item No. 1)
A text file produced through the closed captioning process for the live broadcast of this board meeting is attached and should be considered a verbatim transcript.

Fire and Police Disability and Retirement

By 

Sam Hutchison
FPDR Director

CLOSED CAPTIONING FILE

[Captioner of standby]

Director Hutchison: Okay. It looks like we have everybody here. Is everybody ready to get moving? Okay, so I will turn it over to you, Catherine, to go ahead and kick off and run the meeting. You're on mute.

Trustee MacLeod: Good afternoon. Sorry, I didn't realize I was the acting Chair here today. Welcome, we'll begin the meeting. Let's start with approval of the minutes from the May 23rd meeting. Do I have any questions, discussion, or a motion to approve those minutes?

Trustee MacLowry: I'll make a motion to approve.

Trustee Kulp: I'll second.

Trustee MacLeod: Thank you very much. All those in favor say aye.

Trustee MacLowry: Aye.

Trustee Kulp: Aye.

Trustee MacLeod: Aye. Opposed? Okay. The minutes are approved from the last meeting. Should we have introduction of visitors before we go further? Sam, can you help me with that? I don't know if everybody is remote today or if anybody is in person.

Director Hutchison: Yeah. Asha, would you like to introduce yourself? I don't think you have been seen here very much.

Asha Bellduboset: Sure. Good afternoon, everybody. My name is Asha Bellduboset for the record, and I am the FPDR's Financial Analyst III, and I occasionally attend to fill in for Stacy Jones. I might have attended once before in the past. So, I'm happy to be here and happy to answer any questions you guys have.

Trustee MacLeod: Thank you.

Director Hutchison: Ryan, I think you are new here too. You want to introduce yourself?

Ryan Bren: Absolutely, good afternoon, everybody. My name is Sergeant Ryan Bren. I have been with the Police Bureau for 19 years now, and recently, took a position as the FPDR Liaison here within the Personnel Division. Happy to be here, it's my first meeting. I'll be listening in and gathering information.

Director Hutchison: Thank you. So, I would like to introduce Tom Kramer. He'll actually introduce himself here in a little bit. We've been two members down on the board. We've been working hard to nominate people. I do want to thank Catherine MacLeod for recommending Tom Kramer. We've looked at Tom Kramer's credentials and he will give you a quick background of what his background is. And our process right now is we are working through the Mayor's office to put his nomination in front of Council. If things go well, it will be next week, if not the week after that and he will be a Trustee of the Board. I asked him to join today as an observer. And at the next meeting in September, he should be a full trustee. We're still looking for the Mayor's designee as the Chair. The challenge we're having there is,

the mayor as well as all the commissioners have recruited practically every citizen they can in the City of Portland to get the new government up and running. So, they have probably tapped about 30 to 40 citizens to do that, which dried out the well a little bit. We are still working with the Mayor's office to get his designee for the board chair. Hopefully, that will be coming pretty quickly. Tom, do you want to take an opportunity to introduce yourself to everybody?

Tom Kramer: Thank you, Sam. Good afternoon, I'm happy to be here. When I read the minutes that Julie Hall circulated ten days ago, it sounded like a fairly robust group. I was very impressed by the various issues that the Trustees dealt with, particularly the interchange about the actuarial standard and why it does may or may not apply; I'm looking forward to returning to that. I've been a lawyer in Portland for 40 years. I'm retired from the private practice of law. I now am employed by one local nonprofit and serving there both as a teacher and as a lawyer and enjoying that. I've known about the FPDR for about 30 years, starting when I worked with divorce lawyers to try to divide FPDR benefits on divorce, which was always a heck of a challenge but an interesting one, and became acquainted with the layers of complexity in the FPDR. So far, I have enjoyed very much working with Sam and Julie over the sorts of things that Sam mentioned. As I said, I've been impressed by the quality of the discussions among the Trustees, and certainly the quality of the expert advice that the Trustees have gotten from Lorne, Stacy, and the actuaries. I'm looking forward to this.

Trustee MacLeod: Excellent. What I will say about the last meeting, it was a more colorful one than most. We certainly have more topics to discuss. They are not always quite so engaging. But that was a good one to review the minutes from. Any other visitors or should we move on to the action items? You're on mute, Sam.

Director Hutchison: You'd think I would learn after three years or four years of doing this. Ready for the action items.

Trustee MacLeod: Okay. Very short meeting this time. So, I will turn it over to you, Sam, it's for Resolution Number 550.

ACTION ITEM NO. ONE – HOUSE OF LOPEZ CAMPA LLC CONTRACT AUTHORIZATION

Director Hutchison: Resolution Number 550. We are looking to get approval for a janitorial contract with House of Lopez Campa LLC. Let me give you some history, this has been a bizarre situation. As you know, we moved into our new building, I think, 13 months ago and we still don't have an official janitorial contract in place. So, I have to go all the way back to 2020 to start the saga out and walk you through everything that's happened.

In 2020, FPDR went in front of city council to get approval to extend our lease in the old office for a year and a half. We had some options available, we wanted to exercise those options. And any type of lease that gets above a certain dollar amount has to be approved by city council. And literally midnight the day before this was submitted to council for their approval, SEIU Local 49, a union that represents many local laborers in the city and the state, protested our lease extension because our landlord, which is Harrison Square building, did not use union labor for janitorial services. The council said it was too late to go back and reconsider that so they approved our lease, but then instructed me that when we do go to renew the lease in 2022, that we would request union labor for our janitorial services. So, in 2022, we were preparing to move into the office we are in right now. So just to remind everybody, we moved two

floors down in the same building, so we are in the same building but in a smaller office, two floors down. And in that lease contract it said that FPDR will contract with you union represented janitorial services in the space throughout the term of the lease. This meant that FPDR could not use the landlord janitorial services because that was a non-union service. And that normally comes as part of the lease.

So, we entered negotiations with Relay Resources in June of 2022. They are a union service that provides a lot of the janitorial services throughout the City of Portland proper. And we negotiated with them for a while, and then they pulled out of the negotiations in September. At that point, we had to go back and try to figure out what to do, also we learned that per Oregon State statutes, we must be using janitorial services that are approved through their Oregon Forward Contractors Agency, and there are only five such contractors approved in Multnomah County, and only one uses union labor, which was Relay Resources, the contractor who pulled out. There were numerous discussions over a period of time with Facilities, Procurement, the City Attorney's office and Commissioner Hardesty's office on what we were supposed to do, because Oregon Forward said we need to use their approved contractors, but they were nonunion.

So, finally in December of 2022, I got direction from Commissioner Hardesty that we should be seeking a janitorial service using union labor because that was the intent of the ordinance passed by the city. So, we issued an RFP in June. Again, there is a whole series of issues that had to be resolved before we could get the RFP there. We selected House of Lopez Campa LLC. They do not use union staff, but they committed to unionizing their staff, or at least the staff that would come into our office. They are in the process of working with SEIU Local 49 to make that happen. And once that happens and we finish all the final contract negotiations, we will be able to start with what we are doing. Right now, we are in contract negotiations. This is the time that gets nitty-gritty. We have to look through all the insurance certificates and attorneys from both sides has to look at the extensive contract. You read it in the materials. So, what we are asking you today is to approve - is to give me authorization to complete the negotiations with House of Lopez Campa and work for the lease that is a five-year lease, not lease, but a five-year contract with them not to exceed \$125,000. That's about \$25,000 a year, which we've done some research and is fairly standard for that kind of contract. So, that's what we are asking for, is that approval for me to complete those contract negotiations. And we can get House of Lopez Campa up and running as quickly as possible.

Trustee Kulp: I will make a motion to keep it moving forward.

Trustee MacLowry: Can we have discussion after the second or discussion prior to the second of the motion?

Director Hutchison: You can have a discussion after. You just don't take a vote until the discussion is completed.

Trustee MacLowry: I will second the motion.

Trustee MacLeod: Okay. Let's have some discussion.

Trustee MacLowry: Just a quick question if I could, Sam. Do we have a sense when we might get an update from SEIU about the process for unionizing the workers that come in?

Director Hutchison: What it will be, we will be working with House of Lopez Campa for that information. And they will keep us apprised of the union and then we will have to give a letter from them saying we have unionized employees. and they will need to specify the union. And if we need to, we can go to SEIU to confirm they are unionized. But we will be dealing with the janitorial service not with the union directly.

Trustee MacLowry: And they are committed to do what needs to be done to get their staff unionized?

Director Hutchison: Yes, they are in discussions with the union right now. They're trying something unique here to have only the staff that works on our office unionize and not the other staff. The House of Lopez Campa is a small minority-owned business in town. He was very impressive in the interview, because he came into the office and asked some great questions. He presented a very, Julie Hall headed up the evaluation team and they were definitely voted number one on that, for sure. We are very happy with them coming on board. They just need to get through all the insurance certificates and other bells and whistles and get approved from SEIU that they have unionized the staff that will be working in our office.

Trustee MacLeod: And Sam, you are continuing to work with the Harrison Square Service for the time being?

Director Hutchison: Yeah. So, we aren't having trash piling up in the hallways. We do have the landlord providing us janitorial service. They have given us credit on the lease for not using it, but they're back charging us a fee for that amount. As soon as we bring them on board, they will give us that credit again off the lease.

Trustee MacLeod: Great. And, again, the amount that you were quoted for this, this potential contract is in line with what other city offices are paying for union services?

Director Hutchison: Correct. I double checked with our facilities and procurement team. They said the price is well in line with what else they see elsewhere in the city.

Trustee MacLeod: Okay. Any other questions or concerns? All right. Those in favor say aye.

Trustee Kulp: Aye.

Trustee MacLowry: Aye.

Trustee MacLeod: Aye. Opposed? All right, motion passed.

Director Hutchison: Okay. We just have two quick little things to go. Asha, I will bump you up ahead of me. Why don't you go over the expenditure report we have for this month.

INFORMATION ITEM NO. TWO – SUMMARY OF EXPENDITURES

Asha BellDuboset: Hi, good afternoon, everybody. This is Asha BellDuboset again for the record. I will go over the budget to actual report with you guys. This budget to actuals is going through May, and I just wanted to make sure that you're looking at the report through May. We had sent out an earlier version that went through June, but June had not closed, so the numbers were still kind of moving around. We will go over June when we meet again in September. So, for this May report, the couple

items I would point out are that you do see some of the PERS contributions being paid here. And that's in the "internal materials and services section", that \$23.2 million there. Typically, you'll see that coming out of our budget on a more quarterly basis, but due to some restructuring, that happened toward the end of the year. Next year we'll probably be back on a more regularly scheduled reimbursement. And of that \$23 million, I could say it breaks down to about \$12.4 for police and \$10.8 for fire. And you will also see a bit more coming out in the June, in the month of June. That's the most notable aspect of this report that I would point out. But I'm happy to answer any questions if anyone has any questions about any of the other figures they see here.

Trustee MacLeod: I just have one generally, and that is, generally speaking, after the June numbers are factored in, are there any material differences from the budgeted amount that you are aware of?

Asha Belladuboset: Not material differences, no. Once the June figures, kind of, solidified, there wasn't anything too exciting. I can say that I was just kind of going over those numbers before the meeting and the June reimbursements were about \$7 million all said. So, it wasn't too far, it was a little less than we originally projected.

Trustee MacLeod: Okay.

Director Hutchison: Tom, for you, we are talking about PERS, but we are not PERS. Our FPDR 3 members hired in 2007 and later are part of PERS, and we pay the City's PERS contribution out of our budget. And what happens is, the police and fire bureau will pay it out of their budgets and then we reimburse them back for it. All in all, the final comes out of us. So that's what we are talking about now is trying to true up those PERS contributions. And I think as Asha noticed here, police and fire bureaus are not always on time getting reimbursements for those. So sometimes you will see gaps, ebb and flows of this, across the budgeting. Okay, thank you, Asha.

INFORMATION ITEM NO. ONE – FUTURE MEETING AGENDA ITEMS

Director Hutchison: The last thing I wanted to do here is to talk over, because there has been a lot of ideas thrown around about what the board wants to talk about in the future. So, I'm going to talk about, there are a few things that are coming in the next couple of board meetings, but then also try to get your ideas of where you would like – sorry - where you would like to talk about some of these or when you'd like to talk about some of these other points.

For September, we're going to have our annual State of FPDR presentation, where we review everything that happened the prior fiscal year. That usually takes about two hours and sometimes if we'll get a lot of questions it could go up to three hours. It's a long presentation, it's pretty dense with material, also. We will also, we're going to propose some administrative rules later in the year. I'll give you a very brief heads up of those administrative rules in September, and also go over the administrative rule approval process for you, just so everybody is on board with what it is. Then we will go through the process of publishing those publicly. And November board meeting is when you will vote to approve those admin rules.

Sometime in the next few meetings, we just completed our strategic plan rollout, and we'd like to introduce it to you. I'll probably send a copy to you beforehand, but I'll introduce it to you and go in more detail with it. Some other specific topics that you all have discussed, you would like an ASOP

number 4 review with Lorne Dauenhauer in the future. In January, we had Lisa Knight talk to us about the definition of spouse in our charter in our administrative rules. You asked FPDR to follow up with City Attorney's office. That is still out there. There are some questions you want to have follow up discussions on equal to or better than presentations that we've had. Another topic is to form a committee to review the FPDR 2 Pension Plan. Another one is comparison, get a report that compares FPDR disability to the Oregon worker's comp program.

And at one point, this will probably be closer to maybe eight or ten months from now, is that ten of our 18 people on our bureau are just now being unionized and will have some impact on how we manage our budget and how we provide services. So, we would like to go over more detail over that with you as an educational thing. The union and the City are still negotiating the contract. They anticipate that won't be ready until May of next year, at that point. And after we get that, we'll walk you through what the impact is. All of those on board right now, we have 18 staff. This will mean 14 of our 18 staff will be unionized. And it does change how we manage our staff, how we manage our time, and how we make sure that we are going to be served. But that's a topic that we'll bring up next year when we get closer to the union negotiation. So, again, the only thing I have on the agenda was the state of FPDR in September. A quick discussion on admin rules in September with voting on admin rules in November. I want to know, is there a timeline when you would like to address any of these other topics? Just to repeat that, the ASOP number 4 review, definition of spouse, ETOB committee to review the pension plan and comparison of FPDR to Oregon Workman's Comp.

Trustee MacLowry: I would like to get back to discussion of the ETOB test. This is reasonable with other things you have on the agenda. And that would be, specifically, in relation to some of Jake Winship's comments at the end of last meeting about the idea of having a letter drafted and sent to the Oregon PERS Board. Whether that ends up being in November, perhaps, that might be the next time we look through that.

Director Hutchison: Okay. So that would be good. Again, I would recommend a state of FPDR, by the time we are done with it, most people are burned out. So, November look at the ETOB.

Trustee MacLowry: Thank you.

Director Hutchison: I'll probably get back to you a little bit more what you are looking for so we can have the support information you need when we talk about that. So, we have a couple months away.

Trustee MacLowry: Yeah, no problem.

Director Hutchison: Catherine, you are on mute.

Trustee MacLeod: Is the definition of spouse follow up discussion expected to be lengthy?

Director Hutchison: I think it would be pretty short. Franco and I have already researched that we pretty much got a reply. We will firm it up and give it to you. I don't think there will be much takeaway from that.

Trustee MacLeod: Would that be reasonable enough to do in November also?

Director Hutchison: Sure.

Trustee MacLeod: And is there another pre-planned main topic for November?

Director Hutchison: No, November is pretty much a catch up and fill in. Kim, do you think we have anything else coming in November? I don't think so. You are on mute, too.

Kim Mitchell: My apologies, my mouse wasn't going to go to the unmute button. What may take a little bit more time in November is the vote to approve the administrative rules. But I can't think of anything else.

Director Hutchison: And just a quick reminder in January, it's the budget. We do not have the actuary reform. because that's biannual. That does not come up. It's just the budget in January.

Trustee MacLeod: Okay.

Trustee MacLowry: I'm sorry, go ahead. I was just going to say if it's just the budget in January, would we have time to do the ASOP number four review in January as well?

Director Hutchison: Sure. I think Lorne is on here. That's your homework Lorne. We'll get back to you with what we are looking at for that one.

Julie Hall: Hi Sam, this is Julie. Do we usually talk about the auditor's annual report in November?

Director Hutchison: That is part of the, yeah that is the report with that. I forgot about that one.

Julie Hall: Okay.

Director Hutchison: Because we are base audited every year. This is the audit report.

Trustee MacLeod: Okay. Well then, is it too long to wait until January to have the strategic plan rollout? Or would you like to put that in November, as well?

Director Hutchison: No, I'd like to have some time talking about it. You have ETOB, spouse and the audit report it's quite a bit there. Those topics can go short, or they can go long. I just don't want to pressure us, because I know, historically, if we get past two hours, we wind down 2.5 hours, everyone goes bleary eyed. So, January would be the strategic plan. Okay.

Trustee MacLeod: So, I think that leaves a committee to review the tier 2 pension benefit questions, and the discussion about partial unionization.

Director Hutchison: Well, there was brought up a discussion of potentially having a comparison between the FPDR Disability Program and Oregon Workers Comp.

Trustee MacLeod: Okay.

Trustee MacLowry: That is one I had brought up. I'm not sure where it would fit. I mean, it is probably a long-term discussion, so if it gets pushed out a little bit, that's probably okay. It's not going anywhere.

Director Hutchison: Okay.

Trustee MacLeod: Do you want to take those topics that we've got through November and January and then look at scheduling the last three, the ETOB follow up? That is November. Disability versus workers comp and committee to review tier 2 and partial unionization. We can discuss whether those work in March or if we want to have an interim meeting in February.

Director Hutchison: Okay.

Trustee MacLeod: Does that work?

Director Hutchison: Sounds good.

Trustee MacLowry: Yep.

Director Hutchison: So, let's just recap here. September is going to be state of FPDR and an overview of administrative rules. November will be the administrative rules where you actually vote on them, ETOB discussion, spouse, and audit report. And then January will be the budget, ASOP four, and the strategic plan.

Trustee MacLeod: Great.

Director Hutchison: And the other three we'll put on hold, and we can talk about potentially putting that in January, and just have another discussion like this in January where we want to go with that. I hope we can get our Chair in place by January. But I just, I'm trying to figure out which of the commissions are closing down and before they leave the doors buttonhole a couple of people and see if they want to work for FPDR. Because it is a Mayor's designee, the Mayor's office has to feel the most comfortable with this. I can always tell Mayor Wheeler he needs to show up and chair which he is supposed to do. But I don't think so. I think things are going pretty crazy right now with the government reorg and the issues with the homeless and public safety, it's keeping him really busy. I think we've covered everything on my list.

Trustee MacLeod: Any other miscellaneous topics for the general good? All right. Asha, Ryan, nice to see you. Tom, look forward to seeing you in the future. And I think we are adjourned. Thank you, everyone.

Director Hutchison: Have a good one, everybody.