

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

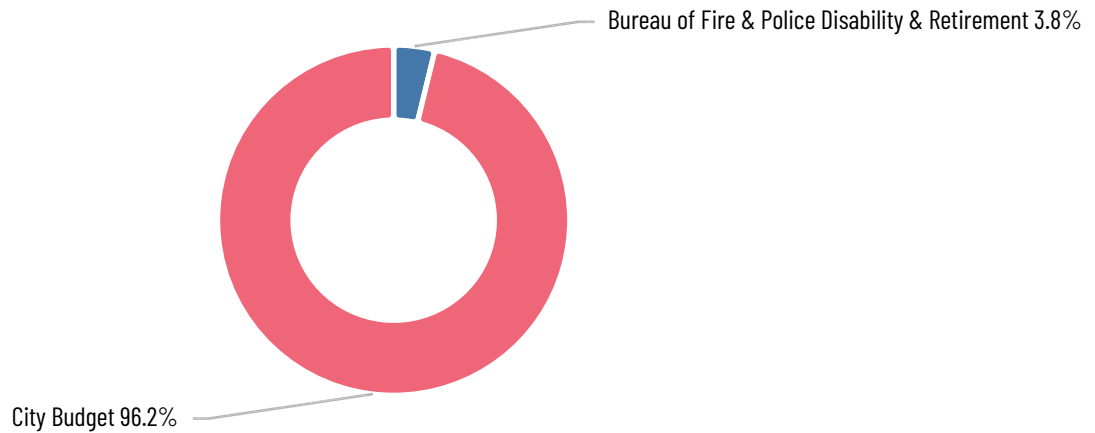
Bureau of Fire & Police Disability & Retirement

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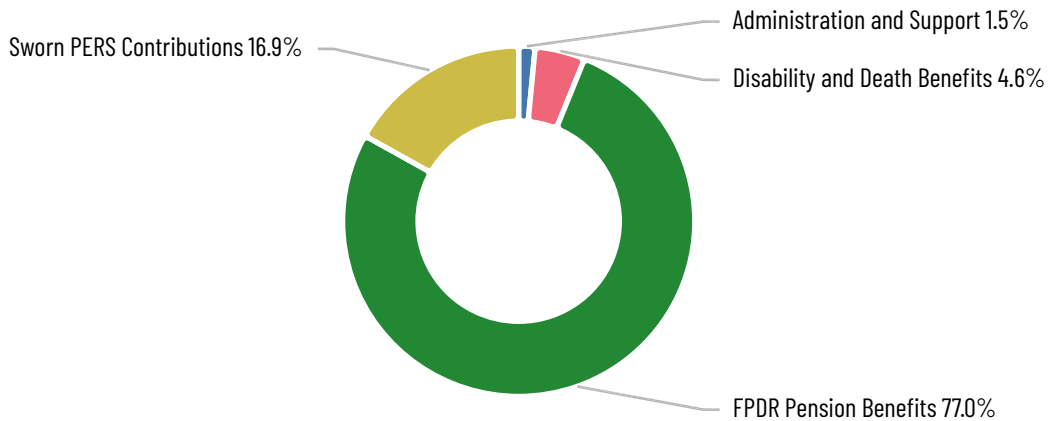
Rene Gonzalez, Commissioner-in-Charge

Samuel Hutchison, Director

Percent of City Budget Graph



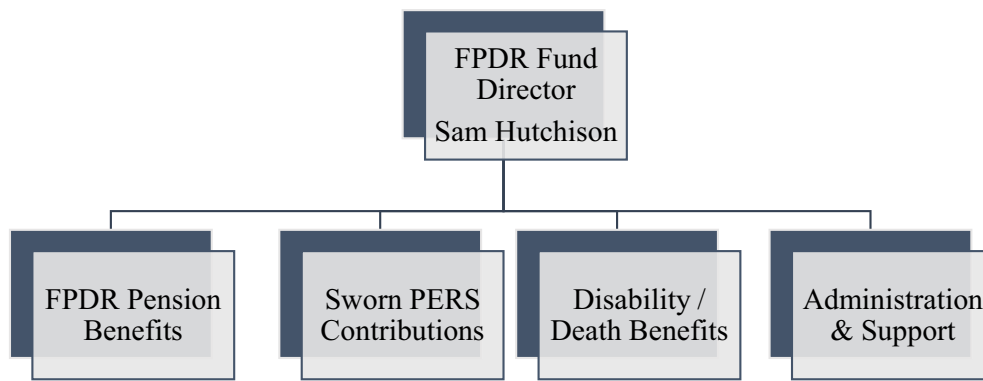
Bureau Programs



Bureau Overview

Requirements	Revised FY 2022-23	Adopted FY 2023-24	Change from Prior Year	Percent Change
Operating	\$257,082,467	\$260,531,850	\$3,449,383	1%
Capital	\$65,000	\$55,093	\$(9,907)	(15)%
Total	\$257,147,467	\$260,586,943	\$3,439,476	1%
Authorized Positions	18.00	18.00	—	—%

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—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, who are enrolled in the pre-funded PERS Plan for pension benefits. 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 monthly 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 Pension Benefits program represents 74.3% of total bureau requirements for FY 2023-24. As of June 1, 2023 there was a total of 2,101 people currently receiving pension benefits: 268 FPDR One beneficiaries and 1,833 FPDR Two beneficiaries. The FY 2023-24 Adopted Budget for FPDR Pension Benefits is \$152.4 million, including \$164,051 in direct program delivery costs. This is an increase of \$1.6 million or 1.1% over the FY 2022-23 Revised Budget. However, As FPDR expects to underspend the FY 2022-23 Pension Benefits program budget by roughly \$4 million, growth from projected spending is higher at 2.7%. Over the past year, an unusually large number of deaths have offset new retirements, and the number of pension beneficiaries has remained essentially flat.

FPDR Disability and Death Benefits

The Disability and Death Benefits program oversees an approved substitute workers' compensation program for the City's sworn employees, as well as a disability program for non-work injuries and illnesses. Thus, the program administers both service-connected and nonservice disability claims and disability benefits, including wage replacement for lost time from work, medical care expenses, vocational rehabilitation, and funeral benefits. The Disability and Death Benefits program represents 4.4% of total bureau requirements for FY 2023-24. The Adopted Budget for this program is the same as the FY 2022-23 Revised Budget at

\$9.0 million. Disability expenses have been \$1.0 to \$2.5 million higher than typical over the last two fiscal years, primarily due to coronavirus infections and exposures requiring quarantine in the sworn workforce. These costs are expected to temper in FY 2023-24. The program budget includes \$1.5 million in costs related directly to program delivery.

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. The Sworn PERS Contributions program represents a growing proportion of total bureau requirements, 19.9% for FY 2023-24. Program expenditures are budgeted at \$40.7 million for FY 2023-24, an increase of \$6.7 million or 19.6% over the FY 2022-23 Revised Budget. Growth is due to a biannual increase in the contribution rate, from 31.72% to 33.91%; the rising proportion of the sworn workforce hired after 2006; a second 5.0% wage cost-of-living adjustment (COLA) for all sworn employees on July 1, 2023; and the movement of this younger group of 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. This program will experience exponential expenditure growth until all or nearly all active sworn employees are FPDR Three members, projected to occur in the mid-2030s. At that point, cost increases will be limited to growth in wages and PERS contribution rates. FPDR Three members are projected to be 63% of the workforce in FY 2023-24.

Administration and Support

The Administration and Support program includes the costs of operating the bureau and administering the benefits described above. The program comprises office management and frontline member service; executive leadership; and financial, legal, and technology business systems support. The Administration and Support budget represents 1.5% of total bureau requirements for FY 2023-24. Bureau expenditures in the Administration and Support program for FY 2023-24 are budgeted at \$3.1 million. A second 5% wage COLA for FPDR staff on July 1, 2023 and inflationary increases for other goods and services needed to operate the bureau are partially offset by reduced bureau office lease expenses in FY 2023-24. The transition to hybrid in-person/remote work allowed FPDR to move into a smaller office space.

Strategic Direction**Strategic Objectives**

FPDR's strategic objectives 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 Goals

FPDR has numerous performance objectives, but the most critical gauge the bureau's success in achieving its ultimate purpose: to deliver benefits accurately, efficiently, and on time. FPDR disability analysts strive to reach the vast majority of disability claim decisions within 60 days. Despite record-setting claim volume over the past several years (related to the coronavirus pandemic), the bureau was able to achieve this goal for approximately 90% of claims. Another important service for

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

active members is the provision of pension estimates. The percent of members whose pensions were very close to the estimates they received (those with a negative variation of less than 1%) remains very close to 100%, although staff transitions and an increasing number of estimates have caused a small dip in this metric. 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 past several years. However, administrative cost per plan participant is expected to increase significantly for FY 2023-24, from \$770 to \$938. The growth is caused by the addition of a third senior disability analyst position in spring 2023 and increasing personnel costs for existing staff in the current high inflation environment. FPDR plans to draw down fund balance in FY 2023-24 to offset some of these increased costs, as well as accelerating benefit expenses. Hence, the FPDR tax levy rate will rise only 3%, from \$1.15 in FY 2022-23 to a projected \$1.18 in FY 2023-24. The rate remains well under the \$2.80 cap and is projected to remain so for the life of the FPDR Plan.

Strategic Plan

The bureau is currently finalizing a new FPDR 2024-2028 Strategic Plan. FPDR must ensure 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. The strategic plan will identify several specific, measurable goals for the next five years and outline a roadmap for achieving those goals. Major goals will likely encompass member service improvements, particularly with respect to communication and technology; personnel investments like staff succession planning and enhanced trustee training and onboarding; and cost-effective technology investments to modernize office operations for greater efficiency and security. Target milestones may include providing member service across a broader range of platforms, digitally tracking and retaining all claim and payment records, implementing next-generation claims processing, and automating routine work flows. Simultaneously, FPDR is committed to maintaining those services and processes that have long been highly valued by members, such as the ability to always reach a live person by phone and the availability of in-person retirement workshops and appointments.

Summary of Budget Decisions

No significant changes were made to FPDR's budget for FY 2023-24 as compared with prior years.

Base Budget Adjustments

FPDR has not made significant realignments or adjustments to its baseline budget for FY 2023-24. In FY 2022-23, during the fall 2022 budget monitoring process (BMP), FPDR added a new full-time Analyst I position to the Disability and Death Benefits program.

Decision Packages

FPDR had no budget decision packages for FY 2023-24.

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

Performance Measures

Performance	Actuals FY 2020-21	Actuals FY 2021-22	Target FY 2022-23	Target FY 2023-24	Strategic Target
EFFICIENCY					
Median days to prepare a pension estimate	5	6	5	6	5
Administrative spending per participant	\$679	\$758	\$770	\$938	\$1,000
Percentage of disability claims decisions in 60 days	89%	90%	89%	89%	89%
Percent of pension recipients who are paperless	39.0%	39.0%	43.0%	50.0%	60.0%
OUTCOME					
Percentage of members whose final pay was 99% or more of last estimate	99%	100%	98%	97%	98%
Administrative cost as a percentage of bureau budget	1.35%	1.43%	1.45%	1.34%	1.50%
OUTPUT					
FPDR tax levy rate (per \$1,000 of Real Market Value)	\$1.15	\$1.26	\$1.15	\$1.18	\$1.46
Percentage of FPDR 2 members now or soon-to-be retirement eligible who received a pension estimate in the last two years	75%	80%	78%	80%	80%
WORKLOAD					
Number of active employees in FPDR 3	723	724	855	972	1,260
Number of disability claims filed	536	583	388	400	400
Number of FPDR 1 and 2 pension recipients	2,129	2,124	2,178	2,227	2,399
Number of FPDR 2 retirements from active service	99	23	60	73	60
Number of long-term disability recipients	27	25	27	23	20
Number of medical bills	3,129	2,833	3,221	2,500	2,980
Number of members on short-term disability	402	407	296	300	300
Number of pension estimates	281	336	305	365	300
Number of pre-retirement workshop participants	0	52	107	175	140
Percent of workforce who are FPDR 3	50%	51%	58%	63%	80%
Percentage of workforce on disability at June 30	3.2%	3.8%	2.9%	3.2%	3.2%

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

Summary of Bureau Budget

	Actuals FY 2020-21	Actuals FY 2021-22	Revised FY 2022-23	Proposed FY 2023-24	Adopted FY 2023-24
Resources					
External Revenues					
Taxes	168,308,393	194,147,020	183,485,461	193,701,162	193,701,162
Charges for Services	23	30	0	0	0
Bond & Note	31,658,596	38,542,500	45,000,000	38,000,000	38,000,000
Miscellaneous	584,229	469,055	789,100	1,980,800	1,980,800
External Revenues Total	200,551,242	233,158,605	229,274,561	233,681,962	233,681,962
Internal Revenues					
Fund Transfers - Revenue	0	0	1,500,000	1,500,000	1,500,000
Interagency Revenue	420,096	324,343	393,900	445,500	445,500
Internal Revenues Total	420,096	324,343	1,893,900	1,945,500	1,945,500
Beginning Fund Balance	17,840,202	15,217,675	25,979,006	24,959,481	24,959,481
Resources Total	218,811,540	248,700,624	257,147,467	260,586,943	260,586,943
Requirements					
Bureau Expenditures					
Personnel Services	2,447,178	2,607,578	2,946,333	2,979,029	2,979,029
External Materials and Services	145,030,606	148,555,724	158,510,999	160,060,955	160,060,955
Internal Materials and Services	24,183,324	28,006,617	35,562,170	42,131,339	42,131,339
Capital Outlay	0	39,780	65,001	55,093	55,093
Bureau Expenditures Total	171,661,108	179,209,700	197,084,503	205,226,416	205,226,416
Fund Expenditures					
Debt Service	31,791,605	38,689,771	45,434,207	38,978,478	38,978,478
Contingency	0	0	12,207,508	13,980,376	13,980,376
Fund Transfers - Expense	141,151	136,693	1,671,249	1,651,673	1,651,673
Fund Expenditures Total	31,932,756	38,826,464	59,312,964	54,610,527	54,610,527
Ending Fund Balance	15,217,675	30,664,460	750,000	750,000	750,000
Requirements Total	218,811,540	248,700,624	257,147,467	260,586,943	260,586,943
Programs					
Administration & Support	2,324,218	2,615,735	3,231,888	3,057,373	3,057,373
Disability and Death Benefits	8,557,106	7,877,040	9,021,044	9,033,553	9,033,553
FPDR Pension Benefits	137,805,157	141,935,782	150,761,571	152,405,490	152,405,490
Pension Benefits	(365,840)	(124,853)	—	—	—
Return to Work	260,531	93,506	—	—	—
Sworn PERS Contributions	23,079,937	26,812,489	34,070,000	40,730,000	40,730,000
Total Programs	171,661,108	179,209,700	197,084,503	205,226,416	205,226,416

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

FTE Summary

Class	Title	Salary Range		Revised FY 2022-23		Proposed FY 2023-24		Adopted FY 2023-24	
		Min	Max	No.	Amount	No.	Amount	No.	Amount
30000063	Accountant II	54,912	89,107	1.00	84,864	1.00	84,864	1.00	84,864
30003003	Administrative Specialist II	48,277	107,325	1.00	99,237	1.00	99,237	1.00	99,237
30003006	Analyst I	53,290	118,437	3.00	242,422	3.00	270,874	3.00	270,874
30003007	Analyst II	63,336	126,311	3.00	318,740	3.00	318,740	3.00	318,740
30003012	Business Systems Analyst III	100,422	148,315	1.00	116,230	1.00	120,231	1.00	120,231
30000066	Claims Technician	45,885	78,384	1.00	74,651	1.00	74,651	1.00	74,651
30000065	Claims Technician, Assistant	35,610	66,153	1.00	63,003	1.00	63,003	1.00	63,003
30003034	Deputy Director I	91,728	182,549	1.00	130,425	1.00	130,425	1.00	130,425
30003037	Director I	111,696	227,584	1.00	179,192	1.00	179,192	1.00	179,192
30003055	Financial Analyst II	63,336	126,311	1.00	102,315	1.00	102,315	1.00	102,315
30003056	Financial Analyst III	69,805	151,438	1.00	104,499	1.00	104,499	1.00	104,499
30003077	Legal Assistant	53,290	118,437	1.00	67,496	1.00	67,496	1.00	67,496
30003081	Manager I	80,205	168,219	1.00	140,358	1.00	140,358	1.00	140,358
30000012	Office Support Specialist II	34,798	64,406	0.00	0	0.00	0	0.00	0
30000013	Office Support Specialist III	44,512	76,025	1.00	54,528	1.00	62,593	1.00	62,593
Total Full-Time Positions				18.00	1,777,960	18.00	1,818,478	18.00	1,818,478
Grand Total				18.00	1,777,960	18.00	1,818,478	18.00	1,818,478

Fund Summary

	Actuals FY 2020-21	Actuals FY 2021-22	Revised FY 2022-23	Proposed FY 2023-24	Approved FY 2023-24	Adopted FY 2023-24
Resources						
External Revenues						
Taxes	168,308,393	194,147,020	183,485,461	193,701,162	193,701,162	193,701,162
Charges for Services	23	30	0	0	0	0
Bond & Note	31,658,596	38,542,500	45,000,000	38,000,000	38,000,000	38,000,000
Miscellaneous	584,229	469,055	789,100	1,980,800	1,980,800	1,980,800
External Revenues Total	200,551,242	233,158,605	229,274,561	233,681,962	233,681,962	233,681,962
Internal Revenues						
Fund Transfers - Revenue	0	0	750,000	750,000	750,000	750,000
Interagency Revenue	420,096	324,343	393,900	445,500	445,500	445,500
Internal Revenues Total	420,096	324,343	1,143,900	1,195,500	1,195,500	1,195,500
Beginning Fund Balance	17,090,202	14,467,675	25,229,006	24,209,481	24,209,481	24,209,481
Resources Total	218,061,540	247,950,624	255,647,467	259,086,943	259,086,943	259,086,943
Requirements						
Bureau Expenditures						
Personnel Services	2,447,178	2,607,578	2,946,333	2,979,029	2,979,029	2,979,029
External Materials and Services	145,030,606	148,555,724	158,510,999	160,060,955	160,060,955	160,060,955
Internal Materials and Services	24,183,324	28,006,617	35,562,170	42,131,339	42,131,339	42,131,339
Capital Outlay	0	39,780	65,001	55,093	55,093	55,093
Bureau Expenditures Total	171,661,108	179,209,700	197,084,503	205,226,416	205,226,416	205,226,416
Fund Expenditures						
Debt Service	31,791,605	38,689,771	45,434,207	38,978,478	38,978,478	38,978,478
Contingency	0	0	12,207,508	13,980,376	13,980,376	13,980,376
Fund Transfers - Expense	141,151	136,693	921,249	901,673	901,673	901,673
Fund Expenditures Total	31,932,756	38,826,464	58,562,964	53,860,527	53,860,527	53,860,527
Ending Fund Balance	14,467,675	29,914,460	0	0	0	0
Requirements Total	218,061,540	247,950,624	255,647,467	259,086,943	259,086,943	259,086,943

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 purpose of the fund is to finance the pension and disability expenses of the City’s sworn workforce. Direct, pay-as-you-go pension payments are made from the fund to retirees hired before January 1, 2007, who are enrolled in the FPDR pension plan. The FPDR Fund also pays contributions to the Oregon Public

Employees Retirement System (PERS) to pre-fund the pensions of active employees hired January 1, 2007, and later, who are enrolled in the PERS pension plan. Direct, pay-as-you-go disability benefit and medical payments are also made from the fund to all FPDR members with at least six months of service and a qualifying illness or injury. Finally, the administrative costs of governing the FPDR Plan and operating the FPDR Bureau are born by the fund. The FPDR Fund is supported primarily through a dedicated 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—which artificially inflate the size of the fund because the notes are issued and repaid in the same fiscal year—total fund requirements for FY 2023-24 are \$221.1 million. This is an increase of \$10.4 million or 5.0% from the FY 2022-23 Revised Budget, and is nearly identical to the growth rate in the prior year. FPDR costs will 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.

The fund is expected to close FY 2022-23 with an ending fund balance of \$24.2 million, the second year in a row with fund balance exceeding historically typical levels. The excess fund balance is partly due to slower than anticipated hiring at the Police Bureau (and thus reduced PERS contributions), and partly due to larger fund contingency levels that were established during the first two years of the COVID-19 pandemic. These funds will be returned to the taxpayers in FY 2023-24 through slower growth in the FPDR tax levy than would otherwise have been the case. Target ending fund balance is between \$14 million and \$20 million.

The fund has shouldered higher disability costs than usual throughout the COVID-19 pandemic, but these costs are expected to temper in FY 2023-24. The FPDR Board of Trustees adopted emergency administrative rules in 2020 to simplify disability benefit qualification for those who were infected with or exposed to COVID-19. FPDR received 536 disability claims in FY 2020-21 and 583 in FY 2021-22, as compared with 300 to 400 claims per year in the decade before. As a result, FPDR disability expenses were \$1 million to \$2 million higher than usual in each of those years. In FY 2023-24 and beyond, FPDR expects disability costs to drop from pandemic highs, but has budgeted for disability benefits to remain roughly 50% higher than pre-pandemic levels to accommodate continued occasional COVID-19 spikes.

Fire & Police Disability & Retirement Fund

Public Safety Service Area Funds

After a record-breaking number of sworn retirements in FY 2020-21, retirements have realigned with actuarial projections and known retirement patterns. A total of 52 employees have retired since July 1, 2021, as compared with 99 between July 1, 2020 and June 30, 2021. Over the past 18 months the population of pension beneficiaries has remained essentially flat, as fewer active employees retired and the plan experienced historically high mortality rates. Approximately 15% to 20% more retirees and surviving spouses passed away in the past two years than was forecast based on previous actuarial experience.

For FY 2023-24 and beyond, the fund budget assumes that mortality levels return to the rate assumed in the plan valuation and that retirement levels continue their return to usual patterns based on age and service years, as well as the timing of advantageous 27 pay date months. (These are months when the period for calculating final pay includes 27, rather than the usual 26, pay dates.) As there will be two 27 pay date months in FY 2023-24, FPDR anticipates 65 to 75 retirements next year.

Fund Summary

	Actuals FY 2020-21	Actuals FY 2021-22	Revised FY 2022-23	Proposed FY 2023-24	Approved FY 2023-24	Adopted FY 2023-24
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 must have a beginning and ending fund balance of \$750,000 each year. During the fiscal year the fund may be used in the event the FPDR Fund becomes depleted to the extent that current obligations cannot be met. Interest earnings for the Reserve Fund are booked directly to the FPDR Fund.

Managing Agency

Bureau of Fire & Police Disability & Retirement

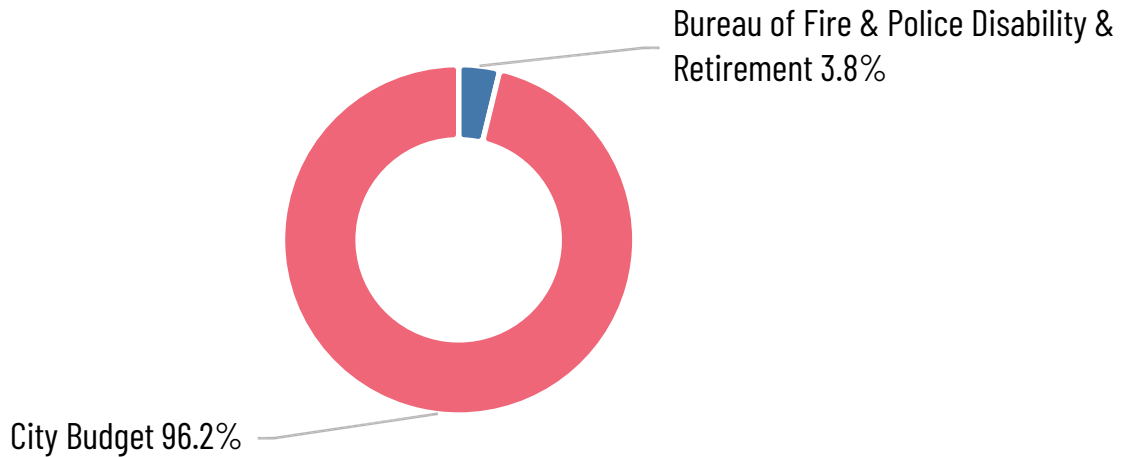
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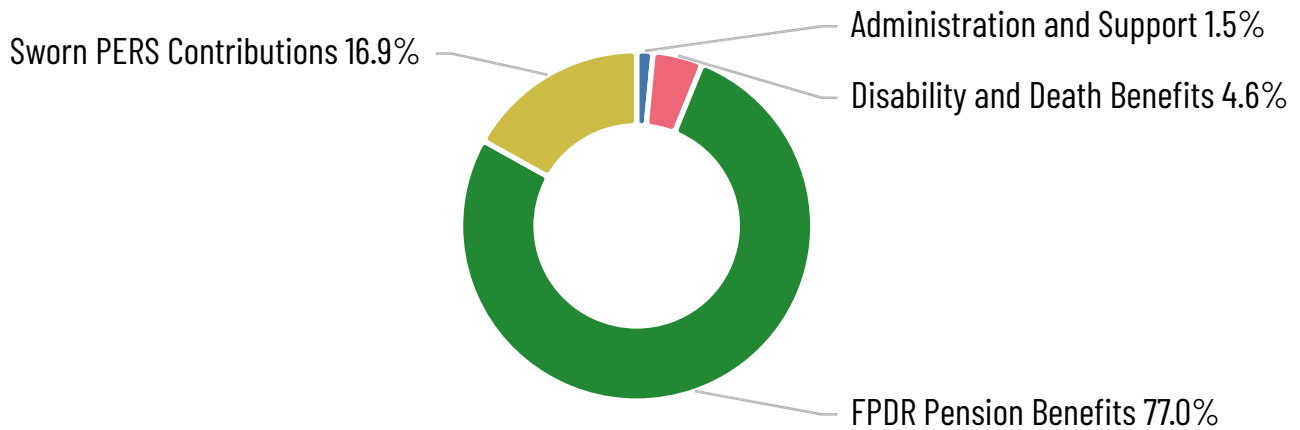
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Public Safety Service Area
 Rene Gonzalez, Commissioner-in-Charge
 Samuel Hutchison, Director

Percent of City Budget Graph



Bureau Programs



Requirements	Revised FY 2022-23	Adopted FY 2023-24	Change from Prior Year	Percent Change
Operating	\$257,082,467	\$260,531,850	\$3,449,383	1.3%
Capital	\$65,000	\$55,093	\$(9,907)	(15.2)%
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Authorized Positions	17.00	18.00	1.00	5.88%

Administration & Support

Program Description & Goals

This program provides the general administrative and support services that the bureau requires to fulfill its mission. Services are provided by 8.0 FTE and include executive-level guidance, financial analysis and planning, human resources and payroll services, information technology support, legal services, basic member service, and office management for the bureau as a whole. The purpose of the program is to maximize efficiencies and outcomes for the bureau’s pension and disability benefit programs. FPDR strives to keep administrative costs low. Administration and Support spending has hovered between 1% and 2% of bureau expenditures in recent years, a trend expected to continue for the foreseeable future. Despite a second 5% wage COLA for FPDR staff and inflationary increases for other goods and services needed to operate the bureau, administrative spending is projected to decline slightly as compared with the FY 2022-23 Revised Budget. This is primarily because of office lease savings following the bureau’s move into a smaller space. The personnel budget for FY 2023-24 includes a 5% wage cost-of-living adjustment (COLA) for all staff, merit pay increases for nonrepresented employees of up to 3%, and a 5% step pay increase for a represented employee. (The other four represented employees are already at the top of their pay scales.) The budget also reflects 1.6% anticipated growth in health benefit costs for all employees and 6.1% increases in spending on administrative materials and services (both external and internal). Capital spending is limited to programming and other improvements to FPDR’s custom database, and is just 1.8% of the administrative operating budget. The FY 2023-24 capital budget is \$55,093, more than the \$35,001 included for capital in the FY 2022-23 Revised Budget. This is to allow for potential programming improvements to the medical payment processing function in FY 2023-24.

Performance	Actuals FY 2020-21	Actuals FY 2021-22	Target FY 2022-23	Target FY 2023-24	Strategic Target
Administrative spending per participant	\$679	\$758	\$770	\$938	\$1,000
Percent of pension recipients who are paperless	39%	39%	43%	50%	60%
Administrative cost as a percentage of bureau budget	1.35%	1.43%	1.45%	1.34%	1.50%
FPDR tax levy rate (per \$1,000 of Real Market Value)	\$1.15	\$1.26	\$1.15	\$1.18	\$1.46

Equity Impacts

The Administration & Support program provides administrative and support services for the pension and disability programs. Those programs in turn serve only sworn employees and retirees and their family members, whose composition is not controlled by FPDR. As a result, the equity impacts of this program are largely internal and therefore limited.

Changes to Program

Although no changes are planned for the Administration and Support program in FY 2023-24, FPDR made one significant change in FY 2022-23. FPDR downsized and relocated its physical office on July 25, 2022. The move was made possible by the transition to hybrid in-person/remote work schedules for FPDR staff and will result in lease savings of about \$50,000 per year.

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

Program Budget

	Actuals FY 2020-21	Actuals FY 2021-22	Revised FY 2022-23	Proposed FY 2023-24	Adopted FY 2023-24
Requirements					
Bureau Expenditures					
Personnel Services	\$1,208,968	\$1,290,863	\$1,632,418	\$1,583,841	\$1,583,841
External Materials and Services	\$422,253	\$463,279	\$539,899	\$516,339	\$516,339
Internal Materials and Services	\$692,997	\$821,812	\$994,570	\$902,100	\$902,100
Capital Outlay	\$0	\$39,780	\$65,001	\$55,093	\$55,093
Bureau Expenditures Total	\$2,324,218	\$2,615,735	\$3,231,888	\$3,057,373	\$3,057,373
Fund Expenditures					
Debt Service	\$31,791,605	\$38,689,771	\$45,434,207	\$38,978,478	\$38,978,478
Contingency	\$0	\$0	\$13,207,508	\$13,980,376	\$13,980,376
Fund Transfers - Expense	\$141,151	\$136,693	\$1,671,249	\$1,651,673	\$1,651,673
Fund Expenditures Total	\$31,932,756	\$38,826,464	\$60,312,964	\$54,610,527	\$54,610,527
Requirements Total	\$34,256,975	\$41,442,199	\$63,544,852	\$57,667,900	\$57,667,900
FTE	8.00	8.00	9.00	9.00	9.00

Disability and Death Benefits

Program Description & Goals

The purpose of this program is to provide service disability benefits, in lieu of workers’ compensation benefits, for sworn City employees, as well as nonservice disability benefits for those with at least five years of service. The program provides disability benefits for all three tiers of FPDR members, as well as funeral benefits and benefits for surviving spouses and minor children when a member dies before retirement. The 9.0 FTE assigned to this program adjudicate disability claims, administer and pay medical and vocational rehabilitation benefits, and approve wage replacement payments to members who cannot work and wage subsidy payments to the Police and Fire Bureaus while members are on disability-related modified duty. The program also approves benefit payments to survivors when sworn employees die before retirement, and provides funeral benefit payments to member’s families or estates upon their death. The goals of the Disability and Death Benefits program are to make disability claim decisions quickly and in compliance with the City Charter, to help sworn employees return to work whenever possible, to manage claims for the benefit of disabled members while demonstrating stewardship of public funds, and to make disability payments accurately and on time.

Performance	Actuals FY 2020-21	Actuals FY 2021-22	Target FY 2022-23	Target FY 2023-24	Strategic Target
Percentage of disability claims decisions in 60 days	89%	90%	89%	89%	89%
Number of disability claims filed	536	583	388	400	400
Number of long-term disability recipients	27	25	27	23	20
Number of medical bills	3,129	2,833	3,221	2,500	2,980
Number of members on short-term disability	402	407	296	300	300
Percentage of workforce on disability at June 30	3%	4%	3%	3%	3%

Equity Impacts

The disability and death program serves only sworn employees and retirees, whose composition is based on the hiring of the Fire and Police Bureaus. As this program is internal facing and serves only City employees, public facing equity impacts are minimal.

Changes to Program

Although no changes are planned for the Disability & Death Benefits program in FY 2023-24, a staffing change was made as part of the Fall 2022 budget monitoring process (BMP). The FPDR Board of Trustees and City Council approved the addition of one full time Analyst II to help manage a significantly increased claim workload. FPDR received 583 disability claims in FY 2021-22 and 536 claims in FY 2020-21, far more than the annual average of 330 in the preceding decade. The increase in claim volume is related both to the coronavirus pandemic and to Oregon statutory changes that lowered the standard to qualify for service-connected benefits for stress, anxiety, and heart and lung illnesses.

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

Program Budget

	Actuals FY 2020-21	Actuals FY 2021-22	Revised FY 2022-23	Proposed FY 2023-24	Adopted FY 2023-24
Requirements					
Bureau Expenditures					
Personnel Services	\$1,093,351	\$1,166,534	\$1,154,344	\$1,231,137	\$1,231,137
External Materials and Services	\$7,313,895	\$6,431,696	\$7,369,100	\$7,307,616	\$7,307,616
Internal Materials and Services	\$149,859	\$278,809	\$497,600	\$494,800	\$494,800
Bureau Expenditures Total	\$8,557,106	\$7,877,040	\$9,021,044	\$9,033,553	\$9,033,553
Requirements Total	\$8,557,106	\$7,877,040	\$9,021,044	\$9,033,553	\$9,033,553
FTE	8.00	8.00	8.00	8.00	8.00

Pension Benefits

Program Description & Goals

This program administers the FPDR pension program for sworn retirees hired before January 1, 2007 (FPDR One and FPDR Two members). The purpose of this program is to pay retirement benefits to sworn Police and Fire employees and their survivors, an important component of overall compensation, and to provide FPDR retirement information and guidance during employees’ working careers. The program provides monthly pension payroll services for 2,100 members, surviving spouses and minor children, and alternate payees (former spouses). This includes calculation of pension benefits at retirement, federal and Oregon income tax withholding and reporting, insurance premium and child support withholding and payment, calculation of annual cost-of-living adjustments (COLAs), eligibility screening for and calculation of an additional pension benefit to offset Oregon tax liability for some members, and monitoring to ensure payments stop when beneficiaries die. Finally, this program provides pre-retirement education and services, including quarterly retirement workshops, retirement education videos and written materials, and pension estimate calculations for hundreds of active employees each year. Just 1.0 FTE is fully dedicated to the Pension Benefits program, although employees in the Administration & Support program provide executive, financial, legal, and information technology support for pension services. In addition to paying all beneficiaries accurately, on time, and in compliance with the City Charter and state and federal laws, this program strives to provide active duty members with useful retirement counseling and accurate pension estimates.

Performance	Actuals FY 2020-21	Actuals FY 2021-22	Target FY 2022-23	Target FY 2023-24	Strategic Target
Median days to prepare a pension estimate	5	6	5	6	5
Percentage of members whose final pay was 99% or more of last estimate	99%	100%	98%	97%	98%
Percentage of FPDR 2 members now or soon-to-be retirement eligible who received a pension estimate in the last two years	75%	80%	78%	80%	80%
Number of FPDR 1 and 2 pension recipients	2,129	2,124	2,178	2,227	2,399
Number of FPDR 2 retirements from active service	99	23	60	73	60
Number of pension estimates	281	336	305	365	300
Number of pre-retirement workshop participants	0	52	107	175	140

Equity Impacts

The FPDR pension program serves only sworn employees and retirees, whose composition is based on the hiring of the Fire and Police Bureaus, and their surviving family members. As a result, equity impacts are limited.

Changes to Program

As pandemic restrictions eased, FPDR returned to offering in-person retirement workshops and retirement appointments in FY 2022-23, although members may still retire virtually if they choose. In the previous two fiscal years these services were provided exclusively on virtual platforms such as Zoom, Skype, Teams, and FaceTime.

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

Program Budget

	Actuals FY 2020-21	Actuals FY 2021-22	Revised FY 2022-23	Proposed FY 2023-24	Adopted FY 2023-24
Requirements					
Bureau Expenditures					
Personnel Services	\$144,859	\$150,180	\$159,571	\$164,051	\$164,051
External Materials and Services	\$137,660,298	\$141,785,601	\$150,602,000	\$152,237,000	\$152,237,000
Internal Materials and Services	\$0	\$0	\$0	\$4,439	\$4,439
Bureau Expenditures Total	\$137,805,157	\$141,935,782	\$150,761,571	\$152,405,490	\$152,405,490
Requirements Total	\$137,805,157	\$141,935,782	\$150,761,571	\$152,405,490	\$152,405,490
FTE	1.00	1.00	1.00	1.00	1.00

Sworn PERS Contributions

Program Description & Goals

This program reimburses the Police and Fire Bureaus for the contributions they make to the Oregon Public Employees Retirement System (PERS) on behalf of sworn employees hired after 2006 (FPDR Three members), who are enrolled in PERS for their pension benefits. No FTE are dedicated entirely to this program. The financial analysts assigned to the Administration & Support program verify FPDR Three employees and PERS contribution expenses, and send reimbursement to the Police and Fire Bureaus through the City’s accounting system. Expenses are determined by the number of active FPDR Three employees, their pay, and PERS contribution rates. The number of employees for whom FPDR makes contributions is expected to increase to roughly 930 by the end of FY 2023-24, an 8.9% expansion over FY 2022-23, and 23.0% more than two years ago. The FPDR Three population will continue to grow until the mid-2030s, when it is estimated the entire sworn workforce will be comprise those hired in 2007 or later. The program’s primary goal is to verify all contributions, so reimbursements are accurate, and to remit payment to the Police and Fire Bureaus in a timely manner.

Performance	Actuals FY 2020-21	Actuals FY 2021-22	Target FY 2022-23	Target FY 2023-24	Strategic Target
Number of active employees in FPDR 3	723	724	855	972	1,260
Percent of workforce who are FPDR 3	50%	51%	58%	63%	80%

Equity Impacts

This program does not have equity impacts as it functions internally to reimburse the Police and Fire Bureaus for PERS costs.

Changes to Program

There have been no changes to program operations and none are planned for the future. However, this is FPDR’s fastest growing program in terms of expense. Sworn PERS contributions increase as more PERS-covered employees are hired, advance through the police officer and fire fighter pay steps, and are promoted or assigned specialty pays as they gain seniority at the Police and Fire Bureaus. In addition, PERS contribution rates typically increase every other year, and sworn employees generally receive wage cost-of-living adjustments (COLAs) each year. For FY 2023-24, the contribution rate for the PERS tier in which most FPDR Three members participate will increase from 31.72% to 33.91% and all employees will receive a 5% wage COLA (in addition to any step, promotional, or premium pay increases).

Bureau of Fire & Police Disability & Retirement

Public Safety Service Area

Program Budget

	Actuals FY 2020-21	Actuals FY 2021-22	Revised FY 2022-23	Proposed FY 2023-24	Adopted FY 2023-24
Requirements					
Bureau Expenditures					
Internal Materials and Services	\$23,079,937	\$26,812,489	\$34,070,000	\$40,730,000	\$40,730,000
Bureau Expenditures Total	\$23,079,937	\$26,812,489	\$34,070,000	\$40,730,000	\$40,730,000
Fund Expenditures					
Contingency	\$0	\$0	\$(1,000,000)	\$0	\$0
Fund Expenditures Total	\$0	\$0	\$(1,000,000)	\$0	\$0
Requirements Total	\$23,079,937	\$26,812,489	\$33,070,000	\$40,730,000	\$40,730,000