

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, 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 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.

Office of Retirement Services

Department Budget Summary

Expected 2022-2023 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.

2022-2023 Key Budget Actions

- Adds 1.0 Senior Analyst, 1.0 Senior Supervisor, Administration, and 1.0 Analyst II positions to address workload and span of control challenges in the Pension Benefits Program which have impacted service delivery and customer response times. The additional staff will provide oversight and analytical resources for more timely response to workload demands as well as an appropriate span of control for front-office and back-office activities.

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

	<u>2020-2021 Actuals ***</u>	<u>2021-2022 Adopted</u>	<u>2022-2023 Forecast</u>	<u>2022-2023 Proposed</u>
Dollars by Core Service				
Retirement Plan Administration	4,361,886	4,765,129	4,855,574	5,330,188
Strategic Support - City Council Appointees	2,625,500	2,734,880	2,914,834	2,914,834
Strategic Support - Other - Council Appointees	30,441	32,000	32,000	32,000
Total	\$7,017,827	\$7,532,009	\$7,802,408	\$8,277,022
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	6,909,000	7,415,009	7,685,408	8,160,022
Subtotal Personal Services	\$6,909,000	\$7,415,009	\$7,685,408	\$8,160,022
Total Personal Services & Non-Personal/Equipment	\$6,909,000	\$7,415,009	\$7,685,408	\$8,160,022
<i>Other Costs*</i>				
City-Wide Expenses	108,827	117,000	117,000	117,000
General Fund Capital	0	0	0	0
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	\$108,827	\$117,000	\$117,000	\$117,000
Total	\$7,017,827	\$7,532,009	\$7,802,408	\$8,277,022

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 \$117,000. 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 amounts in the 2021-2022 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 2020-2021 Actuals column reflect those included in the 2020-2021 Adopted Budget.

*** 2020-2021 Actuals may not subtotal due to rounding.

Office of Retirement Services

Department Budget Summary

	2020-2021 Actuals ***	2021-2022 Adopted	2022-2023 Forecast	2022-2023 Proposed
Dollars by Fund				
General Fund (001)	108,827	117,000	117,000	117,000
Federated Retirement Funds	3,198,000	3,709,237	3,844,590	4,081,897
Police and Fire Retirement Funds	3,711,000	3,705,772	3,840,818	4,078,125
Total	\$7,017,827	\$7,532,009	\$7,802,408	\$8,277,022
Positions by Core Service**				
Retirement Plan Administration	24.55	25.80	25.80	28.80
Strategic Support - City Council Appointees	14.20	14.20	14.20	14.20
Total	38.75	40.00	40.00	43.00

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** The positions displayed in the 2020-2021 Actuals column reflect those included in the 2020-2021 Adopted Budget.

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Office of Retirement Services

Department Budget Summary

	2020-2021 Actuals**	2021-2022 Adopted	2022-2023 Forecast	2022-2023 Adopted	2022-2023 Adopted Positions
Dollars by Program*					
Retirement Plan Administration					
Retirement Benefits	2,257,186	2,300,759	2,445,248	2,919,862	17.55
Retirement Investments	2,104,700	2,464,370	2,410,326	2,410,326	11.25
Sub-Total	4,361,886	4,765,129	4,855,574	5,330,188	28.80
Strategic Support - City Council Appointees					
Retirement Services Financial Management	1,142,600	1,191,988	1,245,026	1,245,026	6.45
Retirement Services Information Technology	690,900	727,064	752,062	752,062	3.45
Retirement Services Management and Administration	792,000	815,828	917,746	917,746	4.30
Sub-Total	2,625,500	2,734,880	2,914,834	2,914,834	14.20
Strategic Support - Other - Council Appointees					
Retirement Services Other Departmental - City-Wide	30,441	32,000	32,000	32,000	0.00
Sub-Total	30,441	32,000	32,000	32,000	0.00
Total	\$7,017,827	\$7,532,009	\$7,802,408	\$8,277,022	43.00

* 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.

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Office of Retirement Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2021-2022 Adopted to 2022-2023 Proposed)

	Positions	All Funds (\$)
Prior Year Budget (2021-2022):	40.00	7,415,009
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• NONE		
One-time Prior Year Expenditures Subtotal:	40.00	7,415,009
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes:		270,399
Technical Adjustments Subtotal:	0.00	270,399
2022-2023 Forecast Base Budget:	40.00	7,685,408
Budget Proposals Recommended		
1. Pension Benefits Staffing	3.00	474,614
Total Budget Proposals Recommended	3.00	474,614
2022-2023 Proposed Budget Total	43.00	8,160,022

Office of Retirement Services

Budget Changes by Department

Personal Services and Non-Personal/Equipment




2022-2023 Proposed Budget Changes	Positions	All Funds (\$)
1. Pension Benefits Staffing	3.00	474,614
<i>Strategic Support – Council Appointees CSA Retirement Plan Administration Core Service Retirement Benefits Program</i>		
<p>This action adds 1.0 Senior Analyst, 1.0 Senior Supervisor, Administration, and 1.0 Analyst II positions to address workload and span of control challenges in the Pension Benefits Program which have impacted service delivery and customer response times. The Pension Benefit Program’s volume and complexity of work has increased significantly over the last ten years. For example, the number of retirees/survivors serviced by the team has increased 36% in the past decade and the number of retirees/survivors impacted by the 415(b) law has continued to grow, requiring time-consuming, complex analysis of all retiree/survivor data to determine new retirees/survivors who are impacted as well as annual analysis of those who continue to be impacted. Currently, one Senior Analyst oversees nine analytical and clerical staff performing front-office and back-office activities including counseling new retirees, performing detailed analysis and calculations of pension benefits, setting up and maintaining retiree data in the Pension Gold database, coordinating with reciprocal agencies for reciprocity eligibility, disability retirement processing, death processing, divorce processing, military service credit reconciliations, customer service and education, and other pension activities. Due to limited staffing resources, they have been forced to focus primarily on urgent activities for the current month payroll while important but non-urgent activities (such as non-hardship disability retirements and military leave service credits) have been delayed for weeks, to months, to years. Delays and backlogs prevent members from accessing accurate estimates of their pension benefits and, with staff turnover, increases the potential for service requests to get lost. The additional staff will provide oversight and analytical resources for more timely response to workload demands, as well as an appropriate span of control for front-office and back-office activities. (Ongoing costs: \$474,614)</p>		
2022-2023 Proposed Budget Changes Total	3.00	474,614

Office of Retirement Services

Performance Summary

Retirement Plan Administration

Performance Measures

	2020-2021 Actual	2021-2022 Target	2021-2022 Estimated	2022-2023 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%	87%	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	90%	100%	87%	100%

Activity and Workload Highlights

	2020-2021 Actual	2021-2022 Forecast	2021-2022 Estimated	2022-2023 Forecast
# of active and retired members surveyed	300	400	174	400
# of portfolios analyzed annually	181	190	210	220
# of agendaed Board meetings	75	95	119	107
Investment committee work plan projects	40	60	54	56

Office of Retirement Services

Department Position Detail

Position	2021-2022 Adopted	2022-2023 Proposed	Change
Accountant I/II	1.00	1.00	-
Account Clerk I/II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Analyst I/II	6.00	7.00	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	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	3.00	1.00
Senior Auditor	1.00	1.00	-
Senior Retirement Investment Officer	2.00	2.00	-
Senior Supervisor, Administration	0.00	1.00	1.00
Staff Specialist	7.00	7.00	-
Total Positions	40.00	43.00	3.00