



**ALAMEDA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

**2023
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

Members of the Board of Retirement,

It is my pleasure to present the approved 2023 budget. Though much of the social hardship brought by the COVID-19 pandemic has eased with the widespread availability of the COVID-19 vaccines and the high vaccinated rate of our community, in 2022 we continued to navigate and adapt to the distinctive work situation presented.

Utilizing remote server technology to connect ACERA's team, the majority of staff continue to work from home, and the vast majority of members continue to 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.

ACERA has continued to closely monitor the pandemic, and as case counts have dropped, we have begun a staged reopening. As of this writing, ACERA's office is open Tuesday, Wednesday, and Thursday for walk-ins and Tuesday and Thursday for appointments, with the eventual goal of reopening 5 days a week, possibly before the end of the year. County-mandated workplace protection protocols continue. As we endeavor to enhance work-life balance, recruitment, and retention, the reopening plan includes continuing opportunities for staff to work remotely where work requirements allow.

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 2023 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 2022 ACCOMPLISHMENTS

Pension Administration System (PAS) Replacement

Utilizing considerable resources from all departments across the organization, ACERA continued its project to replace its pension administration system, Pension Gold Version 2, with Pension Gold Version 3 by 2024. A significant component of ACERA's new pension system engine for calculating retirement benefits was designed and configured this past year during deliverable 3. We are testing the functionality in November 2022. Other accomplishments include:

- Continued collaboration with employers on development of Version 3 transmittal file
- Internal testing and gap analysis on transmittal file upload validation and exception management

- Implementation of business requirements requiring an integration with OnBase of Correspondence and Reporting output

Benefits Initiatives

- Conducted RFI for Medical Advisor / Disability Case Manager for evaluating disability retirement applications and management of disability claims, and retained incumbent Managed Medical Review Organization (MMRO)
- Waved diagnostic and preventive services from counting against annual dental PPO maximum
- Increased annual dental PPO benefit maximum from \$1,000 to \$1,300 for the Premier and non-contracted providers for parity with in-network providers
- Added UV coating and polycarbonate lenses to vision plan and increased frame allowance
- Promoted trial Kaiser Silver&Fit free-gym membership program, conducted member survey, and adopted continuation of benefit Silver&Fit benefit for 2023
- Conducted study of hearing aid benefits, and adopted \$1,000 hearing aid benefit per ear every 36 months to Kaiser Permanente non-Medicare enrollees
- Conducted non-vested benefits survey, specifically studying the possibility of increasing lump-sum death benefit and re-establishing Active Death Equity Benefit
- Continued launching member forms in DocuSign

Administration Initiatives

- Conferred with unions, developed a staged office reopening plan, and began reopening in August while continuing to provide full virtual services and retaining opportunity for staff to work remotely where suitable
- Initiated project for new bank service provider and hired JP Morgan Chase to replace incumbent Wells Fargo
- Received Certificate of Achievement for Excellence in Financial Reporting for 2020 Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) from Government Financial Officers Association (GFOA)
- Received an unqualified opinion on the 2021 Annual Financial Statements from the external auditors
- Conducted Board elections for five Trustee positions
- Completed a Felony Forfeiture Participating Employer Audit
- Organized a Board discussion with CalPERS CEO Marcie Frost
- Contracted with Mosaic Governance Advisors to develop strategic plan; conducted stakeholder surveys
- Recruited Lisa Johnson to serve as Assistant CEO, Operations
- Conducted recruitment to hire an Assistant CEO, Benefits to replace Kathy Foster, who retired
- Improved efficiency of several major Benefits and Fiscal Services processes using Lean methodology

Investment Initiatives

- Total Fund reached an unprecedented level of \$11.87 billion at year-end 2021
- Board Adopted ESG Implementation Plan in January 20, 2022
- Hired ACERA's first Investment Operation Officer in February of 2022
- Year-to-date in 2022 (June 2021 to June 2022), ACERA expanded the Total Fund's investment in 7 privately placed funds worth \$339 million
- Conducted an Emerging Markets Equity Manager search and selected William Blair
- Kicked off a Request For Proposal (RFP) for a General Investment Consultant

Portfolio Performance

- As of June 30, 2022, the total fund had returned -11.97% (net) year-to-date for 2022. The value of the total fund was \$10.4 billion

BUSINESS INITIATIVES

In 2023, initiatives will continue to be prioritized and reduced due to the increased resource needs required to complete the Pension Administration System Replacement Project, though we will continue concentrating on aligning technology and personnel to optimize the virtual customer service options and performing the daily functions of the organization. Highlights of upcoming business initiatives are:

For the Pension Administration System Replacement Project:

- Scenario Planning With Benefit Calculation Workflows in V3
- Staff Training on Software Testing
- Internal Validation of Requirements for Deliverable 4 Benefit Set Up and Payroll Starting in Jan. 2023

Additional Projects Include:

- Strategic Planning
- Completion of Banking Provider Transition
- Continuation of Internal Cybersecurity Controls Review
- On-the-Job Training (OJT) Structure
- CEM Benchmarking
- Enterprise Risk Management

BASELINE AND APPROVED 2023 OPERATING EXPENSE BUDGET (OEB)

The starting point for the 2023 OEB is a “baseline” that reflects the anticipated costs of carrying out the same level of services approved by the ACERA Board in the 2022 Budget. Staff was required to request and justify additional funds with a formal Budget Change Proposal (BCP) for any item affecting the 2023 baseline and approved 2023 budget. Additional staff positions or changes in salaries for 2023 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 2023 budget is \$21.5 million. This is \$0.53 million or 2.4% less than the 2022 approved budget of \$22.0 million. It is also \$0.24 million or 1.1% less than the 2023 baseline budget of \$21.7 million.

The reasons for the budget differences will be explained below.

APPROVED 2023 BUDGET HIGHLIGHTS

This section highlights the approved adjustments to the 2023 approved budget from the 2022 approved budget. A complete review of the differences can be found in Section III.

Staffing

The primary changes in Staffing costs for 2023 are as follows:

We continued the assumption to fill and fund the remaining vacant positions filled by temporary staff in 2022; cost-of-living adjustments, step increases, and an average four percent (4%) performance-driven merit increase for eligible/ selected deep-class positions, but then applied an across the board decrease of 5% to reflect unanticipated staff vacancies throughout the year. The total 2023 reduction for staffing from the 2022 approved budget is \$0.72 million, or a net decrease of 4.2%.

Staff Development

The primary change in Staff Development costs is a 31.5% increase compared to the 2022 budget. The increase is due to the expected increase in attendance of trainings and conferences. Due to COVID impacts, beginning with the 2021 Budget we removed regularly budgeted Staff Development costs and put them in the Contingency Fund in case the impact to training of COVID waned during the year. This year, we moved all of this cost in the Contingency Fund to the regular expense fund.

Professional Fees

The change in Professional Fees for 2023 is an increase of \$0.16 million, or a net increase of 13.5%. This increase is due to expected higher costs in Actuarial fees.

The senior managers and I look forward to presenting our approved 2023 operating expense budget to the committee and to the Board of Retirement.

Respectfully submitted,



Dave Nelsen
Chief Executive Officer

Section II

Budget Policies and Process

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Section II

Budget Policies and Process

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, legal related expenses, and investment-related expenses. 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, natural disasters, 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.

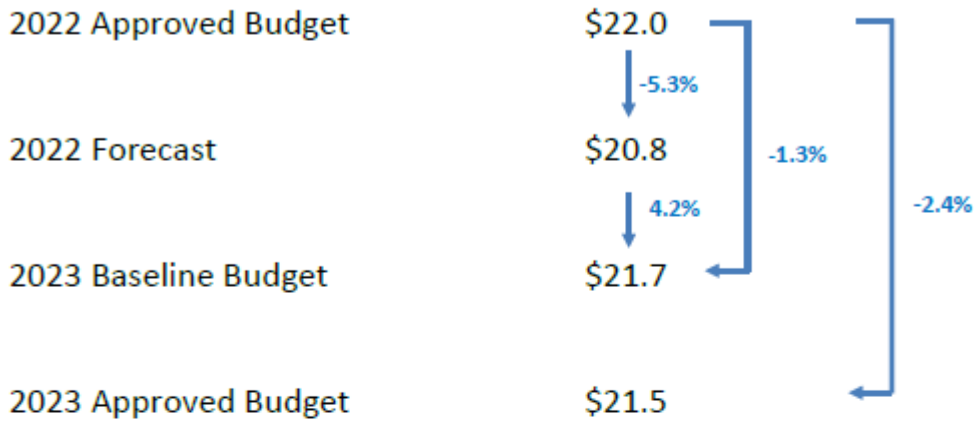
While the Fiscal Services Department Budget Team (budget team) is responsible for the preparation of the budget timeline, ACERA's Senior Leadership Team (SLT) is responsible for establishing business plan initiatives, in detail as to time and cost before the budget process begins, and is responsible 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 software 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 present 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 re-presented at the discretion of the committee. The Board's feedback is incorporated into the budget for final approval.

 **2023 Budget Process¹**



1. The starting point for the 2023 approved expenses 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 2022 budget. To that end, the 2023 baseline budget is \$21.7 million, a decrease of 1.3% from the approved 2022 budget.
2. Key to developing the 2023 approved 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 2023 Approved Budget of \$21.5 million which is \$529K or 2.4% decrease from the approved 2022 budget.

¹ 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

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 2023 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 3.5%;
- 5% adjustment for unexpected vacancies
- 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 (4.2%) net decrease compared to the 2022 budget; and a 0.7% net increase compared to the 2022 forecast.

Staff Development Assumptions

- Training, conferences and certifications would experience a 73.0% increase over the 2022 budget;
- Professional dues and subscriptions would experience a (26.1%) decrease over the 2022 budget.

Result: Staff development realized a 31.5% net increase compared to the 2022 budget; and a 47.4% net increase compared to the 2022 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, actuarial audit and 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—Consultant services (i.e., Benefits, Fiscal, Legal, and Human Resources) were calculated using the actual contract price or estimated cost.

Result: Professional fees realized a 13.5% net increase compared to the 2022 budget; and a 20.1% net increase compared to the 2022 forecast.

Office Expenses Assumptions

- Banking expenses would experience a (20.0%) decrease over the 2022 budget;
- Miscellaneous Administrative expenses would experience a (53.3%) decrease over the 2022 budget;
- Building Operation expenses would experience a (6.8%) decrease over the 2022 budget;
- Communication expenses would experience a (55.6%) decrease over the 2022 budget;
- Equipment Lease and Maintenance expenses would experience a (7.4%) decrease over the 2022 budget;
- Office supplies and Maintenance expenses would experience a (32.5%) decrease over the 2022 budget;
- Printing and Postage expenses would experience a (25.0%) decrease over the 2022 budget.

Result: Office expenses realized a (28.8%) net decrease compared to the 2022 budget; and a (3.3%) net decrease compared to the 2022 forecast.

Insurance Assumption

- The 2023 commercial insurance expense would realize a 20.7% increase over the 2022 budget;
- The Alameda County risk insurance expense would experience a (18.4%) decrease over the 2022 budget.

Result: Insurance expenses (in aggregate) realized a 5.3% net increase compared to the 2022 budget; and a 9.0% net increase compared to the 2022 forecast.

Member Services Assumptions

- Benefit Verification expenses would experience no increase over the 2022 budget;
- Disability Arbitration and Transcript expenses would experience no increase over the 2022 budget;
- Disability Medical expenses would experience a 58.2% increase over the 2022 budget;
- Health Reimbursement Accounts (HRA) expense would experience a 8.3% increase over the 2022 budget;
- Member Training & Education expense would experience a (31.3%) decrease over the 2022 budget;
- Printing and Postage expense would experience a (5.1%) decrease over the 2022 budget.

Result: Member Services expenses realized a 32.8% net increase compared to the 2022 budget; and a 32.2% net increase compared to the 2022 forecast.

Systems Assumptions

- Business Continuity expense would experience a 23.9% increase over the 2022 budget;
- County Data Processing expense would experience a (2.3%) decrease over the 2022 budget;
- Minor Computer Hardware expenses would realize a 5.0% increase over the 2022 budget;
- Software License and Maintenance expenses would realize a (3.9%) decrease over the 2022 budget.

Result: Systems expenses realized a 1.3% net increase compared to the 2022 budget; and a 6.3% increase compared to the 2022 forecast.

Board of Retirement Assumptions

- Training and conferences expenses increase as outlined in the Board's policy;
- Voluntary Employer Reimbursement increase as outlined in the Board's policy;
- Trustee stipend is \$100 per meeting based on committee work plans.

Result: Board of Retirement expenses realized a (6.4%) net decrease compared to the 2022 budget; and a (5.5%) decrease compared to the 2022 forecast.

Uncollectible Benefit Payments Assumption

- Uncollectible Benefit Payment expenses were determined by the Benefits Department.

Result: Uncollectible Benefit Payments expenses realized a (5.4%) decrease compared to the 2022 budget; and a (5.4%) decrease compared to the 2022 forecast.

Depreciation Assumption

- Depreciation expenses were based on the current capitalized assets.

Result: Depreciation expense realized a 5.3% net increase compared to the 2022 budget; and a (1.6%) decrease compared to the 2022 forecast.

APPROVED 2023 BUDGET SUMMARY AND COMPARISON

Staff recommends a Approved 2023 budget of \$21.5 million which is:

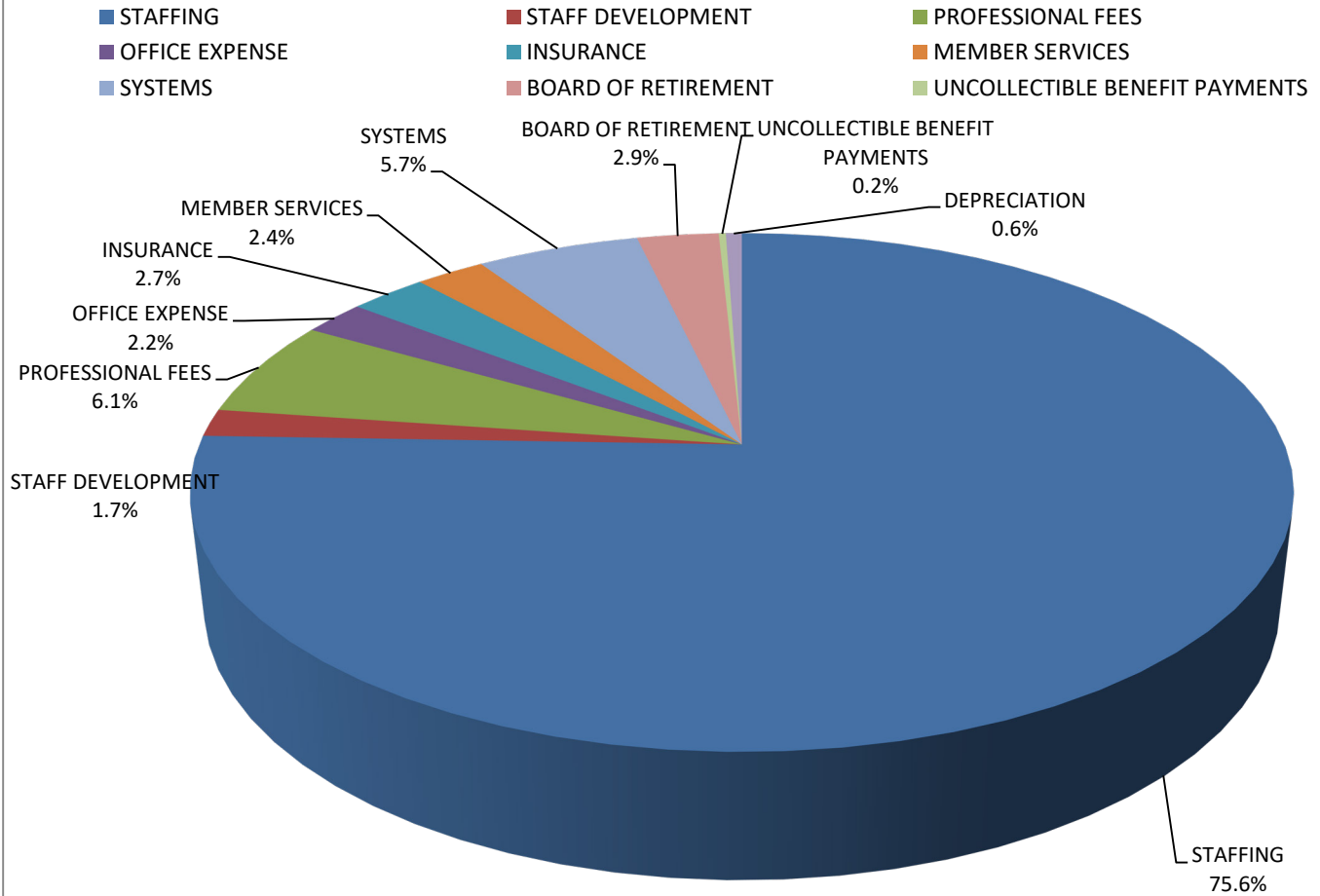
- \$0.53 million or 2.4% less than the approved 2022 budget of \$22.0 million;
- \$0.24 million or 1.1% less than the 2023 baseline budget of \$21.7 million; and,
- \$0.64 million or 3.0% greater than the 2022 forecast of \$20.8 million.

The 2023 administrative budget of \$12.8 million is \$12.7 million under the administrative cap of \$25.5 million. A year-over-year comparison reveals that the 2023 administrative budget of \$12.8 million is \$0.8 million lower than the 2022 administrative budget of \$13.6 million. Approximately \$8.7 million was excluded for the annual operating expense budget of \$21.5 million (see Section VI for administrative budget and allocation schedules).

2023 Approved Operating Expense Budget (\$ in thousands)

	2022 Forecast	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change	Category % of Total Operating Expenses
Staffing	\$ 16,116	\$ 16,224	\$ 108	0.7%	75.6%
Staff Development	249	367	118	47.4%	1.7%
Professional Fees	1,083	1,301	218	20.1%	6.1%
Office Expense	485	469	(16)	-3.3%	2.2%
Insurance	531	579	48	9.0%	2.7%
Member Services	395	522	127	32.2%	2.4%
Systems	1,150	1,223	73	6.3%	5.7%
Board Of Retirement	650	614	(36)	-5.5%	2.9%
Uncollectible Benefit Payments	56	53	(3)	-5.4%	0.2%
Depreciation	122	120	(2)	-1.6%	0.5%
OPERATING EXPENSES Total	\$ 20,837	\$ 21,472	\$ 635	3.0%	100.0%

2023 Approved Budget



Operating Expense Budget ¹	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
STAFFING (p#21)						
Salaries	\$ 10,550,000	\$ 10,161,000	\$ (389,000)	\$ 11,017,000	\$ 856,000	8.4%
Fringe Benefits	6,129,000	5,536,000	(593,000)	5,910,000	374,000	6.8%
Temporary Staff	262,000	419,000	157,000	150,000	(269,000)	-64.2%
5% Adjustment for unexpected vacancies	-	-	-	(853,000)	(853,000)	-100%
Staffing Total	16,941,000	16,116,000	(825,000)	16,224,000	108,000	0.7%
STAFF DEVELOPMENT (p#22)	279,000	249,000	(30,000)	367,000	118,000	47.4%
PROFESSIONAL FEES (p#26)						
Actuarial Fees	420,000	420,000	-	653,000	233,000	55.5%
Audit Fees	142,000	142,000	-	144,000	2,000	1.4%
Consultant Fees	384,000	383,000	(1,000)	354,000	(29,000)	-7.6%
Legal Fees	200,000	138,000	(62,000)	150,000	12,000	8.7%
Professional Fees Total	1,146,000	1,083,000	(63,000)	1,301,000	218,000	20.1%
OFFICE EXPENSE (p#28)						
Bank Charges	120,000	120,000	-	96,000	(24,000)	-20.0%
Misc. Administrative Expenses	15,000	3,000	(12,000)	7,000	4,000	133.3%
Building Expenses	88,000	8,000	(80,000)	82,000	74,000	925.0%
Communications	189,000	145,000	(44,000)	84,000	(61,000)	-42.1%
Equipment Lease & Maint.	121,000	117,000	(4,000)	112,000	(5,000)	-4.3%
Minor Furniture & Equip.	18,000	15,000	(3,000)	13,000	(2,000)	-13.3%
Office Supplies & Maint.	80,000	54,000	(26,000)	54,000	-	0.0%
Printing & Postage	28,000	23,000	(5,000)	21,000	(2,000)	-8.7%
Office Expense Total	659,000	485,000	(174,000)	469,000	(16,000)	-3.3%
INSURANCE (p#29)	550,000	531,000	(19,000)	579,000	48,000	9.0%
MEMBER SERVICES (p#30)						
Benefit Verification	6,000	6,000	-	6,000	-	0.0%
Disability - Arbitration & Transcripts	45,000	38,000	(7,000)	45,000	7,000	18.4%
Disability - Medical Expense	122,000	122,000	-	193,000	71,000	58.2%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account	60,000	62,000	2,000	65,000	3,000	4.8%
Member Training & Education	16,000	14,000	(2,000)	11,000	(3,000)	-21.4%
Printing & Postage - Members	98,000	107,000	9,000	93,000	(14,000)	-13.1%
Virtual Call Center	-	-	-	63,000	63,000	100.0%
Member Services Total	393,000	395,000	2,000	522,000	127,000	32.2%
SYSTEMS (p#31)						
Business Continuity Expenses	205,000	215,000	10,000	254,000	39,000	18.1%
County Data Processing	132,000	125,000	(7,000)	129,000	4,000	3.2%
Minor Computer Hardware	40,000	40,000	-	42,000	2,000	5.0%
Software License & Maintenance	830,000	770,000	(60,000)	798,000	28,000	3.6%
Systems Total	1,207,000	1,150,000	(57,000)	1,223,000	73,000	6.3%
BOARD OF RETIREMENT (p#32)						
Board Conferences & Misc. Activity	656,000	650,000	(6,000)	614,000	(36,000)	-5.5%
UNCOLLECTIBLE BENEFITS						
PAYMENTS (p#34)	56,000	56,000	-	53,000	(3,000)	-5.4%
Total Operating Expenses Before Depreciation	21,887,000	20,715,000	(1,172,000)	21,352,000	637,000	3.1%
DEPRECIATION (p#33)	114,000	122,000	8,000	120,000	(2,000)	-1.6%
TOTAL OPERATING EXPENSE	22,001,000	20,837,000	(1,164,000)	21,472,000	635,000	3.0%
TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE	55,010,000	48,652,000	(6,358,000)	55,109,000	6,457,000	13.3%
TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES	77,011,000	69,489,000	(7,522,000)	76,581,000	7,092,000	10.2%

¹ Budget schedules amounts are rounded to the nearest thousand.

CONTINGENCY FUND (p#83)	\$ 323,000	\$ -	\$ (323,000)	\$ 50,000	\$ 50,000	100.0%
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Section III: Operating Expense Budget

(TOC, p# III)

Operating Expense Budget 2023 Baseline vs. 2023 Increments (\$ in thousands)			2023	2023			2023 Approved Budget		
	2022	2023	Baseline	Baseline	2023	2023	Approved	(Baseline +	%
	Forecast	Baseline	vs. 2022	vs. 2022	Approved	Forecast	Forecast	Forecast	Change
			Over/	% Of	Increments	Over/	Over/	Over/	
			(Under)	Change		(Under)	(Under)	(Under)	Change
STAFFING									
Salaries	\$ 10,161	\$ 0,917	\$ 756	7.4%	\$ 100	\$ 11,017	\$ 856	8.4%	
Fringe Benefits	5,536	5,650	114	2.1%	260	5,910	374	6.8%	
Temporary Staff	419	150	(269)	-64.2%	-	150	(269)	-64.2%	
5% Adjustment for unexpected vacancies	-	-	-	0.0%	(853)	(853)	(853)	-100.0%	
Staffing Total	16,116	16,717	601	3.7%	(493)	16,224	108	0.7%	
STAFF DEVELOPMENT	249	367	118	47.4%	-	367	118	47.4%	
PROFESSIONAL FEES									
Actuarial Fees	420	478	58	13.8%	175	653	233	55.5%	
Audit Fees	142	144	2	1.4%	-	144	2	1.4%	
Consultant Fees	383	334	(49)	-12.8%	20	354	(29)	-7.6%	
Legal Fees	138	150	12	8.7%	-	150	12	8.7%	
Professional Fees Total	1,083	1,106	23	2.1%	195	1,301	218	20.1%	
OFFICE EXPENSE									
Bank Charges	120	96	(24)	-20.0%	-	96	(24)	-20.0%	
Miscellaneous Administrative Expenses	3	7	4	133.3%	-	7	4	133.3%	
Building Expenses	8	82	74	925.0%	-	82	74	925.0%	
Communications	145	84	(61)	-42.1%	-	84	(61)	-42.1%	
Equipment Lease & Maint.	117	119	2	1.7%	(7)	112	(5)	-4.3%	
Minor Furniture & Equipment	15	13	(2)	-13.3%	-	13	(2)	-13.3%	
Office Supplies & Maint.	54	54	-	0.0%	-	54	-	0.0%	
Printing & Postage	23	21	(2)	-8.7%	-	21	(2)	-8.7%	
Office Expense Total	485	476	(9)	-1.9%	(7)	469	(16)	-3.3%	
INSURANCE	531	579	48	9.0%	-	579	48	9.0%	
MEMBER SERVICES									
Benefit Verification	6	6	-	0.0%	-	6	-	0.0%	
Disability Arbitr. & Transcripts	38	45	7	18.4%	-	45	7	18.4%	
Disability - Medical Expense	122	193	71	58.2%	-	193	71	58.2%	
Disability - Managed Medical Review Organization (MMRO)	46	46	-	0.0%	-	46	-	0.0%	
Health Reimb. Account (HRA)	62	65	3	4.8%	-	65	3	4.8%	
Member Training & Education	14	11	(3)	-21.4%	-	11	(3)	-21.4%	
Printing & Postage - Members	107	93	(14)	-13.1%	-	93	(14)	-13.1%	
Virtual Call Center	-	63	63	100.0%	-	63	63	100.0%	
Member Services Total	395	522	127	32.2%	-	522	127	32.2%	
SYSTEMS									
Business Continuity Expenses	215	225	10	4.7%	29	254	39	18.1%	
County Data Processing	125	129	4	3.2%	-	129	4	3.2%	
Minor Computer Hardware	40	42	2	5.0%	-	42	2	5.0%	
Software License & Maint.	770	767	(3)	-0.4%	31	798	28	3.6%	
Systems Total	1,150	1,163	13	1.1%	60	1,223	73	6.3%	
BOARD OF RETIREMENT									
Board Conferences & Misc. Activity	650	610	(40)	-6.2%	4	614	(36)	-5.5%	
UNCOLLECTIBLE BENEFIT PAYMENTS									
	56	53	(3)	-5.4%	-	53	(3)	-5.4%	
Total Operating Expenses Before Depreciation	20,715	21,593	878	4.2%	(241)	21,352	637	3.1%	
DEPRECIATION	122	120	(2)	-1.6%	-	120	(2)	-1.6%	
TOTAL OPERATING EXPENSE	20,837	21,713	876	4.2%	(241)	21,472	635	3.0%	
TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE	48,652	55,109	6,457	13.3%	-	55,109	6,457	13.3%	
TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES	\$ 69,489	\$ 76,822	\$ 7,333	10.6%	\$ (241)	\$ 76,581	\$ 7,092	10.2%	

STAFFING (p#19)

Staffing expense includes salaries, fringe benefits, and temporary services¹.

Headcount by Department	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)
Administration	7	6	(1)	6	-
Benefits	42	42	-	42	-
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	-
HEADCOUNT TOTAL	88	87	(1)	87	-

¹ Headcount does not include temporary Retirement Technician to cover fluctuations in headcount.

Staffing	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
Administration	\$ 931,000	\$ 841,000	\$ (90,000)	\$ 918,000	\$ 77,000	9.2%
Benefits	4,248,000	4,039,000	(209,000)	4,415,000	376,000	9.3%
Fiscal Services	1,289,000	1,235,000	(54,000)	1,359,000	124,000	10.0%
Human Resources	405,000	409,000	4,000	425,000	16,000	3.9%
Internal Audit	467,000	467,000	-	483,000	16,000	3.4%
Investments	1,330,000	1,261,000	(69,000)	1,418,000	157,000	12.5%
Legal	687,000	687,000	-	731,000	44,000	6.4%
PRISM	1,143,000	1,146,000	3,000	1,198,000	52,000	4.5%
5% Adjustment for unexpected vacancies	-	-	-	(782,000)	(782,000)	-100.0%
Total Salaries	10,500,000	10,085,000	(415,000)	10,165,000	80,000	0.8%
Cafeteria Benefit Allowance	280,000	252,000	(28,000)	246,000	(6,000)	-2.4%
Health and Dental	1,967,000	1,748,000	(219,000)	1,921,000	173,000	9.9%
Retirement Contributions	2,820,000	2,522,000	(298,000)	2,741,000	219,000	8.7%
Medicare and SDI	246,000	220,000	(26,000)	244,000	24,000	10.9%
Social Security	740,000	702,000	(38,000)	695,000	(7,000)	-1.0%
Other Benefits (Life Insurance, Def. Comp. and Auto Allowance)	76,000	92,000	16,000	63,000	(29,000)	-31.5%
Adjustment for unexpected vacancies	-	-	-	(71,000)	(71,000)	-100.0%
Total Fringe Benefits	6,129,000	5,536,000	(593,000)	5,839,000	303,000	5.5%
Overtime	50,000	76,000	26,000	70,000	(6,000)	-7.9%
Temporary Staffing	262,000	419,000	157,000	150,000	(269,000)	-64.2%
STAFFING EXPENSES Total	\$ 16,941,000	\$ 16,116,000	\$ (825,000)	\$ 16,224,000	\$ 108,000	0.7%

Staffing - Variance Narrative 2023 Approved Budget vs. 2022 Forecast

	Variance Over/(Under)
• Increase in salaries due to filled vacant positions, COLA, merit increases, step increases, and vacation sellbacks	\$ 862,000
• Adjustment for 2023 unexpected vacancies	(782,000)
• Increase in 2023 fringe benefits	303,000
• Decrease in overtime expense	(6,000)
• Decrease in 2023 temporary staff	(269,000)
Total Over/(Under) \$	108,000

Staffing - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
• Net savings from unfilled and vacant positions	\$ (415,000)
• Decrease in fringe benefits	(593,000)
• Increase in overtime expense	26,000
• Increase in 2022 temporary staff due to staff vacancies	157,000
Total Over/(Under) \$	(825,000)

STAFF DEVELOPMENT [\(p#19\)](#)

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

Staff Development	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
CONFERENCES/TRAININGS						
Adaptive	\$ 2,000	\$ 2,000	\$ -	\$ 4,000	\$ 2,000	100.0%
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	21,000	18,000	(3,000)	56,000	38,000	211.1%
CALPERLA	1,000	1,000	-	5,000	4,000	400.0%
Cyber-Security	3,000	2,000	(1,000)	3,000	1,000	50.0%
GFOA	5,000	4,000	(1,000)	12,000	8,000	200.0%
IFEBP	8,000	4,000	(4,000)	25,000	21,000	525.0%
ILPA	4,000	3,000	(1,000)	6,000	3,000	100.0%
MILKEN	14,000	-	(14,000)	10,000	10,000	100.0%
PG User, Onbase, Sungard Conference	14,000	14,000	-	27,000	13,000	92.9%
SACRS	10,000	19,000	9,000	34,000	15,000	78.9%
Technology Related Trainings	6,000	4,000	(2,000)	6,000	2,000	50.0%
Misc.	75,000	73,000	(2,000)	94,000	21,000	28.8%
Sub-Total	163,000	144,000	(19,000)	282,000	138,000	95.8%
PROFESSIONAL DUES & SUBSCRIPTIONS	115,000	96,000	(19,000)	85,000	(11,000)	-11.5%
RECRUITMENT EXPENSES	1,000	9,000	8,000	-	(9,000)	-100.0%
STAFF DEVELOPMENT EXPENSES TOTAL	\$ 279,000	\$ 249,000	\$ (30,000)	\$ 367,000	\$ 118,000	47.4%

Staff Development - Variance Narrative 2023 Approved Budget vs. 2022 Forecast

	Variance Over/(Under)
CONFERENCE/TRAINING	
<ul style="list-style-type: none"> Expected increase in attendance mainly of MILKEN, IFEBP, CALAPRS, and other miscellaneous conferences and trainings 	\$ 138,000
Sub-total	138,000
PROFESSIONAL FEES & SUBSCRIPTIONS	
<ul style="list-style-type: none"> Decrease in professional dues and subscriptions 	(11,000)
Sub-total	(11,000)
RECRUITMENT	
<ul style="list-style-type: none"> Decrease in recruitment expense attributed to vacancies 	(9,000)
Sub-total	(9,000)
Total Over/(Under)	\$ 118,000

Staff Development - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
CONFERENCE/TRAINING	
<ul style="list-style-type: none"> Savings due to unattended conferences and trainings 	\$ (19,000)
Sub-total	(19,000)
PROFESSIONAL FEES & SUBSCRIPTIONS	
<ul style="list-style-type: none"> Decrease in professional dues and subscriptions 	(19,000)
Sub-total	(19,000)
RECRUITMENT	
<ul style="list-style-type: none"> Increase in recruitment expense attributed to vacancies 	8,000
Sub-total	8,000
Total Over/(Under)	\$ (30,000)

2023 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)	-	-	-	-	9,000
Association of Public Pension Fund Auditors (APPFA)	-	-	-	-	2,000
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	-	-	-
Computer Training/County	-	5,000	2,000	-	-
CSDA Conference	2,000	-	-	-	-
IDEA Training	-	-	-	-	3,000
Institutional Investors	-	-	-	-	-
Investment Related	-	-	-	-	-
LMS (Alameda County HRS)	-	-	-	1,000	-
NAPPA	-	-	-	-	-
NCPERS Conference	-	1,000	-	-	-
NASRA Winter & Annual Conference	5,000	-	-	-	-
Project Management	-	-	-	-	-
PRISM Conference	-	-	-	-	-
Staff Development	-	9,000	-	-	-
Miscellaneous Trainings/Conferences	3,000	5,000	5,000	6,000	4,000
Total Other Trainings/Conferences	10,000	20,000	7,000	7,000	20,000
Adaptive	-	-	4,000	-	-
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	6,000	43,000	2,000	-	-
CALPERLA	-	-	-	5,000	-
Cybersecurity	-	-	-	-	-
GFOA	-	-	11,000	-	1,000
IFEBP	5,000	20,000	-	-	-
ILPA	-	-	-	-	-
MILKEN	-	-	-	-	-
PG User and Onbase Conference	-	16,000	4,000	-	-
SACRS	6,000	16,000	-	2,000	2,000
Technology Related Trainings	-	-	-	-	-
Other Trainings/Conferences (from above)	10,000	20,000	7,000	7,000	20,000
Total Trainings/Conferences	27,000	115,000	28,000	14,000	23,000
Professional Dues & Subscriptions	25,000	3,000	3,000	2,000	4,000
TOTAL	\$ 52,000	\$ 118,000	\$ 31,000	\$ 16,000	\$ 27,000

2023 Approved Budget: Breakdowns for Miscellaneous Trainings/Conferences

	Investments	Legal	PRISM	Total
American Institute of Certified Public Accountants (AICPA)	\$ -	\$ -	\$ -	2,000
Association of Certified Fraud Examiners (ACFE)	-	-	-	9,000
Association of Public Pension Fund Auditors (APPFA)	-	-	-	2,000
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	2,000	2,000
Computer Training/County	-	-	-	7,000
CSDA Conference	-	-	-	2,000
IDEA Training	-	-	-	3,000
Institutional Investors	1,000	-	-	1,000
Investment Related	-	3,000	-	3,000
LMS (Alameda County HRS)	-	-	-	1,000
NAPPA	-	5,000	-	5,000
NCPERS Conference	-	-	-	1,000
NASRA Winter & Annual Conference	-	-	-	5,000
Project Management	-	-	1,000	1,000
PRISM Conference	-	-	1,000	1,000
Staff Development	-	-	-	9,000
Miscellaneous Trainings/Conferences	4,000	9,000	4,000	40,000
Total Other Trainings/Conferences	5,000	17,000	8,000	94,000
Adaptive	-	-	-	4,000
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	1,000	3,000	1,000	56,000
CALPERLA	-	-	-	5,000
Cybersecurity	-	-	3,000	3,000
GFOA	-	-	-	12,000
IFEBP	-	-	-	25,000
ILPA	3,000	3,000	-	6,000
MILKEN	10,000	-	-	10,000
PG User and Onbase Conference	-	-	7,000	27,000
SACRS	1,000	5,000	2,000	34,000
Technology Related Trainings	-	-	6,000	6,000
Other Trainings/Conferences (from above)	5,000	17,000	8,000	94,000
Total Trainings/Conferences	20,000	28,000	27,000	282,000
Professional Dues & Subscriptions	17,000	31,000	-	85,000
TOTAL	\$ 37,000	\$ 59,000	\$ 27,000	\$ 367,000

PROFESSIONAL FEES (p#19)

This category excludes investment professional consultant and advisor expenses.

Professional Fees	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)	% Change
Actuarial Fees	\$ 420,000	\$ 420,000	\$ -	\$ 653,000	\$ 233,000	55.5%
Audit Fees	142,000	142,000	-	144,000	2,000	1.4%
Consultant Fees	384,000	383,000	(1,000)	354,000	(29,000)	-7.6%
Legal Fees	200,000	138,000	(62,000)	150,000	12,000	8.7%
PROFESSIONAL FEES TOTAL	1,146,000	1,083,000	(63,000)	1,301,000	218,000	20.1%
Actuarial Fees						
Actuarial Valuation	81,000	81,000	-	85,000	4,000	4.9%
Actuarial Audit	-	-	-	135,000	135,000	100.0%
ASOP #51, Risk Report	30,000	30,000	-	30,000	-	0.0%
GASB 67 & 68	51,000	51,000	-	52,000	1,000	2.0%
GASB 74 & 75	15,000	15,000	-	16,000	1,000	6.7%
SRBR Valuation	43,000	43,000	-	44,000	1,000	2.3%
Supplemental Consulting	200,000	200,000	-	251,000	51,000	25.5%
Triennial Study	-	-	-	40,000	40,000	100.0%
Total Actuarial Fees	420,000	420,000	-	653,000	233,000	55.5%
Audit Fees						
Audit Fees	119,000	119,000	-	121,000	2,000	1.7%
GASB 67 & 68	11,000	11,000	-	11,000	-	0.0%
GASB 74 & 75	12,000	12,000	-	12,000	-	0.0%
Total Audit Fees	142,000	142,000	-	144,000	2,000	1.4%
Consultant Fees						
Administration						
Commercial Bank Transition Fees	50,000	50,000	-	-	(50,000)	-100.0%
Total Administration	50,000	50,000	-	-	(50,000)	-100.0%
Benefits						
Benefit Cons./Open Enroll.	131,000	130,000	(1,000)	131,000	1,000	0.8%
County Retirees Medical	126,000	126,000	-	126,000	-	0.0%
Total Benefits	257,000	256,000	(1,000)	257,000	1,000	0.4%
Fiscal Services						
Cashlog	-	-	-	20,000	20,000	100.0%
Total Fiscal Services	-	-	-	20,000	20,000	100.0%
Human Resources						
Lakeside Group (County Personnel)	77,000	77,000	-	77,000	-	0.0%
Total Human Resources	77,000	77,000	-	77,000	-	0.0%
Total Consultant Fees	384,000	383,000	(1,000)	354,000	(29,000)	-7.6%
Legal Fees						
Fiduciary	125,000	88,000	(37,000)	75,000	(13,000)	-14.8%
Miscellaneous Legal Advice	50,000	34,000	(16,000)	50,000	16,000	47.1%
Tax and Benefit Issues	25,000	16,000	(9,000)	25,000	9,000	56.3%
Total Legal Fees	\$ 200,000	\$ 138,000	\$ (62,000)	\$ 150,000	\$ 12,000	8.7%

Professional Fees - Variance Narrative 2023 Approved Budget vs. 2022 Forecast

Variance Over/(Under)

ACTUARIAL

• Increase in supplemental consulting, GASB, actuarial valuation,SRBR valuation	\$	58,000
• Triennial Experience Study in 2023		40,000
• Actuarial audit in 2023		135,000
Sub-total		233,000

AUDIT

• Slight increase in audit fees		2,000
Sub-total		2,000

CONSULTANTS

• Decrease in commercial bank fees attributed to bank transition		(50,000)
• Cash log project expected in 2023		20,000
• Slight increase in benefit consulting fees		1,000
Sub-total		(29,000)

LEGAL

• Decrease in fees for fiduciary services		(13,000)
• Increase in fees for tax & benefit issues		9,000
• Increase in litigation expenses		16,000
Sub-total		12,000

Total Over/(Under) \$ 218,000

Professional Fees - Variance Narrative 2022 Forecast vs. 2022 Budget

Variance Over/(Under)

CONSULTANTS

• Slight decrease in benefits consulting fees	\$	(1,000)
Sub-total		(1,000)

LEGAL

• Decrease in fees for fiduciary services		(37,000)
• Decrease in fees for tax & benefit issues		(9,000)
• Decrease in litigation expenses		(16,000)
Sub-total		(62,000)

Total Over/(Under) \$ (63,000)

OFFICE EXPENSE (p#19)

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

Office Expense	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)	% Change
Bank Charges	\$ 120,000	\$ 120,000	\$ -	\$ 96,000	\$ (24,000)	-20.0%
Misc. Administrative Expenses	15,000	3,000	(12,000)	7,000	4,000	133.3%
Building Expenses	88,000	8,000	(80,000)	82,000	74,000	925.0%
Communications	189,000	145,000	(44,000)	84,000	(61,000)	-42.1%
Equip. Leasing & Maint.	121,000	117,000	(4,000)	112,000	(5,000)	-4.3%
Minor Furniture & Equipment	18,000	15,000	(3,000)	13,000	(2,000)	-13.3%
Office Supplies & Maint.	80,000	54,000	(26,000)	54,000	-	0.0%
Printing & Postage	28,000	23,000	(5,000)	21,000	(2,000)	-8.7%
OFFICE EXPENSE Total	\$ 659,000	\$ 485,000	\$ (174,000)	\$ 469,000	\$ (16,000)	-3.3%

Office Expense - Variance Narrative 2023 Approved Budget vs. 2022 Forecast

Variance Over/(Under)

EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

- Decrease in equipment lease and maintenance as well as minor furniture

\$ (7,000)
Sub-total (7,000)

MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Increase in miscellaneous administrative expenses

4,000
Sub-total 4,000

PRINTING & POSTAGE

- Slight decrease in printing and postage usage

(2,000)
Sub-total (2,000)

BUILDING, BANK CHARGES AND COMMUNICATIONS

- Decrease in communications (61,000)
- Increase in building expenses 74,000
- Decrease in bank charges (24,000)

Sub-total (11,000)

Total Over/(Under) \$ (16,000)

Office Expense - Variance Narrative 2022 Forecast vs. 2022 Budget

Variance Over/(Under)

MISCELLANEOUS ADMINISTRATIVE EXPENSES

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

\$ (33,000)
Sub-total (33,000)

MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Decrease in miscellaneous administrative expenses

(12,000)
Sub-total (12,000)

PRINTING & POSTAGE

- Decrease in printing and postage usage

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

BUILDING AND COMMUNICATIONS

- Decrease in building expenses (80,000)
- Decrease in communications (44,000)

Sub-total (124,000)

Total Over/(Under) \$ (174,000)

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	2022 Forecast		2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget		2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
	2022 Budget	2022 Forecast		2023 Approved Budget	2023 Approved Budget		
Business Automobile	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.0%	
Commercial Package	33,000	32,000	(1,000)	31,000	(1,000)	-3.1%	
Crime	9,300	9,000	(300)	11,000	2,000	22.2%	
Cyber Liability	20,600	20,000	(600)	40,000	20,000	100.0%	
Earthquake	32,000	32,000	-	35,000	3,000	9.4%	
Fiduciary Liability	141,600	142,000	400	170,000	28,000	19.7%	
Risk Management	136,000	120,000	(16,000)	111,000	(9,000)	-7.5%	
Umbrella	8,500	9,000	500	9,000	-	0.0%	
Worker's Compensation	168,000	166,000	(2,000)	171,000	5,000	3.0%	
INSURANCE Total	\$ 550,000	\$ 531,000	\$ (19,000)	\$ 579,000	\$ 48,000	9.0%	

Insurance - Variance Narrative 2023 Approved Budget vs. 2022 Forecast

	Variance Over/(Under)
• Increase in premium for fiduciary liability	\$ 28,000
• Increase in premiums for crime, cyber liability and earthquake; offset by decrease in commercial package	24,000
• Decrease in Alameda County risk management premium	(9,000)
• Increase in Alameda County worker's compensation premium	5,000
Total Over/(Under)	\$ 48,000

Insurance - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
• Slight decrease in premiums for worker's compensation and commercial package	\$ (3,000)
• Decrease in Alameda County risk management premium	(16,000)
Total Over/(Under)	\$ (19,000)

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	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
Benefit Verification	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ -	0.0%
Disability - Legal Arbitration & Transcripts	45,000	38,000	(7,000)	45,000	7,000	18.4%
Disability - Medical	122,000	122,000	-	193,000	71,000	58.2%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account (HRA)	60,000	62,000	2,000	65,000	3,000	4.8%
Member Training & Education	16,000	14,000	(2,000)	11,000	(3,000)	-21.4%
Printing and Postage - Members	98,000	107,000	9,000	93,000	(14,000)	-13.1%
Virtual Call Center	-	-	-	63,000	63,000	100.0%
MEMBER SERVICES Total	\$ 393,000	\$ 395,000	\$ 2,000	\$ 522,000	\$ 127,000	32.2%

Member Services - Variance Narrative 2023 Approved Budget vs. 2022 Forecast

Variance Over/(Under)

DISABILITY

- Increase in medical disability, legal arbitration and transcripts

\$ 78,000
Sub-total 78,000

VIRTUAL CALL CENTER AND PRINTING AND POSTAGE BENEFITS

- Increase in virtual call center expense
- Decrease in members printing and postage

63,000
(14,000)
Sub-total 49,000

Total Over/(Under) \$ 127,000

Member Services - Variance Narrative 2022 Forecast vs. 2022 Budget

Variance Over/(Under)

DISABILITY

- Savings in disability legal arbitration and transcripts due to decrease in number of projected cases

\$ (7,000)
Sub-total (7,000)

VIRTUAL CALL CENTER AND PRINTING AND POSTAGE BENEFITS

- Increase in printing and postage

9,000
Sub-total 9,000

Total Over/(Under) \$ 2,000

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	2022		2022 Forecast	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
	Budget	Forecast						
Business Continuity Expenses	\$ 205,000	\$ 215,000	\$	\$	10,000	\$ 254,000	\$ 39,000	18.1%
County Data Processing	132,000	125,000			(7,000)	129,000	4,000	3.2%
Minor Computer Hardware	40,000	40,000			-	42,000	2,000	5.0%
Software License & Maintenance	830,000	770,000			(60,000)	798,000	28,000	3.6%
SYSTEMS Total	\$ 1,207,000	\$ 1,150,000	\$	\$	(57,000)	\$ 1,223,000	\$ 73,000	6.3%

Systems - Variance Narrative 2023 Approved Budget vs. 2022 Forecast

	Variance Over/(Under)
SOFTWARE, MAINTENANCE & SUPPORT	
<ul style="list-style-type: none"> Increase in software license and maintenance support 	\$ 28,000
Sub Total	28,000
COMPUTER HARDWARE & COUNTY DATA PROCESSING	
<ul style="list-style-type: none"> Slight increase in minor computer hardware Slight increase in county data processing 	2,000
Sub Total	4,000
Sub Total	6,000
BUSINESS CONTINUITY EXPENSES	
<ul style="list-style-type: none"> Increase due to UPS batteries 	39,000
Sub Total	39,000
Sub Total	39,000
Total Over/(Under)	\$ 73,000

Systems - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
SOFTWARE, MAINTENANCE & SUPPORT	
<ul style="list-style-type: none"> Savings mainly from Onbase and Pension Gold support 	\$ (60,000)
Sub Total	(60,000)
COMPUTER HARDWARE & COUNTY DATA PROCESSING	
<ul style="list-style-type: none"> Decrease in county data processing 	(7,000)
Sub Total	(7,000)
Sub Total	(7,000)
BUSINESS CONTINUITY EXPENSES	
<ul style="list-style-type: none"> Increase due to higher usage of amazon workspace 	10,000
Sub Total	10,000
Sub Total	10,000
Total Over/(Under)	\$ (57,000)

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	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
Board Compensation	\$ 27,000	\$ 25,000	\$ (2,000)	\$ 27,000	\$ 2,000	8.0%
Board Conference and Training	184,000	161,000	(23,000)	195,000	34,000	21.1%
Board Elections	60,000	84,000	24,000	-	(84,000)	-100.0%
Board Employer Reimbursement	339,000	345,000	6,000	356,000	11,000	3.2%
Board Miscellaneous Activities	23,000	13,000	(10,000)	14,000	1,000	7.7%
Board Software Maint. & Support	13,000	12,000	(1,000)	12,000	-	0.0%
Board Strategic Planning	10,000	10,000	-	10,000	-	0.0%
BOARD OF RETIREMENT Total	\$ 656,000	\$ 650,000	\$ (6,000)	\$ 614,000	\$ (36,000)	-5.5%

Board of Retirement - Variance Narrative
2023 Approved Budget vs. 2022 Forecast

	Variance Over/(Under)
• Decrease in board election expense	\$ (84,000)
• Slight increase in board compensation	2,000
• Expected increase in the attendance of board conferences and trainings	34,000
• Increase in employer reimbursements	11,000
• Slight increase in board miscellaneous activities	1,000
Total Over/(Under)	\$ (36,000)

Board of Retirement - Variance Narrative
2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
• Increase in board election expense	\$ 24,000
• Slight decrease in board compensation	(2,000)
• Decrease due to unattended board conferences and trainings	(23,000)
• Increase in employer reimbursements	6,000
• Decrease in board miscellaneous activities	(10,000)
• Slight decrease in board maintenance and support	(1,000)
Total Over/(Under)	\$ (6,000)

DEPRECIATION (p#19)

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

Depreciation	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)	% Change
Computer Software	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ (1,000)	-100.0%
EDMS Admin. Share	2,000	2,000	-	2,000	-	0.0%
Equipment	15,000	15,000	-	14,000	(1,000)	-6.7%
Furniture	1,000	1,000	-	-	(1,000)	-100.0%
Information system	-	8,000	8,000	9,000	1,000	12.5%
Leasehold Improvements	95,000	95,000	-	95,000	-	0.0%
DEPRECIATION Total	\$ 114,000	\$ 122,000	\$ 8,000	\$ 120,000	\$ (2,000)	-1.6%

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 5 years
- Disaster Recovery 5 years
- Leasehold Improvements 27.5 years
- EDMS 5 years

Depreciation - Variance Narrative 2023 Approved Budget vs. 2022 Forecast

	Variance Over/(Under)
• Decrease attributed to furniture and equipment	\$ (2,000)
Total Over/(Under)	\$ (2,000)

Depreciation - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
• Increase attributed to information systems	\$ 8,000
Total Over/(Under)	\$ 8,000

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 \$53,000. 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	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
Uncollectible Benefit Payments	\$ 56,000	\$ 56,000	\$ -	\$ 53,000	\$ (3,000)	-5.4%
Total	\$ 56,000	\$ 56,000	\$ -	\$ 53,000	\$ (3,000)	-5.4%

Uncollectible Benefit Payments - Variance Narrative		Variance Over/(Under)
2023 Approved Budget vs. 2022 Forecast		
• Expected decrease in uncollectible benefit payments		\$ (3,000)
Total Over/(Under)		\$ (3,000)

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			2022 Forecast			2023 Approved	2023 Approved	% Change
	2022 Budget	2022 Forecast	vs. 2022 Budget	Over/(Under)	Approved Budget	Budget vs. 2022 Forecast Over/(Under)		
Administration (p#38)	\$ 4,081,000	\$ 3,752,000	\$ (329,000)	\$	3,860,000	\$ 108,000	2.9%	
Benefits (p#42)	7,595,000	7,288,000	(307,000)		7,570,000	282,000	3.9%	
Fiscal Services (p#45)	2,468,000	2,299,000	(169,000)		2,378,000	79,000	3.4%	
Human Resources (p#47)	760,000	745,000	(15,000)		747,000	2,000	0.3%	
Internal Audit (p#49)	774,000	755,000	(19,000)		743,000	(12,000)	-1.6%	
Investment (p#51)	2,134,000	1,988,000	(146,000)		2,112,000	124,000	6.2%	
Legal (p#53)	1,372,000	1,267,000	(105,000)		1,278,000	11,000	0.9%	
PRISM (p#55)	2,812,000	2,743,000	(69,000)		2,784,000	41,000	1.5%	
Total Depart. Expenses	21,996,000	20,837,000	(1,159,000)		21,472,000	635,000	3.0%	
PROJECTS¹	5,000	-	(5,000)		-	-	0.0%	
Total Depart. Exp. + Projects	\$ 22,001,000	\$ 20,837,000	\$ (1,164,000)	\$	\$ 21,472,000	\$ 635,000	3.0%	

¹ 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.

Administration Department	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 931,000	\$ 841,000	\$ (90,000)	\$ 918,000	\$ 77,000	9.2%
Fringe Benefits	487,000	418,000	(69,000)	443,000	25,000	6.0%
Temporary Staff	112,000	116,000	4,000	-	(116,000)	-100.0%
5% adjustment for unexpected vacancies	-	-	-	(68,000)	(68,000)	-100.0%
Staffing Total	1,530,000	1,375,000	(155,000)	1,293,000	(82,000)	-6.0%
STAFF DEVELOPMENT	45,000	64,000	19,000	52,000	(12,000)	-18.8%
PROFESSIONAL FEES						
Actuarial Fees	420,000	420,000	-	653,000	233,000	55.5%
Consultant Fees	50,000	50,000	-	-	(50,000)	-100.0%
Professional Fees Total	470,000	470,000	-	653,000	183,000	38.9%
OFFICE EXPENSE						
Miscellaneous Administrative	15,000	3,000	(12,000)	7,000	4,000	133.3%
Building Expenses	88,000	8,000	(80,000)	82,000	74,000	925.0%
Communications	189,000	145,000	(44,000)	84,000	(61,000)	-42.1%
Equipment Lease & Maintenance	121,000	117,000	(4,000)	112,000	(5,000)	-4.3%
Minor Furniture & Equipment	3,000	5,000	2,000	3,000	(2,000)	-40.0%
Office Supplies & Maintenance	80,000	54,000	(26,000)	54,000	-	0.0%
Printing & Postage	28,000	23,000	(5,000)	21,000	(2,000)	-8.7%
Office Expense Total	524,000	355,000	(169,000)	363,000	8,000	2.3%
INSURANCE	550,000	531,000	(19,000)	579,000	48,000	9.0%
SYSTEMS						
County Data Processing	132,000	125,000	(7,000)	129,000	4,000	3.2%
Software Maintenance & Support	4,000	4,000	-	4,000	-	0.0%
Systems Total	136,000	129,000	(7,000)	133,000	4,000	3.1%
BOARD OF RETIREMENT						
Board Conferences & Miscellaneous Activity	656,000	650,000	(6,000)	614,000	(36,000)	-5.5%
UNCOLLECTIBLE BENEFIT PAYMENTS	56,000	56,000	-	53,000	(3,000)	-5.4%
DEPRECIATION						
Depreciation Expense	114,000	122,000	8,000	120,000	(2,000)	-1.6%
GRAND TOTAL	\$ 4,081,000	\$ 3,752,000	\$ (329,000)	\$ 3,860,000	\$ 108,000	2.9%

Administration Department - Variance Narrative 2023 Approved Budget vs. 2022 Forecast

	Variance Over/(Under)
STAFFING	
• Increase in salary expense from filing vacant position and COLA	\$ 77,000
• Increase in fringe benefits	25,000
• Decrease in temporary staff expense	(116,000)
• 5% adjustment for unexpected vacancies	(68,000)
Sub-Total	(82,000)
STAFF DEVELOPMENT	
• Decrease in attendance of staff trainings and conferences	(12,000)
Sub-Total	(12,000)
PROFESSIONAL FEES	
• Increase in actuarial fees due to 2023 audit and triennial experience study	233,000
• Decrease in consultant fees	(50,000)
Sub-Total	183,000
OFFICE EXPENSE	
• Increase in miscellaneous administrative, offset by slight decrease in printing & postage	2,000
• Decrease in communications expense	(61,000)
• Increase in building expenses	74,000
• Decrease in minor furniture, equipment lease and maintenance	(7,000)
Sub-Total	8,000
INSURANCE	
• Increase in insurance premiums for cyber and fiduciary liability	48,000
Sub-Total	48,000
SYSTEMS	
• Increase in county data processing	4,000
Sub-Total	4,000
BOARD OF RETIREMENT	
• Decrease in board elections, offset by board conferences & trainings and employer reimbursement	(36,000)
Sub-Total	(36,000)
UNCOLLECTIBLE BENEFIT PAYMENTS	
• Decrease in uncollectible benefit payments	(3,000)
Sub-Total	(3,000)
DEPRECIATION EXPENSE	
• Decrease in depreciation expense	(2,000)
Sub-Total	(2,000)
Total Over/(Under)	\$ 108,000

Administration Department - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
STAFFING	
• Decrease in salaries primarily due to vacant position and unfilled position	\$ (90,000)
• Decrease in fringe benefits	(69,000)
• Increase in temporary staff expense	4,000
Sub-Total	(155,000)
STAFF DEVELOPMENT	
• Increase in attendance of conferences and trainings	19,000
Sub-Total	19,000
OFFICE EXPENSE	
• Decrease in miscellaneous administrative expenses	(12,000)
• Decrease in building expenses	(80,000)
• Decrease in communications expense	(44,000)
• Decrease in equipment lease and maintenance; offset by minor furniture and equipment	(2,000)
• Savings in office supplies & maintenance due to reduction in usage	(26,000)
• Savings in printing and postage due to reduction in usage	(5,000)
Sub-Total	(169,000)
INSURANCE	
• Decrease in insurance premium for risk management	(19,000)
Sub-Total	(19,000)
SYSTEMS	
• Decrease in county data processing usage	(7,000)
Sub-Total	(7,000)
BOARD OF RETIREMENT	
• Decrease in board miscellaneous and attended board conferences and trainings; offset increase in board elections	(6,000)
Sub-Total	(6,000)
DEPRECIATION EXPENSE	
• Increase in depreciation expense due information system	8,000
Sub-Total	8,000
Total Over/(Under)	\$ (329,000)

Administration Department Professional Fees	2022 Budget		2022 Forecast vs. 2021 Budget Over/(Under)		2023 Approved Budget		2023 Approved Budget vs. 2022 Forecast Over/(Under)		% Change		
Consultant Fees											
Commercial Bank Transition Fees	\$	50,000	\$	50,000	\$	-	\$	(50,000)	-100.0%		
Sub-Total		50,000		50,000		-		(50,000)	-100.0%		
Actuarial Fees											
Actuarial Valuation		81,000		81,000		-		85,000	4,000	4.9%	
Actuarial Audit		-		-		-		135,000	135,000	100.0%	
ASOP #51, Risk Report		30,000		30,000		-		30,000	-	0.0%	
GASB 67 & 68		51,000		51,000		-		52,000	1,000	2.0%	
GASB 74 & 75		15,000		15,000		-		16,000	1,000	6.7%	
SRBR Valuation		43,000		43,000		-		44,000	1,000	2.3%	
Supplemental Consulting		200,000		200,000		-		251,000	51,000	25.5%	
Triennial Study		-		-		-		40,000	40,000	100.0%	
Sub-Total		420,000		420,000		-		653,000	233,000	55.5%	
Administration Total	\$	470,000	\$	470,000	\$	-	\$	653,000	\$	183,000	38.9%

BENEFITS DEPARTMENT (p#37)

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

Benefits Department			2022 Forecast			2023 Approved	2023 Approved	% Change
	2022 Budget	2022 Forecast	Budget Over/ (Under)	2023 Approved	Budget	Budget vs. 2022 Forecast Over/(Under)		
STAFFING								
Salaries	\$ 4,298,000	\$ 4,089,000	\$ (209,000)	\$ 4,465,000	\$ 376,000			9.2%
Fringe Benefits	2,451,000	2,215,000	(236,000)	2,425,000	210,000			9.5%
Temporary Staff	150,000	304,000	154,000	150,000	(154,000)			-50.7%
5% adjustment for unexpected vacancies	-	-	-	(352,000)	(352,000)			-100.0%
Staffing Total	6,899,000	6,608,000	(291,000)	6,688,000	80,000			1.2%
STAFF DEVELOPMENT	51,000	40,000	(11,000)	118,000	78,000			195.0%
PROFESSIONAL FEES	257,000	256,000	(1,000)	257,000	1,000			0.4%
MEMBER SERVICES								
Benefit Verification	6,000	6,000	-	6,000	-			0.0%
Disability - Medical Expense	122,000	122,000	-	193,000	71,000			58.2%
Disability Claims Management	46,000	46,000	-	46,000	-			0.0%
Health Reimburs. Account (HRA)	60,000	62,000	2,000	65,000	3,000			4.8%
Member Training & Education	16,000	14,000	(2,000)	11,000	(3,000)			-21.4%
Printing & Postage - Members	98,000	107,000	9,000	93,000	(14,000)			-13.1%
Virtual Call Center	-	-	-	63,000	63,000			100.0%
Member Services Total	348,000	357,000	9,000	477,000	120,000			33.6%
SYSTEMS								
Software Maintenance/Support	40,000	27,000	(13,000)	30,000	3,000			11.1%
Systems Total	40,000	27,000	(13,000)	30,000	3,000			11.1%
GRAND TOTAL	\$ 7,595,000	\$ 7,288,000	\$ (307,000)	\$ 7,570,000	\$ 282,000			3.9%

**Benefits Department - Variance Narrative
2023 Approved Budget vs. 2022 Forecast**

	Variance Over/(Under)
STAFFING	
<ul style="list-style-type: none"> Increase in salaries from filling vacant positions, COLA, merit increase, step increase and vacation sellbacks 	\$ 376,000
<ul style="list-style-type: none"> Increase in fringe benefits attributed to filling vacant positions and inflation costs 	210,000
<ul style="list-style-type: none"> Decrease in temporary staff expense 	(154,000)
<ul style="list-style-type: none"> 5% adjustment for unexpected vacancies 	(352,000)
Sub-Total	80,000
STAFF DEVELOPMENT	
<ul style="list-style-type: none"> Expected increase in attendance of conferences and trainings 	78,000
Sub-Total	78,000
PROFESSIONAL FEES	
<ul style="list-style-type: none"> Slight increase in benefit consulting fees 	1,000
Sub-Total	1,000
MEMBER SERVICES	
<ul style="list-style-type: none"> Increase in medical disability expense 	71,000
<ul style="list-style-type: none"> Increase in virtual call center expense 	63,000
<ul style="list-style-type: none"> Decrease in printing and postage 	(14,000)
Sub-Total	120,000
SYSTEMS	
<ul style="list-style-type: none"> Slight increase in software maintenance and support 	3,000
Sub-Total	3,000
Total Over/(Under)	\$ 282,000

Benefits Department - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
STAFFING	
• Decrease in salary expense due to vacant positions	\$ (209,000)
• Decrease in fringe benefits	(236,000)
• Increase temporary staff expense	154,000
Sub-Total	(291,000)
STAFF DEVELOPMENT	
• Decrease in attendance of trainings and conferences	(11,000)
Sub-Total	(11,000)
PROFESSIONAL FEES	
• Slight decrease in benefits consulting fees	(1,000)
Sub-Total	(1,000)
MEMBER SERVICES	
• Increase in printing and postage	9,000
Sub-Total	9,000
SYSTEMS	
• Decrease in software maintenance and support	(13,000)
Sub-Total	(13,000)
Total Over/(Under) \$	(307,000)

Benefits Department Professional Fees	2022 Forecast vs. 2022 Budget		2023 Approved Budget vs. 2022 Forecast		% Change
	2022 Budget	2022 Forecast	2022 Forecast Over/(Under)	2023 Approved Budget Over/(Under)	
Benefits Consultant/Open Enrollment	\$ 131,000	\$ 130,000	\$ (1,000)	\$ 131,000	\$ 1,000 0.8%
County Retirees Medical (Benefit Consultant)	126,000	126,000	-	126,000	- 0.0%
Benefits Total	\$ 257,000	\$ 256,000	\$ (1,000)	\$ 257,000	\$ 1,000 0.4%

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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	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 1,289,000	\$ 1,261,000	\$ (28,000)	\$ 1,379,000	\$ 118,000	9.4%
Fringe Benefits	843,000	703,000	(140,000)	743,000	40,000	5.7%
5% adjustment for unexpected vacancies	-	-	-	(105,000)	(105,000)	-100.0%
Staffing Total	2,132,000	1,964,000	(168,000)	2,017,000	53,000	2.7%
STAFF DEVELOPMENT	17,000	16,000	(1,000)	31,000	15,000	93.8%
PROFESSIONAL FEES						
Consultant Fees	-	-	-	20,000	20,000	100.0%
External Audit	142,000	142,000	-	144,000	2,000	1.4%
Professional Fees Total	142,000	142,000	-	164,000	22,000	15.5%
OFFICE EXPENSE						
Bank Charges	120,000	120,000	-	96,000	(24,000)	-20.0%
Office Expense Total	120,000	120,000	-	96,000	(24,000)	-20.0%
SYSTEMS						
Software Maintenance/Support	57,000	57,000	-	70,000	13,000	22.8%
Systems Total	57,000	57,000	-	70,000	13,000	22.8%
GRAND TOTAL	\$ 2,468,000	\$ 2,299,000	\$ (169,000)	\$ 2,378,000	\$ 79,000	3.4%

**Fiscal Services Department - Variance Narrative
2023 Approved Budget vs. 2022 Forecast**

	Variance Over/(Under)
STAFFING	
• Increase in salary expense from filling vacant position and COLA	\$ 118,000
• Increase in fringe benefits attributed to filling vacant position	40,000
• 5% adjustment for unexpected vacancies	(105,000)
Sub-Total	53,000
STAFF DEVELOPMENT	
• Expected increase in attendance of conferences and trainings	15,000
Sub-Total	15,000
PROFESSIONAL FEES	
• Increase in external audit and consultant fees	22,000
Sub-Total	22,000
OFFICE EXPENSE	
• Decrease in bank charges due to new bank provider	(24,000)
Sub-Total	(24,000)
SYSTEMS	
• Increase in software maintenance and support from new project	13,000
Sub-Total	13,000
Total Over/(Under)	\$ 79,000

**Fiscal Services Department - Variance Narrative
2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
STAFFING	
• Decrease in salaries primarily due to vacant position	\$ (28,000)
• Decrease in fringe benefits	(140,000)
Sub-Total	(168,000)
STAFF DEVELOPMENT	
• Slight decrease in attendance of conferences and trainings	(1,000)
Sub-Total	(1,000)
Total Over/(Under)	\$ (169,000)

Fiscal Services Department Professional Fees	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
Consultant Fees						
Cashlog	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	100.0%
Sub-Total	-	-	-	20,000	20,000	100.0%
External Audit						
External Audit	119,000	119,000	-	121,000	2,000	1.7%
GASB 67 & 68	11,000	11,000	-	11,000	-	0.0%
GASB 74 & 75	12,000	12,000	-	12,000	-	0.0%
Sub-Total	142,000	142,000	-	144,000	2,000	1.4%
Fiscal Services Total	\$ 142,000	\$ 142,000	\$ -	\$ 164,000	\$ 22,000	15.5%

HUMAN RESOURCES DEPARTMENT (p#37)

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

Human Resources Department	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)	% Change
STAFFING						
Salaries	\$ 405,000	\$ 409,000	\$ 4,000	\$ 425,000	\$ 16,000	3.9%
Fringe Benefits	248,000	234,000	(14,000)	241,000	7,000	3.0%
5% adjustment for unexpected vacancies	-	-	-	(34,000)	(34,000)	-100.0%
Staffing Total	653,000	643,000	(10,000)	632,000	(11,000)	-1.7%
STAFF DEVELOPMENT	15,000	15,000	-	16,000	1,000	6.7%
PROFESSIONAL FEES	77,000	77,000	-	77,000	-	0.0%
OFFICE EXPENSE						
Ergonomic Furniture & Equipment	15,000	10,000	(5,000)	10,000	-	0.0%
Office Expense Total	15,000	10,000	(5,000)	10,000	-	0.0%
SYSTEMS						
Software Maintenance & Support	-	-	-	12,000	12,000	100.0%
Systems Total	-	-	-	12,000	12,000	100.0%
GRAND TOTAL	\$ 760,000	\$ 745,000	\$ (15,000)	\$ 747,000	\$ 2,000	0.3%

**Human Resources Department - Variance Narrative
2023 Approved Budget vs. 2022 Forecast**

	Variance Over/(Under)
STAFFING	
• Increase in salaries due to COLA and vacation sellbacks	\$ 16,000
• Increase in fringe benefits	7,000
• 5% adjustment for unexpected vacancies	(34,000)
Sub-total	(11,000)
STAFF DEVELOPMENT	
• Slight increase in conferences and trainings	1,000
Sub-total	1,000
SYSTEMS	
• Increase in software and maintenance	12,000
Sub-total	12,000
Total Over/(Under)	\$ 2,000

**Human Resources Department - Variance Narrative
2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
STAFFING	
• Slight increase in salaries	\$ 4,000
• Decrease in fringe benefits	(14,000)
Sub-total	(10,000)
OFFICE EXPENSE	
• Decrease in ergonomics furniture and equipment	(5,000)
Sub-total	(5,000)
Total Over/(Under)	\$ (15,000)

Section IV: Departmental Operating Expense Budgets

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Human Resources Department Professional Fees	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
Consultant Fees - Lakeside Group	\$ 77,000	\$ 77,000	\$ -	\$ 77,000	\$ -	0.0%
Human Resources Total	\$ 77,000	\$ 77,000	\$ -	\$ 77,000	\$ -	0.0%

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	2022 Forecast		2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast		% Change
	2022 Budget	2022 Forecast		Budget Over/ (Under)	Budget Over/ (Under)	
STAFFING						
Salaries	\$ 467,000	\$ 467,000	\$ -	\$ 483,000	\$ 16,000	3.4%
Fringe Benefits	280,000	261,000	(19,000)	268,000	7,000	2.7%
5% adjustment for unexpected vacancies	-	-	-	(37,000)	(37,000)	-100.0%
Staffing Total	747,000	728,000	(19,000)	714,000	(14,000)	-1.9%
STAFF DEVELOPMENT	25,000	25,000	-	27,000	2,000	8.0%
SYSTEMS	2,000	2,000	-	2,000	-	0.0%
GRAND TOTAL	\$ 774,000	\$ 755,000	\$ (19,000)	\$ 743,000	\$ (12,000)	-1.6%

**Internal Audit Department - Variance Narrative
2023 Approved Budget vs. 2022 Forecast**

	Variance Over/(Under)
STAFFING	
• Increase in salaries from COLA and vacation sellbacks	\$ 16,000
• Increase in fringe benefits	7,000
• 5% adjustment for unexpected vacancies	(37,000)
Sub-Total	(14,000)
STAFF DEVELOPMENT	
• Slight increase in attendance of conferences and trainings	2,000
Sub-Total	2,000
Total Over/(Under) \$	(12,000)

**Internal Audit Department - Variance Narrative
2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
STAFFING	
• Decrease in fringe benefits	\$ (19,000)
Sub-Total	(19,000)
Total Over/(Under) \$	(19,000)

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INVESTMENT DEPARTMENT (p#37)

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

Investment Department	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 1,330,000	\$ 1,261,000	\$ (69,000)	\$ 1,418,000	\$ 157,000	12.5%
Fringe Benefits	773,000	709,000	(64,000)	766,000	57,000	8.0%
5% adjustment for unexpected vacancies	-	-	-	(109,000)	(109,000)	-100.0%
Staffing Total	2,103,000	1,970,000	(133,000)	2,075,000	105,000	5.3%
STAFF DEVELOPMENT	31,000	18,000	(13,000)	37,000	19,000	105.6%
GRAND TOTAL	\$ 2,134,000	\$ 1,988,000	\$ (146,000)	\$ 2,112,000	\$ 124,000	6.2%

**Investment Department - Variance Narrative
2023 Approved Budget vs. 2022 Forecast**

Variance Over/(Under)

STAFFING

- Increase in salaries due to filling vacant position, COLA, merit increases, and vacation sellbacks,
- Increase in fringe benefits
- 5% adjustment for unexpected vacancies

\$ 157,000
57,000
(109,000)

Sub-Total 105,000**STAFF DEVELOPMENT**

- Expected increase in attendance of conferences and trainings

19,000

Sub-Total 19,000**Total Over/(Under) \$ 124,000**
**Investment Department - Variance Narrative
2022 Forecast vs. 2022 Budget**

Variance Over/(Under)

STAFFING

- Saving in salaries from vacant position
- Saving in fringe benefits

\$ (69,000)
(64,000)

Sub-Total (133,000)**STAFF DEVELOPMENT**

- Decrease in attendance of trainings and conferences

(13,000)

Sub-Total (13,000)**Total Over/(Under) \$ (146,000)**

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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	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)	% Change
STAFFING						
Salaries	\$ 687,000	\$ 687,000	\$ -	\$ 731,000	\$ 44,000	6.4%
Fringe Benefits	348,000	337,000	(11,000)	347,000	10,000	3.0%
5% adjustment for unexpected vacancies	-	-	-	(54,000)	(54,000)	-100.0%
Staffing Total	1,035,000	1,024,000	(11,000)	1,024,000	-	0.0%
STAFF DEVELOPMENT						
	71,000	47,000	(24,000)	59,000	12,000	25.5%
PROFESSIONAL FEES						
	200,000	138,000	(62,000)	150,000	12,000	8.7%
DISABILITY-ARBITRATION & TRANSCRIPTS						
	45,000	38,000	(7,000)	45,000	7,000	18.4%
SYSTEMS						
Software Maintenance & Support	21,000	20,000	(1,000)	-	(20,000)	-100.0%
Systems Total	21,000	20,000	(1,000)	-	(20,000)	-100.0%
GRAND TOTAL	\$ 1,372,000	\$ 1,267,000	\$ (105,000)	\$ 1,278,000	\$ 11,000	0.9%

Legal Department - Variance Narrative 2023 Approved Budget vs. 2022 Forecast

	Variance Over/(Under)
STAFFING	
• Increase in salaries due to COLA and vacation sellbacks	\$ 44,000
• Increase in fringe benefits	10,000
• 5% adjustment for unexpected vacancies	(54,000)
Sub-Total	-
STAFF DEVELOPMENT	
• Expected increase in attendance of conferences and trainings	12,000
Sub-Total	12,000
PROFESSIONAL FEES	
• Decrease in fees for fiduciary services	(13,000)
• Increase in fees for tax & benefit issues	9,000
• Increase in miscellaneous legal advice	16,000
Sub-Total	12,000
DISABILITY-LEGAL TRANSCRIPTS	
• Increase in disability legal arbitration and transcripts	7,000
Sub-Total	7,000
SYSTEMS	
• Decrease in software maintenance and support	(20,000)
Sub-Total	(20,000)
Total Over/(Under)	\$ 11,000

**Legal Department - Variance Narrative
2022 Forecast vs. 2022 Budget**

		Variance Over/(Under)
STAFFING		
• Decrease in fringe benefits	\$	(11,000)
	Sub-Total	(11,000)
STAFF DEVELOPMENT		
• Decrease in attendance of trainings and conferences		(24,000)
	Sub-Total	(24,000)
PROFESSIONAL FEES		
• Decrease in fees for fiduciary, tax & benefit issues and litigation		(62,000)
	Sub-Total	(62,000)
DISABILITY-LEGAL TRANSCRIPTS		
• Savings in disability legal arbitration and transcripts due to decrease in number of projected cases		(7,000)
	Sub-Total	(7,000)
SYSTEMS		
• Slight decrease in software maintenance and support		(1,000)
	Sub-Total	(1,000)
Total Over/(Under)		\$ (105,000)

Legal Department Professional Fees	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
Fiduciary	\$ 125,000	\$ 88,000	\$ (37,000)	\$ 75,000	\$ (13,000)	-14.8%
Miscellaneous Legal Advice	50,000	34,000	(16,000)	50,000	16,000	47.1%
Tax and Benefit Issues	25,000	16,000	(9,000)	25,000	9,000	56.3%
Legal Total	\$ 200,000	\$ 138,000	\$ (62,000)	\$ 150,000	\$ 12,000	8.7%

PRISM DEPARTMENT (p#37)

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

PRISM Department			2022 Forecast vs. 2022 Budget Over/ (Under)			2023 Approved Budget vs. 2022 Forecast Over/(Under)	% Change
	2022 Budget	2022 Forecast		2023 Approved Budget			
STAFFING							
Salaries	\$ 1,143,000	\$ 1,146,000	\$ 3,000	\$ 1,198,000	\$	52,000	4.5%
Fringe Benefits	699,000	658,000	(41,000)	677,000		19,000	2.9%
5% adjustment for unexpected vacancies	-	-	-	(94,000)		(94,000)	-100.0%
Staffing Total	1,842,000	1,804,000	(38,000)	1,781,000		(23,000)	-1.3%
STAFF DEVELOPMENT							
	24,000	24,000	-	27,000		3,000	12.5%
SYSTEMS							
Business Continuity Expenses	205,000	215,000	10,000	254,000		39,000	18.1%
Minor Computer Hardware	40,000	40,000	-	42,000		2,000	5.0%
Software Maint. & Support	701,000	660,000	(41,000)	680,000		20,000	3.0%
Systems Total	946,000	915,000	(31,000)	976,000		61,000	6.7%
GRAND TOTAL	\$ 2,812,000	\$ 2,743,000	\$ (69,000)	\$ 2,784,000	\$	41,000	1.5%

PRISM Department - Variance Narrative 2023 Approved Budget vs. 2022 Forecast		Variance Over/(Under)
STAFFING		
• Increase in salary expense from COLA and vacation sellbacks		\$ 52,000
• Increase in fringe benefits		19,000
• 5% adjustment for unexpected vacancies		(94,000)
Sub-Total		(23,000)
STAFF DEVELOPMENT		
• Slight increase in conferences and trainings		3,000
Sub-Total		3,000
SYSTEMS		
• Increase in business continuity expenses		39,000
• Slight increase in minor computer hardware		2,000
• Increase in software maintenance and support		20,000
Sub-Total		61,000
Total Over/(Under) \$		41,000

**PRISM Department - Variance Narrative
2022 Forecast vs. 2022 Budget**

Variance Over/(Under)

STAFFING

• Slight increase in salaries	\$	3,000
• Decrease in fringe benefits		(41,000)
Sub-Total		(38,000)

SYSTEMS

• Increase in business continuity expenses		10,000
• Decrease in software maintenance and support		(41,000)
Sub-Total		(31,000)

Total Over/(Under) \$ (69,000)

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Section V

Enterprise-wide Projects

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Section V

Enterprise-wide Projects

PROJECTS	2022 Forecast vs. 2022 Budget Over/ (Under)		2023 Approved Budget vs. 2022 Forecast Over/(Under)		% Change
	2022 Budget	2022 Forecast	2023 Approved Budget	2022 Forecast	
SYSTEMS	\$ 5,000	\$ -	\$ -	\$ -	0.0%
GRAND TOTAL	\$ 5,000	\$ -	\$ -	\$ -	0.0%

Projects System	2022 Forecast vs. 2022 Budget Over/ (Under)		2023 Approved Budget vs. 2022 Forecast Over/(Under)		% Change
	2022 Budget	2022 Forecast	2023 Approved Budget	2022 Forecast	
Database Migration	\$ 5,000	\$ -	\$ -	\$ -	0.0%
GRAND TOTAL	\$ 5,000	\$ -	\$ -	\$ -	0.0%

PROJECT - Variance Narrative 2022 Forecast vs. 2022 Budget		Variance Over/(Under)
SYSTEMS		
• Decrease in Database Migration		\$ (5,000)
	Sub-Total	(5,000)
	Total Over/(Under)	\$ (5,000)

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Section VI

Administrative Budget

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 2023 administrative budget, ACERA is \$12.7 million under the cap limit of \$25.5 million.

ADMINISTRATIVE EXPENSES BUDGET ALLOCATION	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/(Under)
STAFFING	\$ 11,721,000	\$ 11,164,000	\$ (557,000)	\$ 10,852,000	\$ (312,000)
STAFF DEVELOPMENT	137,000	142,000	5,000	208,000	66,000
PROFESSIONAL FEES					
Consultant Fees - Operations	98,000	98,000	-	75,000	(23,000)
External Audit	106,000	106,000	-	108,000	2,000
Professional Fees Total	204,000	204,000	-	183,000	(21,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	104,000	96,000	(8,000)	79,000	(17,000)
Building Expenses	68,000	7,000	(61,000)	63,000	56,000
Communications	146,000	112,000	(34,000)	64,000	(48,000)
Equipment Lease/Maintenance	94,000	91,000	(3,000)	86,000	(5,000)
Minor Furniture and Equipment	14,000	11,000	(3,000)	10,000	(1,000)
Office Supplies and Maint.	62,000	42,000	(20,000)	41,000	(1,000)
Printing & Postage	21,000	18,000	(3,000)	16,000	(2,000)
Office Expense Total	509,000	377,000	(132,000)	359,000	(18,000)
INSURANCE	424,000	411,000	(13,000)	444,000	33,000
MEMBER SERVICES					
Benefit Verification	6,000	6,000	-	6,000	-
Members Medical Expense	122,000	122,000	-	193,000	71,000
Disability Claims Management	46,000	46,000	-	46,000	-
Member Training & Education	16,000	14,000	(2,000)	11,000	(3,000)
Printing & Postage - Members	49,000	53,000	4,000	47,000	(6,000)
Virtual Call Center	-	-	-	63,000	63,000
Member Services Total	239,000	241,000	2,000	366,000	125,000
DEPRECIATION	85,000	92,000	7,000	90,000	(2,000)
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	262,000	259,000	(3,000)	246,000	(13,000)
UNCOLLECTIBLE BENEFIT PAYMENTS	56,000	56,000	-	53,000	(3,000)
GRAND TOTAL	\$ 13,637,000	\$ 12,946,000	\$ (691,000)	\$ 12,801,000	\$ (145,000)

Section VI: Administrative Budget

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BCP EXPENSES BUDGET ALLOCATION	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)
STAFFING	\$ 337,000	\$ 326,000	\$ (11,000)	\$ 366,000	\$ 40,000
STAFF DEVELOPMENT	3,000	4,000	1,000	6,000	2,000
PROFESSIONAL FEES					
Consultant Fees - Operations	3,000	3,000	-	2,000	(1,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	3,000	2,000	(1,000)	2,000	-
Building Expenses	2,000	-	(2,000)	2,000	2,000
Communications	4,000	3,000	(1,000)	2,000	(1,000)
Equipment Lease/Maintenance	2,000	3,000	1,000	2,000	(1,000)
Office Supplies and Maint.	2,000	1,000	(1,000)	1,000	-
Printing & Postage	1,000	-	(1,000)	-	-
Office Expense Total	14,000	9,000	(5,000)	9,000	-
INSURANCE	11,000	11,000	-	13,000	2,000
SYSTEMS					
Disaster Recovery & Business Continuity	205,000	215,000	10,000	254,000	39,000
DEPRECIATION	2,000	2,000	-	3,000	1,000
GRAND TOTAL	\$ 575,000	\$ 570,000	\$ (5,000)	\$ 653,000	\$ 83,000

INVESTMENT EXPENSES BUDGET ALLOCATION	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)
STAFFING					
Staffing - Direct	\$ 2,091,000	\$ 1,958,000	\$ (133,000)	\$ 2,030,000	\$ 72,000
Staffing - Indirect	891,000	813,000	(78,000)	861,000	48,000
Staffing Total	2,982,000	2,771,000	(211,000)	2,891,000	120,000
STAFF DEVELOPMENT	62,000	49,000	(13,000)	85,000	36,000
PROFESSIONAL FEES					
Consultant Fees - Operations	22,000	22,000	-	17,000	(5,000)
External Audit	36,000	36,000	-	36,000	-
Professional Fees Total	58,000	58,000	-	53,000	(5,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	24,000	21,000	(3,000)	19,000	(2,000)
Building Expenses	15,000	1,000	(14,000)	14,000	13,000
Communications	33,000	25,000	(8,000)	15,000	(10,000)
Equipment Lease & Maintenance	21,000	19,000	(2,000)	20,000	1,000
Minor Furniture and Equipment	3,000	3,000	-	2,000	(1,000)
Office Supplies & Maintenance	14,000	9,000	(5,000)	10,000	1,000
Printing & Postage	5,000	4,000	(1,000)	4,000	-
Office Expense Total	115,000	82,000	(33,000)	84,000	2,000
INSURANCE	97,000	91,000	(6,000)	103,000	12,000
DEPRECIATION	20,000	21,000	1,000	21,000	-
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	164,000	163,000	(1,000)	154,000	(9,000)
GRAND TOTAL	\$ 3,498,000	\$ 3,235,000	\$ (263,000)	\$ 3,391,000	\$ 156,000

LEGAL EXPENSES BUDGET ALLOCATION	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)
STAFFING	\$ 541,000	\$ 538,000	\$ (3,000)	\$ 528,000	\$ (10,000)
STAFF DEVELOPMENT	77,000	54,000	(23,000)	68,000	14,000
PROFESSIONAL FEES					
Consultant Fees - Operations	4,000	4,000	-	3,000	(1,000)
Consultant Fees - Legal	200,000	138,000	(62,000)	150,000	12,000
Professional Fees Total	204,000	142,000	(62,000)	153,000	11,000
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	4,000	4,000	-	3,000	(1,000)
Building Expenses	3,000	-	(3,000)	3,000	3,000
Communications	6,000	5,000	(1,000)	3,000	(2,000)
Equipment Lease & Maintenance	4,000	4,000	-	4,000	-
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	-
Office Expense Total	21,000	17,000	(4,000)	17,000	-
INSURANCE	18,000	18,000	-	19,000	1,000
MEMBER SERVICES					
Disability - Legal Arbitration & Transcripts	45,000	38,000	(7,000)	45,000	7,000
SYSTEMS					
Software Maintenance & Support	21,000	20,000	(1,000)	-	(20,000)
DEPRECIATION	4,000	4,000	-	4,000	-
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	66,000	66,000	-	61,000	(5,000)
GRAND TOTAL	\$ 997,000	\$ 897,000	\$ (100,000)	\$ 895,000	\$ (2,000)

SRBR EXPENSES BUDGET ALLOCATION	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)
STAFFING	\$ 1,360,000	\$ 1,317,000	\$ (43,000)	\$ 1,587,000	\$ 270,000
PROFESSIONAL FEES					
Actuarial - SRBR Valuation	43,000	43,000	-	44,000	1,000
Consultant Fees - SRBR	257,000	256,000	(1,000)	257,000	1,000
Professional Fees Total	300,000	299,000	(1,000)	301,000	2,000
MEMBER SERVICES					
Health Reimbursement Account (HRA)	60,000	62,000	2,000	65,000	3,000
Printing & Postage - Members	49,000	54,000	5,000	46,000	(8,000)
Member Services Total	109,000	116,000	7,000	111,000	(5,000)
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	164,000	162,000	(1,000)	153,000	(9,000)
GRAND TOTAL	\$ 1,933,000	\$ 1,894,000	\$ (39,000)	\$ 2,152,000	\$ 258,000

TECHNOLOGY EXPENSES BUDGET ALLOCATION	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)
SYSTEMS					
Computer Hardware & Maintenance	\$ 40,000	\$ 40,000	\$ -	\$ 42,000	\$ 2,000
County Data Processing	132,000	125,000	(7,000)	129,000	4,000
Software Maintenance & Support	809,000	750,000	(59,000)	798,000	48,000
Systems Total	981,000	915,000	(66,000)	969,000	54,000
DEPRECIATION	3,000	3,000	-	2,000	(1,000)
GRAND TOTAL	\$ 984,000	\$ 918,000	\$ (66,000)	\$ 971,000	\$ 53,000

Section VI: Administrative Budget

(TOC, p# III)

Administrative Expense Budget Overview ¹ (\$ in thousands)	2023 Approved Budget	2023 Actuarial Budget	2023 Business Continuity Budget	2023 Investment Budget	2023 Legal Budget	2023 SRBR Budget	2023 Technology Budget	2023 Administrative Budget
STAFFING	\$ 16,224	\$ -	\$ (366)	\$ (2,891)	\$ (528)	\$ (1,587)	\$ -	\$ 10,852
STAFF DEVELOPMENT	367	-	(6)	(85)	(68)	-	-	208
PROFESSIONAL FEES								
Actuarial Fees	653	(609)	-	-	-	(44)	-	-
Audit Fees	144	-	-	(36)	-	-	-	108
Consultant Fees	354	-	(2)	(17)	(3)	(257)	-	75
Legal Fees	150	-	-	-	(150)	-	-	-
Professional Fees Total	1,301	(609)	(2)	(53)	(153)	(301)	-	183
OFFICE EXPENSE								
Bank Charges & Miscellaneous Admin	103	-	(2)	(19)	(3)	-	-	79
Building Expenses	82	-	(2)	(14)	(3)	-	-	63
Communications	84	-	(2)	(15)	(3)	-	-	64
Equipment Lease & Maint.	112	-	(2)	(20)	(4)	-	-	86
Minor Furniture & Equipment	13	-	-	(2)	(1)	-	-	10
Office Supplies & Maintenance	54	-	(1)	(10)	(2)	-	-	41
Printing & Postage	21	-	-	(4)	(1)	-	-	16
Office Expense Total	469	-	(9)	(84)	(17)	-	-	359
INSURANCE	579	-	(13)	(103)	(19)	-	-	444
MEMBER SERVICES								
Benefit Verification	6	-	-	-	-	-	-	6
Disability - Legal Arbitration & Transcripts	45	-	-	-	(45)	-	-	-
Disability Claimed Management	46	-	-	-	-	-	-	46
Health Reimbursement Account (HRA)	193	-	-	-	-	-	-	193
Member Medical Expense	65	-	-	-	-	(65)	-	-
Member Training & Education	11	-	-	-	-	-	-	11
Printing & Postage - Members	93	-	-	-	-	(46)	-	47
Virtual Call Center	63	-	-	-	-	-	-	63
Member Services Total	522	-	-	-	(45)	(111)	-	366
SYSTEMS								
Business Continuity Expenses	254	-	(254)	-	-	-	-	-
County Data Processing	129	-	-	-	-	-	(129)	-
Computer Hardware & Maintenance	42	-	-	-	-	-	(42)	-
Software Maintenance & Support	798	-	-	-	-	-	(798)	-
Systems Total	1,223	-	(254)	-	-	-	(969)	-
BOARD OF RETIREMENT	614	-	-	(154)	(61)	(153)	-	246
UNCOLLECTIBLE BENEFIT PAYMENTS	53	-	-	-	-	-	-	53
DEPRECIATION	120	-	(3)	(21)	(4)	-	(2)	90
TOTAL OPERATING EXPENSE	\$ 21,472	\$ (609)	\$ (653)	\$ (3,391)	\$ (895)	\$ (2,152)	\$ (971)	\$ 12,801

¹ 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)	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)
EXPENSE CATEGORY					
Staffing	\$ 16,941	\$ 16,116	\$ (825)	\$ 16,224	\$ 108
Staff Development	279	249	(30)	367	118
Professional Fees	1,146	1,083	(63)	1,301	218
Office Expense	659	485	(174)	469	(16)
Insurance	550	531	(19)	579	48
Member Services	393	395	2	522	127
Systems	1,207	1,150	(57)	1,223	73
Board of Retirement	656	650	(6)	614	(36)
Uncollectible Benefit Payments	56	56	-	53	(3)
Depreciation	114	122	8	120	(2)
Operating Expenses	\$ 22,001	\$ 20,837	\$ (1,164)	\$ 21,472	\$ 635

Administrative Expenses (\$ in Thousands)	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)
EXCLUSIONS FROM OPERATING EXPENSE TO CALCULATE ADMINISTRATIVE EXPENSE					
Operating Expense (from above)	\$ 22,001	\$ 20,837	\$ (1,164)	\$ 21,472	\$ 635
Actuarial	(377)	(377)	-	(609)	(232)
Business Continuity ¹	(575)	(570)	5	(653)	(83)
Investment- Related ²	(3,498)	(3,235)	263	(3,391)	(156)
Legal- Related ³	(997)	(897)	100	(895)	2
SRBR ⁴	(1,933)	(1,894)	39	(2,152)	(258)
Technology ⁵	(984)	(918)	66	(971)	(53)
Administrative Expense	\$ 13,637	\$ 12,946	\$ (691)	\$ 12,801	\$ (145)

¹ Business Continuity – 2023 related costs include total direct costs (\$254K) for software support; 2.2% is added for both allocated staffing and other overhead expenses (\$399K).

² Investment – 2023 related expenses are composed of direct costs of Investment staff (\$2,030K), allocated staffing costs (\$861K), 25% of Board expenses (\$154K), 25% of audit expenses (\$36K) and 17.8% of other overhead costs (\$310K).

³ Legal – 2023 related expenses include direct costs of Staffing (\$528K), Professional Legal fees (\$150K), Disability Arbitration Expenses (\$45K), 10% of Board expenses (\$61K), and 3.3% of other overhead costs (\$111K).

⁴ SRBR – 2023 related expenses are composed of allocated staffing costs (\$1,587K), direct costs of Professional Fees (\$301K), Member Services (\$111K), and 25% of Board expenses (\$153K).

⁵ Technology – 2023 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)	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)
Total Actuarial Accrued Liabilities ⁶	\$ 11,753,921	\$ 11,753,921	\$ -	\$ 12,130,810	\$ 376,889
Limit on Expense	0.21%	0.21%	-	0.21%	-
Maximum Allowed	24,683	24,683	-	25,475	791
Administrative Expense	13,637	12,946	(691)	12,801	(145)
Over/(Under) Maximum	\$ (11,046)	\$ (11,737)	\$ (691)	\$ (12,674)	\$ (936)

⁶ Based on total actuarial accrued liabilities for pension as of December 31, 2021; OPEB and non-OPEB as of December 31, 2020 for 2023 Budget.

2023 DEPARTMENT WEIGHTED AVERAGE

2023 Allocation Percentages								
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative	
STAFFING	Administration	9.7%	0.0%	3.2%	0.0%	0.0%	87.1%	
	Benefits	0.3%	0.0%	0.5%	21.1%	0.0%	78.1%	
	SALARIES	Fiscal Services	10.1%	0.0%	0.6%	8.8%	0.0%	80.5%
	FRINGE BENEFITS	Human Resources	0.0%	0.0%	1.6%	0.0%	0.0%	98.4%
	TEMPS	Internal Audit	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
		Investments	97.8%	0.0%	2.2%	0.0%	0.0%	0.0%
		Legal	48.3%	51.7%	0.0%	0.0%	0.0%	0.0%
		PRISM	1.1%	0.0%	12.5%	0.0%	0.0%	86.4%
Total Staffing Factors		17.8%	3.3%	2.2%	9.8%	0.0%	66.9%	

2022 DEPARTMENT WEIGHTED AVERAGE

2022 Allocation Percentages								
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative	
STAFFING	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%	
	SALARIES	Fiscal Services	11.1%	0.0%	0.6%	8.7%	0.0%	79.6%
	FRINGE BENEFITS	Human Resources	0.0%	0.0%	1.5%	0.0%	0.0%	98.5%
	TEMPS	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%
Total Staffing Factors		17.6%	3.2%	2.0%	8.0%	0.0%	69.2%	

APPLIED FACTORS

2023 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFF DEVELOPMENT	Staff Development	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
PROFESSIONAL FEES	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 Consulting	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Operations Consulting - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
OFFICE EXPENSE	Bank Charges & Miscellaneous Admin.	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Building Expenses	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Communications	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Equipment Lease & Maintenance	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Minor Furniture & Equipment	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Office Maintenance & Supplies	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Printing & Postage	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
INSURANCE	Insurance	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
MEMBER SERVICES	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%
	Virtual Call Center	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
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%
UNCOLLECTIBLE BENEFIT PAYMENTS	Uncollectible Benefit Payments	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
BOARD OF RETIREMENT	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%
DEPRECIATION	Depreciation - Other	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	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%

Section VI: Administrative Budget

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2022 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFF							
DEVELOPMENT	Staff Development	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
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 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%
OFFICE	Bank Charges & Miscellaneous Admin.	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
EXPENSE	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%
INSURANCE	Insurance	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
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 BENEFIT PAYMENTS	Uncollectible Benefit Payments	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
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	17.6%	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%

2023 Approved Staffing Allocation Matrix

	INVESTMENTS	LEGAL	BCP	SRBR	ADMIN
ADMINISTRATION					
CEO	20%	-	2%	-	78%
Assistant CEO	10%	-	10%	-	80%
BENEFITS					
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	-	-	-	60%	40%
Retirement Technician	-	-	-	50%	50%
Retirement Technician	-	-	-	50%	50%
Retirement Technician	-	-	-	50%	50%
Retirement Technician	-	-	-	50%	50%
Senior Retirement Technician	-	-	-	60%	40%
Senior Retirement Technician	-	-	-	60%	40%
Senior Retirement Technician	-	-	-	50%	50%
FISCAL SERVICES					
Fiscal Services Officer	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%
HUMAN RESOURCES					
Human Resources Officer	-	-	2%	-	98%
Administrative Specialist II	-	-	1%	-	99%
Human Resources Specialist	-	-	1%	-	99%
INVESTMENTS					
Chief Investment Officer	99%	-	1%	-	-
Administrative Specialist II	100%	-	-	-	-
Investment Operations Officer	95%	-	5%	-	-
Investment Analyst	95%	-	5%	-	-
All Other Investment Staff	99%	-	1%	-	-
LEGAL					
Chief Counsel	15%	85%	-	-	-
Administrative Specialist II	50%	50%	-	-	-
Administrative Support Specialist	15%	85%	-	-	-
Associate Counsel	95%	5%	-	-	-
PRISM					
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

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 2022 - 2023

Statement of Capital Assets Outlay - 2022 Forecast and 2023 Approved Budget							
	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Approved Budget	2023 Approved Budget vs. 2022 Forecast Over/ (Under)	% Change	
System							
Pension Gold System Upgrade ¹	\$ 1,642,000	\$ 1,580,000	\$ (62,000)	\$ 2,676,000	\$ 1,096,000	69.4%	
Sub-Total	1,642,000	1,580,000	(62,000)	2,676,000	1,096,000	69.4%	
Capital Assets Outlay Total	\$ 1,642,000	\$ 1,580,000	\$ (62,000)	\$ 2,676,000	\$ 1,096,000	69.4%	

¹ Pension Gold Upgrade is a five-year project. Listed below are the current estimated expenses for the 2023 approved budget:

- Anticipated implementation services with Levi, Ray and Shoup (LRS) — \$1,500,000
- Anticipated cost for Segal and other consultant fees to oversee the project — \$480,000
- Anticipated cost for Staffing to work on the project — \$696,000

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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	2022 Forecast		2022 Forecast vs. 2022 Budget Over/(Under)	2023 Approved Budget vs. 2022 Forecast		% Change
	2022 Budget	2022 Forecast		2023 Approved Budget	2022 Forecast Over/(Under)	
Consultant Fees	\$ 1,567,000	\$ 1,497,000	\$ (70,000)	\$ 1,560,000	\$ 63,000	4.2%
Custodian Bank Fees	627,000	600,000	(27,000)	564,000	(36,000)	-6.0%
Investment Manager Fees	52,278,000	46,191,000	(6,087,000)	52,413,000	6,222,000	13.5%
Other Investment Expenses	538,000	364,000	(174,000)	572,000	208,000	57.1%
Total Portfolio Management Investment Expenses	\$ 55,010,000	\$ 48,652,000	\$ (6,358,000)	\$ 55,109,000	\$ 6,457,000	13.3%

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Appendix

2023 Budget Change Proposals (BCP)

2023 Contingency Fund

Appendix

2023 BUDGET CHANGE PROPOSALS (BCP)

Department	BCP Description	Totals
Benefits/PRISM	Pension Gold System Upgrade (Capital)	\$ 2,676,000
Fiscal Services	Cashlog Database Upgrade	30,000
Human Resources	Onboarding Tracking System	12,000
Legal	Disability Arbitration and Litigation Reserve Fund	50,000
PRISM	Uninterruptable Power Supply Batteries	29,000
BCP Total		\$ 2,797,000

2023 CONTINGENCY FUND

Department	Description	Expense Type	Totals
Legal	Disability Arbitration and Litigation Reserve	Professional fees	\$ 50,000
Contingency Fund Total			\$ 50,000

2023 Approved Budget Contingency Reserve

Contingency Reserve for Disability Arbitration and Litigation - \$50,000

This reserve fund is for anticipated disability arbitration and related legal advice expenses. If there is a need, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.