

Office of Retirement Services

Roberto L. Peña, Chief Executive Officer

M
I
S
S
I
O
N

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 2020-2021 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.

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

| | 2018-2019 Actuals *** | 2019-2020 Adopted | 2020-2021 Forecast | 2020-2021 Adopted |
|---|--------------------------|----------------------|-----------------------|----------------------|
| Dollars by Core Service | | | | |
| Retirement Plan Administration | 3,897,755 | 4,573,081 | 4,417,400 | 4,417,400 |
| Strategic Support - City Council Appointees | 2,460,118 | 2,672,028 | 2,640,965 | 2,640,965 |
| Strategic Support - Other - Council Appointees | 38,309 | 40,000 | 37,000 | 37,000 |
| Total | \$6,396,182 | \$7,285,109 | \$7,095,365 | \$7,095,365 |
| Dollars by Category | | | | |
| <i>Personal Services and Non-Personal/Equipment</i> | | | | |
| Salaries/Benefits | 6,295,319 | 7,095,109 | 6,958,365 | 6,958,365 |
| Subtotal Personal Services | \$6,295,319 | \$7,095,109 | \$6,958,365 | \$6,958,365 |
| Total Personal Services & Non-Personal/Equipment | \$6,295,319 | \$7,095,109 | \$6,958,365 | \$6,958,365 |
| <i>Other Costs*</i> | | | | |
| City-Wide Expenses | 100,863 | 190,000 | 137,000 | 137,000 |
| Other | 0 | 0 | 0 | 0 |
| Other - Capital | 0 | 0 | 0 | 0 |
| Overhead Costs | 0 | 0 | 0 | 0 |
| Total Other Costs | \$100,863 | \$190,000 | \$137,000 | \$137,000 |
| Total | \$6,396,182 | \$7,285,109 | \$7,095,365 | \$7,095,365 |

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 \$137,000. 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 2019-2020 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 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of Retirement Services
Department Budget Summary

| | 2018-2019 Actuals *** | 2019-2020 Adopted | 2020-2021 Forecast | 2020-2021 Adopted |
|---|----------------------------------|------------------------------|-------------------------------|------------------------------|
| Dollars by Fund | | | | |
| General Fund (001) | 100,863 | 190,000 | 137,000 | 137,000 |
| Federated Retirement Funds | 2,961,017 | 3,549,117 | 3,480,825 | 3,480,825 |
| Police and Fire Retirement Funds | 3,334,302 | 3,545,992 | 3,477,540 | 3,477,540 |
| Total | \$6,396,182 | \$7,285,109 | \$7,095,365 | \$7,095,365 |
| Positions by Core Service** | | | | |
| Retirement Plan Administration | 24.55 | 25.55 | 24.55 | 24.55 |
| Strategic Support - City Council Appointees | 15.20 | 14.20 | 14.20 | 14.20 |
| Total | 39.75 | 39.75 | 38.75 | 38.75 |

* 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. The amounts in the 2019-2020 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 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

*** 2018-2019 Actuals may not subtotal due to rounding.

Office of Retirement Services

Department Budget Summary

| | 2018-2019 Actuals** | 2019-2020 Adopted | 2020-2021 Forecast | 2020-2021 Adopted | 2020-2021 Adopted Positions |
|---|------------------------|----------------------|-----------------------|----------------------|-----------------------------------|
| Dollars by Program* | | | | | |
| Retirement Plan Administration | | | | | |
| Retirement Benefits | 2,046,281 | 2,473,062 | 2,280,028 | 2,280,028 | 14.30 |
| Retirement Investments | 1,851,474 | 2,100,019 | 2,137,372 | 2,137,372 | 10.25 |
| Sub-Total | 3,897,755 | 4,573,081 | 4,417,400 | 4,417,400 | 24.55 |
| Strategic Support - City Council Appointees | | | | | |
| Retirement Services Financial Management | 931,747 | 1,131,127 | 1,154,007 | 1,154,007 | 6.45 |
| Retirement Services Information Technology | 866,493 | 915,421 | 703,388 | 703,388 | 3.45 |
| Retirement Services Management and Administration | 661,878 | 625,480 | 783,570 | 783,570 | 4.30 |
| Sub-Total | 2,460,118 | 2,672,028 | 2,640,965 | 2,640,965 | 14.20 |
| Strategic Support - Other - Council Appointees | | | | | |
| Retirement Services Other Departmental - City-Wide | 38,309 | 40,000 | 37,000 | 37,000 | 0.00 |
| Sub-Total | 38,309 | 40,000 | 37,000 | 37,000 | 0.00 |
| Total | \$6,396,182 | \$7,285,109 | \$7,095,365 | \$7,095,365 | 38.75 |

* 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. The amounts in the 2019-2020 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.

** 2018-2019 Actuals may not subtotal due to rounding.

Office of Retirement Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Adopted)




| | Positions | All Funds (\$) |
|--|--------------|------------------|
| Prior Year Budget (2019-2020): | 39.75 | 7,095,109 |
| <hr/> Base Adjustments | | |
| One-Time Prior Year Expenditures Deleted | | |
| • Technology Support Staffing (1.0 Information Systems Analyst) | (1.00) | (191,402) |
| One-time Prior Year Expenditures Subtotal: | 38.75 | 6,903,707 |
| Technical Adjustments to Costs of Ongoing Activities | | |
| • Salary/benefit changes and the following position reallocations: - 1.0 Staff Specialist to 1.0 Executive Assistant U | | 54,658 |
| Technical Adjustments Subtotal: | 0.00 | 54,658 |
| 2020-2021 Forecast Base Budget: | 38.75 | 6,958,365 |
| <hr/> Budget Proposals Approved | | |
| NONE | | |
| 2020-2021 Adopted Budget Total | 38.75 | 6,958,365 |

Office of Retirement Services

Performance Summary

Retirement Plan Administration

Performance Measures

| | 2018-2019 Actual | 2019-2020 Target | 2019-2020 Estimated | 2020-2021 Target |
|---|---------------------|---------------------|------------------------|---------------------|
|  % of active members that feel that Retirement Services had a positive impact on their ability to make decisions to achieve retirement goals | 99% | 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 | 94% | 100% | 95% | 100% |

Activity and Workload Highlights

| | 2018-2019 Actual | 2019-2020 Forecast | 2019-2020 Estimated | 2020-2021 Forecast |
|--|---------------------|-----------------------|------------------------|-----------------------|
| # of active and retired members surveyed | 163 | 300 | 300 | 300 |
| # of portfolios analyzed annually | 184 | 200 | 192 | 200 |
| # of agendized Board meetings | 65 | 93 | 75 | 87 |
| Investment committee work plan projects | 82 | 75 | 58 ¹ | 50 |

¹ 2019-2020 Estimated and 2020-2021 Forecast work plan projects reflect the Boards' delegation of authority for investment manager selection and termination to investment staff which reduced the number of recommendations evaluated by the Investment Committee.

Office of Retirement Services

Departmental Position Detail

| Position | 2019-2020 Adopted | 2020-2021 Adopted | Change |
|---|----------------------|----------------------|---------------|
| Accountant I/II | 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 | - |
| Executive Assistant U | 0.00 | 1.00 | 1.00 |
| Financial Analyst | 1.00 | 1.00 | - |
| Information Systems Analyst | 2.00 | 1.00 | (1.00) |
| 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 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 | 7.00 | 6.00 | (1.00) |
| Staff Specialist PT | 0.75 | 0.75 | - |
| Total Positions | 39.75 | 38.75 | (1.00) |

PAGE IS INTENTIONALLY LEFT BLANK