

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 2018-2019 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.

2018-2019 Key Budget Actions

- Continues 1.0 Information Systems Analyst and 1.0 Senior Analyst positions until June 30, 2019 to support the implementation of the new Pension Administration System (PAS) and the current workload of Medical Benefits administration.

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 2018-2019, 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

	2016-2017 Actuals*	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Adopted
Dollars by Core Service				
Retirement Plan Administration	n/a	4,657,674	4,124,719	4,253,807
Strategic Support - City Council Appointees	n/a	2,569,703	2,478,447	2,629,027
Strategic Support - Other - Council Appointees	n/a	50,000	40,000	40,000
Total	n/a	\$7,277,377	\$6,643,166	\$6,922,834
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	6,130,294	7,077,377	6,453,166	6,732,834
Subtotal Personal Services	\$6,130,294	\$7,077,377	\$6,453,166	\$6,732,834
Total Personal Services & Non-Personal/Equipment	\$6,130,294	\$7,077,377	\$6,453,166	\$6,732,834
Other Costs**				
City-Wide Expenses	n/a	200,000	190,000	190,000
Total Other Costs	n/a	\$200,000	\$190,000	\$190,000
Total	n/a	\$7,277,377	\$6,643,166	\$6,922,834

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.

* Some data for the 2016-2017 Actual column are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods.

** 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.

Office of Retirement Services
Department Budget Summary

	2016-2017 Actuals*	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Adopted
Dollars by Fund				
General Fund (001)	n/a	200,000	190,000	190,000
Federated Retirement Funds	n/a	3,539,687	3,227,709	3,367,543
Police and Fire Retirement Funds	n/a	3,537,690	3,225,457	3,365,291
Total	n/a	\$7,277,377	\$6,643,166	\$6,922,834
Positions by Core Service				
Retirement Plan Administration	n/a	25.55	23.55	24.55
Strategic Support - City Council Appointees	n/a	14.20	14.20	15.20
Total	n/a	39.75	37.75	39.75

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Office of Retirement Services
Department Budget Summary

	2016-2017 Actuals*	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Adopted	2018-2019 Adopted Positions
Dollars by Program**					
Retirement Plan Administration					
Retirement Benefits	n/a	2,498,994	2,141,159	2,270,247	14.30
Retirement Investments	n/a	2,158,680	1,983,560	1,983,560	10.25
Sub-Total	n/a	4,657,674	4,124,719	4,253,807	24.55
Strategic Support - City Council Appointees					
Retirement Services Financial Management	n/a	927,533	993,030	993,030	6.45
Retirement Services Information Technology	n/a	991,145	775,373	925,953	4.45
Retirement Services Management and Administration	n/a	651,025	710,044	710,044	4.30
Sub-Total	n/a	2,569,703	2,478,447	2,629,027	15.20
Strategic Support - Other - Council Appointees					
Retirement Services Other Departmental - City-Wide	n/a	50,000	40,000	40,000	0.00
Sub-Total	n/a	50,000	40,000	40,000	0.00
Total	n/a	\$7,277,377	\$6,643,166	\$6,922,834	39.75

* Data for the 2016-2017 Actual column are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods.

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Office of Retirement Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2017-2018 Adopted to 2018-2019 Adopted)

	Positions	All Funds (\$)
Prior Year Budget (2017-2018):	39.75	7,077,377
<hr/> Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Pension Administration System Implementation Staffing (1.0 Information System Analyst and 1.0 Senior Analyst)	(2.00)	(379,964)
One-time Prior Year Expenditures Subtotal:	37.75	6,697,413
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes and the following position reallocation: - 1.0 Retirement Investment Officer to 1.0 Retirement Investment Operations Supervisor		(244,247)
Technical Adjustments Subtotal:	0.00	(244,247)
2018-2019 Forecast Base Budget:	37.75	6,453,166
<hr/> Budget Proposals Approved		
1. Pension Administration System Implementation Staffing	2.00	279,668
Total Budget Proposals Approved	2.00	279,668
2018-2019 Adopted Budget Total	39.75	6,732,834

Office of Retirement Services

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




2018-2019 Adopted Budget Changes	Positions	All Funds (\$)
1. Pension Administration System Implementation Staffing	2.00	279,668
<i>Strategic Support CSA</i>		
<i>Retirement Plan Administration Core Service</i>		
<i>Strategic Support Core Service</i>		
<i>Benefits and Retirement Information Technology Programs</i>		
<p>This action continues 1.0 Information Systems Analyst position and 1.0 Senior Analyst position through June 30, 2019 to support the implementation of the new Pension Administration System (PAS), which started in March 2015 and is anticipated to take four years to complete. The positions will support the everyday operations of the Department, providing capacity for the experienced staff to manage and support the design, testing, and transition of the new system to ensure a successful implementation. The use of positions will ensure a successful implementation of the new PAS. The continued need for these positions will be evaluated during the 2019-2020 annual budget process, depending on the status of the system implementation at that time. The Senior Analyst position will support with the current workload of Medical Benefits administration. (Ongoing costs: \$0)</p>		
2018-2019 Adopted Budget Changes Total	2.00	279,668

Office of Retirement Services

Performance Summary

Retirement Plan Administration

Performance Measures

	2016-2017 Actual	2017-2018 Target	2017-2018 Estimated	2018-2019 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%	85%	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%	85%	100%

Activity and Workload Highlights

	2016-2017 Actual	2017-2018 Forecast	2017-2018 Estimated	2018-2019 Forecast
# of active and retired members surveyed	222	300	300	300
# of portfolios analyzed annually	164	190	190	190
# of agendized Board meetings	90	98	96	98
Investment committee work plan projects	47	48	40	48

Office of Retirement Services

Departmental Position Detail

Position	2017-2018 Adopted	2018-2019 Adopted	Change
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	4.00	3.00	(1.00)
Retirement Investment Operations Supervisor	0.00	1.00	1.00
Senior Account Clerk	1.00	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 Technician	7.00	7.00	-
Staff Technician PT	0.75	0.75	-
Total Positions	39.75	39.75	0.00