

Retirement Services

Department

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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

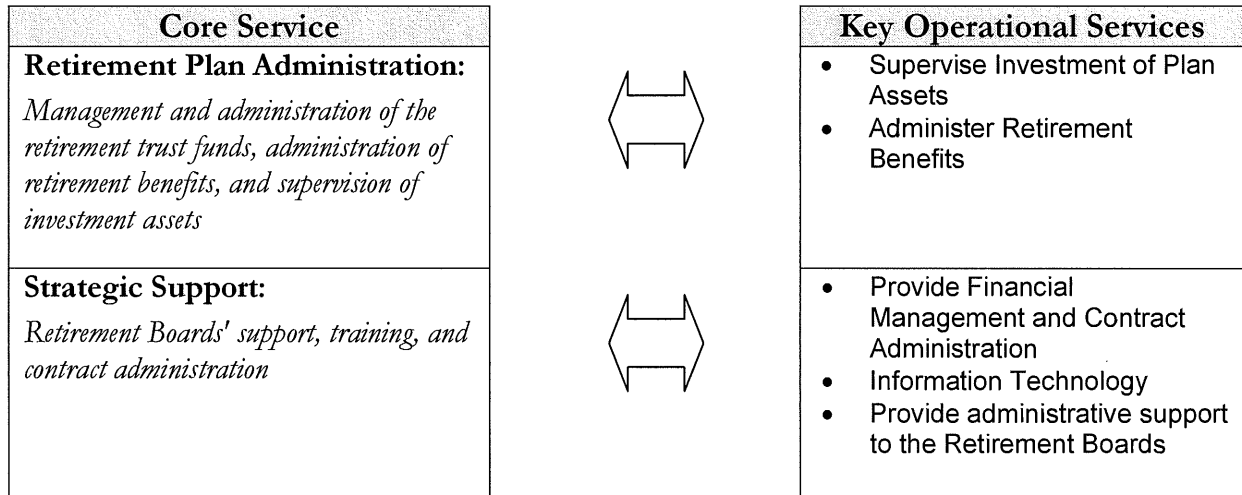
Retirement Plan Administration

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

Retirement Services Department

Service Delivery Framework



Retirement Services Department

Department Budget Summary

Expected 2012-2013 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, reduce intergenerational shifting of liabilities, and minimize the City and employee contributions.
- Provide quality retirement planning, counseling and financial reporting.

2012-2013 Budget Actions

- An Assistant Director position will manage the day-to-day operations of the Department, providing additional oversight and leadership to the Investments and Administrative groups. This position will also assist the Director in supporting the Retirement Boards and completing legislative work.
- A Senior Accountant will provide additional supervisory capacity and assist the Department in meeting increasingly stringent accounting requirements.

Operating Funds Managed

- Federated Retirement Fund
- Police and Fire Retirement Fund

Retirement Services Department

Department Budget Summary

| | 2010-2011 Actual 1 | 2011-2012 Adopted 2 | 2012-2013 Forecast 3 | 2012-2013 Adopted 4 | % Change (2 to 4) |
|---|--------------------------|---------------------------|----------------------------|---------------------------|-------------------------|
| Dollars by Core Service | | | | | |
| Retirement Plan Administration | \$ 2,752,330 | \$ 3,139,610 | \$ 3,044,795 | \$ 3,044,795 | (3.0%) |
| Strategic Support | 1,264,825 | 1,529,113 | 1,588,521 | 1,908,899 | 24.8% |
| Total | \$ 4,017,155 | \$ 4,668,723 | \$ 4,633,316 | \$ 4,953,694 | 6.1% |
| Dollars by Category | | | | | |
| Personal Services | \$ 4,017,155 | \$ 4,668,723 | \$ 4,633,316 | \$ 4,953,694 | 6.1% |
| Total | \$ 4,017,155 | \$ 4,668,723 | \$ 4,633,316 | \$ 4,953,694 | 6.1% |
| Dollars by Fund | | | | | |
| Federated Retirement | \$ 1,995,925 | \$ 2,334,448 | \$ 2,316,793 | \$ 2,476,382 | 6.1% |
| Police & Fire Retirement | 2,021,230 | 2,334,275 | 2,316,523 | 2,477,312 | 6.1% |
| Total | \$ 4,017,155 | \$ 4,668,723 | \$ 4,633,316 | \$ 4,953,694 | 6.1% |
| Authorized Positions by Core Service | | | | | |
| Retirement Plan Administration | 23.23 | 22.25 | 22.25 | 22.25 | 0.0% |
| Strategic Support | 10.27 | 11.25 | 11.25 | 13.25 | 17.8% |
| Total | 33.50 | 33.50 | 33.50 | 35.50 | 6.0% |

Retirement Services Department

Budget Reconciliation

(2011-2012 Adopted to 2012-2013 Adopted)

| | Positions | All Funds (\$) |
|--|--------------|------------------|
| Prior Year Budget (2011-2012): | 33.50 | 4,668,723 |
| <hr/> Base Adjustments <hr/> | | |
| One-Time Prior Year Expenditures Deleted | | |
| • Retirement Services Department Unemployment Contribution | | (41,627) |
| One-Time Prior Year Expenditures Subtotal: | 33.50 | 4,627,096 |
| Technical Adjustments to Costs of Ongoing Activities | | |
| • Salary/benefit changes and the following position reallocations: | | 6,220 |
| - 1.0 Administrative Officer to 1.0 Division Manager | | |
| - 1.0 Analyst to 1.0 Retirement Actuarial Analyst | | |
| - 1.0 Senior Accountant to 1.0 Principal Accountant | | |
| - 1.0 Program Manager II to 1.0 Retirement Investment Officer | | |
| - 1.0 Secretary to 1.0 Staff Specialist | | |
| Technical Adjustments Subtotal: | 0.00 | 6,220 |
| 2012-2013 Forecast Base Budget: | 33.50 | 4,633,316 |
| <hr/> Budget Proposals Approved <hr/> | | |
| 1. Retirement Services Assistant Director | 1.00 | 187,970 |
| 2. Retirement Services Accounting Staffing | 1.00 | 132,408 |
| Total Budget Proposals Approved | 2.00 | 320,378 |
| 2012-2013 Adopted Budget Total | 35.50 | 4,953,694 |

Retirement Services Department

Budget Changes By Department




| Adopted Budget Changes | Positions | All Funds (\$) |
|--|-------------|----------------|
| 1. Retirement Services Assistant Director | 1.00 | 187,970 |
| <i>Strategic Support CSA</i> <i>Strategic Support</i> | | |
| <p>This action adds 1.0 Assistant Director to serve as the Chief Operations Officer. The Retirement Services Department is responsible for managing approximately \$4.6 billion in assets under the Federated and Police and Fire Retirement Plans. This position will assist the Director to support the Federated City Employees' Retirement System Board and the Police and Fire Department Retirement Plan Board and address the volume of legislative work required of the Department. The position will also manage the day-to-day operations of the Department providing additional oversight and leadership to the Investments and Administrative groups and taking over the Director's responsibilities during the Director's absence. (Ongoing costs: \$204,828)</p> | | |
| Performance Results: Quality This action will assist with the necessary support and succession planning required to administer the retirement plans. | | |
| 2. Retirement Services Accounting Staffing | 1.00 | 132,408 |
| <i>Strategic Support CSA</i> <i>Strategic Support</i> | | |
| <p>This action adds 1.0 Senior Accountant to provide additional supervisory capacity to the accounting group. This position is necessary due to the establishment of new health trust funds, additional accounting requirements in pension and other post employment accounting, the increased number and complexity of investment vehicles, and changes in sponsor and member contributions due to prepayment and negotiated benefit changes. (Ongoing costs: \$144,845)</p> | | |
| Performance Results: Quality This action will enable the Accounting Division to better meet accounting requirements. | | |
| 2012-2013 Adopted Budget Changes Total | 2.00 | 320,378 |

Retirement Services Department

Performance Summary

Retirement Plan Administration

Performance Measures

| | 2010-2011 Actual | 2011-2012 Target | 2011-2012 Estimated | 2012-2013 Target |
|---|---------------------|---------------------|------------------------|---------------------|
|  % of active members that feel that Retirement Services had a positive impact on their ability to make decisions to achieve retirement goals | 84% | 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 | 89% | 100% | 95% | 100% |

Changes to Performance Measures from 2011-2012 Adopted Budget: No

Activity and Workload Highlights

| | 2010-2011 Actual | 2011-2012 Forecast | 2011-2012 Estimated | 2012-2013 Forecast |
|--|---------------------|-----------------------|------------------------|-----------------------|
| # of active and retired members surveyed | 132 | 65 | 215 | 175 |
| # of portfolios analyzed annually | 63 | 100 | 70 | 100 |
| # of agendaized Board meetings | 49 | 34 | 69 | 76 |
| Investment committee work plan projects | 25 | 25 | 42 | 25 |

Changes to Activity & Workload Highlights from 2011-2012 Adopted Budget: No

Retirement Services Department

Departmental Position Detail

| Position | 2011-2012 Adopted | 2012-2013 Adopted | Change |
|-----------------------------------|----------------------|----------------------|-------------|
| Account Clerk II | 1.00 | 1.00 | - |
| Accounting Technician | 1.00 | 1.00 | - |
| Administrative Assistant | 1.00 | 1.00 | - |
| Administrative Officer | 1.00 | 0.00 | (1.00) |
| Analyst I/II | 7.00 | 6.00 | (1.00) |
| Assistant Director | 0.00 | 1.00 | 1.00 |
| Deputy Director | 2.00 | 2.00 | - |
| Director, Retirement Services | 1.00 | 1.00 | - |
| Division Manager | 0.00 | 1.00 | 1.00 |
| Financial Analyst | 1.00 | 1.00 | - |
| Information Systems Analyst | 2.00 | 2.00 | - |
| Network Technician II PT | 0.75 | 0.75 | - |
| Office Specialist II | 2.00 | 2.00 | - |
| Principal Accountant | 0.00 | 1.00 | 1.00 |
| Program Manager II | 1.00 | 0.00 | (1.00) |
| Retirement Actuarial Analyst I/II | 1.00 | 2.00 | 1.00 |
| Retirement Investment Officer | 5.00 | 6.00 | 1.00 |
| Secretary | 1.00 | 0.00 | (1.00) |
| Senior Account Clerk | 1.00 | 1.00 | - |
| Senior Accountant | 2.00 | 2.00 | - |
| Senior Analyst | 1.00 | 1.00 | - |
| Staff Specialist | 0.00 | 1.00 | 1.00 |
| Staff Technician | 1.00 | 1.00 | - |
| Staff Technician PT | 0.75 | 0.75 | - |
| Total Positions | 33.50 | 35.50 | 2.00 |