



**ALAMEDA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**2022  
APPROVED  
EXPENSE  
BUDGET**

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## **Section I**

### **Letter from the CEO to the Board of Retirement**

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## Section I

# Letter from the CEO to the Board of Retirement

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Members of the Board of Retirement,

It is my pleasure to present the approved 2022 budget. This past year was spent continuing to navigate our way through the ongoing COVID-19 pandemic situation. Health outcomes have massively improved nationwide with widespread availability of the COVID-19 vaccines, though pandemic challenges continue with new waves and virus variants necessitating continued social restrictions.

Over the course of the pandemic, ACERA has adapted to different ways of working, learning, and connecting with each other. ACERA has utilized remote server technology to connect staff, the vast majority of whom continue to work from home. Members connect virtually with ACERA through a virtual call center and through Zoom for counseling appointments and seminars. ACERA continues utilizing Zoom to hold virtual Board and Committee meetings.

To ensure the safety of members, employees, and families, the office continues to be closed to the public with limited in-person counseling appointments available twice weekly to members with specific needs. Limited staff are on site these days to meet with members and support colleagues. County-mandated workplace protection protocols for social distance and sanitary procedures continue.

ACERA's focus continues to be on maintaining the delivery of essential services, with staff processing retirements and making retirement and benefit payments on schedule.

The approved 2022 budget has been predicated on priorities determined as necessary to carry out ACERA's mission. These priorities are to continue developing a culture and infrastructure of accountability and cost effectiveness, to make for a more transparent organization moving forward. Additionally, we will leverage technology to introduce new service models and enhance service effectiveness that will continue building an organization focused on its core values and a vision of exceeding customer expectations, of engaging team members, and of developing supportive leadership. To that end, we look forward to finalizing this budget with the Board.

## KEY 2021 ACCOMPLISHMENTS

**Organization-Wide Initiatives** | Touching all departments across the organization, ACERA continued the Pension Administration System (PAS) upgrade project. Working with the project oversight consultant and the in-house project manager, staff completed the design of OnBase document management integration and the framework for a benefit estimator and service credit purchase estimator, and completed a prototype of the employer reporting tool. The project has and will require an ongoing commitment and availability of cross-departmental staff resources. ACERA has reduced the volume of other project work to successfully deliver the targeted completion date of the project in 2023.

**Benefits Initiatives** | Redesigned the Service Retirement Application. Launched Disability Inquiry web form. Added the Silver & Fit benefit for Kaiser Permanente Senior Advantage plan enrollees for the 2022 Plan Year at no cost on

a trial basis. Increased the 60-day retirement application window to 90 days based on recent legislative changes. Initiated the digitizing of all forms to use in the DocuSign platform.

**Fiscal Services Initiatives** | The department upgraded general ledger system to GP2018; initiated search for new commercial bank provider; received the GFOA award for the 2020 CAFR; received an unmodified audit opinion for the December 31, 2020 Financial Statements. Department has been instrumental in keeping retirement and benefit payments flowing during the pandemic, and has focused on supporting interdepartmental services and processes.

**Human Resources Initiatives** | Department has been instrumental in ensuring remote work needs were met. Provided essential leadership and interface communication between County emergency operations and ACERA's senior leadership to ensure compliance with public health and disaster protocol and other procedures during the pandemic.

**Information Technology Enhancements** | Replaced Access database for PensionGold reporting with upgraded system. Adopted an eSignature Policy and initiated an agreement with DocuSign to provide a platform for members to complete and sign forms digitally.

**Internal Audit Initiatives** | Completed the PEPRA Compliance Audit for Alameda Health System, the Pension Benefits Calculation Audit, and review of the safe and check process. Created Internal Audit Operations Manual.

**Investment Initiatives** | Adopted an Environmental, Social and Governance (ESG) Investment Policy. Changed the Absolute Return Asset Class Structure to 80% Fund of Hedge Funds and 20% Other Alternatives/Oppportunistic. Hired an Overlay Services Provider. Changed portfolio asset allocation, moderately increasing private investments with the aim of increasing portfolio expected returns, to 24% U.S. Equity, 24% International Equity, 14% Fixed Income, 9% Real Estate, 11% Private Equity, 8% Absolute Return, 6% Real Assets, and 4% Private Credit.

**Portfolio Performance** | As of June 30, 2021, the total fund had returned 11.03% (net), year-to-date for 2021. The value of the total fund was \$11.4 billion.

## **BASELINE AND APPROVED 2022 OPERATING EXPENSE BUDGET (OEB)**

ACERA has primarily been responding to the variability of the pandemic situation and focusing on the Pension Administration System Upgrade. In 2022 we will concentrate on aligning technology and personnel to optimize the new virtual customer service options and performing the daily functions of the organization. Initiatives will continue to be prioritized and reduced due to the increased resource needs required to complete the Pension Administration System upgrade project.

Highlights of upcoming business initiatives are:

For the Pension Administration System:

- OnBase Integration with Workflows
- Employer Outreach for Adoption of V3 Transmittal
- Staff Training on Software Testing Phase II Designs
- Staff Software Testing Phase II Designs

Additional projects include:

- Review of Internal Cybersecurity Controls
- On-the-Job Training (OJT) Structure
- Enterprise Risk Management



## **BASELINE AND APPROVED 2022 OPERATING EXPENSE BUDGET (OEB)**

The starting point for the 2022 OEB is a “baseline” that reflects the anticipated costs of carrying out the same level of services approved by the ACERA Board in the 2021 Budget. Staff was required to request and justify additional funds with a formal Budget Change Proposal (BCP) for any item affecting the 2022 baseline and approved 2022 budget. Additional staff positions or changes in salaries for 2022 were requested and justified using a Personnel Change Request (PCR) form. Approvals for changes did not take place without careful review of cost impacts and on-going organizational needs. Reviews were conducted by the Chief Executive Officer, Human Resource Officer (for PCRs), and Fiscal Services Officer before approvals were granted. With the addition of those items, the approved 2022 budget is \$22.0 million. This is \$0.57 million or 2.7% greater than the 2021 approved budget of \$21.4 million. It is also \$0.68 million or 3.2% greater than the 2022 baseline budget of \$21.3 million.

The reasons for the budget differences will be explained below.

## **APPROVED 2022 BUDGET HIGHLIGHTS**

This section highlights the approved adjustments to the 2022 approved budget from the 2021 approved budget. A complete review of the differences can be found in Section III.

### **Staffing**

The primary changes in Staffing costs for 2022 are as follows:

The assumption to fill and fund the remaining vacant positions filled by temporary staff in 2021; cost-of-living adjustments, step increases, and an average four percent (4%) performance-driven merit increase for eligible/selected deep-class positions. The total 2022 increase for staffing from the 2021 approved budget is \$0.9 million, or a net increase of 5.6%.

### **Staff Development**

The primary change in Staff Development costs is a 1.8% increase compared to the 2021 budget. The increase is due to an inflation costs in trainings/conferences and professional dues/subscriptions.

### **Professional Fees**

The change in Professional Fees for 2022 is a decrease of \$0.32 million, or a net decrease of (2.7%). This reduction is due to expected lower costs in Actuarial, Consultant, and Legal fees.

The senior managers and I look forward to presenting our approved 2022 operating expense budget to the committee and to the Board of Retirement.

Respectfully submitted,



Dave Nelsen  
Chief Executive Officer

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## **Section II**

### **Budget Policies and Process**

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## Section II

# Budget Policies and Process

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### Budget Policies

ACERA's budget policy, practices, and guidelines are based on the County Employees Retirement Law of 1937 and the ACERA Board of Retirement's Charter.

#### Legal Requirements

The California Constitution and Statute Section 31580.2(a) of the 1937 Act specifies that the Board of Retirement "shall annually adopt a budget covering the entire expense of administration of the retirement system which expense shall be charged against the earning of the retirement fund..."

As applied to ACERA, § 31580.2(a) also imposes a cap on administrative expenses. Administrative expenses incorporate the limits of § 31580.2(a) (1) of the County Employees Act of 1937; whereby, administrative expenses are capped at "Twenty-one hundredths of one percent (0.21%) of accrued actuarial liabilities of the retirement system". Pursuant to the applicable code sections, certain costs are excluded from the expense cap. Excluded costs include those associated with Business Continuity Planning (BCP), the Supplemental Retiree Benefits Reserve (SRBR) used to pay Other Postretirement Benefits (OPEB and non-OPEB), technology, actuarial, and investment-related fees (including banking and legal fees). Excludable expenses also include the pro rata portion of overhead expense attributable to excludable activities.

ACERA prepares the budget on an accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP), a methodology consistent with ACERA's audited financial statements.

#### Budget Amendments

Budget line item amounts may be amended, i.e., reallocated from one department to another or moved between categories at the discretion of the Chief Executive Officer, if such action does not increase the overall approved budget. Conversely, increases to the overall approved budget are only permitted with the approval of the Board of Retirement (the Board). There are two ways in which the budget can be increased: The first way is through committee action and board approval. And the second way is with a contingency budget that is accepted when the budget is put forth for approval during the annual budget cycle. A contingency budget is useful for current unknown expenses that arise from an event such as legislation, or an action by the Board of Supervisors, or a release of new project; where the event may or will occur but the timing is in question.

### Budget Process

ACERA's budget is developed with Adaptive Insights budget software. This flexible budgeting software is a cloud-based program that enables department management and staff to access organizational expense forecasts from any location. It also enables users to view current year actuals, as well as expense forecasts; moreover, users can input and change expense forecast variables to easily prepare "what if" scenarios. These user-friendly features reduce,

and in some cases eliminates, time previously spent converting department provided information into the budget format and circulating the information for review and approval.

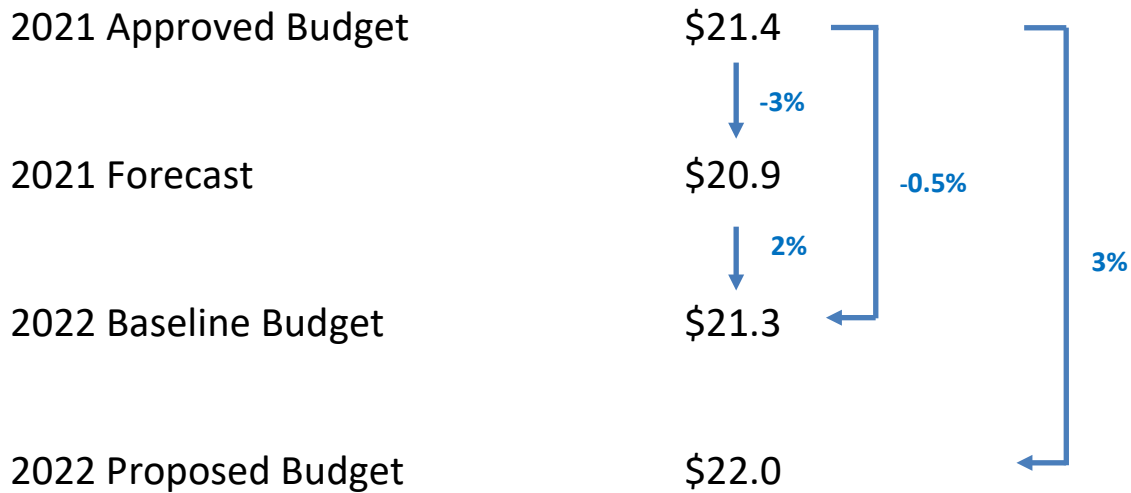
While the Fiscal Services Department Budget Team (budget team) is responsible for the preparation of the budget timeline, ACERA's Senior Leadership Team (SLT) is responsible for establishing business plan initiatives, in detail as to time and cost before the budget process begins, and is responsible for setting budget assumptions for the various expense categories.

It is the responsibility of the budget team to develop the baseline budget once the forecast has been completed. Upon completion of the baseline, department staff and management begin entering information into the budget worksheets. When that step is completed, the budget team prepares the administrative budget based upon SLT prepared time allocations. Throughout the budget preparation process, the budget team now has the ability to monitor the budget progress by using the process tracker and workflows developed in Adaptive Insights. Nevertheless, the budget team continues to be available to meet with department staff and management to answer questions or to strategize the best way to present budget items or develop costs.

Once the approved budget and the administrative budget are complete, the budget team pulls the information from Adaptive through Office Connect into InDesign (the budget publishing software). The budget team is responsible for preparing the variance analyses, updating changes to the budget, and for reviewing the budget document for submission to the Board of Retirement.

The Chief Executive Officer presents the approved budget to committee and at a future date to the Board. If committee members request changes to the budget, those changes are made and represented at the discretion of the committee. The Board's feedback is incorporated into the budget for final approval.

# ACERA 2022 Budget Process<sup>1</sup>



1. The starting point for the 2022 proposed expense budget was to develop a “baseline” budget that reflected the anticipated costs of maintaining the same level of services approved by ACERA’s Board of Retirement in the 2021 budget. To that end, the 2022 baseline budget is \$21.3 million, a decrease of 0.5% from the approved 2021 budget.
2. Key to developing the 2022 proposed budget was more accurately estimating the forecast by including only incremental expenditures needed to achieve business objectives. But more importantly, it was setting assumptions that guided and prioritized expenditures, yet achieved the following objectives: a) allowed the necessary vacant staff positions to be filled; b) funded projects that directly support strategic goals and business plan initiatives; and, c) funded new programs or projects mandated by state legislation, the Board of Retirement, or management. Following the agreed criteria resulted in a 2022 Proposed Budget of \$22.0 million which is \$574K or 3% increase from the approved 2021 budget.

<sup>1</sup> Rounding to tenths of millions may impact percentages. Percentages in this document are based on rounding to nearest dollar, as is done in the budget document.

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## **Section III**

### **Operating Expense Budget**

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## Section III

# Operating Expense Budget

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The purpose of the annual Operating Expense Budget (OEB) is to forecast and document the necessary resources required to meet ACERA's operating expenses. The OEB provides detailed estimates of anticipated annual expenditures for staffing, staff development, professional fees, office expenses, insurance, member services, systems, board of retirement expenses, uncollectible benefit payments, and capital costs and is contingent on approval by ACERA's Board of Retirement. The OEB does not include estimated expenditures for payment of portfolio management investment expenses reported in Section VIII or payment of member benefits such as pension and Other Post-Employment Benefits (OPEB). Lastly, the OEB functions as a tool for decision making and is a means to monitor business performance.

The annual approved OEB is derived from a baseline budgeting methodology; whereby, current spending levels are rolled into a "baseline". The overarching assumption of baseline budgeting is that it uses current spending levels as the baseline for establishing future funding requirements. Further, it assumes the future budget will equal the current budget—plus established growth, inflation, increase adjustments, and new expenditures.

The following is a review of the 2022 budget assumptions for each major expense category and the corresponding results:

### Staffing and Salary Assumptions

- Merit increase average of 4% per department, for eligible/selected deep class employees;
- Cost of living allowance and associated fringe benefit increase of 3.0%;
- Filling all current vacancies with:
  - Hire deep-class employees at 80% of the top range; and,
  - Hire step-class employees at an average Step 3.

*Result: Staffing expenses realized a 5.6% net increase compared to the 2021 budget; and a 7.6% net increase compared to the 2021 forecast.*

### Staff Development Assumptions

- Staff development expenses were capped to no increase over 2021 budget; and,
- Professional dues and subscriptions would experience a 7.5% increase over 2021 forecast.

*Result: Staff development realized a net increase of 1.8% to the 2021 budget; and a net increase of 21.8% to the 2021 forecast.*

### Professional Fees Assumptions

- Actuarial Fees—Funding and SRBR valuations, GASB 67/68 and GASB 74/75 valuations, and reporting requirement for ASOP #51 were fixed to service agreement contracts, other actuarial consulting services were estimated at contracted hourly rate;
- Auditor Fees—Annual audit, GASB 67/68 and GASB 74/75 schedules were fixed to service agreement contracts, other auditing services were estimated at contracted hourly rate; and,

- Other Consultant Fees—Known consulting services (i.e., Benefits, Legal, and Human Resources) were fixed to service agreement contracts, other consulting services were calculated using estimates.

*Result: Professional fee expenses realized a (2.7%) net decrease compared to the 2021 budget; and a (5.7%) net decrease compared to the 2021 forecast.*

#### **Office Expenses Assumptions**

- Banking expenses would experience no increase over the 2021 budget;
- Miscellaneous Administrative expenses would experience no increase over the 2021 budget;
- Building Operation expenses would experience a 4.8% increase over the 2021 budget;
- Communication expenses would experience a 96.9% increase over the 2021 budget;
- Equipment Lease and Maintenance expenses would experience a (6.9%) decrease over the 2021 budget;
- Minor Furniture and Equipment expenses would experience no increase over the 2021 budget;
- Office Supplies and Maintenance expenses would experience a (3.6%) decrease over the 2021 budget; and,
- Printing and Postage expenses would experience no increase over the 2021 budget.

*Result: Office expenses realized a 14.8% net increase compared to the 2021 budget; and a 21.8% net increase compared to the 2021 forecast.*

#### **Insurance Assumption**

- The 2022 commercial insurance expense would realize a (12.1%) decrease over the 2021 budget; and,
- The Alameda County risk insurance expense would realize a (44.2%) decrease over the 2021 budget.

*Result: Insurance expenses (in aggregate) realized a (33.3%) net decrease compared to the 2021 budget; and a (33.6%) net decrease compared to the 2021 forecast.*

#### **Member Services Assumptions**

- Benefit Verification expenses would experience no increase over the 2021 budget;
- Disability Arbitration and Transcript expenses would experience a (25%) decrease over the 2021 budget;
- Disability Medical expenses would experience a 2.5% increase over the 2021 budget;
- Health Reimbursement Accounts (HRA) expense would experience no increase over the 2021 budget;
- Member Training & Education expense would experience no increase over the 2021 budget; and,
- Printing and Postage expense would realize a (19.7%) decrease over the 2021 budget.

*Result: Member Services expenses realized a (15.3%) net decrease compared to the 2021 budget; and a (13.2%) net decrease compared to the 2021 forecast.*

#### **Systems Assumptions**

- Business Continuity expense would experience an 8.5% increase over the 2021 budget;
- County Data Processing expense would experience a 15.8% increase over the 2021 budget;
- Minor Computer Hardware expenses would realize a 33.3% increase over the 2021 budget; and,
- Software License and Maintenance expenses would realize a (4.5%) decrease over the 2021 budget.

*Result: Systems expenses realized a 0.4% net increase compared to the 2021 budget; and a (1.9%) decrease compared to the 2021 forecast.*

### Board of Retirement Assumptions

- Board of Retirement expense would realize a (2.8%) decrease over the 2021 budget.

*Result: Board of Retirement expenses realized a (2.8%) net decrease compared to the 2021 budget; and a 41.7% increase compared to the 2021 forecast.*

### Uncollectible Benefit Payments Assumption

- Uncollectible Benefit Payment expense would realize a (17.6%) decrease over the 2021 budget.

*Result: Uncollectible Benefit Payments expenses realized a (17.6%) decrease compared to the 2021 budget; and a (9.7%) decrease compared to the 2021 forecast.*

### Depreciation Assumption

- Depreciation expense would realize a (3.4%) decrease over the 2021 budget.

*Result: Depreciation expense realized a (3.4%) net decrease compared to the 2021 budget; and a (1.7%) decrease compared to the 2021 forecast.*

## APPROVED 2022 BUDGET SUMMARY AND COMPARISON

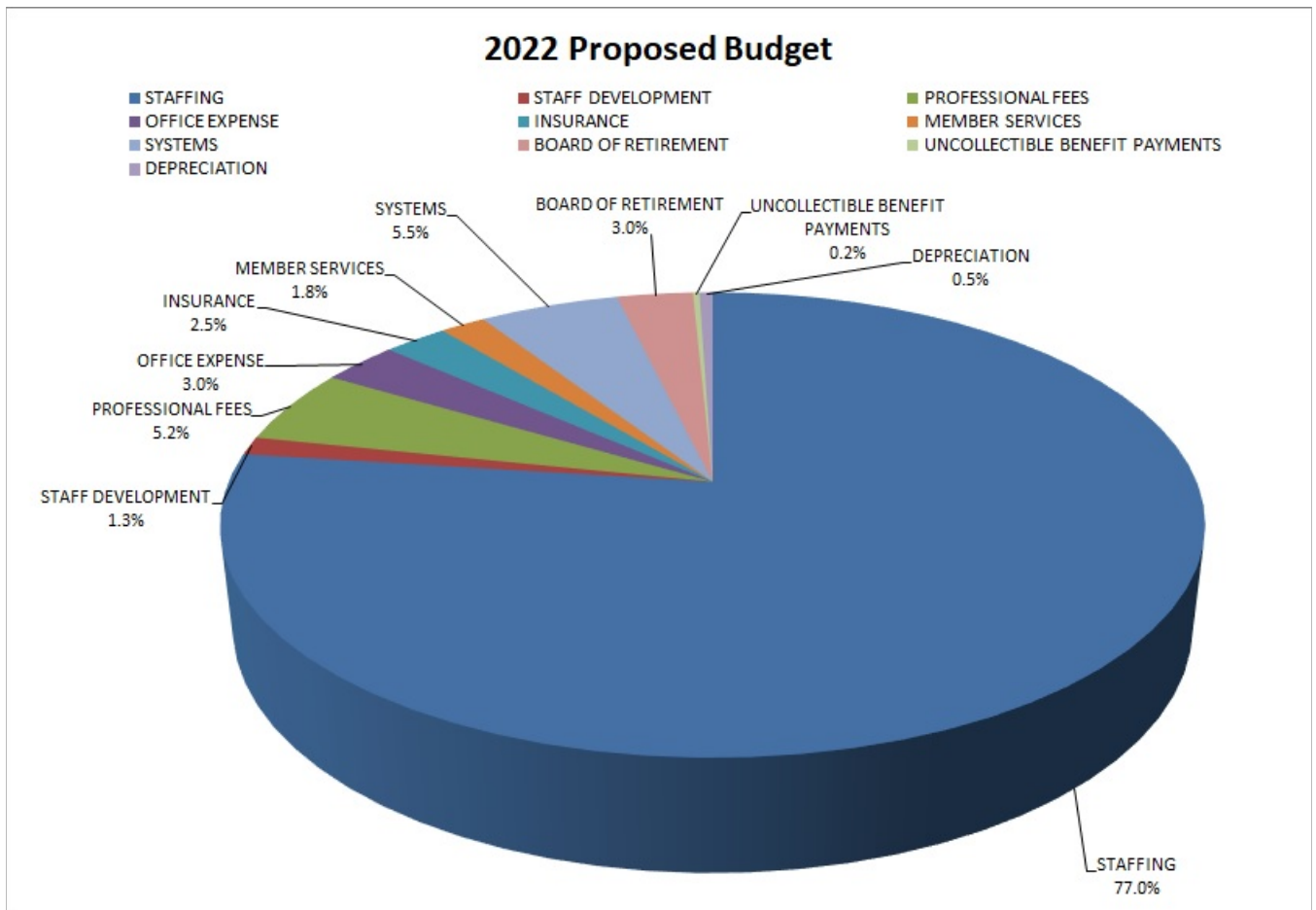
Staff recommends a approved 2022 budget of \$22.0 million which is:

- \$0.57 million or 2.7% greater than the approved 2021 budget of \$21.4 million;
- \$0.68 million or 3.2% greater than the 2022 baseline budget of \$21.3 million; and,
- \$1.13 million or 5.4% greater than the 2021 forecast of \$20.9 million.

The 2022 administrative budget of \$13.6 million is \$11.1 million under the administrative cap of \$24.7 million. A year-over-year comparison reveals that the 2022 administrative budget of \$13.6 million is \$0.4 million higher than the 2021 administrative budget of \$13.2 million. Approximately \$8.4 million was excluded from the annual operating expense budget of \$22.0 million (see Section VI for administrative budget and allocation schedules).

**2022 Approved Operating Expense Budget (\$ in thousands)**

	2021 Forecast	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/(Under)	% Change	Category % of Total Operating Expenses
Staffing	\$ 15,739	\$ 16,941	\$ 1,202	7.6%	77.0%
Staff Development	229	279	50	21.8%	1.3%
Professional Fees	1,215	1,146	(69)	-5.7%	5.2%
Office Expense	541	659	118	21.8%	3.0%
Insurance	828	550	(278)	-33.6%	2.5%
Member Services	453	393	(60)	-13.2%	1.8%
Systems	1,230	1,207	(23)	-1.9%	5.5%
Board Of Retirement	463	656	193	41.7%	3.0%
Uncollectible Benefit Payments	62	56	(6)	-9.7%	0.2%
Depreciation	116	114	(2)	-1.7%	0.5%
<b>OPERATING EXPENSES Total</b>	<b>\$ 20,876</b>	<b>\$ 22,001</b>	<b>\$ 1,125</b>	<b>5.4%</b>	<b>100.0%</b>



Operating Expense Budget <sup>1</sup>	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/(Under)	% Change
<b>STAFFING</b> (p.#21)						
Salaries	\$ 10,026,000	\$ 9,756,000	\$ (270,000)	\$ 10,550,000	\$ 794,000	8.1%
Fringe Benefits	5,792,000	5,448,000	(344,000)	6,129,000	681,000	12.5%
Temporary Staff	231,000	535,000	304,000	262,000	(273,000)	-51.0%
<b>Staffing Total</b>	<b>16,049,000</b>	<b>15,739,000</b>	<b>(310,000)</b>	<b>16,941,000</b>	<b>1,202,000</b>	<b>7.6%</b>
<b>STAFF DEVELOPMENT</b> (p.#22)						
	<b>274,000</b>	<b>229,000</b>	<b>(45,000)</b>	<b>279,000</b>	<b>50,000</b>	<b>21.8%</b>
<b>PROFESSIONAL FEES</b> (p.#26)						
Actuarial Fees	415,000	412,000	(3,000)	420,000	8,000	1.9%
Audit Fees	157,000	157,000	-	142,000	(15,000)	-9.6%
Consultant Fees	333,000	395,000	62,000	384,000	(11,000)	-2.8%
Legal Fees	273,000	251,000	(22,000)	200,000	(51,000)	-20.3%
<b>Professional Fees Total</b>	<b>1,178,000</b>	<b>1,215,000</b>	<b>37,000</b>	<b>1,146,000</b>	<b>(69,000)</b>	<b>-5.7%</b>
<b>OFFICE EXPENSE</b> (p.#28)						
Bank Charges	120,000	119,000	(1,000)	120,000	1,000	0.8%
Misc. Administrative Expenses	15,000	10,000	(5,000)	15,000	5,000	50.0%
Building Expenses	84,000	84,000	-	88,000	4,000	4.8%
Communications	96,000	96,000	-	189,000	93,000	96.9%
Equipment Lease & Maint.	130,000	122,000	(8,000)	121,000	(1,000)	-0.8%
Minor Furniture & Equip.	18,000	18,000	-	18,000	-	0.0%
Office Supplies & Maint.	83,000	70,000	(13,000)	80,000	10,000	14.3%
Printing & Postage	28,000	22,000	(6,000)	28,000	6,000	27.3%
<b>Office Expense Total</b>	<b>574,000</b>	<b>541,000</b>	<b>(33,000)</b>	<b>659,000</b>	<b>118,000</b>	<b>21.8%</b>
<b>INSURANCE</b> (p.#29)						
	<b>825,000</b>	<b>828,000</b>	<b>3,000</b>	<b>550,000</b>	<b>(278,000)</b>	<b>-33.6%</b>
<b>MEMBER SERVICES</b> (p.#29)						
Benefit Verification	6,000	6,000	-	6,000	-	0.0%
Disability - Arbitration & Transcripts	60,000	40,000	(20,000)	45,000	5,000	12.5%
Disability - Medical Expense	119,000	122,000	3,000	122,000	-	0.0%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account	60,000	60,000	-	60,000	-	0.0%
Member Training & Education	16,000	15,000	(1,000)	16,000	1,000	6.7%
Printing & Postage - Members	122,000	105,000	(17,000)	98,000	(7,000)	-6.7%
Virtual Call Center	35,000	59,000	24,000	-	(59,000)	-100.0%
<b>Member Services Total</b>	<b>464,000</b>	<b>453,000</b>	<b>(11,000)</b>	<b>393,000</b>	<b>(60,000)</b>	<b>-13.2%</b>
<b>SYSTEMS</b> (p.#31)						
Business Continuity Expenses	189,000	225,000	36,000	205,000	(20,000)	-8.9%
County Data Processing	114,000	120,000	6,000	132,000	12,000	10.0%
Minor Computer Hardware	30,000	29,000	(1,000)	40,000	11,000	37.9%
Software License & Maintenance	869,000	856,000	(13,000)	830,000	(26,000)	-3.0%
<b>Systems Total</b>	<b>1,202,000</b>	<b>1,230,000</b>	<b>28,000</b>	<b>1,207,000</b>	<b>(23,000)</b>	<b>-1.9%</b>
<b>BOARD OF RETIREMENT</b> (p.#32)						
Board Conferences & Misc. Activity	<b>675,000</b>	<b>463,000</b>	<b>(212,000)</b>	<b>656,000</b>	<b>193,000</b>	<b>41.7%</b>
<b>UNCOLLECTIBLE BENEFITS</b>						
<b>PAYMENTS</b> (p.#34)	<b>68,000</b>	<b>62,000</b>	<b>(6,000)</b>	<b>56,000</b>	<b>(6,000)</b>	<b>-9.7%</b>
<b>Total Operating Expenses Before Depreciation</b>	<b>21,309,000</b>	<b>20,760,000</b>	<b>(549,000)</b>	<b>21,887,000</b>	<b>1,127,000</b>	<b>5.4%</b>
<b>DEPRECIATION</b> (p.#33)	<b>118,000</b>	<b>116,000</b>	<b>(2,000)</b>	<b>114,000</b>	<b>(2,000)</b>	<b>-1.7%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>21,427,000</b>	<b>20,876,000</b>	<b>(551,000)</b>	<b>22,001,000</b>	<b>1,125,000</b>	<b>5.4%</b>
<b>TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE</b>	<b>51,373,000</b>	<b>67,561,000</b>	<b>16,188,000</b>	<b>55,010,000</b>	<b>(12,551,000)</b>	<b>-18.6%</b>
<b>TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES</b>	<b>\$ 72,800,000</b>	<b>\$ 88,437,000</b>	<b>\$ 15,637,000</b>	<b>\$ 77,011,000</b>	<b>\$ (11,426,000)</b>	<b>-12.9%</b>
<b>CONTINGENCY FUND</b> (p.#83)						
	<b>\$ 258,000</b>	<b>\$ 50,000</b>	<b>\$ (208,000)</b>	<b>\$ 323,000</b>	<b>\$ 273,000</b>	<b>546.0%</b>

<sup>1</sup> Budget schedules amounts are rounded to the nearest thousand

Section III: Operating Expense Budget  
(TOC p# III)

Operating Expense Budget 2022 Baseline vs. 2022 Increments (\$ in thousands)			2022	2022			2022 Approved Budget (Baseline + Increments) Forecast Over/		% Change
	2021 Forecast	2022 Baseline	Baseline vs. 2021 Forecast Over/ (Under)	Baseline vs. 2021 Forecast % Of Change	2022 Approved Increments	2022 Approved Budget (Baseline + Increments)	(Under)		
<b>STAFFING</b>									
Salaries	\$ 9,756	\$ 10,385	\$ 629	6.4%	\$ 165	\$ 10,550	\$ 794	8.1%	
Fringe Benefits	5,448	5,888	440	8.1%	241	6,129	681	12.5%	
Temporary Staff	535	112	(423)	-79.1%	150	262	(273)	-51.0%	
<b>Staffing Total</b>	<b>15,739</b>	<b>16,385</b>	<b>646</b>	<b>4.1%</b>	<b>556</b>	<b>16,941</b>	<b>1,202</b>	<b>7.6%</b>	
<b>STAFF DEVELOPMENT</b>	<b>229</b>	<b>272</b>	<b>43</b>	<b>18.8%</b>	<b>7</b>	<b>279</b>	<b>50</b>	<b>21.8%</b>	
<b>PROFESSIONAL FEES</b>									
Actuarial Fees	412	420	8	1.9%	-	420	8	1.9%	
Audit Fees	157	141	(16)	-10.2%	1	142	(15)	-9.6%	
Consultant Fees	395	333	(62)	-15.7%	51	384	(11)	-2.8%	
Legal Fees	251	200	(51)	-20.3%	-	200	(51)	-20.3%	
<b>Professional Fees Total</b>	<b>1,215</b>	<b>1,094</b>	<b>(121)</b>	<b>-10.0%</b>	<b>52</b>	<b>1,146</b>	<b>(69)</b>	<b>-5.7%</b>	
<b>OFFICE EXPENSE</b>									
Bank Charges	119	120	1	0.8%	-	120	1	0.8%	
Miscellaneous Administrative Expenses	10	15	5	50.0%	-	15	5	50.0%	
Building Expenses	84	88	4	4.8%	-	88	4	4.8%	
Communications	96	159	63	65.6%	30	189	93	96.9%	
Equipment Lease & Maint.	122	121	(1)	-0.8%	-	121	(1)	-0.8%	
Minor Furniture & Equipment	18	18	-	0.0%	-	18	-	0.0%	
Office Supplies & Maint.	70	80	10	14.3%	-	80	10	14.3%	
Printing & Postage	22	28	6	27.3%	-	28	6	27.3%	
<b>Office Expense Total</b>	<b>541</b>	<b>629</b>	<b>88</b>	<b>16.3%</b>	<b>30</b>	<b>659</b>	<b>118</b>	<b>21.8%</b>	
<b>INSURANCE</b>	<b>828</b>	<b>549</b>	<b>(279)</b>	<b>-33.7%</b>	<b>1</b>	<b>550</b>	<b>(278)</b>	<b>-33.6%</b>	
<b>MEMBER SERVICES</b>									
Benefit Verification	6	6	-	0.0%	-	6	-	0.0%	
Disability Arbitr. & Transcripts	40	45	5	12.5%	-	45	5	12.5%	
Disability - Medical Expense	122	122	-	0.0%	-	122	-	0.0%	
Disability Managed Medical Review Organization (MMRO)	46	46	-	0.0%	-	46	-	0.0%	
Health Reimb. Account (HRA)	60	60	-	0.0%	-	60	-	0.0%	
Member Training & Education	15	16	1	6.7%	-	16	1	6.7%	
Printing & Postage - Members	105	98	(7)	-6.7%	-	98	(7)	-6.7%	
Virtual Call Center	59	-	(59)	-100.0%	-	-	(59)	-100.0%	
<b>Member Services Total</b>	<b>453</b>	<b>393</b>	<b>(60)</b>	<b>-13.2%</b>	<b>-</b>	<b>393</b>	<b>(60)</b>	<b>-13.2%</b>	
<b>SYSTEMS</b>									
Business Continuity Expenses	225	205	(20)	-8.9%	-	205	(20)	-8.9%	
County Data Processing	120	132	12	10.0%	-	132	12	10.0%	
Minor Computer Hardware	29	40	11	37.9%	-	40	11	37.9%	
Software License & Maint.	856	824	(32)	-3.7%	6	830	(26)	-3.0%	
<b>Systems Total</b>	<b>1,230</b>	<b>1,201</b>	<b>(29)</b>	<b>-2.4%</b>	<b>6</b>	<b>1,207</b>	<b>(23)</b>	<b>-1.9%</b>	
<b>BOARD OF RETIREMENT</b>									
Board Conferences & Misc. Activity	463	633	170	36.7%	23	656	193	41.7%	
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>	<b>62</b>	<b>56</b>	<b>(6)</b>	<b>-9.7%</b>	<b>-</b>	<b>56</b>	<b>(6)</b>	<b>-9.7%</b>	
<b>Total Operating Expenses Before Depreciation</b>	<b>20,760</b>	<b>21,212</b>	<b>452</b>	<b>2.2%</b>	<b>675</b>	<b>21,887</b>	<b>1,127</b>	<b>5.4%</b>	
<b>DEPRECIATION</b>	<b>116</b>	<b>114</b>	<b>(2)</b>	<b>-1.7%</b>	<b>-</b>	<b>114</b>	<b>(2)</b>	<b>-1.7%</b>	
<b>TOTAL OPERATING EXPENSE</b>	<b>20,876</b>	<b>21,326</b>	<b>450</b>	<b>2.2%</b>	<b>675</b>	<b>22,001</b>	<b>1,125</b>	<b>5.4%</b>	
<b>TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE</b>	<b>67,561</b>	<b>55,010</b>	<b>(12,551)</b>	<b>-18.6%</b>	<b>-</b>	<b>55,010</b>	<b>(12,551)</b>	<b>-18.6%</b>	
<b>TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES</b>	<b>\$ 88,437</b>	<b>\$ 76,336</b>	<b>\$ (12,101)</b>	<b>-13.7%</b>	<b>\$ 675</b>	<b>\$ 77,011</b>	<b>\$ (11,426)</b>	<b>-12.9%</b>	



**STAFFING** (p.#19)

Staffing expense includes salaries, fringe benefits, and temporary services<sup>1</sup>.

<b>Headcount by Department</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/(Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>
Administration	9	8	(1)	8	-
Benefits	41	41	-	42	1
Fiscal Services	12	12	-	12	-
Human Resources	3	3	-	3	-
Internal Audit	3	3	-	3	-
Investments	9	9	-	9	-
Legal	4	4	-	4	-
PRISM	8	8	-	8	-
<b>HEADCOUNT Total</b>	<b>89</b>	<b>88</b>	<b>(1)</b>	<b>89</b>	<b>1</b>

<sup>1</sup> Headcount does not include temporary Retirement Technician to cover fluctuations in headcount.

<b>Staffing</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/(Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>	<b>% Change</b>
Administration	\$ 1,048,000	\$ 882,000	\$ (166,000)	\$ 930,000	\$ 48,000	5.4%
Benefits	3,822,000	3,826,000	4,000	4,249,000	423,000	11.1%
Fiscal Services	1,236,000	1,245,000	9,000	1,289,000	44,000	3.5%
Human Resources	392,000	394,000	2,000	405,000	11,000	2.8%
Internal Audit	453,000	453,000	-	467,000	14,000	3.1%
Investments	1,251,000	1,085,000	(166,000)	1,330,000	245,000	22.6%
Legal	651,000	675,000	24,000	687,000	12,000	1.8%
PRISM	1,138,000	1,145,000	7,000	1,143,000	(2,000)	-0.2%
<b>Total Salaries</b>	<b>9,991,000</b>	<b>9,705,000</b>	<b>(286,000)</b>	<b>10,500,000</b>	<b>795,000</b>	<b>8.2%</b>
Cafeteria Benefit Allowance	264,000	248,000	(16,000)	280,000	32,000	12.9%
Health and Dental	1,830,000	1,721,000	(109,000)	1,967,000	246,000	14.3%
Retirement Contributions	2,638,000	2,482,000	(156,000)	2,820,000	338,000	13.6%
Medicare and SDI	230,000	217,000	(13,000)	246,000	29,000	13.4%
Social Security	734,000	690,000	(44,000)	740,000	50,000	7.2%
Other Benefits (Life Insurance, Def. Comp. and Auto Allowance)	96,000	90,000	(6,000)	76,000	(14,000)	-15.6%
<b>Fringe Benefits</b>	<b>5,792,000</b>	<b>5,448,000</b>	<b>(344,000)</b>	<b>6,129,000</b>	<b>681,000</b>	<b>12.5%</b>
<b>Overtime</b>	<b>35,000</b>	<b>51,000</b>	<b>16,000</b>	<b>50,000</b>	<b>(1,000)</b>	<b>-2.0%</b>
<b>Temporary Staffing</b>	<b>231,000</b>	<b>535,000</b>	<b>304,000</b>	<b>262,000</b>	<b>(273,000)</b>	<b>-51.0%</b>
<b>STAFFING EXPENSES Total</b>	<b>\$ 16,049,000</b>	<b>\$ 15,739,000</b>	<b>\$ (310,000)</b>	<b>\$ 16,941,000</b>	<b>\$ 1,202,000</b>	<b>7.6%</b>

**Staffing - Variance Narrative  
2022 Approved Budget vs. 2021 Forecast**

	<b>Variance Over/(Under)</b>
• Increase in salaries due to filled vacant positions: 3-Retirement Benefit Specialists, 1-Investment Operation Officer, and 1-Investment Analyst	\$ 345,000
• Increase in salaries due to COLA, merit increases, step increases, and vacation sellbacks	450,000
• Increase in fringe benefits attributed to the filling of all vacant positions in 2022 and inflation costs	681,000
• Slight decrease in overtime expense	(1,000)
• Decrease in temporary staff from hiring permanent staff	(273,000)
<b>Total Over/(Under)</b>	<b>\$ 1,202,000</b>

**Staffing - Variance Narrative  
2021 Forecast vs. 2021 Budget**

	<b>Variance Over/(Under)</b>
• Net Savings from unfilled positions and vacant positions of 1-Investment Operation Officer, 1-Investment Analyst, 3-Retirement Technicians, Administrative Assistant, and Staff Development Specialist; offset overage due to vacation sellback and promotions	\$ (286,000)
• Net savings in fringe benefits are mainly due to vacant positions and lower rate	(344,000)
• Increase in overtime expense	16,000
• Increase in temporary staff due to vacant positions	304,000
<b>Total Over/(Under)</b>	<b>\$ (310,000)</b>

**STAFF DEVELOPMENT** *(p.#19)*

Staff Development includes education, training, professional dues, recruitment, and subscription expenses.

<b>Staff Development</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/ (Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>	<b>% Change</b>
<b>CONFERENCES/TRAININGS</b>						
Adaptive	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	-	0.0%
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	20,000	12,000	(8,000)	21,000	9,000	75.0%
CALPERLA	1,000	4,000	3,000	1,000	(3,000)	-75.0%
Cyber-Security	3,000	2,000	(1,000)	3,000	1,000	50.0%
BCP/Disaster Recovery Journal Conference (DRJ)	2,000	2,000	-	2,000	-	0.0%
GFOA	5,000	7,000	2,000	5,000	(2,000)	-28.6%
IFEBP	8,000	4,000	(4,000)	8,000	4,000	100.0%
ILPA	4,000	3,000	(1,000)	4,000	1,000	33.3%
Institutional Investors	1,000	1,000	-	1,000	-	0.0%
MILKEN	10,000	-	(10,000)	14,000	14,000	100.0%
PG User, Onbase, Sungard Conference	14,000	15,000	1,000	14,000	(1,000)	-6.7%
SACRS	10,000	9,000	(1,000)	10,000	1,000	11.1%
Technology Related Trainings	6,000	4,000	(2,000)	6,000	2,000	50.0%
Miscellaneous	73,000	52,000	(21,000)	72,000	20,000	38.5%
<b>Sub-Total</b>	<b>159,000</b>	<b>117,000</b>	<b>(42,000)</b>	<b>163,000</b>	<b>46,000</b>	<b>39.3%</b>
<b>PROFESSIONAL DUES &amp; SUBSCRIPTIONS</b>	<b>113,000</b>	<b>107,000</b>	<b>(6,000)</b>	<b>115,000</b>	<b>8,000</b>	<b>7.5%</b>
<b>RECRUITMENT EXPENSES</b>	<b>2,000</b>	<b>5,000</b>	<b>3,000</b>	<b>1,000</b>	<b>(4,000)</b>	<b>-80.0%</b>
<b>STAFF DEVELOPMENT EXPENSES Total</b>	<b>\$ 274,000</b>	<b>\$ 229,000</b>	<b>\$ (45,000)</b>	<b>\$ 279,000</b>	<b>\$ 50,000</b>	<b>21.8%</b>

**Staff Development - Variance Narrative  
2022 Approved Budget vs. 2021 Forecast**

Variance Over/(Under)

CONFERENCE/TRAINING

- Expected increase in attendance mainly of MILKEN, IFEBP, CALAPRS, and other miscellaneous conferences and trainings

\$ 46,000  
**Sub-total** 46,000

PROFESSIONAL FEES & SUBSCRIPTIONS

- Increase in professional dues and subscriptions

8,000  
**Sub-total** 8,000

RECRUITMENT

- Vacant positions filled in 2021

(4,000)  
**Sub-total** (4,000)

**Total Over/(Under) \$ 50,000**

**Staff Development - Variance Narrative  
2021 Forecast vs. 2021 Budget**

Variance Over/(Under)

CONFERENCE/TRAINING

- Savings due to unattended conferences and trainings mainly of MILKEN, IFEBP, CALAPRS, and other miscellaneous conferences and trainings

\$ (42,000)  
**Sub-total** (42,000)

PROFESSIONAL FEES & SUBSCRIPTIONS

- Decrease in professional dues and subscriptions

(6,000)  
**Sub-total** (6,000)

RECRUITMENT

- Related to vacant investment position

3,000  
**Sub-total** 3,000

**Total Over/(Under) \$ (45,000)**

**2022 Approved Budget: Breakdowns for Miscellaneous Trainings/Conferences**

	Administration	Benefits	Fiscal Services	Human Resources	Internal Audit
American Institute of Certified Public Accountants (AICPA)	\$ -	\$ -	\$ -	\$ -	2,000
Association of Certified Fraud Examiners (ACFE)	-	-	-	-	2,000
Association of Public Pension Fund Auditors (APPFA)	-	-	-	-	1,000
Computer Training/County	-	5,000	3,000	-	-
CSDA Conference	1,000	-	-	-	-
IDEA Training	-	-	-	-	3,000
Investment Related	-	-	-	-	-
ISCEBS Annual Conference	-	1,000	-	-	-
LMS (Alameda County HRS)	-	-	-	6,000	-
NAPPA	-	-	-	-	-
NCPERS Conference	-	1,000	-	-	-
NASRA Winter & Annual Conference	1,000	-	-	-	-
Project Management	-	-	-	-	-
PRISM Conference	-	-	-	-	-
Staff Development	-	9,000	-	-	-
Miscellaneous Trainings/Conferences	3,000	4,000	4,000	6,000	4,000
<b>Total Other Training/Conferences</b>	<b>5,000</b>	<b>20,000</b>	<b>7,000</b>	<b>12,000</b>	<b>12,000</b>
Adaptive	-	-	2,000	-	-
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	3,000	11,000	4,000	-	-
CALPERLA	-	-	-	1,000	-
Cybersecurity	-	-	-	-	-
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	-	-	-
GFOA	-	-	4,000	-	1,000
IFEBP	-	8,000	-	-	-
ILPA	-	-	-	-	-
Institutional Investors	-	-	-	-	-
MILKEN	-	-	-	-	-
PG User and Onbase Conference	-	4,000	3,000	-	-
SACRS	2,000	4,000	-	-	1,000
Technology Related Trainings	-	-	-	-	-
Other Training/Conferences (from above)	5,000	20,000	7,000	12,000	12,000
<b>Total Training/Conferences</b>	<b>10,000</b>	<b>47,000</b>	<b>20,000</b>	<b>13,000</b>	<b>14,000</b>
<b>Professional Dues &amp; Subscriptions</b>	<b>35,000</b>	<b>3,000</b>	<b>4,000</b>	<b>2,000</b>	<b>4,000</b>
<b>Recruitment Expenses</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$ 45,000</b>	<b>\$ 51,000</b>	<b>\$ 24,000</b>	<b>\$ 15,000</b>	<b>\$ 18,000</b>

<b>2022 Approved Budget: Breakdowns for Miscellaneous Trainings/Conferences</b>				
	<b>Investments</b>	<b>Legal</b>	<b>PRISM</b>	<b>Total</b>
American Institute of Certified Public Accountants (AICPA)	\$ -	\$ -	\$ -	2,000
Association of Certified Fraud Examiners (ACFE)	-	-	-	2,000
Association of Public Pension Fund Auditors (APPFA)	-	-	-	1,000
Computer Training/County	-	-	1,000	9,000
CSDA Conference	-	-	-	1,000
IDEA Training	-	-	-	3,000
Investment Related	-	3,000	-	3,000
ISCEBS Annual Conference	-	-	-	1,000
LMS (Alameda County HRS)	-	-	-	6,000
NAPPA	-	1,000	-	1,000
NCPERS Conference	-	-	-	1,000
NASRA Winter & Annual Conference	-	-	-	1,000
Project Management	-	-	1,000	1,000
PRISM Conference	-	-	1,000	1,000
Staff Development	-	-	-	9,000
Miscellaneous Trainings/Conferences	4,000	3,000	2,000	30,000
<b>Total Other Training/Conferences</b>	<b>4,000</b>	<b>7,000</b>	<b>5,000</b>	<b>72,000</b>
Adaptive	-	-	-	2,000
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	1,000	2,000	-	21,000
CALPERLA	-	-	-	1,000
Cybersecurity	-	-	3,000	3,000
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	2,000	2,000
GFOA	-	-	-	5,000
IFEBP	-	-	-	8,000
ILPA	3,000	1,000	-	4,000
Institutional Investors	1,000	-	-	1,000
MILKEN	14,000	-	-	14,000
PG User and Onbase Conference	-	-	7,000	14,000
SACRS	1,000	1,000	1,000	10,000
Technology Related Trainings	-	-	6,000	6,000
Other Trainings/Conferences (from above)	4,000	7,000	5,000	72,000
<b>Total Training/Conferences</b>	<b>24,000</b>	<b>11,000</b>	<b>24,000</b>	<b>163,000</b>
<b>Professional Dues &amp; Subscriptions</b>	<b>7,000</b>	<b>60,000</b>	<b>-</b>	<b>115,000</b>
<b>Recruitment Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>
<b>Total</b>	<b>\$ 31,000</b>	<b>\$ 71,000</b>	<b>\$ 24,000</b>	<b>\$ 279,000</b>

## PROFESSIONAL FEES (p.#19)

This category excludes investment professional consultant and advisor expenses.

Professional Fees	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/ (Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/ (Under)	% Change
Actuarial Fees	\$ 415,000	\$ 412,000	\$ (3,000)	\$ 420,000	\$ 8,000	1.9%
Audit Fees	157,000	157,000	-	142,000	(15,000)	-9.6%
Consultant Fees	333,000	395,000	62,000	384,000	(11,000)	-2.8%
Legal Fees	273,000	251,000	(22,000)	200,000	(51,000)	-20.3%
<b>PROFESSIONAL FEES Total</b>	<b>1,178,000</b>	<b>1,215,000</b>	<b>37,000</b>	<b>1,146,000</b>	<b>(69,000)</b>	<b>-5.7%</b>
<b>Actuarial Fees</b>						
Actuarial Valuation	79,000	79,000	-	81,000	2,000	2.5%
ASOP #51, Risk Report	40,000	40,000	-	30,000	(10,000)	-25.0%
GASB 67 & 68	49,000	49,000	-	51,000	2,000	4.1%
GASB 74 & 75	15,000	15,000	-	15,000	-	0.0%
SRBR Valuation	42,000	42,000	-	43,000	1,000	2.4%
Supplemental Consulting	190,000	187,000	(3,000)	200,000	13,000	7.0%
<b>Total Actuarial Fees</b>	<b>415,000</b>	<b>412,000</b>	<b>(3,000)</b>	<b>420,000</b>	<b>8,000</b>	<b>1.9%</b>
<b>Audit Fees</b>						
Audit Fees	132,000	132,000	-	119,000	(13,000)	-9.8%
GASB 67 & 68	13,000	13,000	-	11,000	(2,000)	-15.4%
GASB 74 & 75	12,000	12,000	-	12,000	-	0.0%
<b>Total Audit Fees</b>	<b>157,000</b>	<b>157,000</b>	<b>-</b>	<b>142,000</b>	<b>(15,000)</b>	<b>-9.6%</b>
<b>Consultant Fees</b>						
<b>Administration</b>						
Commercial Bank RFP	-	65,000	65,000	-	(65,000)	-100.0%
Commercial Bank Transition Fee	-	-	-	50,000	50,000	100.0%
<b>Total Administration</b>	<b>-</b>	<b>65,000</b>	<b>65,000</b>	<b>50,000</b>	<b>(15,000)</b>	<b>-23.1%</b>
<b>Benefits</b>						
Benefit Cons./Open Enroll.	130,000	127,000	(3,000)	131,000	4,000	3.1%
County Retirees Medical	126,000	126,000	-	126,000	-	0.0%
<b>Total Benefits</b>	<b>256,000</b>	<b>253,000</b>	<b>(3,000)</b>	<b>257,000</b>	<b>4,000</b>	<b>1.6%</b>
<b>Human Resources</b>						
Lakeside Group (County Personnel)	77,000	77,000	-	77,000	-	0.0%
<b>Total Human Resources</b>	<b>77,000</b>	<b>77,000</b>	<b>-</b>	<b>77,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Consultant Fees</b>	<b>333,000</b>	<b>395,000</b>	<b>62,000</b>	<b>384,000</b>	<b>(11,000)</b>	<b>-2.8%</b>
<b>Legal Fees</b>						
Fiduciary	126,000	116,000	(10,000)	125,000	9,000	7.8%
Miscellaneous Legal Advice	118,000	114,000	(4,000)	50,000	(64,000)	-56.1%
Tax and Benefit Issues	29,000	21,000	(8,000)	25,000	4,000	19.0%
<b>Total Legal Fees</b>	<b>\$ 273,000</b>	<b>\$ 251,000</b>	<b>\$ (22,000)</b>	<b>\$ 200,000</b>	<b>\$ (51,000)</b>	<b>-20.3%</b>

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<b>Professional Fees - Variance Narrative 2022 Approved Budget vs. 2021 Forecast</b>		<b>Variance Over/(Under)</b>
<b>ACTUARIAL</b>		
<ul style="list-style-type: none"> <li>Increase in supplemental consulting, GASB, actuarial valuation and SRBR valuation; offset by decrease in risk report</li> </ul>	\$	8,000
<b>Sub-total</b>		<b>8,000</b>
<b>AUDIT</b>		
<ul style="list-style-type: none"> <li>Expected savings due to negotiated reduction in audit fees</li> </ul>		(15,000)
<b>Sub-total</b>		<b>(15,000)</b>
<b>CONSULTANTS</b>		
<ul style="list-style-type: none"> <li>Decrease due to commercial bank RFP completed in 2021; offset by increase in commercial bank transitional fees in 2022</li> </ul>		(15,000)
<ul style="list-style-type: none"> <li>Slight increase in benefit consulting fees</li> </ul>		4,000
<b>Sub-total</b>		<b>(11,000)</b>
<b>LEGAL</b>		
<ul style="list-style-type: none"> <li>Increase in fees for fiduciary services</li> </ul>		9,000
<ul style="list-style-type: none"> <li>Increase in fees for tax &amp; benefit issues</li> </ul>		4,000
<ul style="list-style-type: none"> <li>Decrease in litigation expenses in 2022 as compared to unexpected increase in 2021</li> </ul>		(64,000)
<b>Sub-total</b>		<b>(51,000)</b>
<b>Total Over/(Under)</b>		<b>\$ (69,000)</b>

<b>Professional Fees - Variance Narrative 2021 Forecast vs. 2021 Budget</b>		<b>Variance Over/(Under)</b>
<b>CONSULTANTS</b>		
<ul style="list-style-type: none"> <li>Increase due to commercial bank RFP</li> </ul>	\$	65,000
<ul style="list-style-type: none"> <li>Slight decrease in benefits consulting fees</li> </ul>		(3,000)
<b>Sub-total</b>		<b>62,000</b>
<b>ACTUARIAL</b>		
<ul style="list-style-type: none"> <li>Slight decrease in supplemental consulting fees</li> </ul>		(3,000)
<b>Sub-total</b>		<b>(3,000)</b>
<b>LEGAL</b>		
<ul style="list-style-type: none"> <li>Decrease in fees for fiduciary services</li> </ul>		(10,000)
<ul style="list-style-type: none"> <li>Decrease in fees for tax &amp; benefit issues</li> </ul>		(8,000)
<ul style="list-style-type: none"> <li>Slight decrease in litigation expenses</li> </ul>		(4,000)
<b>Sub-total</b>		<b>(22,000)</b>
<b>Total Over/(Under)</b>		<b>\$ 37,000</b>

## OFFICE EXPENSE (p.#19)

This category covers expenses such as building expenses, banking fees, telecommunications, and office equipment.

Office Expense	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/ (Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/ (Under)	% Change
Bank Charges	\$ 120,000	\$ 119,000	\$ (1,000)	\$ 120,000	\$ 1,000	0.8%
Misc. Administrative Expenses	15,000	10,000	(5,000)	15,000	5,000	50.0%
Building Expenses	84,000	84,000	-	88,000	4,000	4.8%
Communications	96,000	96,000	-	189,000	93,000	96.9%
Equip. Leasing & Maint.	130,000	122,000	(8,000)	121,000	(1,000)	-0.8%
Minor Furniture & Equipment	18,000	18,000	-	18,000	-	0.0%
Office Supplies & Maint.	83,000	70,000	(13,000)	80,000	10,000	14.3%
Printing & Postage	28,000	22,000	(6,000)	28,000	6,000	27.3%
<b>OFFICE EXPENSE Total</b>	<b>\$ 574,000</b>	<b>\$ 541,000</b>	<b>\$ (33,000)</b>	<b>\$ 659,000</b>	<b>\$ 118,000</b>	<b>21.8%</b>

### Office Expense - Variance Narrative 2022 Approved Budget vs. 2021 Forecast

Variance Over/(Under)

#### EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

- Increase in office supplies and maintenance due to expected increase in usage; offset by slight decrease in equipment lease and maintenance

\$ 9,000  
**Sub-total 9,000**

#### MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Increase in miscellaneous administrative expenses

5,000  
**Sub-total 5,000**

#### PRINTING & POSTAGE

- Increase in printing and postage expenses due to expected increase in usage

6,000  
**Sub-total 6,000**

#### BUILDING AND BANK CHARGES

- Transfer virtual call from Benefits to Administration
- Slight increase in building expenses
- Slight increase in bank charges

93,000  
4,000  
1,000  
**Sub-total 98,000**

**Total Over/(Under) \$ 118,000**

### Office Expense - Variance Narrative 2021 Forecast vs. 2021 Budget

Variance Over/(Under)

#### EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

- Savings in usage of office supplies & maintenance; decrease in equipment lease & maintenance

\$ (21,000)  
**Sub-total (21,000)**

#### MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Decrease in miscellaneous administrative expenses

(5,000)  
**Sub-total (5,000)**

#### PRINTING & POSTAGE

- Decrease in usage

(6,000)  
**Sub-total (6,000)**

#### BANK CHARGES

- Slight decrease in bank charges

(1,000)  
**Sub-total (1,000)**

**Total Over/(Under) \$ (33,000)**



**INSURANCE** (p.#19)

This category includes insurance premiums for business automobile, commercial, earthquake, fiduciary, criminal and cyber liability, employer liability, umbrella, and workers' compensation.

Insurance	2021 Forecast		2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget vs. 2021 Forecast		% Change
	2021 Budget	Forecast		2022 Approved Budget	2021 Forecast Over/(Under)	
Business Automobile	\$ 1,300	\$ 1,000	\$ (300)	\$ 1,000	\$ -	0.0%
Commercial Package	33,000	32,000	(1,000)	33,000	1,000	3.1%
Crime	8,000	8,000	-	9,000	1,000	12.5%
Cyber Liability	13,300	16,000	2,700	21,000	5,000	31.3%
Earthquake	30,400	31,000	600	32,000	1,000	3.2%
Fiduciary Liability	185,000	185,000	-	141,000	(44,000)	-23.8%
Risk Management	385,000	386,000	1,000	136,000	(250,000)	-64.8%
Umbrella	9,000	9,000	-	9,000	-	0.0%
Worker's Compensation	160,000	160,000	-	168,000	8,000	5.0%
<b>INSURANCE Total</b>	<b>\$ 825,000</b>	<b>\$ 828,000</b>	<b>\$ 3,000</b>	<b>\$ 550,000</b>	<b>\$ (278,000)</b>	<b>-33.6%</b>

**Insurance - Variance Narrative  
2022 Approved Budget vs. 2021 Forecast**

	Variance Over/(Under)
• Decrease in premium for fiduciary liability	\$ (44,000)
• Slight increase in premiums for commercial package, crime, cyber liability and earthquake	8,000
• Significant decrease in Alameda County risk management premium	(250,000)
• Increase in Alameda County worker's compensation premium	8,000
<b>Total Over/(Under)</b>	<b>\$ (278,000)</b>

**Insurance - Variance Narrative  
2021 Forecast vs. 2021 Budget**

	Variance Over/(Under)
• Slight increase in premiums for cyber liability and earthquake; offset by commercial package, and business automobile	\$ 2,000
• Slight increase in Alameda County risk management premium	1,000
<b>Total Over/(Under)</b>	<b>\$ 3,000</b>

## MEMBER SERVICES (p.#19)

This category includes expenses for services provided to members, including healthcare plans, enrollments, wellness seminars, communications, disability hearings and evaluations.

Member Services	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/(Under)	% Change
Benefit Verification	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ -	0.0%
Disability - Legal Arbitration & Transcripts	60,000	40,000	(20,000)	45,000	5,000	12.5%
Disability - Medical	119,000	122,000	3,000	122,000	-	0.0%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account (HRA)	60,000	60,000	-	60,000	-	0.0%
Member Training & Education	16,000	15,000	(1,000)	16,000	1,000	6.7%
Printing and Postage - Members	122,000	105,000	(17,000)	98,000	(7,000)	-6.7%
Virtual Call Center	35,000	59,000	24,000	-	(59,000)	-100.0%
<b>MEMBER SERVICES Total</b>	<b>\$ 464,000</b>	<b>\$ 453,000</b>	<b>\$ (11,000)</b>	<b>\$ 393,000</b>	<b>\$ (60,000)</b>	<b>-13.2%</b>

### Member Services - Variance Narrative 2022 Approved Budget vs. 2021 Forecast

	Variance Over/(Under)
<b>DISABILITY</b>	
• Increase in disability legal arbitration and transcripts	\$ 5,000
<b>Sub-total</b>	<b>5,000</b>
<b>VIRTUAL CALL CENTER AND PRINTING AND POSTAGE BENEFITS</b>	
• Transfer virtual call from Benefits to Administration	(59,000)
• Decrease in members printing and postage	(7,000)
<b>Sub-total</b>	<b>(66,000)</b>
<b>MEMBERS TRAINING AND EDUCATION</b>	
• Slight increase in members training and education	1,000
<b>Sub-total</b>	<b>1,000</b>
<b>Total Over/(Under)</b>	<b>\$ (60,000)</b>

### Member Services - Variance Narrative 2021 Forecast vs. 2021 Budget

	Variance Over/(Under)
<b>DISABILITY</b>	
• Slight increase in disability medical expenses	\$ 3,000
• Savings in disability legal arbitration and transcripts due to decrease in number of projected cases	(20,000)
<b>Sub-total</b>	<b>(17,000)</b>
<b>VIRTUAL CALL CENTER AND PRINTING AND POSTAGE BENEFITS</b>	
• Increase due to virtual call center enhancements and expansions	24,000
• What's Up newsletter not expected to publish in 2021	(17,000)
<b>Sub-total</b>	<b>7,000</b>
<b>MEMBERS TRAINING AND EDUCATION</b>	
• Slight decrease in members training and education	(1,000)
<b>Sub-total</b>	<b>(1,000)</b>
<b>Total Over/(Under)</b>	<b>\$ (11,000)</b>

**SYSTEMS** (p.#19)

This category includes the costs of business continuity planning, county data processing, software maintenance and support, and uncapitalized computer hardware and software.

System Expenses			2021 Forecast			2022 Approved		
	2021 Budget	2021 Forecast	Budget Over/ (Under)	2022 Approved Budget	2021 Forecast Over/(Under)	% Change		
Business Continuity Expenses	\$ 189,000	\$ 225,000	\$ 36,000	\$ 205,000	\$ (20,000)	-8.9%		
County Data Processing	114,000	120,000	6,000	132,000	12,000	10.0%		
Minor Computer Hardware	30,000	29,000	(1,000)	40,000	11,000	37.9%		
Software License & Maintenance	869,000	856,000	(13,000)	830,000	(26,000)	-3.0%		
<b>SYSTEMS Total</b>	<b>\$ 1,202,000</b>	<b>\$ 1,230,000</b>	<b>\$ 28,000</b>	<b>\$ 1,207,000</b>	<b>\$ (23,000)</b>	<b>-1.9%</b>		

Systems - Variance Narrative 2022 Approved Budget vs. 2021 Forecast		Variance Over/(Under)
SOFTWARE, MAINTENANCE & SUPPORT		
• Completion of Great Plains upgrade in 2021		\$ (26,000)
	<b>Sub Total</b>	<b>(26,000)</b>
BUSINESS CONTINUITY EXPENSES		
• Decrease due to expected reduction in amazon workspace cost		(20,000)
	<b>Sub Total</b>	<b>(20,000)</b>
COMPUTER HARDWARE & COUNTY DATA PROCESSING		
• Increase in minor computer hardware		11,000
• Increase in county data processing		12,000
	<b>Sub Total</b>	<b>23,000</b>
		<b>Total Over/(Under) \$ (23,000)</b>

Systems - Variance Narrative 2021 Forecast vs. 2021 Budget		Variance Over/(Under)
SOFTWARE, MAINTENANCE & SUPPORT		
• Savings related to last year's accrual for database migration project		\$ (13,000)
	<b>Sub Total</b>	<b>(13,000)</b>
COMPUTER HARDWARE		
• Increase in county data processing		6,000
• Slight decrease in minor computer hardware		(1,000)
	<b>Sub Total</b>	<b>5,000</b>
BUSINESS CONTINUITY EXPENSES		
• Increase due to higher usage of amazon workspace in 2021		36,000
	<b>Sub Total</b>	<b>36,000</b>
		<b>Total Over/(Under) \$ 28,000</b>

## BOARD OF RETIREMENT *(p.#19)*

This category covers Board compensation and expenses for meetings, conferences and trainings, employer reimbursement (elected members only), and election expenses.

Board of Retirement	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/(Under)	% Change
Board Compensation	\$ 28,000	\$ 28,000	\$ -	\$ 27,000	\$ (1,000)	-3.6%
Board Conference and Training	192,000	142,000	(50,000)	184,000	42,000	29.6%
Board Elections	45,000	45,000	-	60,000	15,000	33.3%
Board Employer Reimbursement	361,000	207,000	(154,000)	339,000	132,000	63.8%
Board Miscellaneous Activities	26,000	18,000	(8,000)	23,000	5,000	27.8%
Board Software Maint. & Support	13,000	13,000	-	13,000	-	0.0%
Board Strategic Planning	10,000	10,000	-	10,000	-	0.0%
<b>BOARD OF RETIREMENT Total</b>	<b>\$ 675,000</b>	<b>\$ 463,000</b>	<b>\$ (212,000)</b>	<b>\$ 656,000</b>	<b>\$ 193,000</b>	<b>41.7%</b>

### Board of Retirement - Variance Narrative 2022 Approved Budget vs. 2021 Forecast

	Variance Over/(Under)
• Increase in board election expense	\$ 15,000
• Slight decrease in board compensation	(1,000)
• Expected increase in the attendance of board conferences and trainings	42,000
• Increase in employer reimbursements in 2022 based on new policy	132,000
• Increase in board miscellaneous activities	5,000
<b>Total Over/(Under)</b>	<b>\$ 193,000</b>

### Board of Retirement - Variance Narrative 2021 Forecast vs. 2021 Budget

	Variance Over/(Under)
• Decrease due to unattended board conferences and trainings	\$ (50,000)
• Savings from adjustments of prior years overpayments	(154,000)
• Decrease in board miscellaneous activities	(8,000)
<b>Total Over/(Under)</b>	<b>\$ (212,000)</b>

## DEPRECIATION (p.#19)

Depreciation expense is the allocation of a capital asset cost over the asset's useful life.

Depreciation	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/(Under)	% Change
BCP	\$ 4,000	\$ -	\$ (4,000)	\$ -	\$ -	0.0%
Computer Software	2,000	2,000	-	1,000	(1,000)	-50.0%
EDMS Admin. Share	1,000	1,000	-	2,000	1,000	100.0%
Equipment	15,000	17,000	2,000	15,000	(2,000)	-11.8%
Furniture	1,000	1,000	-	1,000	-	0.0%
Leasehold Improvements	95,000	95,000	-	95,000	-	0.0%
<b>DEPRECIATION Total</b>	<b>\$ 118,000</b>	<b>\$ 116,000</b>	<b>\$ (2,000)</b>	<b>\$ 114,000</b>	<b>\$ (2,000)</b>	<b>-1.7%</b>

Depreciation is computed using the straight-line method for most assets over the following estimated useful lives:

- Computer Hardware 5 years
- Computer Software 3 years
- Equipment 5 years
- Furniture 7 years
- Information System-Retirement 7 years
- Information System-Accounting 3 years
- Disaster Recovery 5 years
- Leasehold Improvements 27.5 years
- EDMS 5 years

### Depreciation - Variance Narrative 2022 Approved Budget vs. 2021 Forecast

	Variance Over/(Under)
• Decrease attributed to office equipment	\$ (2,000)
<b>Total Over/(Under)</b>	<b>\$ (2,000)</b>

### Depreciation - Variance Narrative 2021 Forecast vs. 2021 Budget

	Variance Over/(Under)
• Decrease attributed to BCP equipment	\$ (4,000)
• Increase attributed to office equipment	2,000
<b>Total Over/(Under)</b>	<b>\$ (2,000)</b>

## UNCOLLECTIBLE BENEFIT PAYMENTS (p.#19)

After the adoption of the discharge of uncollectible accounts receivable policy and Board of Retirement authorization, the annual uncollectible accounts receivable balance to be discharged is approximately \$56,000. This balance is comprised of benefit overpayments healthcare premium, payroll deductions, and taxes. Discharges of uncollectible balances normally include one year's worth of transactions, after passage of a four-year period from which collection efforts have been exhausted and the receivable has been declared uncollectible.

Uncollectible Benefit Payments	2021		2021 Forecast	2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/(Under)	% Change
	Budget	Forecast					
Uncollectible Benefit Payments	\$ 68,000	\$ 62,000		\$ (6,000)	\$ 56,000	\$ (6,000)	-9.7%
<b>Total</b>	<b>\$ 68,000</b>	<b>\$ 62,000</b>		<b>\$ (6,000)</b>	<b>\$ 56,000</b>	<b>\$ (6,000)</b>	<b>-9.7%</b>

Uncollectible Benefit Payments - Variance Narrative 2022 Approved Budget vs. 2021 Forecast		Variance Over/(Under)
• Expected decrease in uncollectible benefit payments		\$ (6,000)
<b>Total Over/(Under)</b>		<b>\$ (6,000)</b>

Uncollectible Benefit Payments - Variance Narrative 2021 Forecast vs. 2021 Budget		Variance Over/(Under)
• Expected decrease in write-off of benefit payments		\$ (6,000)
<b>Total Over/(Under)</b>		<b>\$ (6,000)</b>

## **Section IV**

### **Departmental Operating Expense Budgets**

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## Section IV

# Departmental Operating Expense Budgets

ACERA operations are organized into eight departments: Administration, Benefits, Fiscal Services, Human Resources, Internal Audit, Investments, Legal, and Project and Information Services Management (PRISM).

Departments	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/(Under)	% Change
Administration <a href="#">(p.#38)</a>	\$ 4,297,000	\$ 3,943,000	\$ (354,000)	\$ 4,081,000	\$ 138,000	3.5%
Benefits <a href="#">(p.#42)</a>	7,015,000	7,186,000	171,000	7,595,000	409,000	5.7%
Fiscal Services <a href="#">(p.#45)</a>	2,423,000	2,414,000	(9,000)	2,475,000	61,000	2.5%
Human Resources <a href="#">(p.#47)</a>	738,000	730,000	(8,000)	760,000	30,000	4.1%
Internal Audit <a href="#">(p.#49)</a>	744,000	731,000	(13,000)	767,000	36,000	4.9%
Investment <a href="#">(p.#51)</a>	1,962,000	1,700,000	(262,000)	2,134,000	434,000	25.5%
Legal <a href="#">(p.#53)</a>	1,438,000	1,387,000	(51,000)	1,372,000	(15,000)	-1.1%
PRISM <a href="#">(p.#55)</a>	2,781,000	2,756,000	(25,000)	2,812,000	56,000	2.0%
<b>Total Depart. Expenses</b>	<b>21,398,000</b>	<b>20,847,000</b>	<b>(551,000)</b>	<b>21,996,000</b>	<b>1,149,000</b>	<b>5.5%</b>
<b>PROJECTS<sup>1</sup></b>	<b>29,000</b>	<b>29,000</b>	<b>-</b>	<b>5,000</b>	<b>(24,000)</b>	<b>-82.8%</b>
<b>Total Depart. Exp. + Projects</b>	<b>\$ 21,427,000</b>	<b>\$ 20,876,000</b>	<b>\$ (551,000)</b>	<b>\$ 22,001,000</b>	<b>\$ 1,125,000</b>	<b>5.4%</b>

<sup>1</sup> See Section V

## ADMINISTRATION DEPARTMENT [\(p.#37\)](#)

The Administration Department is led by the Chief Executive Officer who plans, manages, and administers the business of the retirement system and coordinates external outreach with legislators and member organizations.

<b>Administration Department</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/(Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>	<b>% Change</b>
<b>STAFFING</b>						
Salaries	\$ 1,048,000	\$ 882,000	\$ (166,000)	\$ 931,000	\$ 49,000	5.6%
Fringe Benefits	544,000	432,000	(112,000)	487,000	55,000	12.7%
Temporary Staff	-	111,000	111,000	112,000	1,000	0.9%
<b>Staffing Total</b>	<b>1,592,000</b>	<b>1,425,000</b>	<b>(167,000)</b>	<b>1,530,000</b>	<b>105,000</b>	<b>7.4%</b>
<b>STAFF DEVELOPMENT</b>	<b>46,000</b>	<b>42,000</b>	<b>(4,000)</b>	<b>45,000</b>	<b>3,000</b>	<b>7.1%</b>
<b>PROFESSIONAL FEES</b>						
Actuarial Fees	415,000	412,000	(3,000)	420,000	8,000	1.9%
Consultant Fees	-	65,000	65,000	50,000	(15,000)	-23.1%
<b>Professional Fees Total</b>	<b>415,000</b>	<b>477,000</b>	<b>62,000</b>	<b>470,000</b>	<b>(7,000)</b>	<b>-1.5%</b>
<b>OFFICE EXPENSE</b>						
Miscellaneous Administrative	15,000	10,000	(5,000)	15,000	5,000	50.0%
Building Expenses	84,000	84,000	-	88,000	4,000	4.8%
Communications	96,000	96,000	-	189,000	93,000	96.9%
Equipment Lease & Maintenance	130,000	122,000	(8,000)	121,000	(1,000)	-0.8%
Minor Furniture & Equipment	3,000	3,000	-	3,000	-	0.0%
Office Supplies & Maintenance	83,000	70,000	(13,000)	80,000	10,000	14.3%
Printing & Postage	28,000	22,000	(6,000)	28,000	6,000	27.3%
<b>Office Expense Total</b>	<b>439,000</b>	<b>407,000</b>	<b>(32,000)</b>	<b>524,000</b>	<b>117,000</b>	<b>28.7%</b>
<b>INSURANCE</b>	<b>825,000</b>	<b>828,000</b>	<b>3,000</b>	<b>550,000</b>	<b>(278,000)</b>	<b>-33.6%</b>
<b>SYSTEMS</b>						
County Data Processing	114,000	120,000	6,000	132,000	12,000	10.0%
Software Maintenance & Support	5,000	3,000	(2,000)	4,000	1,000	33.3%
<b>Systems Total</b>	<b>119,000</b>	<b>123,000</b>	<b>4,000</b>	<b>136,000</b>	<b>13,000</b>	<b>10.6%</b>
<b>BOARD OF RETIREMENT</b>						
Board Conferences & Miscellaneous Activity	675,000	463,000	(212,000)	656,000	193,000	41.7%
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>	<b>68,000</b>	<b>62,000</b>	<b>(6,000)</b>	<b>56,000</b>	<b>(6,000)</b>	<b>-9.7%</b>
<b>DEPRECIATION</b>						
Depreciation Expense	118,000	116,000	(2,000)	114,000	(2,000)	-1.7%
<b>GRAND TOTAL</b>	<b>\$ 4,297,000</b>	<b>\$ 3,943,000</b>	<b>\$ (354,000)</b>	<b>\$ 4,081,000</b>	<b>\$ 138,000</b>	<b>3.5%</b>

**Administration Department - Variance Narrative  
2022 Approved Budget vs. 2021 Forecast**

	<b>Variance Over/(Under)</b>
<b>STAFFING</b>	
• Increase in salaries due to vacation sellbacks, COLA, and merit increase	\$ 49,000
• Increase in fringe benefits	55,000
• Slight increase in temporary staff	1,000
<b>Sub-Total</b>	<b>105,000</b>
<b>STAFF DEVELOPMENT</b>	
• Slight increase in attendance of staff trainings and conferences	3,000
<b>Sub-Total</b>	<b>3,000</b>
<b>PROFESSIONAL FEES</b>	
• Increase in supplemental consulting, GASB, actuarial valuation and SRBR valuation; offset by decrease in risk report	8,000
• Decrease due to commercial bank RFP completed in 2021; offset by increase in commercial bank transitional fees in 2022	(15,000)
<b>Sub-Total</b>	<b>(7,000)</b>
<b>OFFICE EXPENSE</b>	
• Increase in printing and postage expenses due to expected increase in usage	6,000
• Transfer virtual call from Benefits to Administration	93,000
• Increase in miscellaneous administration expense	5,000
• Slight increase in building expenses	4,000
• Increase in office supplies and maintenance due to expected increase in usage; offset by slight decrease in equipment lease and maintenance	9,000
<b>Sub-Total</b>	<b>117,000</b>
<b>INSURANCE</b>	
• Decrease in premium for fiduciary liability	(44,000)
• Slight increase in premiums for commercial package, crime, cyber liability and earthquake	8,000
• Significant decrease in Alameda County risk management premium	(250,000)
• Increase in Alameda County worker's compensation premium	8,000
<b>Sub-Total</b>	<b>(278,000)</b>
<b>SYSTEMS</b>	
• Increase in county data processing	12,000
• Slight increase in software maintenance & support	1,000
<b>Sub-Total</b>	<b>13,000</b>
<b>BOARD OF RETIREMENT</b>	
• Increase in board election expense	15,000
• Slight decrease in board compensation	(1,000)
• Expected increase in the attendance of board conferences and trainings	42,000
• Increase in employer reimbursements in 2022 based on new policy	132,000
• Increase in board miscellaneous activities	5,000
<b>Sub-Total</b>	<b>193,000</b>
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>	
• Expected decrease in uncollectible benefit payments	(6,000)
<b>Sub-Total</b>	<b>(6,000)</b>
<b>DEPRECIATION EXPENSE</b>	
• Decrease attributed to fully depreciated office equipment	(2,000)
<b>Sub-Total</b>	<b>(2,000)</b>
<b>Total Over/(Under)</b>	<b>\$ 138,000</b>

**Administration Department - Variance Narrative  
2021 Forecast vs. 2021 Budget**

	<b>Variance Over/(Under)</b>
<b>STAFFING</b>	
• Decrease in salaries primarily due to vacant positions and employee on leave	\$ (166,000)
• Decrease in fringe benefits due to vacant positions	(112,000)
• Increase in temporary staff expense due to vacant position filled by temporary staff	111,000
<b>Sub-Total</b>	<b>(167,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Savings due to unattended conferences and trainings	(4,000)
<b>Sub-Total</b>	<b>(4,000)</b>
<b>PROFESSIONAL FEES</b>	
• Increase due to commercial bank RFP	65,000
• Slight decrease in benefits consulting fees	(3,000)
<b>Sub-Total</b>	<b>(62,000)</b>
<b>OFFICE EXPENSE</b>	
• Decrease in miscellaneous administrative expenses	(5,000)
• Decrease in equipment lease and maintenance	(8,000)
• Savings in office supplies & maintenance due to reduction in usage	(13,000)
• Savings in printing and postage due to reduction in usage	(6,000)
<b>Sub-Total</b>	<b>(32,000)</b>
<b>INSURANCE</b>	
• Slight increase in insurance premiums	3,000
<b>Sub-Total</b>	<b>3,000</b>
<b>SYSTEMS</b>	
• Increase in county data processing; offset by slight decrease in software maintenance and support	4,000
<b>Sub-Total</b>	<b>4,000</b>
<b>BOARD OF RETIREMENT</b>	
• Decrease due to unattended board conferences and trainings	(50,000)
• Savings from adjustments of prior years overpayments	(154,000)
• Decrease in board miscellaneous activities	(8,000)
<b>Sub-Total</b>	<b>(212,000)</b>
<b>UNCOLLECTABLE BENEFIT PAYMENTS</b>	
• Expected decrease in write-off of benefit payments	(6,000)
<b>Sub-Total</b>	<b>(6,000)</b>
<b>DEPRECIATION EXPENSE</b>	
• Decrease attributed to BCP equipment	(4,000)
• Increase attributed to office equipment	2,000
<b>Sub-Total</b>	<b>(2,000)</b>
<b>Total Over/(Under)</b>	<b>\$ (354,000)</b>

<b>Administration Department Professional Fees</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/(Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>	<b>% Change</b>
<b>Consultant Fees</b>						
Commercial Bank RFP	\$ -	\$ 65,000	\$ 65,000	\$ -	\$ (65,000)	-100.0%
Commercial Bank Transition Fees	-	-	-	50,000	50,000	100.0%
<b>Sub-Total</b>	<b>-</b>	<b>65,000</b>	<b>65,000</b>	<b>50,000</b>	<b>(15,000)</b>	<b>-23.1%</b>
<b>Actuarial Fees</b>						
Actuarial Valuation	79,000	79,000	-	81,000	2,000	2.5%
ASOP #51, Risk Report	40,000	40,000	-	30,000	(10,000)	-25.0%
GASB 67 & 68	49,000	49,000	-	51,000	2,000	4.1%
GASB 74 & 75	15,000	15,000	-	15,000	-	0.0%
SRBR Valuation	42,000	42,000	-	43,000	1,000	2.4%
Supplemental Consulting	190,000	187,000	(3,000)	200,000	13,000	7.0%
<b>Sub-Total</b>	<b>415,000</b>	<b>412,000</b>	<b>(3,000)</b>	<b>420,000</b>	<b>8,000</b>	<b>1.9%</b>
<b>Administration Total</b>	<b>\$ 415,000</b>	<b>\$ 477,000</b>	<b>\$ 62,000</b>	<b>\$ 470,000</b>	<b>\$ (7,000)</b>	<b>-1.5%</b>

## BENEFITS DEPARTMENT (p.#37)

The Benefits Department administers all benefit programs and provides multiple services to active, deferred and retired ACERA members.

Benefits Department			2021 Forecast			2022 Approved	2022 Approved	
	2021 Budget	2021 Forecast	Budget Over/ (Under)	2022 Approved	Budget	2021 Forecast	Over/(Under)	% Change
<b>STAFFING</b>								
Salaries	\$ 3,857,000	\$ 3,876,000	\$ 19,000	\$ 4,298,000	\$ 422,000			10.9%
Fringe Benefits	2,217,000	2,157,000	(60,000)	2,451,000	294,000			13.6%
Temporary Staff	190,000	421,000	231,000	150,000	(271,000)			-64.4%
<b>Staffing Total</b>	<b>6,264,000</b>	<b>6,454,000</b>	<b>190,000</b>	<b>6,899,000</b>	<b>445,000</b>			<b>6.9%</b>
<b>STAFF DEVELOPMENT</b>	<b>51,000</b>	<b>26,000</b>	<b>(25,000)</b>	<b>51,000</b>	<b>25,000</b>			<b>96.2%</b>
<b>PROFESSIONAL FEES</b>	<b>256,000</b>	<b>253,000</b>	<b>(3,000)</b>	<b>257,000</b>	<b>4,000</b>			<b>1.6%</b>
<b>MEMBER SERVICES</b>								
Benefit Verification	6,000	6,000	-	6,000	-			0.0%
Disability - Medical Expense	119,000	122,000	3,000	122,000	-			0.0%
Disability Claims Management	46,000	46,000	-	46,000	-			0.0%
Health Reimburs. Account (HRA)	60,000	60,000	-	60,000	-			0.0%
Member Training & Education	16,000	15,000	(1,000)	16,000	1,000			6.7%
Printing & Postage - Members	122,000	105,000	(17,000)	98,000	(7,000)			-6.7%
Virtual Call Center	35,000	59,000	24,000	-	(59,000)			-100.0%
<b>Member Services Total</b>	<b>404,000</b>	<b>413,000</b>	<b>9,000</b>	<b>348,000</b>	<b>(65,000)</b>			<b>-15.7%</b>
<b>SYSTEMS</b>								
Software Maintenance/Support	40,000	40,000	-	40,000	-			0.0%
<b>Systems Total</b>	<b>40,000</b>	<b>40,000</b>	<b>-</b>	<b>40,000</b>	<b>-</b>			<b>0.0%</b>
<b>GRAND TOTAL</b>	<b>\$ 7,015,000</b>	<b>\$ 7,186,000</b>	<b>\$ 171,000</b>	<b>\$ 7,595,000</b>	<b>\$ 409,000</b>			<b>5.7%</b>

### Benefits Department - Variance Narrative 2022 Approved Budget vs. 2021 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
<ul style="list-style-type: none"> <li>Increase in salaries from hiring permanent staff, COLA, merit increase, step increase and vacation sellbacks</li> </ul>	\$ 422,000
<ul style="list-style-type: none"> <li>Increase in fringe benefits attributed to filling vacant positions and inflation costs</li> </ul>	294,000
<ul style="list-style-type: none"> <li>Decrease in temporary staff expense due to vacant positions are expected to be filled in 2021</li> </ul>	(271,000)
<b>Sub-Total</b>	<b>445,000</b>
<b>STAFF DEVELOPMENT</b>	
<ul style="list-style-type: none"> <li>Expected increase in attendance of conferences and trainings</li> </ul>	25,000
<b>Sub-Total</b>	<b>25,000</b>
<b>PROFESSIONAL FEES</b>	
<ul style="list-style-type: none"> <li>Slight increase in benefit consulting fees</li> </ul>	4,000
<b>Sub-Total</b>	<b>4,000</b>
<b>MEMBER SERVICES</b>	
<ul style="list-style-type: none"> <li>Transfer virtual call from Benefits to Administration</li> </ul>	(59,000)
<ul style="list-style-type: none"> <li>Decrease in members printing and postage</li> </ul>	(7,000)
<ul style="list-style-type: none"> <li>Slight increase in members training and education</li> </ul>	1,000
<b>Sub-Total</b>	<b>(65,000)</b>
<b>Total Over/(Under)</b>	<b>\$ 409,000</b>

**Benefits Department - Variance Narrative  
2021 Forecast vs. 2021 Budget**

	<b>Variance Over/(Under)</b>
<b>STAFFING</b>	
• Net increase in salaries due to promotions; offset savings from vacant positions	\$ 3,000
• Savings in fringe benefits due to unfilled positions	(60,000)
• Increase in overtime	16,000
• Increase attributed to vacant positions filled by temporary staff and project	231,000
<b>Sub-Total</b>	<b>190,000</b>
<b>STAFF DEVELOPMENT</b>	
• Decrease in attendance of trainings and conferences	(25,000)
<b>Sub-Total</b>	<b>(25,000)</b>
<b>PROFESSIONAL FEES</b>	
• Slight decrease in benefits consulting fees	(3,000)
<b>Sub-Total</b>	<b>(3,000)</b>
<b>MEMBER SERVICES</b>	
• Slight increase in disability medical expenses	3,000
• Slight decrease in members training and education	(1,000)
• What's Up newsletter not expected to publish in 2021	(17,000)
• Increase due to virtual call center enhancements and expansions	24,000
<b>Sub-Total</b>	<b>9,000</b>
<b>Total Over/(Under)</b>	<b>\$ 171,000</b>

<b>Benefits Department Professional Fees</b>			<b>2021 Forecast vs. 2021 Budget Over/ (Under)</b>			<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>	<b>% Change</b>
	<b>2021 Budget</b>	<b>2021 Forecast</b>		<b>2022 Approved Budget</b>			
Benefits Consultant/Open Enrollment	\$ 130,000	\$ 127,000	\$ (3,000)	\$ 131,000	\$ 4,000	3.1%	
County Retirees Medical (Benefit Consultant)	126,000	126,000	-	126,000	-	0.0%	
<b>Benefits Total</b>	<b>\$ 256,000</b>	<b>\$ 253,000</b>	<b>\$ (3,000)</b>	<b>\$ 257,000</b>	<b>\$ 4,000</b>	<b>1.6%</b>	

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## FISCAL SERVICES DEPARTMENT [\(p.#37\)](#)

The Fiscal Services Department prepares Board reports, the Comprehensive Annual Financial Report (CAFR), and the annual budget. The Department accounts for cash management, retiree and vendor payrolls, capital assets, and operating expenditures.

Fiscal Services Department	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/(Under)	% Change
<b>STAFFING</b>						
Salaries	\$ 1,236,000	\$ 1,246,000	\$ 10,000	\$ 1,289,000	\$ 43,000	3.5%
Fringe Benefits	793,000	775,000	(18,000)	843,000	68,000	8.8%
<b>Staffing Total</b>	<b>2,029,000</b>	<b>2,021,000</b>	<b>(8,000)</b>	<b>2,132,000</b>	<b>111,000</b>	<b>5.5%</b>
<b>STAFF DEVELOPMENT</b>	<b>24,000</b>	<b>24,000</b>	<b>-</b>	<b>24,000</b>	<b>-</b>	<b>0.0%</b>
<b>PROFESSIONAL FEES</b>						
External Audit	157,000	157,000	-	142,000	(15,000)	-9.6%
<b>Professional Fees Total</b>	<b>157,000</b>	<b>157,000</b>	<b>-</b>	<b>142,000</b>	<b>(15,000)</b>	<b>-9.6%</b>
<b>OFFICE EXPENSE</b>						
Bank Charges	120,000	119,000	(1,000)	120,000	1,000	0.8%
<b>Office Expense Total</b>	<b>120,000</b>	<b>119,000</b>	<b>(1,000)</b>	<b>120,000</b>	<b>1,000</b>	<b>0.8%</b>
<b>SYSTEMS</b>						
Software Maintenance/Support	93,000	93,000	-	57,000	(36,000)	-38.7%
<b>Systems Total</b>	<b>93,000</b>	<b>93,000</b>	<b>-</b>	<b>57,000</b>	<b>(36,000)</b>	<b>-38.7%</b>
<b>GRAND TOTAL</b>	<b>\$ 2,423,000</b>	<b>\$ 2,414,000</b>	<b>\$ (9,000)</b>	<b>\$ 2,475,000</b>	<b>\$ 61,000</b>	<b>2.5%</b>

Fiscal Services Department - Variance Narrative 2022 Approved Budget vs. 2021 Forecast		Variance Over/(Under)
<b>STAFFING</b>		
• Increase in salaries due to step increases, COLA and vacation sellbacks		\$ 43,000
• Increase in fringe benefits due to inflation costs		68,000
	<b>Sub-Total</b>	<b>111,000</b>
<b>PROFESSIONAL FEES</b>		
• Expected savings due to negotiated reduction in audit fees		(15,000)
	<b>Sub-Total</b>	<b>(15,000)</b>
<b>OFFICE EXPENSE</b>		
• Slight increase in bank charges		1,000
	<b>Sub-Total</b>	<b>1,000</b>
<b>SYSTEMS</b>		
• Completion of Great Plains upgrade in 2021		(36,000)
	<b>Sub-Total</b>	<b>(36,000)</b>
	<b>Total Over/(Under)</b>	<b>\$ 61,000</b>

**Fiscal Services Department - Variance Narrative  
2021 Forecast vs. 2021 Budget**

Variance Over/(Under)

STAFFING

• Increase in salaries due to vacation sellbacks	\$	9,000
• Slight increase in overtime		1,000
• Savings due to lower rate		(18,000)
<b>Sub-Total</b>		<b>(8,000)</b>

OFFICE EXPENSE

• Slight decrease in bank charges		(1,000)
<b>Sub-Total</b>		<b>(1,000)</b>

**Total Over/(Under) \$ (9,000)**

<b>Fiscal Services Department Professional Fees</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/ (Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>	<b>% Change</b>
External Audit	\$ 132,000	\$ 132,000	\$ -	\$ 119,000	\$ (13,000)	-9.8%
GASB 67 & 68	13,000	13,000	-	11,000	(2,000)	-15.4%
GASB 74 & 75	12,000	12,000	-	12,000	-	0.0%
<b>Fiscal Services Total</b>	<b>\$ 157,000</b>	<b>\$ 157,000</b>	<b>\$ -</b>	<b>\$ 142,000</b>	<b>\$ (15,000)</b>	<b>-9.6%</b>

## HUMAN RESOURCES DEPARTMENT (p.#37)

The Human Resource Department handles personnel issues, training programs and management consultation.

Human Resources Department	2021 Budget	2021 Forecast	2021 Forecast	2022 Approved Budget	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/(Under)	% Change
			vs. 2021 Budget Over/(Under)		vs. 2021 Forecast Over/(Under)		
<b>STAFFING</b>							
Salaries	\$ 392,000	\$ 394,000	\$ 2,000	\$ 405,000	\$ 11,000		2.8%
Fringe Benefits	239,000	231,000	(8,000)	248,000	17,000		7.4%
<b>Staffing Total</b>	<b>631,000</b>	<b>625,000</b>	<b>(6,000)</b>	<b>653,000</b>	<b>28,000</b>		<b>4.5%</b>
<b>STAFF DEVELOPMENT</b>	<b>15,000</b>	<b>13,000</b>	<b>(2,000)</b>	<b>15,000</b>	<b>2,000</b>		<b>15.4%</b>
<b>PROFESSIONAL FEES</b>	<b>77,000</b>	<b>77,000</b>	<b>-</b>	<b>77,000</b>	<b>-</b>		<b>0.0%</b>
<b>OFFICE EXPENSE</b>							
Ergonomic Furniture & Equipment	15,000	15,000	-	15,000	-		0.0%
<b>Office Expense Total</b>	<b>15,000</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>	<b>-</b>		<b>0.0%</b>
<b>GRAND TOTAL</b>	<b>\$ 738,000</b>	<b>\$ 730,000</b>	<b>\$ (8,000)</b>	<b>\$ 760,000</b>	<b>\$ 30,000</b>		<b>4.1%</b>

### Human Resources Department - Variance Narrative 2022 Approved Budget vs. 2021 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
• Increase in salaries due to COLA and vacation sellbacks	\$ 11,000
• Increase in fringe benefits due to inflation costs	17,000
<b>Sub-total</b>	<b>28,000</b>
<b>STAFF DEVELOPMENT</b>	
• Slight increase in attendance of trainings and conferences	2,000
<b>Sub-total</b>	<b>2,000</b>
<b>Total Over/(Under)</b>	<b>\$ 30,000</b>

### Human Resources Department - Variance Narrative 2021 Forecast vs. 2021 Budget

	Variance Over/(Under)
<b>STAFFING</b>	
• Slight increase in salaries	\$ 2,000
• Decrease in fringe benefits	(8,000)
<b>Sub-total</b>	<b>(6,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Slight decrease in attendance of trainings and conferences	(2,000)
<b>Sub-total</b>	<b>(2,000)</b>
<b>Total Over/(Under)</b>	<b>\$ (8,000)</b>

Section IV: Departmental Operating Expense Budgets  
 (TOC p# III)

<b>Human Resources Department Professional Fees</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/ (Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>	<b>% Change</b>
Consultant Fees - Lakeside Group	\$ 77,000	\$ 77,000	\$ -	\$ 77,000	\$ -	0.0%
<b>Human Resources Total</b>	<b>\$ 77,000</b>	<b>\$ 77,000</b>	<b>\$ -</b>	<b>\$ 77,000</b>	<b>\$ -</b>	<b>0.0%</b>

## INTERNAL AUDIT DEPARTMENT (p.#37)

The Internal Audit Department prepares an annual internal audit plan, conducts internal operational audits and employer audits, and provides periodic reports to the Board of Retirement Audit Committee.

Internal Audit Department	2021		2021 Forecast	2022		2022 Approved	2022 Approved	
	Budget	Forecast	vs. 2021	Approved	Budget	Budget vs. 2021	Forecast Over/	% Change
			Budget Over/			Forecast Over/		
			(Under)			(Under)		
<b>STAFFING</b>								
Salaries	\$ 453,000	\$ 453,000	\$ -	\$ 467,000	\$ 14,000		3.1%	
Fringe Benefits	263,000	258,000	(5,000)	280,000	22,000		8.5%	
Temporary Staff	6,000	-	(6,000)	-	-		0.0%	
<b>Staffing Total</b>	<b>722,000</b>	<b>711,000</b>	<b>(11,000)</b>	<b>747,000</b>	<b>36,000</b>		<b>5.1%</b>	
<b>STAFF DEVELOPMENT</b>	<b>19,000</b>	<b>18,000</b>	<b>(1,000)</b>	<b>18,000</b>	<b>-</b>		<b>0.0%</b>	
<b>SYSTEMS</b>	<b>3,000</b>	<b>2,000</b>	<b>(1,000)</b>	<b>2,000</b>	<b>-</b>		<b>0.0%</b>	
<b>GRAND TOTAL</b>	<b>\$ 744,000</b>	<b>\$ 731,000</b>	<b>\$ (13,000)</b>	<b>\$ 767,000</b>	<b>\$ 36,000</b>		<b>4.9%</b>	

Internal Audit Department - Variance Narrative		2022 Approved Budget vs. 2021 Forecast		Variance Over/(Under)
<b>STAFFING</b>				
• Increase in salaries from COLA and vacation sellbacks		\$		14,000
• Increase in fringe benefits due to inflation costs				22,000
			<b>Sub-Total</b>	<b>36,000</b>
			<b>Total Over/(Under)</b>	<b>\$ 36,000</b>

Internal Audit Department - Variance Narrative		2021 Forecast vs. 2021 Budget		Variance Over/(Under)
<b>STAFFING</b>				
• Slight decrease in fringe benefits		\$		(5,000)
• Savings from unfilled part-time intern				(6,000)
			<b>Sub-Total</b>	<b>(11,000)</b>
<b>STAFF DEVELOPMENT AND SYSTEM</b>				
• Slight decrease in software maintenance and support				(1,000)
• Slight decrease in attendance of trainings and conferences				(1,000)
			<b>Sub-Total</b>	<b>(2,000)</b>
			<b>Total Over/(Under)</b>	<b>\$ (13,000)</b>

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## INVESTMENT DEPARTMENT (p.#37)

The Investment Department oversees ACERA's investment program, recommending and implementing Board of Retirement investment decisions.

<b>Investment Department</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/(Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>	<b>% Change</b>
<b>STAFFING</b>						
Salaries	\$ 1,251,000	\$ 1,085,000	\$ (166,000)	\$ 1,330,000	\$ 245,000	22.6%
Fringe Benefits	683,000	594,000	(89,000)	773,000	179,000	30.1%
<b>Staffing Total</b>	<b>1,934,000</b>	<b>1,679,000</b>	<b>(255,000)</b>	<b>2,103,000</b>	<b>424,000</b>	<b>25.3%</b>
<b>STAFF DEVELOPMENT</b>	<b>28,000</b>	<b>21,000</b>	<b>(7,000)</b>	<b>31,000</b>	<b>10,000</b>	<b>47.6%</b>
<b>GRAND TOTAL</b>	<b>\$ 1,962,000</b>	<b>\$ 1,700,000</b>	<b>\$ (262,000)</b>	<b>\$ 2,134,000</b>	<b>\$ 434,000</b>	<b>25.5%</b>

<b>Investment Department - Variance Narrative 2022 Approved Budget vs. 2021 Forecast</b>		<b>Variance Over/(Under)</b>
<b>STAFFING</b>		
• Increase in salaries due to filling vacant positions, COLA, merit increases, and vacation sellbacks	\$	245,000
• Increase in fringe benefits due to filling vacant positions and inflation costs		179,000
	<b>Sub-Total</b>	<b>424,000</b>
<b>STAFF DEVELOPMENT</b>		
• Increase in attendance of conferences and trainings		10,000
	<b>Sub-Total</b>	<b>10,000</b>
	<b>Total Over/(Under)</b>	<b>\$ 434,000</b>

<b>Investment Department - Variance Narrative 2021 Forecast vs. 2021 Budget</b>		<b>Variance Over/(Under)</b>
<b>STAFFING</b>		
• Saving in salaries from vacant positions	\$	(166,000)
• Saving in fringe benefits from vacant positions		(89,000)
	<b>Sub-Total</b>	<b>(255,000)</b>
<b>STAFF DEVELOPMENT</b>		
• Decrease in attendance of trainings and conferences		(7,000)
	<b>Sub-Total</b>	<b>(7,000)</b>
	<b>Total Over/(Under)</b>	<b>\$ (262,000)</b>

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## LEGAL DEPARTMENT [\(p.#37\)](#)

The Legal Department provides legal advice and assistance to the ACERA Board of Retirement and staff.

Legal Department			2021 Forecast			2022 Approved		
	2021 Budget	2021 Forecast	Budget Over/ (Under)	2022 Approved	Budget	2021 Forecast	Over/(Under)	% Change
<b>STAFFING</b>								
Salaries	\$ 651,000	\$ 675,000	\$ 24,000	\$ 687,000	\$ 12,000			1.8%
Fringe Benefits	366,000	337,000	(29,000)	348,000	11,000			3.3%
<b>Staffing Total</b>	<b>1,017,000</b>	<b>1,012,000</b>	<b>(5,000)</b>	<b>1,035,000</b>	<b>23,000</b>			<b>2.3%</b>
<b>STAFF DEVELOPMENT</b>	<b>67,000</b>	<b>63,000</b>	<b>(4,000)</b>	<b>71,000</b>	<b>8,000</b>			<b>12.7%</b>
<b>PROFESSIONAL FEES</b>	<b>273,000</b>	<b>251,000</b>	<b>(22,000)</b>	<b>200,000</b>	<b>(51,000)</b>			<b>-20.3%</b>
<b>DISABILITY-ARBITRATION &amp; TRANSCRIPTS</b>								
Software Maintenance & Support	21,000	21,000	-	21,000	-			0.0%
<b>Systems Total</b>	<b>21,000</b>	<b>21,000</b>	<b>-</b>	<b>21,000</b>	<b>-</b>			<b>0.0%</b>
<b>GRAND TOTAL</b>	<b>\$ 1,438,000</b>	<b>\$ 1,387,000</b>	<b>\$ (51,000)</b>	<b>\$ 1,372,000</b>	<b>\$ (15,000)</b>			<b>-1.1%</b>

### Legal Department - Variance Narrative 2022 Approved Budget vs. 2021 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
• Increase in salaries from COLA and merit increases	\$ 12,000
• Increase in fringe benefits due to inflation costs	11,000
<b>Sub-Total</b>	<b>23,000</b>
<b>STAFF DEVELOPMENT</b>	
• Increase in attendance of conferences and trainings	8,000
<b>Sub-Total</b>	<b>8,000</b>
<b>PROFESSIONAL FEES</b>	
• Increase in fees for fiduciary services	9,000
• Increase in fees for tax & benefits	4,000
• Decrease in litigation expenses in 2022 as compared to unexpected increase in 2021	(64,000)
<b>Sub-Total</b>	<b>(51,000)</b>
<b>DISABILITY-LEGAL TRANSCRIPTS</b>	
• Increase in disability legal arbitration and transcripts	5,000
<b>Sub-Total</b>	<b>5,000</b>
<b>Total Over/(Under)</b>	<b>\$ (15,000)</b>

**Legal Department - Variance Narrative  
2021 Forecast vs. 2021 Budget**

		Variance Over/(Under)
<b>STAFFING</b>		
• Increase in salaries from vacation sellbacks	\$	24,000
• Savings from fringe benefits		(29,000)
	<b>Sub-Total</b>	<b>(5,000)</b>
<b>STAFF DEVELOPMENT</b>		
• Decrease in attendance of trainings and conferences		(4,000)
	<b>Sub-Total</b>	<b>(4,000)</b>
<b>PROFESSIONAL FEES</b>		
• Decrease in professional legal fees due to transfer from contingency fund		(22,000)
	<b>Sub-Total</b>	<b>(22,000)</b>
<b>DISABILITY-LEGAL TRANSCRIPTS</b>		
• Savings in disability legal arbitration and transcripts due to decrease in number of projected cases		(20,000)
	<b>Sub-Total</b>	<b>(20,000)</b>
<b>Total Over/(Under)</b>		<b>\$ (51,000)</b>

<b>Legal Department Professional Fees</b>			<b>2021 Forecast vs. 2021 Budget Over/ (Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>	<b>% Change</b>
	<b>2021 Budget</b>	<b>2021 Forecast</b>				
Fiduciary	\$ 126,000	\$ 116,000	\$ (10,000)	\$ 125,000	\$ 9,000	7.8%
Miscellaneous Legal Advice	118,000	114,000	(4,000)	50,000	(64,000)	-56.1%
Tax and Benefit Issues	29,000	21,000	(8,000)	25,000	4,000	19.0%
<b>Legal Total</b>	<b>\$ 273,000</b>	<b>\$ 251,000</b>	<b>\$ (22,000)</b>	<b>\$ 200,000</b>	<b>\$ (51,000)</b>	<b>-20.3%</b>

## PRISM DEPARTMENT (p.#37)

The PRISM Department assesses and resolves operational problems in existing and new technology systems.

PRISM Department			2021 Forecast			2022 Approved		
	2021 Budget	2021 Forecast	vs. 2021	Budget Over/	Approved	Budget vs.	2021 Forecast	% Change
			Budget Over/	(Under)	Budget	Over/(Under)		
<b>STAFFING</b>								
Salaries	\$ 1,138,000	\$ 1,145,000	\$ 7,000	\$	1,143,000	\$ (2,000)		-0.2%
Fringe Benefits	687,000	665,000	(22,000)		699,000	34,000		5.1%
Temporary Staff	35,000	2,000	(33,000)		-	(2,000)		-100.0%
<b>Staffing Total</b>	<b>1,860,000</b>	<b>1,812,000</b>	<b>(48,000)</b>		<b>1,842,000</b>	<b>30,000</b>		<b>1.7%</b>
<b>STAFF DEVELOPMENT</b>	<b>24,000</b>	<b>22,000</b>	<b>(2,000)</b>		<b>24,000</b>	<b>2,000</b>		<b>9.1%</b>
<b>SYSTEMS</b>								
Business Continuity Expenses	189,000	225,000	36,000		205,000	(20,000)		-8.9%
Minor Computer Hardware	30,000	29,000	(1,000)		40,000	11,000		37.9%
Software Maintenance & Support	678,000	668,000	(10,000)		701,000	33,000		4.9%
<b>Systems Total</b>	<b>897,000</b>	<b>922,000</b>	<b>25,000</b>		<b>946,000</b>	<b>24,000</b>		<b>2.6%</b>
<b>GRAND TOTAL</b>	<b>\$ 2,781,000</b>	<b>\$ 2,756,000</b>	<b>\$ (25,000)</b>		<b>\$ 2,812,000</b>	<b>\$ 56,000</b>		<b>2.0%</b>

### PRISM Department - Variance Narrative 2022 Approved Budget vs. 2021 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
<ul style="list-style-type: none"> <li>Net decrease in salaries from transferring the Scanning Unit to other departments; offset increase from COLA, merit increase, and vacation sellbacks</li> </ul>	\$ (2,000)
<ul style="list-style-type: none"> <li>Increase in fringe benefits from inflation cost</li> </ul>	34,000
<ul style="list-style-type: none"> <li>Savings in temporary staff</li> </ul>	(2,000)
<b>Sub-Total</b>	<b>30,000</b>
<b>STAFF DEVELOPMENT</b>	
<ul style="list-style-type: none"> <li>Slight increase in attendance of trainings and conferences</li> </ul>	2,000
<b>Sub-Total</b>	<b>2,000</b>
<b>SOFTWARE MAINTENANCE AND SUPPORT</b>	
<ul style="list-style-type: none"> <li>Decrease due to expected reduction in amazon workspace cost</li> </ul>	(20,000)
<ul style="list-style-type: none"> <li>Increase in minor computer hardware</li> </ul>	11,000
<ul style="list-style-type: none"> <li>Increase in software, maintenance and support from inflation costs</li> </ul>	33,000
<b>Sub-Total</b>	<b>24,000</b>
<b>Total Over/(Under)</b>	<b>\$ 56,000</b>

**PRISM Department - Variance Narrative  
 2021 Forecast vs. 2021 Budget**

	<b>Variance Over/(Under)</b>
<b>STAFFING</b>	
• Slight increase in salaries from vacation sellbacks	\$ 7,000
• Savings in fringe benefits	(22,000)
• Savings in temporary staff	(33,000)
<b>Sub-Total</b>	<b>(48,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Slight decrease in attendance of trainings and conferences	(2,000)
<b>Sub-Total</b>	<b>(2,000)</b>
<b>SOFTWARE MAINTENANCE AND SUPPORT</b>	
• Decrease in software, maintenance and support	(10,000)
• Slight decrease in minor computer hardware	(1,000)
• Increase due to higher usage of amazon workspace in 2021	36,000
<b>Sub-Total</b>	<b>25,000</b>
<b>Total Over/(Under)</b>	<b>\$ (25,000)</b>

## **Section V**

### **Enterprise-wide Projects**

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## Section V

### Enterprise-wide Projects

PROJECTS	2021 Budget		2021 Forecast		2021 Forecast vs. 2021 Budget Over/(Under)		2022 Approved Budget		2022 Approved Budget vs. 2021 Forecast Over/(Under)		% Change
SYSTEMS	\$	29,000	\$	29,000	\$	-	\$	5,000	\$	(24,000)	-82.8%
<b>GRAND TOTAL</b>	<b>\$</b>	<b>29,000</b>	<b>\$</b>	<b>29,000</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>5,000</b>	<b>\$</b>	<b>(24,000)</b>	<b>-82.8%</b>

Projects System	2021 Budget		2021 Forecast		2021 Forecast vs. 2021 Budget Over/(Under)		2022 Approved Budget		2022 Approved Budget vs. 2021 Forecast Over/(Under)		% Change
Database Migration	\$	29,000	\$	29,000	\$	-	\$	5,000	\$	(24,000)	-82.8%
<b>GRAND TOTAL</b>	<b>\$</b>	<b>29,000</b>	<b>\$</b>	<b>29,000</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>5,000</b>	<b>\$</b>	<b>(24,000)</b>	<b>-82.8%</b>

PROJECT - Variance Narrative		2022 Approved Budget vs. 2021 Forecast		Variance Over/(Under)
SYSTEMS				
<ul style="list-style-type: none"> <li>Decrease in Database Migration</li> </ul>				\$ (24,000)
<b>Sub-Total</b>				<b>(24,000)</b>
<b>Total Over/(Under)</b>				<b>\$ (24,000)</b>

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## **Section VI**

### **Administrative Budget**

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## Section VI :

# Administrative Budget

The Administrative Budget incorporates the limits of Section 31580.2 of the County Employees Act of 1937; whereby administrative expenses are “capped” at 0.21% of actuarially accrued liabilities. Pursuant to the relevant code sections, certain costs are excluded from the expense cap. Excluded costs include those associated with actuarial fees, business continuity planning (BCP), investments, legal, SRBR, and technology. Excludable expenses also include a pro rata portion of overhead expense attributable to excludable activities. In the 2022 administrative budget, ACERA is \$11.1 million under the cap limit of \$24.7 million.

<b>ADMINISTRATIVE EXPENSES BUDGET ALLOCATION</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/ (Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/(Under)</b>
<b>STAFFING</b>	\$ 11,092,000	\$ 11,031,000	\$ (61,000)	\$ 11,721,000	\$ 690,000
<b>STAFF DEVELOPMENT</b>	138,000	112,000	(26,000)	137,000	25,000
<b>PROFESSIONAL FEES</b>					
Consultant Fees - Operations	59,000	110,000	51,000	98,000	(12,000)
External Audit	118,000	118,000	-	106,000	(12,000)
<b>Professional Fees Total</b>	<b>177,000</b>	<b>228,000</b>	<b>51,000</b>	<b>204,000</b>	<b>(24,000)</b>
<b>OFFICE EXPENSE</b>					
Bank Charges & Miscellaneous Admin.	104,000	99,000	(5,000)	104,000	5,000
Building Expenses	65,000	65,000	-	68,000	3,000
Communications	74,000	74,000	-	146,000	72,000
Equipment Lease/Maintenance	100,000	94,000	(6,000)	94,000	-
Minor Furniture and Equipment	13,000	13,000	-	14,000	1,000
Office Supplies and Maint.	65,000	54,000	(11,000)	62,000	8,000
Printing & Postage	21,000	17,000	(4,000)	21,000	4,000
<b>Office Expense Total</b>	<b>442,000</b>	<b>416,000</b>	<b>(26,000)</b>	<b>509,000</b>	<b>93,000</b>
<b>INSURANCE</b>	<b>635,000</b>	<b>637,000</b>	<b>2,000</b>	<b>424,000</b>	<b>(213,000)</b>
<b>MEMBER SERVICES</b>					
Benefit Verification	6,000	6,000	-	6,000	-
Disability Claims Management	46,000	46,000	-	46,000	-
Disability Medical Expense	119,000	122,000	3,000	122,000	-
Member Training & Education	16,000	15,000	(1,000)	16,000	1,000
Printing & Postage - Members	61,000	52,000	(9,000)	49,000	(3,000)
Virtual Call Center	35,000	59,000	24,000	-	(59,000)
<b>Member Services Total</b>	<b>283,000</b>	<b>300,000</b>	<b>17,000</b>	<b>239,000</b>	<b>(61,000)</b>
<b>DEPRECIATION</b>	<b>85,000</b>	<b>86,000</b>	<b>1,000</b>	<b>85,000</b>	<b>(1,000)</b>
<b>BOARD OF RETIREMENT</b>					
Board Training & Miscellaneous Activities	270,000	185,000	(85,000)	262,000	77,000
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>	<b>68,000</b>	<b>62,000</b>	<b>(6,000)</b>	<b>56,000</b>	<b>(6,000)</b>
<b>GRAND TOTAL</b>	<b>\$ 13,190,000</b>	<b>\$ 13,057,000</b>	<b>\$ (133,000)</b>	<b>\$ 13,637,000</b>	<b>\$ 580,000</b>

Section VI: Administrative Budget  
(TOC p# III)

<b>BCP EXPENSES BUDGET ALLOCATION</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/(Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/ (Under)</b>
<b>STAFFING</b>	\$ 406,000	\$ 394,000	\$ (12,000)	\$ 337,000	\$ (57,000)
STAFF DEVELOPMENT	5,000	4,000	(1,000)	3,000	(1,000)
PROFESSIONAL FEES					
Consultant Fees - Operations	2,000	4,000	2,000	3,000	(1,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	4,000	4,000	-	3,000	(1,000)
Building Expenses	2,000	2,000	-	2,000	-
Communications	3,000	3,000	-	4,000	1,000
Equipment Lease/Maintenance	3,000	2,000	(1,000)	2,000	-
Minor Furniture and Equipment	1,000	1,000	-	-	(1,000)
Office Supplies and Maint.	2,000	2,000	-	2,000	-
Printing & Postage	1,000	1,000	-	1,000	-
<b>Office Expense Total</b>	<b>16,000</b>	<b>15,000</b>	<b>(1,000)</b>	<b>14,000</b>	<b>(1,000)</b>
INSURANCE	23,000	23,000	-	11,000	(12,000)
SYSTEMS					
Disaster Recovery & Business Continuity	189,000	225,000	36,000	205,000	(20,000)
DEPRECIATION					
Depreciation Expense - Technology	4,000	-	(4,000)	-	-
Depreciation Expense - Other	3,000	3,000	-	2,000	(1,000)
<b>Depreciation Total</b>	<b>7,000</b>	<b>3,000</b>	<b>(4,000)</b>	<b>2,000</b>	<b>(1,000)</b>
<b>GRAND TOTAL</b>	<b>\$ 648,000</b>	<b>\$ 668,000</b>	<b>\$ 20,000</b>	<b>\$ 575,000</b>	<b>\$ (93,000)</b>

<b>INVESTMENT EXPENSES BUDGET ALLOCATION</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/(Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/ (Under)</b>
<b>STAFFING</b>					
Staffing - Direct	\$ 1,925,000	\$ 1,671,000	\$ (254,000)	\$ 2,091,000	\$ 420,000
Staffing - Indirect	818,000	796,000	(22,000)	891,000	95,000
<b>Staffing Total</b>	<b>2,743,000</b>	<b>2,467,000</b>	<b>(276,000)</b>	<b>2,982,000</b>	<b>515,000</b>
STAFF DEVELOPMENT	58,000	45,000	(13,000)	62,000	17,000
PROFESSIONAL FEES					
Consultant Fees - Operations	13,000	24,000	11,000	22,000	(2,000)
External Audit	39,000	39,000	-	36,000	(3,000)
<b>Professional Fees Total</b>	<b>52,000</b>	<b>63,000</b>	<b>11,000</b>	<b>58,000</b>	<b>(5,000)</b>
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	23,000	22,000	(1,000)	24,000	2,000
Building Expenses	14,000	14,000	-	15,000	1,000
Communications	16,000	16,000	-	33,000	17,000
Equipment Lease & Maintenance	23,000	19,000	(4,000)	21,000	2,000
Minor Furniture and Equipment	3,000	3,000	-	3,000	-
Office Supplies & Maintenance	14,000	12,000	(2,000)	14,000	2,000
Printing & Postage	5,000	3,000	(2,000)	5,000	2,000
<b>Office Expense Total</b>	<b>98,000</b>	<b>89,000</b>	<b>(9,000)</b>	<b>115,000</b>	<b>26,000</b>
INSURANCE	140,000	141,000	1,000	97,000	(44,000)
DEPRECIATION					
Depreciation Expense - Other	19,000	19,000	-	20,000	1,000
<b>Depreciation Total</b>	<b>19,000</b>	<b>19,000</b>	<b>-</b>	<b>20,000</b>	<b>1,000</b>
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activity	169,000	116,000	(53,000)	164,000	48,000
<b>GRAND TOTAL</b>	<b>\$ 3,279,000</b>	<b>\$ 2,940,000</b>	<b>\$ (339,000)</b>	<b>\$ 3,498,000</b>	<b>\$ 558,000</b>

<b>LEGAL EXPENSES BUDGET ALLOCATION</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/(Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/ (Under)</b>
<b>STAFFING</b>	\$ 518,000	\$ 524,000	\$ 6,000	\$ 541,000	\$ 17,000
<b>STAFF DEVELOPMENT</b>	73,000	68,000	(5,000)	77,000	9,000
<b>PROFESSIONAL FEES</b>					
Consultant Fees - Operations	3,000	4,000	1,000	4,000	-
Consultant Fees - Legal	273,000	251,000	(22,000)	200,000	(51,000)
<b>Professional Fees Total</b>	<b>276,000</b>	<b>255,000</b>	<b>(21,000)</b>	<b>204,000</b>	<b>(51,000)</b>
<b>OFFICE EXPENSE</b>					
Bank Charges & Miscellaneous Admin.	4,000	4,000	-	4,000	-
Building Expenses	3,000	3,000	-	3,000	-
Communications	3,000	3,000	-	6,000	3,000
Equipment Lease & Maintenance	4,000	7,000	3,000	4,000	(3,000)
Minor Furniture and Equipment	1,000	1,000	-	1,000	-
Office Supplies & Maintenance	2,000	2,000	-	2,000	-
Printing & Postage	1,000	1,000	-	1,000	-
<b>Office Expense Total</b>	<b>18,000</b>	<b>21,000</b>	<b>3,000</b>	<b>21,000</b>	<b>-</b>
<b>INSURANCE</b>	<b>27,000</b>	<b>27,000</b>	<b>-</b>	<b>18,000</b>	<b>(9,000)</b>
<b>MEMBER SERVICES</b>					
Disability - Legal Arbitration & Transcripts	60,000	40,000	(20,000)	45,000	5,000
<b>SYSTEMS</b>					
Software Maintenance & Support	21,000	21,000	-	21,000	-
<b>DEPRECIATION</b>	<b>4,000</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>	<b>-</b>
<b>BOARD OF RETIREMENT</b>					
Board Training & Miscellaneous Activity	67,000	47,000	(20,000)	66,000	19,000
<b>GRAND TOTAL</b>	<b>\$ 1,064,000</b>	<b>\$ 1,007,000</b>	<b>\$ (57,000)</b>	<b>\$ 997,000</b>	<b>\$ (10,000)</b>

<b>SRBR EXPENSES BUDGET ALLOCATION</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/(Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/ (Under)</b>
<b>STAFFING</b>	\$ 1,290,000	\$ 1,323,000	\$ 33,000	\$ 1,360,000	\$ 37,000
<b>PROFESSIONAL FEES</b>					
Actuarial - SRBR Valuation	42,000	42,000	-	43,000	1,000
Consultant Fees - SRBR	256,000	253,000	(3,000)	257,000	4,000
<b>Professional Fees Total</b>	<b>298,000</b>	<b>295,000</b>	<b>(3,000)</b>	<b>300,000</b>	<b>5,000</b>
<b>MEMBER SERVICES</b>					
Health Reimbursement Account (HRA)	60,000	60,000	-	60,000	-
Printing & Postage - Members	61,000	53,000	(8,000)	49,000	(4,000)
<b>Member Services Total</b>	<b>121,000</b>	<b>113,000</b>	<b>(8,000)</b>	<b>109,000</b>	<b>(4,000)</b>
<b>BOARD OF RETIREMENT</b>					
Board Training & Miscellaneous Activities	169,000	115,000	(53,000)	164,000	49,000
<b>GRAND TOTAL</b>	<b>\$ 1,878,000</b>	<b>\$ 1,846,000</b>	<b>\$ (32,000)</b>	<b>\$ 1,933,000</b>	<b>\$ 87,000</b>

<b>TECHNOLOGY EXPENSES BUDGET ALLOCATION</b>	<b>2021 Budget</b>	<b>2021 Forecast</b>	<b>2021 Forecast vs. 2021 Budget Over/(Under)</b>	<b>2022 Approved Budget</b>	<b>2022 Approved Budget vs. 2021 Forecast Over/ (Under)</b>
<b>SYSTEMS</b>					
County Data Processing	\$ 114,000	\$ 120,000	\$ 6,000	\$ 132,000	\$ 12,000
Computer Hardware & Maintenance	30,000	29,000	(1,000)	40,000	11,000
Software Maintenance & Support	848,000	835,000	(13,000)	809,000	(26,000)
<b>Systems Total</b>	<b>992,000</b>	<b>984,000</b>	<b>(8,000)</b>	<b>981,000</b>	<b>(3,000)</b>
<b>DEPRECIATION</b>	<b>3,000</b>	<b>4,000</b>	<b>1,000</b>	<b>3,000</b>	<b>(1,000)</b>
<b>GRAND TOTAL</b>	<b>\$ 995,000</b>	<b>\$ 988,000</b>	<b>\$ (7,000)</b>	<b>\$ 984,000</b>	<b>\$ (4,000)</b>

Section VI: Administrative Budget  
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<b>Administrative Expense Budget Overview <sup>1</sup></b> <b>(\$ in thousands)</b>	<b>2022 Approved Budget</b>	<b>2022 Actuarial Budget</b>	<b>2022 Business Continuity Budget</b>	<b>2022 Investment Budget</b>	<b>2022 Legal Budget</b>	<b>2022 SRBR Budget</b>	<b>2022 Technology Budget</b>	<b>2022 Administrative Budget</b>
<b>STAFFING</b>	\$ 16,941	\$ -	\$ (337)	\$ (2,982)	\$ (541)	\$ (1,360)	\$ -	\$ 11,721
<b>STAFF DEVELOPMENT</b>	279	-	(3)	(62)	(77)	-	-	137
<b>PROFESSIONAL FEES</b>								
Actuarial Fees	420	(377)	-	-	-	(43)	-	-
Audit Fees	142	-	-	(36)	-	-	-	106
Consultant Fees	384	-	(3)	(22)	(4)	(257)	-	98
Legal Fees	200	-	-	-	(200)	-	-	-
<b>Professional Fees Total</b>	<b>1,146</b>	<b>(377)</b>	<b>(3)</b>	<b>(58)</b>	<b>(204)</b>	<b>(300)</b>	<b>-</b>	<b>204</b>
<b>OFFICE EXPENSE</b>								
Bank Charges & Miscellaneous Admin	135	-	(3)	(24)	(4)	-	-	104
Building Expenses	88	-	(2)	(15)	(3)	-	-	68
Communications	189	-	(4)	(33)	(6)	-	-	146
Equipment Lease & Maint.	121	-	(2)	(21)	(4)	-	-	94
Minor Furniture & Equipment	18	-	-	(3)	(1)	-	-	14
Office Supplies & Maintenance	80	-	(2)	(14)	(2)	-	-	62
Printing & Postage	28	-	(1)	(5)	(1)	-	-	21
<b>Office Expense Total</b>	<b>659</b>	<b>-</b>	<b>(14)</b>	<b>(115)</b>	<b>(21)</b>	<b>-</b>	<b>-</b>	<b>509</b>
<b>INSURANCE</b>	<b>550</b>	<b>-</b>	<b>(11)</b>	<b>(97)</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>424</b>
<b>MEMBER SERVICES</b>								
Benefit Verification	6	-	-	-	-	-	-	6
Disability - Legal Arbitration & Transcripts	45	-	-	-	(45)	-	-	-
Disability Claimed Management	46	-	-	-	-	-	-	46
Disability Medical Expense	122	-	-	-	-	-	-	122
Health Reimbursement Account (HRA)	60	-	-	-	-	(60)	-	-
Member Training & Education	16	-	-	-	-	-	-	16
Printing & Postage - Members	98	-	-	-	-	(49)	-	49
<b>Member Services Total</b>	<b>393</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45)</b>	<b>(109)</b>	<b>-</b>	<b>239</b>
<b>SYSTEMS</b>								
Business Continuity Expenses	205	-	(205)	-	-	-	-	-
County Data Processing	132	-	-	-	-	-	(132)	-
Computer Hardware & Maintenance	40	-	-	-	-	-	(40)	-
Software Maintenance & Support	830	-	-	-	(21)	-	(809)	-
<b>Systems Total</b>	<b>1,207</b>	<b>-</b>	<b>(205)</b>	<b>-</b>	<b>(21)</b>	<b>-</b>	<b>(981)</b>	<b>-</b>
<b>BOARD OF RETIREMENT UNCOLLECTIBLE BENEFIT PAYMENTS</b>	<b>656</b>	<b>-</b>	<b>-</b>	<b>(164)</b>	<b>(66)</b>	<b>(164)</b>	<b>-</b>	<b>262</b>
<b>DEPRECIATION</b>	<b>114</b>	<b>-</b>	<b>(2)</b>	<b>(20)</b>	<b>(4)</b>	<b>-</b>	<b>(3)</b>	<b>85</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 22,001</b>	<b>\$ (377)</b>	<b>\$ (575)</b>	<b>\$ (3,498)</b>	<b>\$ (997)</b>	<b>\$ (1,933)</b>	<b>\$ (984)</b>	<b>\$ 13,637</b>

<sup>1</sup> All ACERA budget schedules with dollar amounts are rounded to the nearest thousand dollars. This may result in some rounding differences.

## OPERATING AND ADMINISTRATIVE EXPENSES

Operating Expenses (\$ in Thousands)	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/ (Under)
<b>EXPENSE CATEGORY</b>					
Staffing	\$ 16,049	\$ 15,739	\$ (310)	\$ 16,941	\$ 1,202
Staff Development	274	229	(45)	279	50
Professional Fees	1,178	1,215	37	1,146	(69)
Office Expense	574	541	(33)	659	118
Insurance	825	828	3	550	(278)
Member Services	464	453	(11)	393	(60)
Systems	1,202	1,230	28	1,207	(23)
Board of Retirement	675	463	(212)	656	193
Uncollectible Benefit Payments	68	62	(6)	56	(6)
Depreciation	118	116	(2)	114	(2)
<b>Operating Expenses</b>	<b>\$ 21,427</b>	<b>\$ 20,876</b>	<b>\$ (551)</b>	<b>\$ 22,001</b>	<b>\$ 1,125</b>

Administrative Expenses (\$ in Thousands)	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/ (Under)
<b>EXCLUSIONS FROM OPERATING EXPENSE TO CALCULATE ADMINISTRATIVE EXPENSE</b>					
Operating Expense (from above)	\$ 21,427	\$ 20,876	\$ (551)	\$ 22,001	\$ 1,125
Actuarial	(373)	(370)	3	(377)	(7)
Business Continuity <sup>1</sup>	(648)	(668)	(20)	(575)	93
Investment- Related <sup>2</sup>	(3,279)	(2,940)	339	(3,498)	(558)
Legal- Related <sup>3</sup>	(1,064)	(1,007)	57	(997)	10
SRBR <sup>4</sup>	(1,878)	(1,846)	32	(1,933)	(87)
Technology <sup>5</sup>	(995)	(988)	7	(984)	4
<b>Administrative Expense</b>	<b>\$ 13,190</b>	<b>\$ 13,057</b>	<b>\$ (133)</b>	<b>\$ 13,637</b>	<b>\$ 580</b>

<sup>1</sup> Business Continuity – 2022 related costs include total direct costs (\$207K) for software support and direct depreciation; 2.0% is added for both allocated staffing and other overhead expenses (\$368K).

<sup>2</sup> Investment – 2022 related expenses are composed of direct costs of Investment staff (\$2,091K), allocated staffing costs (\$891K), 25% of Board expenses (\$164K), 25% of audit expenses (\$36K) and 17.6% of other overhead costs (\$316K).

<sup>3</sup> Legal – 2022 related expenses include direct costs of Staffing (\$541K), Professional Legal fees (\$200K), Disability Arbitration Expenses (\$45K), Software Support - Legal (\$21K), 10% of Board expenses (\$66K), and 3.2% of other overhead costs (\$124K).

<sup>4</sup> SRBR – 2022 related expenses are composed of allocated staffing costs (\$1,360K), direct costs of Professional Fees (\$300K), Member Services (\$109K), and 25% of Board expenses (\$164K).

<sup>5</sup> Technology – 2022 related expenses include computer hardware, computer software, computer depreciation, and computer technology consulting services in support of these computer products.

Comparison of Administrative Expense to Limits (Section 31580.2) (\$ in thousands)	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/(Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/ (Under)
Total Actuarial Accrued Liabilities <sup>6</sup>	\$ 10,984,240	\$ 10,984,240	\$ -	\$ 11,753,921	\$ 769,681
Limit on Expense	0.21%	0.21%	-	0.21%	-
Maximum Allowed	23,067	23,067	-	24,683	1,616
Administrative Expense	13,190	13,057	(133)	13,637	580
<b>Over/(Under) Maximum</b>	<b>\$ (9,877)</b>	<b>\$ (10,010)</b>	<b>\$ (133)</b>	<b>\$ (11,046)</b>	<b>\$ (1,036)</b>

<sup>6</sup> Based on total actuarial accrued liabilities for pension as of December 31, 2020; OPEB and non-OPEB as of December 31, 2019 for 2022 Budget.

## 2022 DEPARTMENT WEIGHTED AVERAGE

2022 Allocation Percentages							
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFFING SALARIES FRINGE BENEFITS TEMPS	Administration	8.1%	0.0%	2.5%	0.0%	0.0%	89.4%
	Benefits	0.3%	0.0%	0.5%	17.0%	0.0%	82.2%
	Fiscal Services	11.1%	0.0%	0.6%	8.7%	0.0%	79.6%
	Human Resources	0.0%	0.0%	1.5%	0.0%	0.0%	98.5%
	Internal Audit	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Investments	99.4%	0.0%	0.6%	0.0%	0.0%	0.0%
	Legal	47.7%	52.3%	0.0%	0.0%	0.0%	0.0%
	PRISM	1.0%	0.0%	12.5%	0.0%	0.0%	86.5%
<b>Total Staffing Factors</b>		<b>17.6%</b>	<b>3.2%</b>	<b>2.0%</b>	<b>8.0%</b>	<b>0.0%</b>	<b>69.2%</b>

## 2021 DEPARTMENT WEIGHTED AVERAGE

2021 Allocation Percentages							
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFFING SALARIES FRINGE BENEFITS TEMPS	Administration	7.1%	0.0%	2.1%	0.0%	0.0%	90.8%
	Benefits	0.3%	0.0%	0.6%	17.8%	0.0%	81.3%
	Fiscal Services	9.5%	0.0%	0.6%	8.7%	0.0%	81.2%
	Human Resources	0.0%	0.0%	1.5%	0.0%	0.0%	98.5%
	Internal Audit	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Investments	99.5%	0.0%	0.5%	0.0%	0.0%	0.0%
	Legal	47.0%	51.0%	2.0%	0.0%	0.0%	0.0%
	PRISM	0.8%	0.0%	15.2%	0.0%	0.0%	84.0%
<b>Total Staffing Factors</b>		<b>17.0%</b>	<b>3.2%</b>	<b>2.8%</b>	<b>7.8%</b>	<b>0.0%</b>	<b>69.2%</b>



## APPLIED FACTORS

2022 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
<b>STAFF DEVELOPMENT</b>	Staff Development	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
<b>PROFESSIONAL FEES</b>	Actuarial - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	External Audit	25.0%	0.0%	0.0%	0.0%	0.0%	75.0%
	Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Operations - Technology Consultant	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Operations Consulting	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Operations Consulting - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
<b>OFFICE EXPENSE</b>	Bank Charges & Miscellaneous Admin.	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Building Expenses	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Communications	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Equipment Lease & Maintenance	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Minor Furniture & Equipment	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Office Maintenance & Supplies	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Printing & Postage	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
<b>INSURANCE</b>	Insurance	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
<b>MEMBER SERVICES</b>	Benefit Verification	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Disability Arbitration and Transcripts	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Disability Member Medical Expense	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Health Reimbursement Account (HRA)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	Member Training & Education	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Printing & Postage - Members	0.0%	0.0%	0.0%	50.0%	0.0%	50.0%
<b>SYSTEMS</b>	Computer Hardware & Software	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	County Data Processing	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Disaster Recovery	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Software Maintenance & Support	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Software Maintenance & Support-Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>	Uncollectible Benefit Payments	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
<b>BOARD OF RETIREMENT</b>	Compensation	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Conferences & Training	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Election Expenses	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Employer Reimbursement	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Miscellaneous Activities	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Strategic Planning / Workshop	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
<b>DEPRECIATION</b>	Depreciation - Other	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Depreciation - BCP	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Depreciation - Hardware & Software and EDMS	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%

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2021 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFF							
DEVELOPMENT	Staff Development	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
PROFESSIONAL	Actuarial - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
FEES	External Audit	25.0%	0.0%	0.0%	0.0%	0.0%	75.0%
	Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Operations - Technology Consultant	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Operations Consulting	17.0%	3.2%	2.87%	0.0%	0.0%	77.0%
	Operations Consulting - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
OFFICE	Bank Charges & Miscellaneous Admin.	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
EXPENSE	Building Expenses	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Communications	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Equipment Lease & Maintenance	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Minor Furniture & Equipment	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Office Maintenance & Supplies	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Printing & Postage	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
INSURANCE	Insurance	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
MEMBER	Benefit Verification	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
SERVICES	Disability Arbitration and Transcripts	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Disability Member Medical Expense	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Health Reimbursement Account (HRA)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	Member Training & Education	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Printing & Postage - Members	0.0%	0.0%	0.0%	50.0%	0.0%	50.0%
SYSTEMS	Computer Hardware & Software	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	County Data Processing	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Disaster Recovery	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Software Maintenance & Support	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Software Maintenance & Support-Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
UNCOLLECTIBLE	Uncollectible Benefit Payments	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
BENEFIT PAYMENTS							
BOARD OF	Compensation	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
RETIREMENT	Conferences & Training	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Election Expenses	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Employer Reimbursement	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Miscellaneous Activities	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Strategic Planning / Workshop	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
DEPRECIATION	Depreciation - Other	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Depreciation - BCP	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Depreciation - Hardware & Software and EDMS	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%

<b>2022 Approved Staffing Allocation Matrix</b>						
	<b>INVESTMENTS</b>	<b>LEGAL</b>	<b>BCP</b>	<b>SRBR</b>	<b>ADMIN</b>	
<b>ADMINISTRATION</b>						
CEO	20%	-	2%	-	78%	
Assistant CEO	10%	-	10%	-	80%	
<b>BENEFITS</b>						
Assistant CEO	3%	-	1%	50%	46%	
Administrative Specialist II	-	-	2%	-	98%	
Administrative Support Specialist	-	-	-	50%	50%	
Communications Manager	5%	-	-	50%	45%	
Graphic Designer	-	-	-	50%	50%	
Management Analyst	-	-	-	50%	50%	
Retirement Benefits Assistant Manager	-	-	2%	90%	8%	
Retirement Benefits Assistant Manager	-	-	2%	-	98%	
Retirement Benefits Manager	-	-	2%	-	98%	
Retirement Benefits Manager	-	-	5%	50%	45%	
Retirement Benefits Specialist	-	-	-	50%	50%	
Retirement Technician	-	-	-	5%	95%	
Retirement Technician	-	-	-	30%	70%	
Retirement Technician	-	-	-	30%	70%	
Retirement Technician	-	-	-	30%	70%	
Senior Retirement Technician	-	-	-	50%	50%	
Senior Retirement Technician	-	-	-	5%	95%	
Senior Retirement Technician	-	-	-	50%	50%	
Senior Retirement Technician	-	-	-	30%	70%	
<b>FISCAL SERVICES</b>						
Retirement Assistant Accounting Manager	5%	-	1%	-	94%	
Finance Services Specialist II	-	-	-	70%	30%	
Retirement Accountant II	90%	-	-	-	10%	
Retirement Accountant III	-	-	2%	25%	73%	
Retirement Accountant III	25%	-	1%	-	74%	
Retirement Budget Analyst	-	-	2%	-	98%	
<b>HUMAN RESOURCES</b>						
Human Resources Officer	-	-	2%	-	98%	
Administrative Specialist II	-	-	1%	-	99%	
Human Resources Specialist	-	-	1%	-	99%	
<b>INVESTMENTS</b>						
Chief Investment Officer	99%	-	1%	-	-	
Investment Officer	99%	-	1%	-	-	
Investment Officer	99%	-	1%	-	-	
Investment Officer	99%	-	1%	-	-	
All Other Investment Staff	100%	-	-	-	-	
<b>LEGAL</b>						
Chief Counsel	15%	80%	5%	-	-	
Administrative Specialist II	50%	50%	-	-	-	
Administrative Support Specialist	15%	85%	-	-	-	
Associate Counsel	95%	5%	-	-	-	
<b>PRISM</b>						
Retirement Tech Officer	-	-	10%	-	90%	
Computer Network System Analyst	5%	-	20%	-	75%	
Computer and Network System Specialist	1%	-	10%	-	89%	
Retirement System Program Analyst	2%	-	15%	-	83%	
Security Analyst	-	-	30%	-	70%	
All Other PRISM Staff	-	-	5%	-	95%	

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## **Section VII**

### **Capital Assets Outlay Budget**

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## Section VII :

### Capital Assets Outlay Budget

The Capital Assets Outlay Budget develops anticipated funding needs for items or projects that exceed a purchase cost of \$5,000.

#### Capital Assets Outlay 2021 - 2022

Statement of Capital Assets Outlay - 2021 Forecast and 2022 Approved Budget							
	2021 Budget	2021 Forecast	2021 Forecast vs. 2021 Budget Over/ (Under)	2022 Approved Budget	2022 Approved Budget vs. 2021 Forecast Over/ (Under)	% Change	
<b>Office Equipment</b>							
Scanner Equipment	\$ -	\$ 9,000	\$ 9,000	\$ -	(\$ 9,000)	-100.0%	
Virtual Call Center	-	5,000	5,000	-	(5,000)	-100.0%	
<b>Sub-Total</b>	-	<b>14,000</b>	<b>14,000</b>	-	<b>(14,000)</b>	<b>-100.0%</b>	
<b>System</b>							
Pension Gold System Upgrade <sup>1</sup>	1,744,000	1,929,000	185,000	1,642,000	(287,000)	-14.9%	
<b>Sub-Total</b>	<b>1,744,000</b>	<b>1,929,000</b>	<b>185,000</b>	<b>1,642,000</b>	<b>(287,000)</b>	<b>-14.9%</b>	
<b>Capital Assets Outlay Total</b>	<b>\$ 1,744,000</b>	<b>\$ 1,943,000</b>	<b>\$ 199,000</b>	<b>\$ 1,642,000</b>	<b>\$ (301,000)</b>	<b>-15.5%</b>	

<sup>1</sup> Pension Gold Upgrade is a five-year project. Listed below are the current estimated expenses for the 2022 approved budget:

- Anticipated implementation services with Levi, Ray and Shoup (LRS) - \$525,000
- Anticipated cost for Segal to oversee the project - \$410,000
- Anticipated cost for Staffing to work on the project - \$707,000

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## **Section VIII**

### **Portfolio Management Investment Expenses**

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## Section VIII:

# Portfolio Management Investment Expenses

Portfolio Management Investment Expenses include the cost of independent professionals whose contractual fees are negotiated based on the value of assets under management. Known contractual fees are listed and a 5% annual increase is assumed for all other terms.

Portfolio Management Investment Expenses			2021 Forecast			2022 Approved		
	2021 Budget	2021 Forecast	Budget Over/ (Under)	2022 Approved Budget	2021 Forecast Over/ (Under)	% Change		
Consultant Fees	\$ 1,537,000	\$ 1,492,000	\$ (45,000)	\$ 1,567,000	\$ 75,000	5.0%		
Custodian Bank Fees	606,000	597,000	(9,000)	627,000	30,000	5.0%		
Investment Manager Fees	48,942,000	65,898,000	16,956,000	52,278,000	(13,620,000)	-20.7%		
Other Investment Expenses	288,000	(426,000)	(714,000)	538,000	964,000	-226.3%		
<b>Total Portfolio Management Investment Expenses</b>	<b>\$ 51,373,000</b>	<b>\$ 67,561,000</b>	<b>\$ 16,188,000</b>	<b>\$ 55,010,000</b>	<b>\$ (12,551,000)</b>	<b>-18.6%</b>		

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## **Appendix**

**2022 Budget Change Proposals (BCP)**

**2022 Contingency Fund**

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# Appendix

## 2022 BUDGET CHANGE PROPOSALS (BCP)

Department	BCP Description	Totals
Administration	Commercial Bank Transition Cost	\$ 50,000
Benefits/PRISM	Pension Gold System Upgrade (Capital)	1,642,000
Fiscal Services	Great Plains Cloud System	15,000
Legal	Litigation Reserve Fund	50,000
<b>BCP Total</b>		<b>\$ 1,707,000</b>

## 2022 CONTINGENCY FUND

Department	Description	Expense Type	Totals
Administration	Trainings/Conferences	Staff Development	\$ 25,000
Administration	Commercial Bank Transition Cost	Professional fees	50,000
Benefits	Trainings/Conferences	Staff Development	67,000
FSD	Trainings/Conferences	Staff Development	25,000
FSD	Great Plains Cloud System	System	15,000
HR	Trainings/Conferences	Staff Development	4,000
IA	Trainings/Conferences	Staff Development	6,000
Investment	Trainings/Conferences	Staff Development	18,000
Legal	Trainings/Conferences	Staff Development	9,000
Legal	Litigation Reserve	Professional fees	50,000
PRISM	Trainings/Conferences	Staff Development	54,000
<b>Contingency Fund Total</b>			<b>\$ 323,000</b>

## 2022 Approved Budget Contingency Fund [\(p.#19\)](#)

### Contingency Reserve for Conference and Training Travel-Related Expenses - \$208,000

This reserve fund is travel-related expenses associated with attending conferences and trainings. Approximately 70% the Staff Development budget line expense is travel-related conference and training expenses. The senior leadership team has agreed to place this funding into a contingency reserve instead of including it in the Staff Development budget line expense. If travel-related conference and training attendance resumes, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.

### Contingency Reserve for Litigation - \$50,000

This reserve fund is for anticipated personnel litigation expenses. If there is a need for litigation defense, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.

### Contingency Reserve for Commercial Bank Transition Cost - \$50,000

This reserve fund is for professional fees associated with unforeseen switching costs and possible transitional oversight expenses that may be related to ACERA's commercial bank transition. If there is a need, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.

### Contingency Reserve for Great Plains Cloud System - \$15,000

This reserve fund is for a possible 2022 technology upgrade of the Accounting System to Cloud base. If there is a need, Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.