

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

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| 1. Name of Initiator J. Scott Moede | 2. Telephone No. (503) 823-3124 | 3. Bureau/Office/Dept. Mayor Hales & Commissioner Saltzman |
| 4a. To be filed (hearing date): 7/1/2015 | 4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> | 5. Date Submitted to Commissioner's office and CBO Budget Analyst: 6/23/14 |
| 6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed | | 6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed |

1) Legislation Title:

Authorize the City Attorney's Office to take all necessary legal steps, including initiation of legal proceedings, to bring a declaratory judgment action under ORS 28.020 and 33.710 and any other causes of action regarding the impact of Charter Changes, FPDR Board Resolutions, state statutes, and other law on FPDR benefits. (Resolution)

2) Purpose of the Proposed Legislation:

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

No

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)

None

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

NO

- **Will positions be created or eliminated in future years as a result of this legislation?**

NO

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

| Fund | Fund Center | Commitment Item | Functional Area | Funded Program | Grant | Sponsored Program | Amount |
|-------------|--------------------|------------------------|------------------------|-----------------------|--------------|--------------------------|---------------|
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[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES:** Please proceed to Question #9.
- NO:** Please, explain why below; and proceed to Question #10.

Public involvement for this item was conducted by Home Forward.

9) If “YES,” please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No.

APPROPRIATION UNIT HEAD (Typed name and signature)

**REFERRED TO COMMISSIONER OF
FINANCE AND ADMINISTRATION**

RESOLUTION No.

Authorize the City Attorney's Office to take all necessary legal steps, including initiation of legal proceedings, to bring a declaratory judgment action under ORS 28.020 and 33.710 and any other causes of action regarding the impact of Charter Changes, Fire & Police Disability & Retirement Board Resolutions, state statutes and other law on Fire & Police Disability & Retirement benefits (Resolution)

WHEREAS, in pertinent part, the legal proceedings shall seek to obtain a declaration that the legislature, in adopting ORS 237.620(2), intended to place the City of Portland's retirement system for fire fighters and police officers on equal footing with the State of Oregon's Public Employee Retirement System (PERS) and as such, retirement benefits for police and fire fighters are prohibited subjects of bargaining; and

WHEREAS, in November of 2006, Portland voters approved substantial reforms to both the disability and pension systems of the Fire & Police Disability, Retirement, and Death Benefit Plan ("FPDR"), including changing the composition of the FPDR Board of Trustees so a majority of the Board no longer is comprised of FPDR beneficiaries; and

WHEREAS, in November of 2012, Portland voters approved Ballot Measure 26-145, which amended Section 5-303 of the Portland City Charter and reformed the FPDR disability and pension systems; and

WHEREAS, the 2012 voter-approved amendments changed the definition of "final pay" from "the highest base pay received by the FPDR Two members during any of the three consecutive twelve month periods preceding the month in which the FPDR member retires" to "the highest base pay received by the FPDR Two members for any of the three consecutive 365-day or 366-day in a leap year, period"; and

WHEREAS, the Portland City Council referred the FPDR reforms to the voters to help create greater accountability to the taxpayers of the City of Portland and to help ensure the future stability and financial soundness of the FPDR fund, City's finances and fairness to future generations of taxpayers in the City of Portland; and

WHEREAS, FPDR members and the police and fire labor unions have filed lawsuits, union grievances and/or unfair labor practices ("legal challenges") contesting the voter-approved reforms to the FPDR system and FPDR Board decisions; and

WHEREAS, these legal challenges threaten to undermine the authority of the FPDR Board of Trustees to interpret and administer the FPDR system, to implement rules, regulations and resolutions consistent with the terms of the City of Portland Charter; and threaten to undermine the stability and integrity of the FPDR system; and

WHEREAS, the legal challenges contend that the voter-approved Charter changes to FPDR and decisions made by the FPDR Board of Trustees are mandatory subjects of bargaining; and

WHEREAS, these legal challenges involve significant amounts of money, potentially impact the financial soundness and viability of the FPDR fund, and may impact the General Fund;

NOW, THEREFORE, BE IT RESOLVED, that the City Attorney or her designee, whether through the City Attorney's Office or through counsel specially employed for that purpose, is authorized to take all necessary legal steps, including initiation of legal proceedings, to bring a declaratory judgment action under ORS 28.020 and 33.710 and any other causes of action regarding the impact of Charter Changes, FPDR Board Resolutions, state statutes, and other law on FPDR benefits. In pertinent part, the legal proceedings shall seek to obtain a declaration that the legislature, in adopting ORS 237.620(2), intended to place the City of Portland's retirement system for fire fighters and police officers on equal footing with the State of Oregon's Public Employee Retirement System (PERS) and as such, retirement benefits for police and fire fighters are prohibited subjects of bargaining.

BE IT FURTHER RESOLVED, this resolution is binding City policy.

BE IT FURTHER RESOLVED, nothing in this Resolution shall prevent the Commissioner in Charge of the Police or Fire Bureaus, upon consultation with the City Attorney, from taking action to mitigate damages in these matters;

BE IT FURTHER RESOLVED, nothing in this Resolution shall prevent the City Attorney's Office from continuing to defend any other legal challenges.

Adopted by the Council:

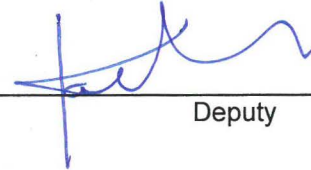
Mayor Charlie Hales
Commissioner Dan Saltzman
Prepared by: J. Scott Moede
Date Prepared: 6/23/15

Mary Hull Caballero
Auditor of the City of Portland
By

Deputy

Agenda No.
RESOLUTION NO.
 Title

Authorize the City Attorney's Office to take all necessary legal steps, including initiation of legal proceedings, to bring a declaratory judgment action under ORS 28.020 and 33.710 and any other causes of action regarding the impact of Charter Changes, FPDR Board Resolutions, state statutes, and other law on FPDR benefits. (Resolution)
spelt out

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| INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales Commissioner Dan Saltzman | CLERK USE: DATE FILED <u>JUN 26 2015</u> |
| COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick | Mary Hull Caballero Auditor of the City of Portland By:  Deputy ACTION TAKEN: JUL 01 2015 <u>RESCHEDULED TO JUL 08 2015 9:30 A.M.</u> JUL 08 2015 REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION |
| BUREAU APPROVAL Bureau: City Attorney's Office Bureau Head: Tracy Reeve Prepared by: J. Scott Moede Date Prepared: 6/23/15 Financial Impact Statement & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan Council Meeting Date <u>7/1/15</u> | |



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| AGENDA |
| TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion) |
| CONSENT <input checked="" type="checkbox"/> <u>Pulled</u> |
| REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion) |

| FOUR-FIFTHS AGENDA | COMMISSIONERS VOTED AS FOLLOWS: | |
|--------------------|---------------------------------|------|
| | YEAS | NAYS |
| 1. Fritz | 1. Fritz | |
| 2. Fish | 2. Fish | |
| 3. Saltzman | 3. Saltzman | |
| 4. Novick | 4. Novick | |
| Hales | Hales | |