

Office of Retirement Services

Roberto L. Peña, Chief Executive Officer

MISSION

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, Contract Administration, and Emergency Response and Recovery

Office of Retirement Services

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Retirement Plan Administration Core Service</i>	
Benefits	Provides retirement planning and counseling services to plan members and administers health care and other benefits for retirees and beneficiaries.
Investments	Manages retirement plan assets in a manner which seeks to achieve long-term net returns in excess of the actuarial investment return assumption and adopted benchmarks while maintaining a reasonable level of investment risk.
<i>Strategic Support Core Service</i>	
Retirement Financial Management	Prepares annual comprehensive financial reports for the retirement plans; runs monthly payroll for retirees and beneficiaries; manages the budget and all other financial transactions for the department.
Retirement Human Resources	Manages personnel-related functions for the department, including hiring, employee development, employee discipline, and personnel transactions.
Retirement Information Technology	Manages the Pension Administration System which houses all retirement data and runs most of the retirement business transactions; provides other information technology services, planning, system development and maintenance for the department.
Retirement Management and Administration	Provides executive-level, analytical, and administrative support to the department and retirement boards.
Retirement Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Office of Retirement Services

Department Budget Summary

Expected 2023-2024 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 remove risk from the plans, and decrease volatility.
- Provide quality retirement planning, counseling, and financial reporting.

2023-2024 Key Budget Actions

N/A

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

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Adopted
Dollars by Core Service				
Retirement Plan Administration	4,738,111	5,330,188	5,765,124	5,765,124
Strategic Support - City Council Appointees	2,857,200	2,914,834	3,011,749	3,011,749
Strategic Support - Other - Council Appointees	24,300	32,000	30,000	30,000
Total	\$7,619,611	\$8,277,022	\$8,806,872	\$8,806,873
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	7,519,000	8,160,022	8,691,872	8,691,873
Subtotal Personal Services	\$7,519,000	\$8,160,022	\$8,691,872	\$8,691,873
Total Personal Services & Non-Personal/Equipment	\$7,519,000	\$8,160,022	\$8,691,872	\$8,691,873
<i>Other Costs *</i>				
City-Wide Expenses	100,611	117,000	115,000	115,000
Housing Loans and Grants	0	0	0	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$100,611	\$117,000	\$115,000	\$115,000
Total	\$7,619,611	\$8,277,022	\$8,806,872	\$8,806,873

Note: The budget figures reflected in this summary account for a small portion of the total budget for the Office of Retirement Services, including the cost of the civil service positions in the Office of Retirement Services and General Fund City-Wide expenses of \$115,000. Additional budget information on the Federated and Police and Fire Retirement Funds and the Office of Retirement Services can be found in this budget document as follows:

1. Source and Use of Funds: There are five Source and Use of Funds Statements included for display purposes, consisting of Federated Retirement Fund, Federated Retiree Health Care Trust Fund, Fire Retiree Health Care Trust Fund, Police and Fire Retirement Fund, and Police Retiree Health Care Trust Fund.
2. Summary Information: A summary of the City contributions to the Retirement Funds is included in the Summary Information section of this document.

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2021-2022 Actuals column reflect those included in the 2021-2022 Adopted Budget.

*** 2021-2022 Actuals may not subtotal due to rounding.

**** The amounts in the 2022-2023 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of Retirement Services

Department Budget Summary

	2021-2022 Actuals ***	2022-2023 Adopted ****	2023-2024 Forecast	2023-2024 Adopted
Dollars by Fund				
General Fund (001)	100,611	117,000	115,000	115,000
Federated Retirement Funds	3,582,000	4,081,897	4,347,907	4,347,907
Police and Fire Retirement Funds	3,937,000	4,078,125	4,343,966	4,343,966
Total	\$7,619,611	\$8,277,022	\$8,806,872	\$8,806,873
Positions by Core Service **				
Retirement Plan Administration	25.80	28.80	28.80	28.80
Strategic Support - City Council Appointees	14.20	14.20	14.20	14.20
Total	40.00	43.00	43.00	43.00

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Office of Retirement Services

Department Budget Summary

	2021-2022 Actuals **	2022-2023 Adopted	2023-2024 Forecast	2023-2024 Adopted	2023-2024 Adopted Positions
Dollars by Program*					
Retirement Plan Administration					
Retirement Benefits	2,446,561	2,919,862	3,152,128	3,152,128	17.55
Retirement Investments	2,291,550	2,410,326	2,612,995	2,612,996	11.25
Sub-Total	4,738,111	5,330,188	5,765,124	5,765,124	28.80
Strategic Support - City Council Appointees					
Retirement Services Financial Management	1,242,400	1,245,026	1,257,292	1,257,293	6.45
Retirement Services Information Technology	751,900	752,062	826,036	826,034	3.45
Retirement Services Management and Administration	862,900	917,746	928,421	928,422	4.30
Sub-Total	2,857,200	2,914,834	3,011,749	3,011,749	14.20
Strategic Support - Other - Council Appointees					
Retirement Services Other Departmental - City-Wide	24,300	32,000	30,000	30,000	0.00
Sub-Total	24,300	32,000	30,000	30,000	0.00
Total	\$7,619,611	\$8,277,022	\$8,806,872	\$8,806,873	43.00

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Office of Retirement Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2023-2024 Proposed to 2023-2024 Adopted)

	Positions	All Funds (\$)
Prior Year Budget (2022-2023):	43.00	8,160,022
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
NONE		
One-time Prior Year Expenditures Subtotal:	43.00	8,160,022
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes:		531,850
- 1.0 Accounting Technician to 1.0 Accountant I/II		
- 1.0 Office Specialist II to 1.0 Senior Office Specialist		
- 1.0 Staff Specialist II to 1.0 Analyst I/II		
Technical Adjustments Subtotal:	0.00	531,850
2023-2024 Forecast Base Budget:	43.00	8,691,872
* Personal Services Rounding Adjustments	0	1
Budget Proposals Approved		
NONE		
2023-2024 Adopted Budget Total	43.00	8,691,873





*2023-2024 Adopted Budget totals presented in this publication include minor technical adjustments to personal services values that were calculated as unrounded during the development of the 2023-2024 Operating Budget. The net total of these adjustments were incorporated into Manager's Budget Addendum #61, Adoption of the 2023-2024 Operating and Capital Budgets.

Office of Retirement Services

Performance Summary

Retirement Plan Administration

Performance Measures

	2021-2022 Actual	2022-2023 Target	2022-2023 Estimated	2023-2024 Target
 Actuarial Funded Status				
• Federated Pension Plan	57.0%	58.0%	58.0%	55.0%
• Police and Fire Pension Plan	79.6%	80.0%	80.0%	80.0%
 Investment Rate of Returns ¹				
• Federated Pension Plan				
- 1 year	(4.4%)	6.625%	6.625%	6.625%
- 3-year average	8.6%	N/A ²	9.61%	N/A ²
- 5-year average	7.2%	N/A ²	7.3%	N/A ²
- 10-year average	6.3%	N/A ²	6.16%	N/A ²
• Police and Fire Pension Plan				
- 1 year	(5.0%)	6.625%	6.625%	6.625%
- 3-year average	7.3%	N/A ²	8.56%	N/A ²
- 5-year average	6.6%	N/A ²	6.58%	N/A ²
- 10-year average	6.4%	N/A ²	6.08%	N/A ²
 % of members (active and retired) that rate department services as very good or excellent based on accuracy and usefulness of work	90%	100%	87%	100%
 Administrative costs per plan member in total for both plans	\$746	\$755	\$763	\$773

¹ There is a greater than 50% probability in any year that the portfolio will match the target return.

² There is not a separate target for 3-year, 5-year, and 10-year average returns.

Activity and Workload Highlights

	2021-2022 Actual	2022-2023 Forecast	2022-2023 Estimated	2023-2024 Forecast
# of active and retired members surveyed	174	400	94	150

Office of Retirement Services

Department Position Detail

Position	2022-2023 Adopted	2023-2024 Adopted	Change
Accountant I/II	1.00	2.00	1.00
Account Clerk I/II	1.00	1.00	-
Accounting Technician	1.00	0.00	(1.00)
Analyst I/II	7.00	8.00	1.00
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	-
Executive Assistant U	1.00	1.00	-
Financial Analyst	1.00	1.00	-
Information Systems Analyst	1.00	1.00	-
Network Technician I/II/III	1.00	1.00	-
Office Specialist I/II	1.00	0.00	(1.00)
Retirement Investment Analyst I/II	2.00	2.00	-
Retirement Investment Officer	3.00	3.00	-
Retirement Investment Operations Supervisor	1.00	1.00	-
Senior Accountant	2.00	2.00	-
Senior Analyst	3.00	3.00	-
Senior Auditor	1.00	1.00	-
Senior Office Specialist	0.00	1.00	1.00
Senior Retirement Investment Officer	2.00	2.00	-
Senior Supervisor, Administration	1.00	1.00	-
Staff Specialist	7.00	6.00	(1.00)
Total Positions	43.00	43.00	0.00

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