

CITY OF PORTLAND

Measure 26-145

BALLOT TITLE

AMENDS CHARTER: CHANGES PROVISIONS OF FIRE POLICE DISABILITY RETIREMENT SYSTEM.

QUESTION: Shall limited provisions of the retirement and disability system for police and fire be changed?

SUMMARY: This measure would amend the City Charter for the Fire Police Disability Retirement System (FPDR) by:

- Clarifying the calculation of retirement benefits to include only pay a member received in the year preceding retirement.
- Changing eligibility for disability benefits for new members after completion of six consecutive months of employment as a sworn employee.
- Changing the calculation of service credit to not include post-employment service by another employer.
- Giving the Administrator, with the approval of the Board of Trustees, authority to settle claims.
- Defining service requirements for occupational disability due to heart disease and nonservice-connected disability and death benefits.
- Changing retirement benefits for part-time employees.
- Providing disability benefits on a monthly or bi-weekly basis.
- Providing interim disability benefits during the period between the application and approval of benefits.
- Clarifying language regarding occupational disability benefits.
- Changing from 10 years to 5 years the vesting period for nonservice-connected death benefits.

This amendment is expected to decrease FPDR taxpayer liabilities by \$46 Million over a 25 year period.

This measure would give the FPDR Administrator the ability to settle claims with either the approval of the FPDR Board of Trustees or under guidelines established by the Board of Trustees.

This measure clarifies service requirements for nonservice connected disability and death benefits and occupational disability benefits due to heart disease.

This measure changes the retirement benefit calculation for part-time employees so that a member receives adequate credit and pay for part-time work when calculating their pension.

This measure allows members receiving disability payments to receive payments on either a bi-weekly or monthly basis depending on the duration of their disability.

This measure allows members to receive disability payments during the period their disability application is being processed and allows the FPDR to recoup the benefits paid should the claim be denied or withdrawn.

This measure clarifies language regarding occupational disability benefits.

This measure changes the vesting period for nonservice connected death benefits from 10 to 5 years.

Submitted by

Dan Saltzman
Commissioner
City of Portland

EXPLANATORY STATEMENT

This measure would make changes to certain provisions of the Fire and Police Disability, Retirement and Death Benefit (FPDR) system in the Portland City Charter. The FPDR system is funded by a property tax levy. This amendment is expected to decrease taxpayer funded liabilities by \$46.6 million over a 25 year period.

This measure clarifies how retirement benefits are calculated to ensure a member receives a pension that is based on the Final Pay a member received or was entitled to receive during the year preceding their retirement. Currently, the Charter is written to allow a member to receive a larger retirement benefit depending on when the member retires by including more than a typical year's worth of salary and including lump sum payments attributable to service from years prior to the year preceding retirement. This measure corrects that by clearly defining the pay that is included in the member's Final Pay at retirement.

This measure changes the eligibility period for new members by requiring six consecutive months of service as a sworn police officer or firefighter with the City of Portland prior to entering the FPDR system. Members would be covered by the state Workers' Compensation system during this six month waiting period.

For members in the FPDR retirement system, this measure removes from retirement calculations credit for employment by another entity in the Oregon Public Employees Retirement System (PERS). This ensures that retirement benefits will be calculated only based on service a member provides in the City of Portland and will not increase a member's FPDR pension based on service with another PERS employer.

No arguments AGAINST this measure were filed.

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ARGUMENT IN FAVOR

MEASURE 26-145 SAVES TAXPAYER MONEY

"Save(s) taxpayers about \$47 million in pension costs for police and firefighters over the next 25 years."

The Oregonian - August 9, 2012

"None of the measure is designed to undercut faith in those public servants who court risk in performing their duties. But they correctly take aim at trimming where justified to reduce fiscal risk to the city."

The Oregonian - July 31, 2012

"Passage by voters in November is essential if Portland is to bring benefit levels into conformity with public benefits elsewhere ..."

The Oregonian - August 9, 2012

"FPDR needs correction this year by Portland voters. The city's revenue is finite."

The Oregonian - July 31, 2012

VOTE YES on 26-145

- Correct unintended spikes in pensions
- Saves taxpayers at least \$47 million over the next 25 years
- Protects firefighters and police officers
- Prevents abuse of the system

"Twenty-six cents of every property tax dollar in the City of Portland pays for police and firefighter pensions. Measure 26-145 saves taxpayers money while providing a fair retirement system to our public safety officers."

Portland City Commissioner Dan Saltzman

(This information furnished by Dan Saltzman)

The printing of this argument does not constitute an endorsement by Multnomah County, nor does the county warrant the accuracy or truth of any statements made in the argument.

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November 2012 General Election

Multnomah County Elections
1040 SE Morrison Street, Portland

Regular office hours 8 AM – 5 PM.
Monday - Friday

Special Hours

- Sat. Nov. 3, 2012 10 AM – 2 PM
- Mon. Nov. 5, 2012 8 AM – 6 PM
- Tue. Nov. 6, 2012 7 AM – 8 PM
(Election Day)