

Office of Retirement Services

Roberto L. Peña, Chief Executive Officer

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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

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 CAFRs 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.

Office of Retirement Services

Department Budget Summary

Expected 2019-2020 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, decrease volatility, and reduce intergenerational shifting of liabilities.
- Provide quality retirement planning, counseling, and financial reporting.

2019-2020 Key Budget Actions

- Adds 1.0 Information Systems Analyst position, limit-dated to June 30, 2020, to assist with providing technology support for the new Pension Administration System that went live in February 2019 and the Retirement Services website. After the website redesign is fully implemented, staff will have a greater ability to change the website content, which will result in more time needed to update and maintain the website to keep it current.
- Adds 1.0 Senior Analyst position to support the Benefits division in response to the additional workload created by the implementation of Measure F, a larger pool of insurance plans due to Municipal Code changes requiring retirees to enroll in Medicare, an increase of full-time student and outside earnings verifications because of an increasing number of retirees, the administration of retirees and insurance plans related to implementation of the Voluntary Employees' Beneficiary Association, and the management of the Disability Advisory Panel to be implemented per the Municipal Code.

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

A more detailed discussion of the Federated Retirement System and Police and Fire Retirement Plan Adopted Budgets for 2019-2020, as presented to each respective Board of Administration, can be found in the Appendices section of this document.

Office of Retirement Services

Department Budget Summary

	2017-2018 Actuals***	2018-2019 Adopted	2019-2020 Forecast	2019-2020 Adopted
Dollars by Core Service				
Retirement Plan Administration	3,677,247	4,253,807	4,444,913	4,573,081
Strategic Support - City Council Appointees	2,415,618	2,629,027	2,480,626	2,672,028
Strategic Support - Other - Council Appointees	147,222	40,000	40,000	40,000
Total	\$6,240,087	\$6,922,834	\$6,965,539	\$7,285,109
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	6,092,865	6,732,834	6,775,539	7,095,109
Subtotal Personal Services	\$6,092,865	\$6,732,834	\$6,775,539	\$7,095,109
Total Personal Services & Non-Personal/Equipment	\$6,092,865	\$6,732,834	\$6,775,539	\$7,095,109
<i>Other Costs*</i>				
City-Wide Expenses	147,222	190,000	190,000	190,000
Total Other Costs	\$147,222	\$190,000	\$190,000	\$190,000
Total	\$6,240,087	\$6,922,834	\$6,965,539	\$7,285,109

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 \$190,000. 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. Appendices: The approved budgets presented to the Federated Retirement System Board and the Police and Fire Plan Board are included as appendices.
3. 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 amounts in the 2018-2019 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.

** The positions displayed in the 2017-2018 Actuals column reflect those included in the 2017-2018 Adopted Budget.

*** 2017-2018 Actuals may not subtotal due to rounding.

Office of Retirement Services
Department Budget Summary

	2017-2018 Actuals***	2018-2019 Adopted	2019-2020 Forecast	2019-2020 Adopted
Dollars by Fund				
General Fund (001)	147,222	190,000	190,000	190,000
Federated Retirement Funds	2,899,282	3,367,543	3,389,333	3,549,117
Police and Fire Retirement Funds	3,193,583	3,365,291	3,386,206	3,545,992
Total	\$6,240,087	\$6,922,834	\$6,965,539	\$7,285,109
Positions by Core Service**				
Retirement Plan Administration	25.55	24.55	24.55	25.55
Strategic Support - City Council Appointees	14.20	15.20	13.20	14.20
Total	39.75	39.75	37.75	39.75

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** The positions displayed in the 2017-2018 Actuals column reflect those included in the 2017-2018 Adopted Budget.

*** 2017-2018 Actuals may not subtotal due to rounding.

Office of Retirement Services
Department Budget Summary

	2017-2018 Actuals**	2018-2019 Adopted	2019-2020 Forecast	2019-2020 Adopted	2019-2020 Adopted Positions
Dollars by Program*					
Retirement Plan Administration					
Retirement Benefits	1,951,290	2,270,247	2,344,894	2,473,062	15.30
Retirement Investments	1,725,957	1,983,560	2,100,019	2,100,019	10.25
Sub-Total	3,677,247	4,253,807	4,444,913	4,573,081	25.55
Strategic Support - City Council Appointees					
Retirement Services Financial Management	873,934	993,030	1,131,127	1,131,127	6.45
Retirement Services Information Technology	993,885	925,953	724,019	915,421	4.45
Retirement Services Management and Administration	547,799	710,044	625,480	625,480	3.30
Sub-Total	2,415,618	2,629,027	2,480,626	2,672,028	14.20
Strategic Support - Other - Council Appointees					
Retirement Services Other Departmental - City-Wide	147,222	40,000	40,000	40,000	0.00
Sub-Total	147,222	40,000	40,000	40,000	0.00
Total	\$6,240,087	\$6,922,834	\$6,965,539	\$7,285,109	39.75

* 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.

** 2017-2018 Actuals may not subtotal due to rounding.

Office of Retirement Services

Budget Reconciliation **Personal Services and Non-Personal/Equipment** **(2018-2019 Adopted to 2019-2020 Adopted)**

	Positions	All Funds (\$)
Prior Year Budget (2018-2019):	39.75	6,732,834
<hr/> Base Adjustments <hr/>		
One-Time Prior Year Expenditures Deleted		
• Pension Administration System Implementation Staffing (1.0 Information System Analyst and 1.0 Senior Analyst)	(2.00)	(279,668)
One-time Prior Year Expenditures Subtotal:	37.75	6,453,166
<hr/> Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes and the following position reallocations:		322,373
- 1.0 Senior Account Clerk to 1.0 Accountant I/II		
- 7.0 Staff Technician to 7.0 Staff Specialist		
- 0.75 Staff Technician PT to 0.75 Staff Specialist PT		
Technical Adjustments Subtotal:	0.00	322,373
2019-2020 Forecast Base Budget:	37.75	6,775,539
<hr/> Budget Proposals Approved <hr/>		
1. Technology Support Staffing	1.00	191,402
2. Pension Benefits Staffing	1.00	128,168
Total Budget Proposals Approved	2.00	319,570
2019-2020 Adopted Budget Total	39.75	7,095,109

Office of Retirement Services

Budget Changes by Office Personal Services and Non-Personal/Equipment




2019-2020 Adopted Budget Changes	Positions	All Funds (\$)
1. Technology Support Staffing	1.00	191,402
<i>Strategic Support CSA</i> <i>Strategic Support Core Service</i> <i>Retirement Services Information Technology Program</i>		
<p>This action adds 1.0 Information Systems Analyst position, limit-dated to June 30, 2020, to assist with providing technology support to the Office of Retirement Services for the new Pension Administration System that went live in February 2019 and the Retirement Services website. After a website redesign is fully implemented, staff will have a greater ability to change the website content, which will result in more time needed to update and maintain the website to keep it current. (Ongoing costs: \$0)</p>		
2. Pension Benefits Staffing	1.00	128,168
<i>Strategic Support CSA</i> <i>Retirement Plan Administration Core Service</i> <i>Retirement Benefits Program</i>		
<p>This action adds 1.0 Senior Analyst position to support the Benefits division in response to the additional workload created by the implementation of Measure F, a larger pool of insurance plans due to Municipal Code changes requiring retirees to enroll in Medicare, an increase of full-time student and outside earnings verifications because of an increasing number of retirees, the administration of retirees and insurance plans related to implementation of the Voluntary Employees' Beneficiary Association, and the management of the Disability Advisory Panel to be implemented per the Municipal Code. (Ongoing costs: \$128,168)</p>		
2019-2020 Adopted Budget Changes Total	2.00	319,570

Office of Retirement Services

Performance Summary

Retirement Plan Administration

Performance Measures

	2017-2018 Actual	2018-2019 Target	2018-2019 Estimated	2019-2020 Target
 % of active members that feel that Retirement Services had a positive impact on their ability to make decisions to achieve retirement goals	95%	100%	95%	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	84%	100%	90%	100%

Activity and Workload Highlights

	2017-2018 Actual	2018-2019 Forecast	2018-2019 Estimated	2019-2020 Forecast
# of active and retired members surveyed	159	300	300	300
# of portfolios analyzed annually	178	190	190	200
# of agendized Board meetings	95	98	87	93
Investment committee work plan projects	89	48	60	75

Office of Retirement Services

Departmental Position Detail

Position	2018-2019 Adopted	2019-2020 Adopted	Change
Accountant I/II	0.00	1.00	1.00
Account Clerk II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Analyst I/II	6.00	6.00	-
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 I/II/III	1.00	1.00	-
Office Specialist II	1.00	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 Account Clerk	1.00	0.00	(1.00)
Senior Accountant	2.00	2.00	-
Senior Analyst	2.00	2.00	-
Senior Auditor	1.00	1.00	-
Senior Retirement Investment Officer	1.00	1.00	-
Staff Specialist	0.00	7.00	7.00
Staff Specialist PT	0.00	0.75	0.75
Staff Technician	7.00	0.00	(7.00)
Staff Technician PT	0.75	0.00	(0.75)
Total Positions	39.75	39.75	0.00