

**Adopted Budget | Volume 1**  
**City Summaries & Bureau Budgets**  
City of Portland, Oregon  
Fiscal Year 2024-25

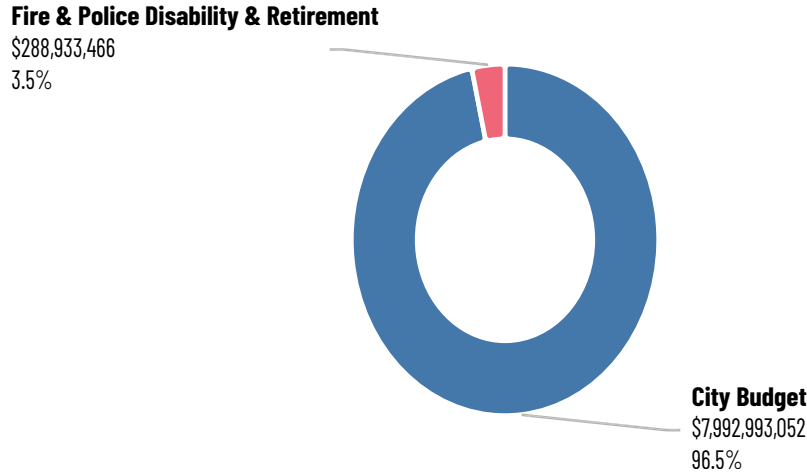
# Bureau of Fire & Police Disability & Retirement

Budget & Finance Service Area

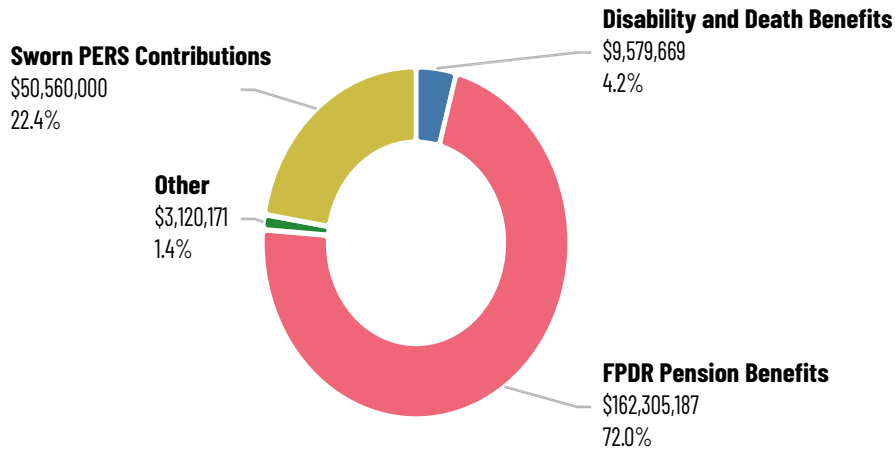
B. Jonas Biery, DCA - Budget & Finance

Samuel Hutchison, Director

**Percent of City Budget Graph**



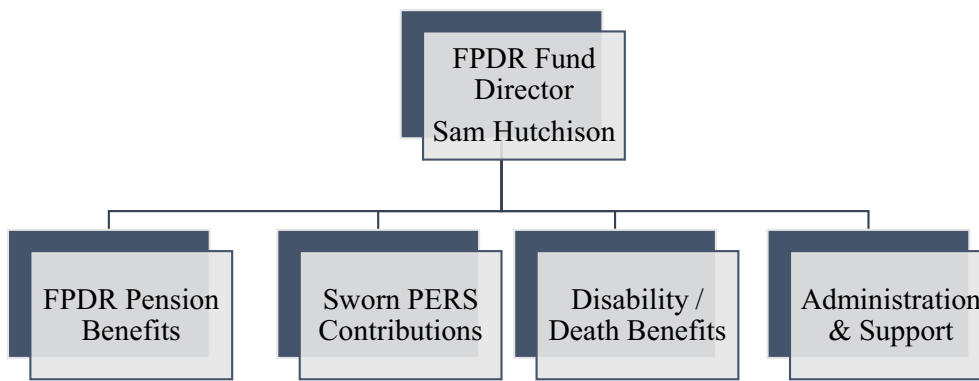
**Bureau Programs**



**Bureau Overview**

Requirements	Revised FY 2023-24	Adopted FY 2024-25	Change from Prior Year	Percent Change
Operating	\$260,511,850	\$288,873,466	\$28,361,616	11%
Capital	\$75,093	\$60,000	\$(15,093)	(20)%
<b>Total</b>	<b>\$260,586,943</b>	<b>\$288,933,466</b>	<b>\$28,346,523</b>	<b>11%</b>
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 72% of total bureau requirements for FY 2024-25. As of June 1, 2024 there were 2,139 people receiving pension benefits: 250 FPDR One beneficiaries and 1,889 FPDR Two beneficiaries. The FY 2024-25 Recommended Budget for FPDR Pension Benefits is \$162.3 million. This is an increase of \$8.4 million or 5.5% over the FY 2023-24 Revised Budget, a slightly higher annual growth rate than usual. With two advantageous 27 pay date retirement months in FY 2023-24, FPDR projects that retirements will far exceed beneficiary deaths in FY 2023-24. In addition, inflation has resulted in unusually rapid wage growth for the sworn workforce (4.8% to 7.5% annually over the last two years). This in turn raises the cost of future pensions for new retirees.

#### **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 4.2% of total bureau requirements for FY 2024-25. The Recommended Budget for this program is \$9.6 million, which is \$0.5 million or

# Bureau of Fire & Police Disability & Retirement

Budget & Finance Service Area

6.1% more than in FY 2023-24. Disability expenses have dropped from the all-time highs reached during the pandemic, as COVID infections and mandatory quarantine periods have eased. However, time loss benefits (wage replacement for missed work) remain significantly higher than before the pandemic because of wage inflation and other factors.

## 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 program represents a growing proportion of total bureau requirements, 22.4% for FY 2024-25, up from 16.8% in FY 2023-24 and 14.1% in FY 2022-23. Program expenditures are budgeted at \$50.6 million for FY 2024-25, an increase of \$9.8 million or 24.1% over the FY 2023-24 Revised Budget. This is a similar growth rate to past years. Increases are due to the aforementioned wage growth and a recent spike in public safety overtime spending, as well as structural factors: the rising proportion of the sworn workforce hired after 2006 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 assignments 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, which is 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 were 56% of the workforce on July 1, 2023.

## Administration and Support

The Administration and Support program includes the costs of operating the bureau and administering the benefits described above. The program is comprised of office management and frontline member service; executive leadership; and financial, legal, and technology business systems support. The Administration and Support budget represents 1.4% of total bureau requirements for FY 2024-25. Bureau expenditures in the Administration and Support program for FY 2024-25 are budgeted at \$3.1 million. Program expenses include a \$15,000 allocation for costs associated with the transition to a new form of City government on January 1, 2025, as directed by Portland voters in 2022. Like all City bureaus, FPDR will share in the costs of an expanded City Council, as well as a new City Administrator and Deputy City Administrators. FPDR also anticipates fresh opportunities to pool resources for shared specialist services, such as communications and equity management.

## 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 has been able to achieve this goal for approximately 90% of claims in recent years, with the exception of FY 2022-23 during the height of the pandemic. Another important service for 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 are expected to remain at or below 1.5% of the bureau budget, FPDR's goal for this measure. However, this is partly because the bureau's overall budget is growing as FPDR funds contributions to the prefunded PERS Plan while simultaneously retiring the pay-as-you-go FPDR Plan. Administrative cost per plan participant is increasing, primarily because of 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. Accelerating benefit costs resulting from the pension plan transition, growth in sworn wages, and other factors will increase FPDR's need for tax resources. In line with prior year forecasts, the FPDR tax levy rate is expected to increase from \$1.18 in FY 2023-24 to \$1.36 in FY 2024-25. 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 2024-25 as compared with prior years.

### Base Budget Adjustments

FPDR has not made significant realignments or adjustments to its baseline budget for FY 2024-25.

# Bureau of Fire & Police Disability & Retirement

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Budget & Finance Service Area

**Decision Packages**      FPDR had no budget decision packages for FY 2024-25.

# Bureau of Fire & Police Disability & Retirement

Budget & Finance Service Area

## Performance Measures

Performance	Actuals FY 2021-22	Actuals FY 2022-23	Target FY 2023-24	Target FY 2024-25	Strategic Target
<b>EFFICIENCY</b>					
Median days to prepare a pension estimate	6	6	6	10	5
Administrative spending per participant	\$758	\$855	\$938	\$826	\$845
Percentage of disability claims decisions in 60 days	90%	78%	89%	89%	90%
Percent of pension recipients who are paperless	39.0%	42.0%	50.0%	50.0%	75.0%
<b>OUTCOME</b>					
Percentage of members whose final pay was 99% or more of last estimate	100%	100%	97%	100%	100%
Administrative cost as a percentage of bureau budget	1.43%	1.54%	1.34%	1.34%	1.50%
<b>OUTPUT</b>					
FPDR tax levy rate (per \$1,000 of Real Market Value)	\$1.26	\$1.11	\$1.18	\$1.36	\$1.67
Percentage of FPDR 2 members now or soon-to-be retirement eligible who received a pension estimate in the last two years	80%	89%	80%	80%	80%
<b>WORKLOAD</b>					
Number of active employees in FPDR 3	724	798	972	945	1,279
Number of disability claims filed	583	320	400	320	400
Number of FPDR 1 and 2 pension recipients	2,124	2,148	2,227	2,180	2,334
Number of FPDR 2 retirements from active service	23	53	73	65	53
Number of long-term disability recipients	25	25	23	25	32
Number of medical bills	2,833	2,429	2,500	2,986	2,800
Number of members on short-term disability	407	284	300	300	300
Number of pension estimates	336	248	365	180	200
Number of pre-retirement workshop participants	52	82	175	175	175
Percent of workforce who are FPDR 3	51%	56%	63%	65%	83%
Percentage of workforce on disability at June 30	3.8%	3.3%	3.2%	3.2%	3.0%



# Bureau of Fire & Police Disability & Retirement

Budget & Finance Service Area

## Summary of Bureau Budget

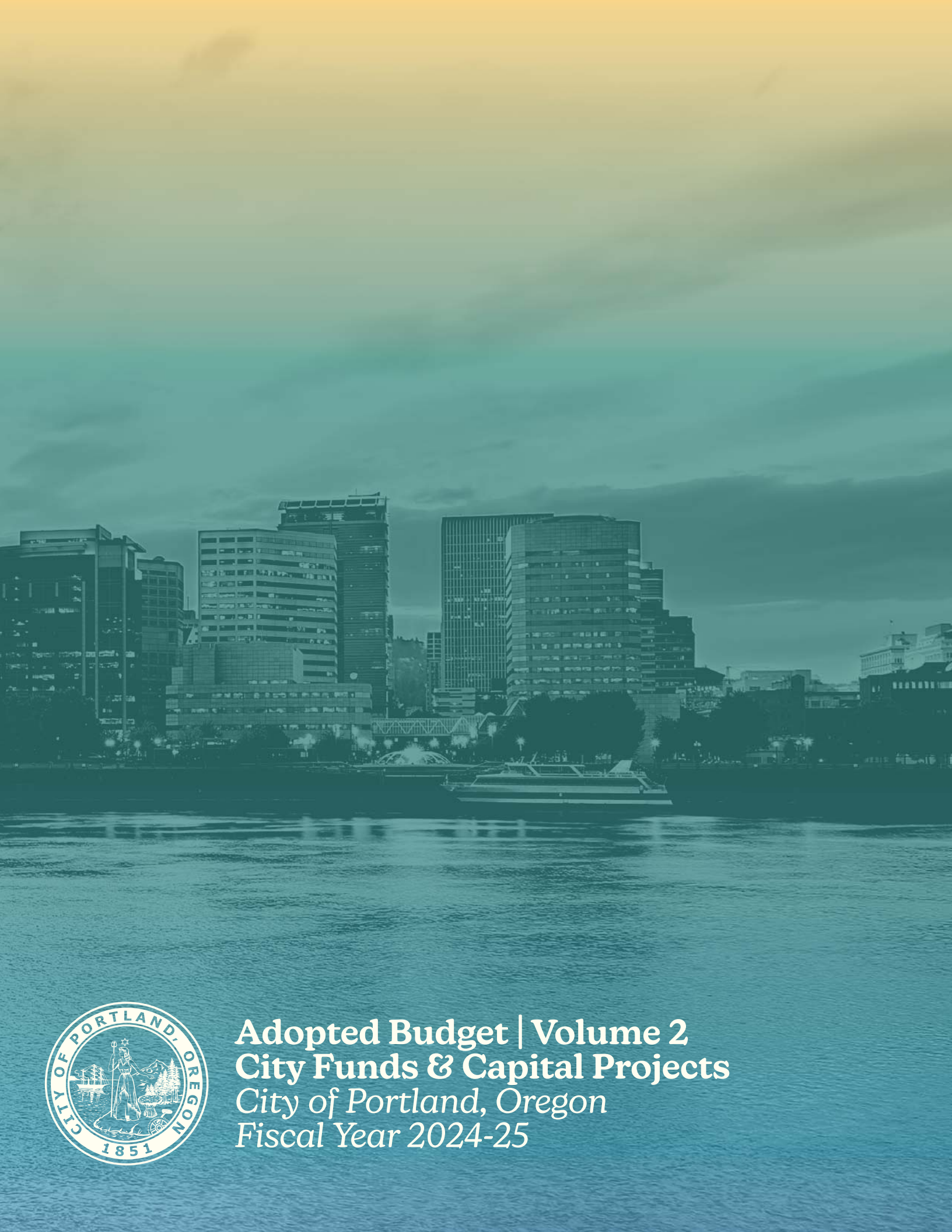
	Actuals FY 2021-22	Actuals FY 2022-23	Revised FY 2023-24	Proposed FY 2024-25	Adopted FY 2024-25
<b>Resources</b>					
<b>External Revenues</b>					
Taxes	194,147,020	184,369,301	193,701,162	221,850,559	221,850,559
Charges for Services	30	15	0	0	0
Bond & Note	38,542,500	28,000,000	38,000,000	45,000,000	45,000,000
Miscellaneous	469,055	1,688,101	1,980,800	2,922,000	2,922,000
<b>External Revenues Total</b>	<b>233,158,605</b>	<b>214,057,416</b>	<b>233,681,962</b>	<b>269,772,559</b>	<b>269,772,559</b>
<b>Internal Revenues</b>					
Fund Transfers - Revenue	0	0	1,500,000	1,500,000	1,500,000
Interagency Revenue	324,343	405,347	445,500	690,330	690,330
<b>Internal Revenues Total</b>	<b>324,343</b>	<b>405,347</b>	<b>1,945,500</b>	<b>2,190,330</b>	<b>2,190,330</b>
Beginning Fund Balance	15,217,675	30,723,348	24,959,481	16,970,577	16,970,577
<b>Resources Total</b>	<b>248,700,624</b>	<b>245,186,111</b>	<b>260,586,943</b>	<b>288,933,466</b>	<b>288,933,466</b>
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personnel Services	2,607,578	2,771,576	3,155,000	3,257,501	3,257,501
External Materials and Services	148,555,724	154,621,450	161,560,955	170,280,703	170,280,703
Internal Materials and Services	28,006,617	32,082,703	42,631,339	51,966,823	51,966,823
Capital Outlay	39,780	59,020	75,093	60,000	60,000
<b>Bureau Expenditures Total</b>	<b>179,209,700</b>	<b>189,534,750</b>	<b>207,422,387</b>	<b>225,565,027</b>	<b>225,565,027</b>
<b>Fund Expenditures</b>					
Debt Service	38,689,771	28,418,299	38,978,478	46,766,562	46,766,562
Contingency	0	0	11,784,405	14,194,030	14,172,482
Fund Transfers - Expense	136,693	171,249	1,651,673	1,657,847	1,679,395
<b>Fund Expenditures Total</b>	<b>38,826,464</b>	<b>28,589,548</b>	<b>52,414,556</b>	<b>62,618,439</b>	<b>62,618,439</b>
Ending Fund Balance	30,664,460	27,061,813	750,000	750,000	750,000
<b>Requirements Total</b>	<b>248,700,624</b>	<b>245,186,111</b>	<b>260,586,943</b>	<b>288,933,466</b>	<b>288,933,466</b>
<b>Programs</b>					
Administration & Support	2,615,735	2,909,021	3,253,344	3,120,171	3,120,171
Disability and Death Benefits	7,877,040	8,092,500	9,033,553	9,579,669	9,579,669
FPDR Pension Benefits	141,935,782	147,980,751	153,905,490	162,305,187	162,305,187
Pension Benefits	(124,853)	(343,093)	—	—	—
Return to Work	93,506	—	—	—	—
Sworn PERS Contributions	26,812,489	30,895,571	41,230,000	50,560,000	50,560,000
<b>Total Programs</b>	<b>179,209,700</b>	<b>189,534,750</b>	<b>207,422,387</b>	<b>225,565,027</b>	<b>225,565,027</b>

# Bureau of Fire & Police Disability & Retirement

Budget & Finance Service Area

## FTE Summary

Class	Title	Salary Range		Revised FY 2023-24		Proposed FY 2024-25		Adopted FY 2024-25	
		Min	Max	No.	Amount	No.	Amount	No.	Amount
3000063	Accountant II	70,803	89,107	1.00	89,107	1.00	89,107	1.00	89,107
30003976	Administrative Specialist II - CPPW	73,029	104,208	1.00	104,208	1.00	104,208	1.00	104,208
30003978	Analyst I - CPPW	80,558	114,982	3.00	338,852	3.00	338,852	3.00	338,852
30003979	Analyst II - CPPW	94,390	122,637	3.00	341,037	3.00	341,037	3.00	341,037
30003012	Business Systems Analyst III	105,435	0	1.00	128,128	1.00	132,545	1.00	132,545
30000066	Claims Technician	59,134	78,374	1.00	78,374	1.00	78,374	1.00	78,374
30000065	Claims Technician, Assistant	45,906	66,144	1.00	66,144	1.00	66,144	1.00	66,144
30003034	Deputy Director I	125,632	177,237	1.00	142,801	1.00	142,801	1.00	142,801
30003037	Director I	152,006	220,958	1.00	197,662	1.00	197,662	1.00	197,662
30003986	Financial Analyst II - CPPW	94,390	122,637	1.00	110,594	1.00	110,594	1.00	110,594
30003987	Financial Analyst III - CPPW	103,834	147,035	1.00	113,006	1.00	113,006	1.00	113,006
30003077	Legal Assistant	80,558	114,982	1.00	82,971	1.00	82,971	1.00	82,971
30003081	Manager I	114,192	163,322	1.00	151,798	1.00	151,798	1.00	151,798
30000013	Office Support Specialist III	57,346	76,024	1.00	65,874	1.00	69,123	1.00	69,123
<b>Total Full-Time Positions</b>				<b>18.00</b>	<b>2,010,556</b>	<b>18.00</b>	<b>2,018,222</b>	<b>18.00</b>	<b>2,018,222</b>
<b>Grand Total</b>				<b>18.00</b>	<b>2,010,556</b>	<b>18.00</b>	<b>2,018,222</b>	<b>18.00</b>	<b>2,018,222</b>



**Adopted Budget | Volume 2**  
**City Funds & Capital Projects**  
City of Portland, Oregon  
*Fiscal Year 2024-25*

**Fund Summary**

	Actuals FY 2021-22	Actuals FY 2022-23	Revised FY 2023-24	Proposed FY 2024-25	Approved FY 2024-25	Adopted FY 2024-25
<b>Resources</b>						
<b>External Revenues</b>						
Taxes	194,147,020	184,369,301	193,701,162	221,850,559	221,850,559	221,850,559
Charges for Services	30	15	0	0	0	0
Bond & Note	38,542,500	28,000,000	38,000,000	45,000,000	45,000,000	45,000,000
Miscellaneous	469,055	1,688,101	1,980,800	2,922,000	2,922,000	2,922,000
<b>External Revenues Total</b>	<b>233,158,605</b>	<b>214,057,416</b>	<b>233,681,962</b>	<b>269,772,559</b>	<b>269,772,559</b>	<b>269,772,559</b>
<b>Internal Revenues</b>						
Fund Transfers - Revenue	0	0	750,000	750,000	750,000	750,000
Interagency Revenue	324,343	405,347	445,500	690,330	690,330	690,330
<b>Internal Revenues Total</b>	<b>324,343</b>	<b>405,347</b>	<b>1,195,500</b>	<b>1,440,330</b>	<b>1,440,330</b>	<b>1,440,330</b>
Beginning Fund Balance	14,467,675	29,973,348	24,209,481	16,220,577	16,220,577	16,220,577
<b>Resources Total</b>	<b>247,950,624</b>	<b>244,436,111</b>	<b>259,086,943</b>	<b>287,433,466</b>	<b>287,433,466</b>	<b>287,433,466</b>
<b>Requirements</b>						
<b>Bureau Expenditures</b>						
Personnel Services	2,607,578	2,771,576	3,155,000	3,257,501	3,257,501	3,257,501
External Materials and Services	148,555,724	154,621,450	161,560,955	170,280,703	170,280,703	170,280,703
Internal Materials and Services	28,006,617	32,082,703	42,631,339	51,966,823	51,966,823	51,966,823
Capital Outlay	39,780	59,020	75,093	60,000	60,000	60,000
<b>Bureau Expenditures Total</b>	<b>179,209,700</b>	<b>189,534,750</b>	<b>207,422,387</b>	<b>225,565,027</b>	<b>225,565,027</b>	<b>225,565,027</b>
<b>Fund Expenditures</b>						
Debt Service	38,689,771	28,418,299	38,978,478	46,766,562	45,824,962	46,766,562
Contingency	0	0	11,784,405	14,194,030	15,114,082	14,172,482
Fund Transfers - Expense	136,693	171,249	901,673	907,847	929,395	929,395
<b>Fund Expenditures Total</b>	<b>38,826,464</b>	<b>28,589,548</b>	<b>51,664,556</b>	<b>61,868,439</b>	<b>61,868,439</b>	<b>61,868,439</b>
Ending Fund Balance	29,914,460	26,311,813	0	0	0	0
<b>Requirements Total</b>	<b>247,950,624</b>	<b>244,436,111</b>	<b>259,086,943</b>	<b>287,433,466</b>	<b>287,433,466</b>	<b>287,433,466</b>

**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 2024-25 are \$242.4 million. This is an increase of \$20.8 million or 9.41% from the FY 2023-24 Revised Budget. FPDR Fund expenditures will increase exponentially for at least the next ten 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.

Nevertheless, expenditures are growing even more than usual for FY 2024-25. The cause is a combination of unusually rapid sworn employee wage growth in 2022 and 2023—which increases future pension benefits for FPDR Two members and PERS contributions for FPDR Three members—as well as a large number of projected FPDR Two member retirements in FY 2023-24 due to the occurrence of two advantageous “27 pay date” retirement months (in December 2023 and June 2024). Direct pension benefits (the largest component of external materials and services in the table above) are growing 6.4% for FY 2024-25, as compared with a typical annual growth rate of around 5%. PERS contributions for active employees (budgeted as part of internal materials and services in the table above) are budgeted to increase 22.6% from a FY 2023-24 Revised Budget of \$41.2 million to \$50.6 million for FY 2024-25. As always, this growth reflects the growing proportion of FPDR Three members in the workforce. However, it also increasingly reflects the escalating promotions and premium assignments in this population, as FPDR Three members age, gain experience, and spread through the ranks of the Police and Fire Bureaus. Finally, an above average increase in PERS contributions for FY 2024-25 is also partly attributable to the aforementioned wage growth during the recent period of high inflation.

Resources must match these intensifying expenditure obligations. The fund will require \$221.9 million from its property tax levy in FY 2024-25, which the City Economist projects will produce a levy rate of \$1.36 per \$1,000 of RMV or \$2.92 per \$1,000 of assessed value. In FY 2023-24 the RMV rate was \$1.17 and the AV rate was \$2.64. FPDR expects to begin FY 2024-25 with a healthy fund balance of \$16.2 million, down from a high of nearly \$30 million two years ago following a build-up of fund contingency during the pandemic. These excess funds have now been

returned to the taxpayers via reduced tax levies in FY 2022-23 and FY 2023-24. FPDR also must borrow more through TANs, needed to cover fund expenses between the start of the fiscal year in July and the receipt of most property taxes in November and December, as fund expenditures rise. Interest income (part of miscellaneous revenue in the table above) is budgeted to swell by more than 50% for FY 2024-25 as average daily fund balance increases; the City Investment Officer also expects interest rates to climb from about 2.9% currently to an average of 4.0% in FY 2024-25.

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

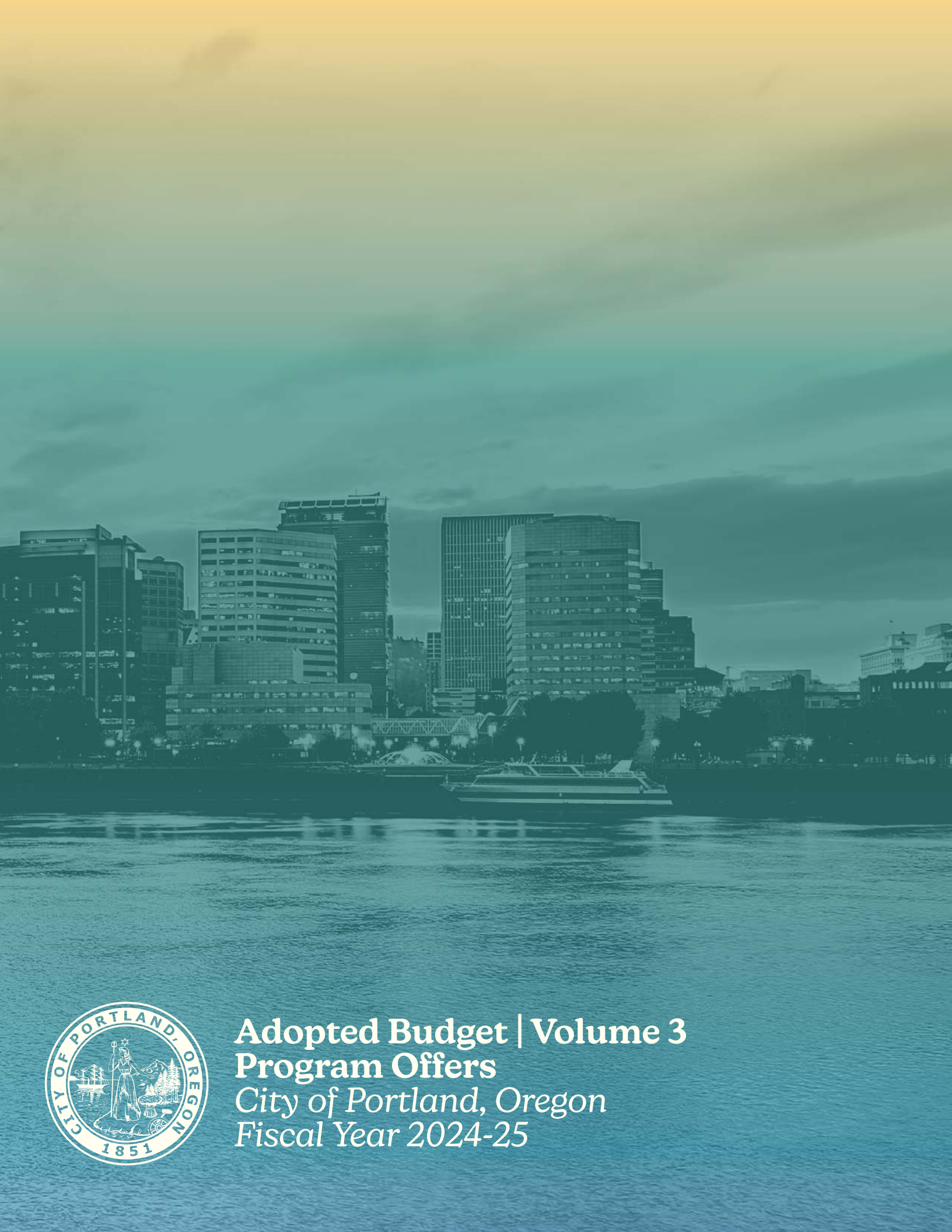
**Fund Summary**

	Actuals FY 2021-22	Actuals FY 2022-23	Revised FY 2023-24	Proposed FY 2024-25	Approved FY 2024-25	Adopted FY 2024-25
<b>Resources</b>						
<b>Internal Revenues</b>						
Fund Transfers - Revenue	0	0	750,000	750,000	750,000	750,000
<b>Internal Revenues Total</b>	<b>0</b>	<b>0</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>
Beginning Fund Balance	750,000	750,000	750,000	750,000	750,000	750,000
<b>Resources Total</b>	<b>750,000</b>	<b>750,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>Requirements</b>						
<b>Fund Expenditures</b>						
Fund Transfers - Expense	0	0	750,000	750,000	750,000	750,000
<b>Fund Expenditures Total</b>	<b>0</b>	<b>0</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>
Ending Fund Balance	750,000	750,000	750,000	750,000	750,000	750,000
<b>Requirements Total</b>	<b>750,000</b>	<b>750,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

**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



**Adopted Budget | Volume 3**  
**Program Offers**  
City of Portland, Oregon  
*Fiscal Year 2024-25*

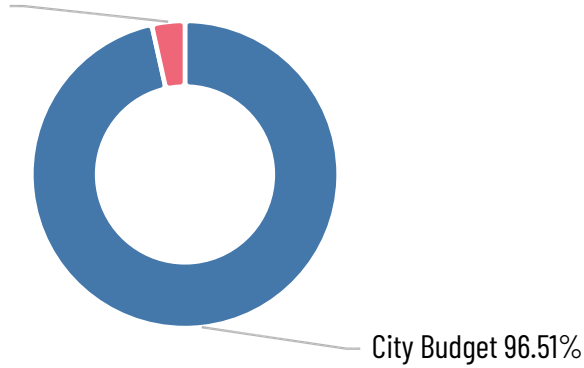


## Bureau of Fire & Police Disability & Retirement

Budget & Finance Service Area  
 B. Jonas Biery, DCA - Budget & Finance  
 Samuel Hutchison, Director

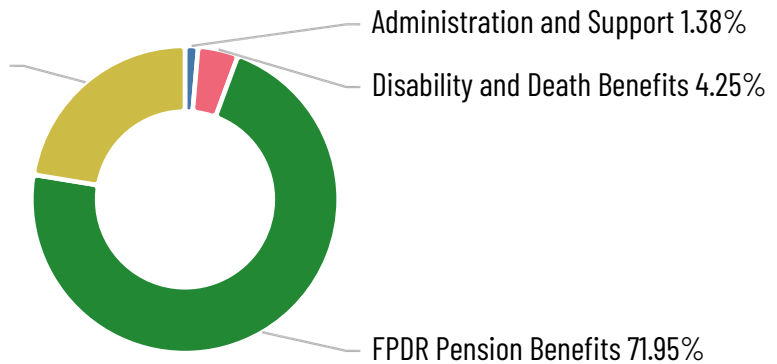
**Percent of City Budget Graph**

Fire & Police Disability & Retirement 3.49%



**Bureau Programs**

Sworn PERS Contributions 22.41%



Requirements	Revised FY 2023-24	Adopted FY 2024-25	Change from Prior Year	Percent Change
Operating	\$260,511,850	\$288,873,466	\$28,361,616	10.9%
Capital	\$75,093	\$60,000	\$(15,093)	(20.1)%
<b>Total</b>	<b>\$260,586,943</b>	<b>\$288,933,466</b>	<b>\$28,346,523</b>	<b>10.9%</b>
Authorized Positions	18.00	18.00	—	—%

## 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. Administrative spending is projected to hold steady at 1.3% of overall spending for FY 2024-25. The personnel budget for FY 2024-25 includes a 3.3% wage cost-of-living adjustment (COLA) for all staff; a 2.0% general wage increase for staff represented by the American Federation of State, County and Municipal Employees (AFSCME); merit pay of up to 2.0% for employees not already at the top of their wage scale and represented by the City of Portland Professional Workers Association or nonrepresented, and an additional 5.2% step pay increase for one AFSCME represented employee. (The other three AFSCME employees are already at the top of their pay scales.) The budget also includes sufficient funds for 5.0% growth in health benefit costs for all employees, although the Bureau of Human Resources has indicated costs will likely increase more than that. FPDR will draw on \$31,900 in contingency funds included in the personnel budget to cover any additional spending. The FPDR Fund’s \$14.2 million general operating contingency is also available if necessary. Spending on administrative materials and services appears to be growing substantially, but this is simply because managed care organization costs associated with disability claims have been shifted from the Disability and Death Benefits program to the Administration and Support program. Capital spending is limited to programming and other improvements to FPDR’s custom database, and is less than 2.0% of the administrative operating budget. The FY 2024-25 capital budget is \$60,000, less than the FY 2023-24 Revised Budget of \$75,093. In the prior year, programming improvements to medical payment processing were completed.

Performance	Actuals FY 2021-22	Actuals FY 2022-23	Target FY 2023-24	Target FY 2024-25	Strategic Target
Administrative spending per participant	\$758	\$855	\$938	\$826	\$845
Percent of pension recipients who are paperless	39%	42%	50%	50%	75%
Administrative cost as a percentage of bureau budget	1.43%	1.54%	1.34%	1.34%	1.50%
FPDR tax levy rate (per \$1,000 of Real Market Value)	\$1.26	\$1.11	\$1.18	\$1.36	\$1.67

### 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

No changes are planned for the Administration and Support program in FY 2024-25.

# Bureau of Fire & Police Disability & Retirement

Budget & Finance Service Area

## Program Budget

	Actuals FY 2021-22	Actuals FY 2022-23	Revised FY 2023-24	Proposed FY 2024-25	Adopted FY 2024-25
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personnel Services	\$1,290,863	\$1,352,820	\$1,759,812	\$1,415,913	\$1,415,913
External Materials and Services	\$463,279	\$465,922	\$516,339	\$665,303	\$665,303
Internal Materials and Services	\$821,812	\$1,031,259	\$902,100	\$978,955	\$978,955
Capital Outlay	\$39,780	\$59,020	\$75,093	\$60,000	\$60,000
<b>Bureau Expenditures Total</b>	<b>\$2,615,735</b>	<b>\$2,909,021</b>	<b>\$3,253,344</b>	<b>\$3,120,171</b>	<b>\$3,120,171</b>
<b>Fund Expenditures</b>					
Debt Service	\$38,689,771	\$28,418,299	\$38,978,478	\$46,766,562	\$46,766,562
Contingency	\$0	\$0	\$11,784,405	\$14,194,030	\$14,172,482
Fund Transfers - Expense	\$136,693	\$171,249	\$1,651,673	\$1,657,847	\$1,679,395
<b>Fund Expenditures Total</b>	<b>\$38,826,464</b>	<b>\$28,589,548</b>	<b>\$52,414,556</b>	<b>\$62,618,439</b>	<b>\$62,618,439</b>
<b>Requirements Total</b>	<b>\$41,442,199</b>	<b>\$31,498,569</b>	<b>\$55,667,900</b>	<b>\$65,738,610</b>	<b>\$65,738,610</b>
FTE	8.00	9.00	8.00	8.00	8.00

## 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 members 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 when 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 2021-22	Actuals FY 2022-23	Target FY 2023-24	Target FY 2024-25	Strategic Target
Percentage of disability claims decisions in 60 days	90%	78%	89%	89%	90%
Number of disability claims filed	583	320	400	320	400
Number of long-term disability recipients	25	25	23	25	32
Number of medical bills	2,833	2,429	2,500	2,986	2,800
Number of members on short-term disability	407	284	300	300	300
Percentage of workforce on disability at June 30	4%	3%	3%	3%	3%

### Equity Impacts

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

### Changes to Program

No changes are planned for the Disability & Death Benefits program in FY 2024-25. In FY 2023-24 a new managed care organization was contracted by the program.

## Program Budget

	Actuals FY 2021-22	Actuals FY 2022-23	Revised FY 2023-24	Proposed FY 2024-25	Adopted FY 2024-25
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personnel Services	\$1,166,534	\$1,245,858	\$1,231,137	\$1,468,569	\$1,468,569
External Materials and Services	\$6,431,696	\$6,692,681	\$7,307,616	\$7,690,400	\$7,690,400
Internal Materials and Services	\$278,809	\$153,961	\$494,800	\$420,700	\$420,700
<b>Bureau Expenditures Total</b>	<b>\$7,877,040</b>	<b>\$8,092,500</b>	<b>\$9,033,553</b>	<b>\$9,579,669</b>	<b>\$9,579,669</b>
<b>Requirements Total</b>	<b>\$7,877,040</b>	<b>\$8,092,500</b>	<b>\$9,033,553</b>	<b>\$9,579,669</b>	<b>\$9,579,669</b>
FTE	8.00	8.00	9.00	9.00	9.00

## 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 approximately 2,100 members, surviving spouses, 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 benefits to offset Oregon tax liability for some members, and monitoring to ensure payments stop upon beneficiary death. 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 2021-22	Actuals FY 2022-23	Target FY 2023-24	Target FY 2024-25	Strategic Target
Median days to prepare a pension estimate	6	6	6	10	5
Percentage of members whose final pay was 99% or more of last estimate	100%	100%	97%	100%	100%
Percentage of FPDR 2 members now or soon-to-be retirement eligible who received a pension estimate in the last two years	80%	89%	80%	80%	80%
Number of FPDR 1 and 2 pension recipients	2,124	2,148	2,227	2,180	2,334
Number of FPDR 2 retirements from active service	23	53	73	65	53
Number of pension estimates	336	248	365	180	200
Number of pre-retirement workshop participants	52	82	175	175	175

### 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

Although there are no planned changes to the Pension Benefits program in FY 2024-25, FPDR will continue to offer in-person retirement workshops as well as virtual and in-person retirement appointments. This is a continued expansion of services from solely in-person before the COVID-19 pandemic and solely virtual during the pandemic.

Program Budget

	Actuals FY 2021-22	Actuals FY 2022-23	Revised FY 2023-24	Proposed FY 2024-25	Adopted FY 2024-25
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personnel Services	\$150,180	\$172,899	\$164,051	\$373,019	\$373,019
External Materials and Services	\$141,785,601	\$147,805,940	\$153,737,000	\$161,925,000	\$161,925,000
Internal Materials and Services	\$0	\$1,912	\$4,439	\$7,168	\$7,168
<b>Bureau Expenditures Total</b>	<b>\$141,935,782</b>	<b>\$147,980,751</b>	<b>\$153,905,490</b>	<b>\$162,305,187</b>	<b>\$162,305,187</b>
<b>Requirements Total</b>	<b>\$141,935,782</b>	<b>\$147,980,751</b>	<b>\$153,905,490</b>	<b>\$162,305,187</b>	<b>\$162,305,187</b>
FTE	1.00	1.00	1.00	1.00	1.00

# Bureau of Fire & Police Disability & Retirement

Budget & Finance Service Area

## 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 employee 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 945 by the end of FY 2024-25. The FPDR Three population will continue to grow until the mid-2030s, when it is estimated the entire sworn workforce will be comprised of 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 2021-22	Actuals FY 2022-23	Target FY 2023-24	Target FY 2024-25	Strategic Target
Number of active employees in FPDR 3	724	798	972	945	1,279
Percent of workforce who are FPDR 3	51%	56%	63%	65%	83%

### 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 2024-25, the contribution rate for the PERS tier in which most FPDR Three members participate will continue at 33.91%. All Police employees will receive a 3.3% wage COLA, while Fire employees will receive wage COLAs between 3.3% - 4.26% depending on representation and job class (in addition to any step, promotional, or premium pay increases).

### Program Budget

	Actuals FY 2021-22	Actuals FY 2022-23	Revised FY 2023-24	Proposed FY 2024-25	Adopted FY 2024-25
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Internal Materials and Services	\$26,812,489	\$30,895,571	\$41,230,000	\$50,560,000	\$50,560,000
<b>Bureau Expenditures Total</b>	<b>\$26,812,489</b>	<b>\$30,895,571</b>	<b>\$41,230,000</b>	<b>\$50,560,000</b>	<b>\$50,560,000</b>
<b>Requirements Total</b>	<b>\$26,812,489</b>	<b>\$30,895,571</b>	<b>\$41,230,000</b>	<b>\$50,560,000</b>	<b>\$50,560,000</b>