

Office of Retirement Services

Roberto L. Peña, Director

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Provide quality services in the delivery of pension and related benefits and maintain financially sound pension plans

City Service Area

Strategic Support

Core Services

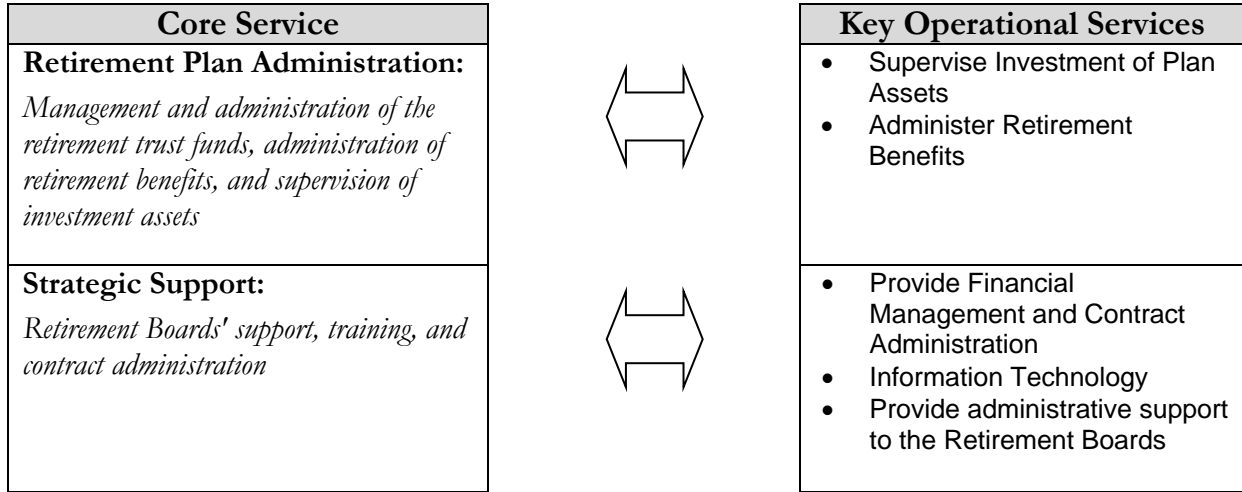
Retirement Plan Administration

Management and administration of the retirement trust funds, administration of retirement benefits, and supervision of investment assets

Strategic Support: Retirement Boards' Support, Training, and Contract Administration

Office of Retirement Services

Service Delivery Framework



Office of Retirement Services

Department Budget Summary

Expected 2015-2016 Service Delivery

- Manage Retirement Plans' assets and seek solutions to increase investment returns, and reduce volatility and cost, while mitigating risk.
- Work with the Retirement Plans' actuaries to ensure the plans have adopted and implemented the most appropriate rates, assumptions, and methodologies to de-risk plans, reduce volatility, and reduce intergenerational shifting of liabilities.
- Provide quality retirement planning, counseling, and financial reporting.

2015-2016 Key Budget Actions

- The addition of a Staff Technician will permanently add resources to support the processing of a high volume of work within the Benefits Unit of the Retirement Services Office. This work is currently performed by temporary staff, but the work is of an ongoing nature and permanent staff is needed to address an increase in applications and customer service inquiries.

Operating Funds Managed

- Federated Retiree Health Care Trust Fund
- Federated Retirement Fund
- Fire Retiree Health Care Trust Fund
- Police and Fire Retirement Fund
- Police Retiree Health Care Trust Fund

Office of Retirement Services

Department Budget Summary

	2013-2014 Actual 1	2014-2015 Adopted 2	2015-2016 Forecast 3	2015-2016 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
Retirement Plan Administration	\$ 2,417,777	\$ 3,793,931	\$ 3,737,166	\$ 3,953,960	4.2%
Strategic Support	1,658,975	2,181,969	2,297,206	2,360,619	8.2%
Total	\$ 4,076,752	\$ 5,975,900	\$ 6,034,372	\$ 6,314,579	5.7%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 4,076,752	\$ 5,975,900	\$ 6,034,372	\$ 6,314,579	5.7%
Total	\$ 4,076,752	\$ 5,975,900	\$ 6,034,372	\$ 6,314,579	5.7%
Dollars by Fund					
Federated Retirement	\$ 2,038,376	\$ 2,989,999	\$ 3,019,360	\$ 3,159,529	5.7%
Police & Fire Retirement	2,038,376	2,985,901	3,015,012	3,155,050	5.7%
Total	\$ 4,076,752	\$ 5,975,900	\$ 6,034,372	\$ 6,314,579	5.7%
Authorized Positions by Core Service					
Retirement Plan Administration	21.50	23.50	23.00	24.00	2.1%
Strategic Support	15.00	15.25	15.75	15.75	3.3%
Total	36.50	38.75	38.75	39.75	2.6%

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Budget Reconciliation

(2014-2015 Adopted to 2015-2016 Adopted)

	Positions	All Funds (\$)
Prior Year Budget (2014-2015):	38.75	5,975,900
<hr/> Base Adjustments <hr/>		
Technical Adjustments to Costs of Ongoing Activities		
● Salary/benefit changes and the following position reallocation:		58,472
- 1.0 Staff Specialist to 1.0 Staff Technician		
Technical Adjustments Subtotal:	<hr/> 0.00	<hr/> 58,472
2015-2016 Forecast Base Budget:	38.75	6,034,372
<hr/> Budget Proposals Approved <hr/>		
1. Office of Retirement Services Salary Program		206,351
2. Office of Retirement Services Benefits Staffing	1.00	73,856
Total Budget Proposals Approved	<hr/> 1.00	<hr/> 280,207
2015-2016 Adopted Budget Total	<hr/> 39.75	<hr/> 6,314,579

Office of Retirement Services

Budget Changes By Department




Adopted Budget Changes	Positions	All Funds (\$)
1. Office of Retirement Services Salary Program		206,351
Strategic Support CSA <i>Retirement Plan Administration</i> <i>Strategic Support</i>		
<p>This action increases the Office of Retirement Services personal services allocation (\$206,351 in all funds) to reflect salary increases that were negotiated and agreed to by the City and 10 bargaining units, including Association of Building, Mechanical, and Electrical Inspectors (ABMEI), Association of Engineers and Architects (AEA), Association of Legal Professionals of San José (ALP), Association of Maintenance Supervisory Personnel (AMSP), City Association of Management Personnel (CAMP), Confidential Employees' Organization (CEO), International Association of Fire Fighters (IAFF), International Brotherhood of Electrical Workers (IBEW), International Union of Operating Engineers, Local #3 (OE3), and Municipal Employees' Federation (MEF), effective June 21, 2015. In addition, a salary increase is included for employees in Unit 99 and for Council Appointees. These salary increases were approved by the City Council on June 23, 2015. Further details on the salary increases by each employee group, can be found at: https://www.sanjoseca.gov/index.aspx?NID=505. (Ongoing costs: \$169,093)</p>		
Performance Results: N/A (Final Budget Modification)		
2. Office of Retirement Services Benefits Staffing	1.00	73,856
Strategic Support CSA <i>Retirement Plan Administration</i>		
<p>This action adds 1.0 Staff Technician position to process the high volume of work within the Benefits Unit of the Office of Retirement Services. This work is currently performed by temporary staff, but the work is of an ongoing nature and this position provides critical support to address the increased volume of applications and customer service inquiries. It is anticipated that this action will increase quality and maintain current cycle time for processing customer inquiries. (Ongoing costs: \$81,340)</p>		
Performance Results:		
Quality This action will provide the necessary administrative assistance to improve the Department's operational activities.		
2015-2016 Adopted Budget Changes Total	1.00	280,207

Office of Retirement Services

Performance Summary

Retirement Plan Administration

Performance Measures

	2013-2014 Actual	2014-2015 Target	2014-2015 Estimated	2015-2016 Target
 % of active members that feel that Retirement Services had a positive impact on their ability to make decisions to achieve retirement goals	87%	100%	100%	100%
 % of portfolios analyzed for compliance with investment policy	100%	100%	100%	100%
 % of members (active and retired) that rate department services as very good or excellent based on accuracy and usefulness of work	92%	100%	100%	100%

Changes to Performance Measures from 2014-2015 Adopted Budget: No

Activity and Workload Highlights

	2013-2014 Actual	2014-2015 Forecast	2014-2015 Estimated	2015-2016 Forecast
# of active and retired members surveyed	527	400	400	400
# of portfolios analyzed annually	107	125	109	119
# of agendized Board meetings	101	127	102	102
Investment committee work plan projects	68	100	37	48

Changes to Activity & Workload Highlights from 2014-2015 Adopted Budget: No

Office of Retirement Services

Departmental Position Detail

Position	2014-2015 Adopted	2015-2016 Adopted	Change
Account Clerk II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Analyst I/II	7.00	7.00	-
Assistant Director and Chief Investment Officer	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	1.00	1.00	-
Director of Retirement Services	1.00	1.00	-
Division Manager	2.00	2.00	-
Financial Analyst	1.00	1.00	-
Information Systems Analyst	2.00	2.00	-
Network Technician II	1.00	1.00	-
Network Technician II PT	0.00	0.00	-
Office Specialist II	1.00	1.00	-
Retirement Actuarial Analyst I/II	2.00	2.00	-
Retirement Investment Officer	5.00	5.00	-
Senior Account Clerk	1.00	1.00	-
Senior Accountant	2.00	2.00	-
Senior Analyst	1.00	1.00	-
Senior Auditor	1.00	1.00	-
Staff Specialist	1.00	0.00	(1.00)
Staff Technician	5.00	7.00	2.00
Staff Technician PT	0.75	0.75	-
Total Positions	38.75	39.75	1.00