



**Alameda County Employees' Retirement Association
BOARD OF RETIREMENT**

**OPERATIONS COMMITTEE/BOARD MEETING
NOTICE and AGENDA**

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE [SEE EXECUTIVE ORDER N-29-20 ATTACHED AT THE END OF THIS AGENDA.]

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**Thursday, November 19, 2020
1:00 p.m.**

ZOOM INSTRUCTIONS	COMMITTEE MEMBERS	
The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Meeting ID: 892 9533 9568 Password: 293669 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	OPHELIA BASGAL, CHAIR	APPOINTED
	LIZ KOPPENHAVER, VICE CHAIR	ELECTED RETIRED
	DALE AMARAL	ELECTED SAFETY
	JAIME GODFREY	APPOINTED
	ELIZABETH ROGERS	ELECTED GENERAL

This is a meeting of the Operations Committee if a quorum of the Operations Committee attends, and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Operations Committee and the Board if a quorum of each attends.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes, and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure), are available online at www.acera.org.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

OPERATIONS COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 2 – November 19, 2020

Call to Order: 1:00 p.m.

Roll Call:

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for Discussion and Possible Motion by the Committee

1. Discussion and possible motion to approve the proposed 2021 ACERA Operating Expense Budget
 - Dave Nelsen
 - Margo Allen

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement that the Board approve the proposed 2021 ACERA Operating Expense Budget.

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

None

Trustee Remarks

Future Discussion Items

Establishment of Next Meeting Date

December 2, 2020, at 9:30 a.m.

Adjournment

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-29-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus continues to spread and is impacting nearly all sectors of California; and

WHEREAS the threat of COVID-19 has resulted in serious and ongoing economic harms, in particular to some of the most vulnerable Californians; and

WHEREAS time bound eligibility redeterminations are required for Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries to continue their benefits, in accordance with processes established by the Department of Social Services, the Department of Health Care Services, and the Federal Government; and

WHEREAS social distancing recommendations or Orders as well as a statewide imperative for critical employees to focus on health needs may prevent Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries from obtaining in-person eligibility redeterminations; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. As to individuals currently eligible for benefits under Medi-Cal, CalFresh, CalWORKs, the Cash Assistance Program for Immigrants, the California Food Assistance Program, or In Home Supportive Services benefits, and to the extent necessary to allow such individuals to maintain eligibility for such benefits, any state law, including but not limited to California Code of Regulations, Title 22, section 50189(a) and Welfare and Institutions Code sections 18940 and 11265, that would require redetermination of such benefits is suspended for a period of 90 days from the date of this Order. This Order shall be construed to be consistent with applicable federal laws, including but not limited to Code of Federal Regulations, Title 42, section 435.912, subdivision (e), as interpreted by the Centers for Medicare and Medicaid Services (in guidance issued on January 30, 2018) to permit the extension of

otherwise-applicable Medicaid time limits in emergency situations.

2. Through June 17, 2020, any month or partial month in which California Work Opportunity and Responsibility to Kids (CalWORKs) aid or services are received pursuant to Welfare and Institutions Code Section 11200 et seq. shall not be counted for purposes of the 48-month time limit set forth in Welfare and Institutions Code Section 11454. Any waiver of this time limit shall not be applied if it will exceed the federal time limits set forth in Code of Federal Regulations, Title 45, section 264.1.
3. Paragraph 11 of Executive Order N-25-20 (March 12, 2020) is withdrawn and superseded by the following text:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, a least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended.

A local legislative body or state body that holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements set forth below, shall have satisfied any requirement that the body allow

members of the public to attend the meeting and offer public comment. Such a body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

Accessibility Requirements: If a local legislative body or state body holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the body shall also:

- (i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolving any doubt whatsoever in favor of accessibility; and
- (ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent this Order expressly provides otherwise, each local legislative body and state body shall:

- (i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of this Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, a body may satisfy this requirement by advertising such means using "the most rapid means of communication available at the time" within the meaning of Government Code, section 54954, subdivision (e); this shall include, but need not be limited to, posting such means on the body's Internet website.

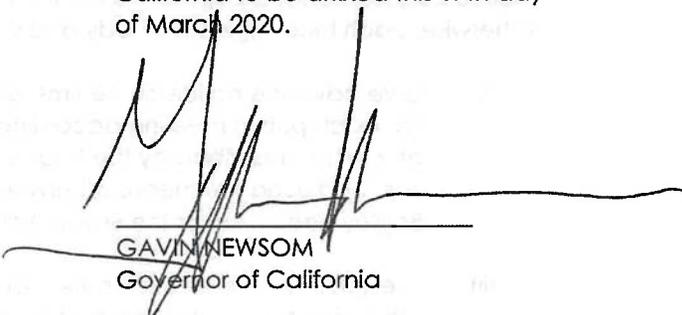
All of the foregoing provisions concerning the conduct of public meetings shall apply only during the period in which state or local public health officials have imposed or recommended social distancing measures.

All state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act and the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: November 19, 2020

TO: Members of the Operations Committee

FROM: Dave Nelsen, Chief Executive Officer 

SUBJECT: Presentation of 2021 ACERA Budget Proposal

Executive Summary

It is my pleasure to present the 2021 ACERA Budget Proposal. This operating expense budget invests in both personnel and information technology infrastructure, but is prudent in the approach. I look forward to discussing it further with you.

The proposed operating expense budget is \$21,427,000, which is a 0.1% increase over the 2020 approved operating expense budget of \$21,400,000. Highlights of the proposal are as follows:

- Increase in staffing costs from 2020 forecast by 10.8%;
- Decrease in staff development costs from 2020 forecast by -18.5%;
- Decrease in insurance costs from 2020 forecast by -4.7%; and,
- Establishment of a contingency fund reserve for training and conference-related travel and possible litigation expenses totaling \$258,000.

The 2021 proposal includes increases in staffing costs from the 2020 forecast. It recognizes the increased costs from long-time vacant benefits positions previously filled by less expensive temporary staff that now will be filled by permanent employees for the full budget year; therefore, increasing both salary and fringe benefit costs. In addition, it includes the COLA and merit increases. As a result of COVID-19, the 2021 proposal includes decreases in staff development costs from the 2020 forecast due to the reallocation of travel expenses to a contingency reserve fund.

Variance Analysis

In reviewing the 2021 proposed operating expense budget summary (Section III, p. 19) there are ten expense line items identified with net changes exceeding \$15,000¹. For ease of review, the ten line items are summarized in the following table located on page two (2). The table is configured using the line item nomenclature with page reference, net change amount, percentage associated with the net change, and the budget variance narrative.

In brief, the net-change decreases are primarily due to technology upgrades gains, contractual terms, or reduction in services. The net-change increases are primarily due to cost-of-living adjustments (COLA), contractual terms, or policy changes. .

¹ A \$15,000 threshold has been used of the course of three mid-year budget reviews to establish consideration for reportable overages and line item transfers; therefore, staff is relying on the same \$15,000 threshold to review net changes in the 2021 proposed budget versus the 2020 forecast.

2021 Expense Line Items with a Net Change > \$15,000				
	Expense Line Items	Net Change	Percentage	(COV) Cause of Variance
1	<i>Temporary Staffing</i> (Cited on p. 22)	(\$38,000)	-11.9%	<ul style="list-style-type: none"> • Decrease in temporary staff to hiring permanent staff
2	<i>Staff Development</i> (Cited on p. 23)	(\$62,000)	-18.5%	<ul style="list-style-type: none"> • Decrease in staff development due to travel and conference-related expense allocation to contingency reserve fund for COVID-19
3	<i>Consultant Fees</i> (Cited on p. 26 -27)	(\$36,000)	-9.8%	<ul style="list-style-type: none"> • Decrease in consultant fees due to completion of RFP for dental and vision; and benchmark services
4	<i>Legal Fees</i> (Cited on p. 26 - 27)	(\$206,000)	-48.0%	<ul style="list-style-type: none"> • Decrease in legal fees for tax & benefits, and litigation expenses; offset by an increase in fiduciary services
5	<i>Insurance</i> (Cited on p. 29)	(\$41,000)	-4.7%	<ul style="list-style-type: none"> • Significant decrease in risk management and worker's compensation due to fewer claims
6	<i>Disability – Medical Expense</i> (Cited on p. 30)	(\$84,000)	-41.4%	<ul style="list-style-type: none"> • Decrease in medical expense due to decrease in disability cases
7	<i>Virtual Call Center</i> (Cited on p. 30)	\$15,000	75.0%	<ul style="list-style-type: none"> • Increase in virtual call center operations
8	<i>Software License & Maintenance</i> (Cited on p. 31)	\$77,000	9.5%	<ul style="list-style-type: none"> • Increase due to accounting system upgrade and other software maintenance and support
9	<i>Board of Retirement</i> (Cited on p. 32)	\$91,000	15.6%	<ul style="list-style-type: none"> • Increase in board compensation • Increase in board conference and trainings allowance in 2021 • Increase in employer reimbursement due to COLA and fringe benefits • 2021 board election
10	<i>Uncollectible Benefits Payments</i> (Cited on p. 34)	\$47,000	223.8%	<ul style="list-style-type: none"> • Expected increase in uncollectible benefit payments



**ALAMEDA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

**2021
PROPOSED
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 proposed 2021 budget. This past year was spent navigating our way through uncertain and unprecedented times caused by the COVID-19 pandemic—a threatening virus that has destabilized working environments and changed the way people, organizations, and communities exist. The required restrictions to organizational life have forced ACERA staff to quickly adopt different ways of working, learning, and connecting with each other. To ensure the safety of members, employees, and families, the office was closed to members and to the public, and staff focus was redirected to adapting work processes to accommodate new work arrangements that enabled staff to work from the safety of their homes. For the employees remaining on site, County-mandated workplace readiness and protection protocol directives were implemented to create social distance and sanitary procedures to protect the few employees who, due to the nature of their work, duties, or responsibilities remained in the office.

Out of necessity, the focus this year has been on maintaining the delivery of essential services. Staff continued to process retirements and to make retirement and benefit payments on schedule. In adapting to this novel situation, staff resumed many of the projects that were suspended during the initial months of the pandemic, such as the redesign of the website.

The proposed 2021 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 2020 ACCOMPLISHMENTS

Organization-Wide Initiatives | Touching all departments across the organization, ACERA continued the Pension Administration System (PAS) upgrade project. Working with the project oversight consultant and the in-house project manager, staff completed the first deliverable of the design in Pension Gold Version 3 and initiated the training plan for user acceptance training scheduled for the fourth quarter of 2020. The project has and will require an ongoing commitment and availability of cross-departmental staff resources. ACERA has reduced the volume of other project work to successfully deliver the targeted completion date of the project in 2023.

Benefit Initiatives | Redesigned and relaunched ACERA's website using a contemporary, responsive design, and produced virtual seminar and instructional videos. Developed an online retirement packet and a walkthrough, counseling intake form, and post-counseling electronic survey. Implemented phone and video retirement counseling appointments. Upgraded the member portal to enable the secure transfer of forms and documents containing personal information. Implemented a virtual call center to enable staff to continue member counseling services from

a home-based call center. Initiated various optimization projects including creation of automated departmental and interdepartmental workflows, counseling process optimization, revision of service retirement application and tracking process, and disability process optimization.

Fiscal Services Initiatives | Department has been instrumental in keeping retirement and benefit payments flowing during the pandemic, and has focused on supporting interdepartmental services and processes. Formalized an in-house process excellence program.

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

Internal Audit Initiatives | Completed a Retiree Payroll Deduction Policy audit to guide the administration of pension benefits. Created an approved benefits listing to eliminate the assignment of benefits for any purpose other than a valid requirement. Determined processes for deductions made from retiree's checks that ensured consistency with policy.

Investment Initiatives | Completed an investment department optimization project using Lean methodology to streamline various processes and redefine the staffing structure of the department. Conducted a Large Cap Value Manager search. Expanded the Emerging Managers program to include Private Equity, Private Real Estate, and Private Real Assets in addition to the public markets.

Technology Enhancements | Implemented migration of ACERA's communications to the cloud with Microsoft Office 365 which includes enhanced collaboration features; initiated project to migrate storage to cloud backup; initiated a project to employ Granicus cloud technology to manage Board agendas and minutes; initiated another major upgrade to OnBase, ACERA's document management system; initiated the first phase of an access database replacement project.

Portfolio Performance | As of June 30, 2020, the total fund had returned -5.8% (net), year-to-date for 2020, recovering much of the significant decline in value due to the COVID-19 pandemic. The value of the total fund was \$8.2 billion. At one point in March, the value of the total fund was down nearly \$2 billion from its pre-COVID peak of just under \$8.9 billion.

HIGHLIGHTS OF BUSINESS PLAN

As the pandemic has caused delays in the progress of some initiatives, ACERA is resuming these items and will shift focus toward them throughout the remainder of 2020 and 2021. Initiatives are linked to goals in the strategic plan. As these items are implemented, they will be managed as projects, with an assigned project owner and manager and a proposed project plan with timelines, deliverables, and oversight. Initiatives have been prioritized and reduced due to the increased resource needs required to complete the Pension Administration System upgrade project.

Highlights of upcoming business initiatives are:

For the Pension Administration System:

- OnBase Integration
- Benefits and Estimate Setups
- Benefit Payroll

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- Employer Reporting Transmittal Design
- Forms and Correspondence Review

Additional projects include:

- Granicus Implementation
- In-House Lean/Process Excellence Function
- On-the-Job Training (OJT) Structure
- CEM Benchmarking
- Strategic Communication Plan
- Enterprise Risk Management
- BERT Replacement, Phase 2
- Benefits Department Optimization, Phase 2

BASELINE AND PROPOSED 2021 OPERATING EXPENSE BUDGET (OEB)

The starting point for the 2021 OEB is a “baseline” that reflects the anticipated costs of carrying out the same level of services proposed by the ACERA Board in the 2020 Budget. Staff was required to request and justify additional funds with a formal Budget Change Proposal (BCP) for any item affecting the 2021 baseline and proposed 2021 budget. Additional staff positions or changes in salaries for 2021 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 proposed 2021 budget is \$21.4 million. This is \$0.027 million or 0.1% greater than the 2020 approved budget of \$21.4 million. It is also \$0.2 million or 1% greater than the 2021 baseline budget of \$21.2 million.

The reasons for the budget differences will be explained below.

PROPOSED 2021 BUDGET HIGHLIGHTS

This section highlights the proposed adjustments to the 2021 proposed budget from the 2020 approved budget. A complete review of the differences can be found in Section III.

Staffing

The primary changes in Staffing costs for 2021 are as follows:

The assumption to fill and fund the remaining vacant positions filled by temporary staff in 2020; cost-of-living adjustments, step increases, and an average four percent (4%) performance-driven merit increase for eligible/selected deep-class positions. The total 2021 increase for staffing from the 2020 approved budget is \$0.4 million, or a net increase of 2.2%.

Staff Development

The primary change in Staff Development costs is a 43.2% decrease compared to the 2020 budget. The decrease is due to a deliberate 70% deferral of travel-related expenses to the contingency budget. This deferral recognizes the likelihood of continued conversion of conference based training and education to on-line or virtual education .

Professional Fees

The change in Professional Fees for 2021 is a decrease of \$0.09 million, or a net decrease of 7.2%. This reduction is due to expected lower costs in Actuarial, Consultant, and Legal fees.

The senior managers and I look forward to presenting our proposed 2021 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, and investment-related fees (including banking and legal fees). Excludable expenses also include the pro rata portion of overhead expense attributable to excludable activities.

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

Budget Amendments

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

Budget Process

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

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

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

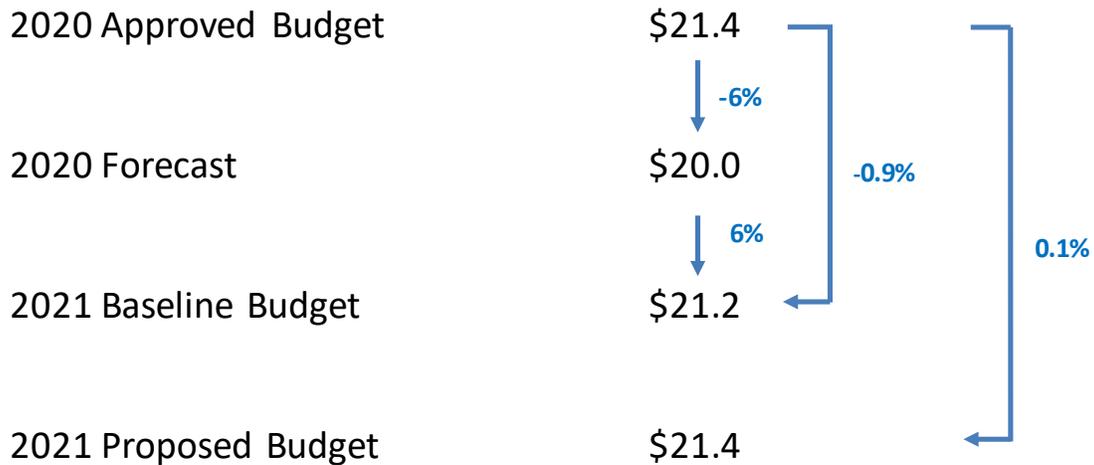
It is the responsibility of the budget team to develop the baseline budget once the forecast has been completed. Upon completion of the baseline, department staff and management begin entering information into the budget worksheets. When that step is completed, the budget team prepares the administrative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

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

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

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ACERA 2021 Budget Process¹



1. The starting point for the 2021 proposed expense budget was to develop a “baseline” budget that reflected the anticipated costs of maintaining the same level of services approved by ACERA’s Board of Retirement in the 2020 budget. To that end, the 2021 baseline budget is \$21.2 million, a decrease of 0.9% under the approved 2020 budget.
2. Key to developing the 2021 proposed budget was more accurately estimating the forecast by including only incremental expenditures needed to achieve business objectives. But more importantly, it was setting assumptions that guided and prioritized expenditures, yet achieved the following objectives: a) allowed the necessary vacant staff positions to be filled; b) funded projects that directly support strategic goals and business plan initiatives; and, c) funded new programs or projects mandated by state legislation, the Board of Retirement, or management. Following the agreed criteria resulted in a 2021 Proposed Budget of \$21.4 million which is \$27K or 0.1% over the approved 2020 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 proposed 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 2021 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 3.25%;
- 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 2.2% net increase compared to the 2020 Budget; and a 10.8% net increase compared to the 2020 forecast.

Staff Development Assumptions

- Staff development expenses were capped to no increase over 2020 budget; and,
- Professional dues and subscriptions were capped to no increase over 2020 forecast.

Result: Staff development realized a (43.2%) net decrease compared to the 2020 budget; and a (18.5%) net decrease compared to the 2020 forecast. The decrease is due to a deliberate 70% deferral of travel-related expenses to the contingency budget.

Professional Fees Assumptions

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

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

Result: Professional fee expenses realized a (7.2%) net decrease compared to the 2020 budget; and a (17.1%) net decrease compared to the 2020 forecast.

Office Expenses Assumptions

- Banking expenses would experience no increase over the 2020 budget;
- Miscellaneous Administrative expenses would experience no increase over the 2020 budget;
- Building Operation expenses would experience a 5% increase over the 2020 budget;
- Communication expenses would experience a 53% increase over the 2020 budget;
- Equipment Lease and Maintenance expenses would experience a 12% increase over the 2020 budget;
- Minor Furniture and Equipment expenses would experience no increase over the 2020 budget;
- Office supplies and Maintenance expenses would experience no increase over the 2020 budget; and,
- Printing and Postage expenses would experience no increase over the 2020 budget.

Result: Office expenses realized a 8.1% net increase compared to the 2020 budget; and a 5.5% net increase compared to the 2020 forecast.

Insurance Assumption

- The 2021 commercial insurance expense would realize a 10% increase over the 2020 budget; and,
- The Alameda County risk insurance expense would realize a (24%) decrease over the 2020 budget.

Result: Insurance expenses (in aggregate) realized a (42%) net decrease compared to the 2020 budget; and a (4.7%) net decrease compared to the 2020 forecast.

Member Services Assumptions

- Benefit Verification expenses would experience a 20% increase over the 2020 budget;
- Disability Arbitration and Transcript expenses would experience a (20%) decrease over the 2020 budget;
- Disability Medical expenses would experience a (41.4%) decrease over the 2020 budget;
- Health Reimbursement Accounts (HRA) expense would experience no increase over the 2020 budget;
- Member Training & Education expense would experience no increase over the 2020 budget; and,
- Printing and Postage expense would experience no increase over the 2020 budget.

Result: Member Services expenses realized a (12.0%) net decrease compared to the 2020 budget; and a (12.0%) net decrease compared to the 2020 forecast.

Systems Assumptions

- Business Continuity expense would experience an 18% increase over the 2020 budget;
- County Data Processing expense would experience a 1% increase over the 2020 budget;
- Minor Computer Hardware expenses would realize a (9%) decrease over the 2020 budget; and,
- Software License and Maintenance expenses would realize a 6% increase over the 2020 budget.

Result: Systems expenses realized a 6.6% net increase compared to the 2020 budget; and a 6.7% increase compared to the 2020 forecast.

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Board of Retirement Assumptions

- Board Conference and Miscellaneous Activity expense would realize a 2% increase over the 2020 budget.

Result: Board of Retirement expenses realized a 2.3% net increase compared to the 2020 budget; and a 15.6% increase compared to the 2020 forecast.

Uncollectible Benefit Payments Assumption

- Uncollectible Benefit Payment expense would realize a 209% increase over the 2020 budget.

Result: Uncollectible Benefit Payments expenses realized a 209.1% increase compared to the 2020 budget; and a 223.8% increase compared to the 2020 forecast.

Depreciation Assumption

- Depreciation expense would realize a (4%) decrease over the 2020 budget.

Result: Depreciation expense realized a (4.1%) net decrease compared to the 2020 budget; and a (1.7%) decrease compared to the 2020 forecast.

PROPOSED 2021 BUDGET SUMMARY AND COMPARISON

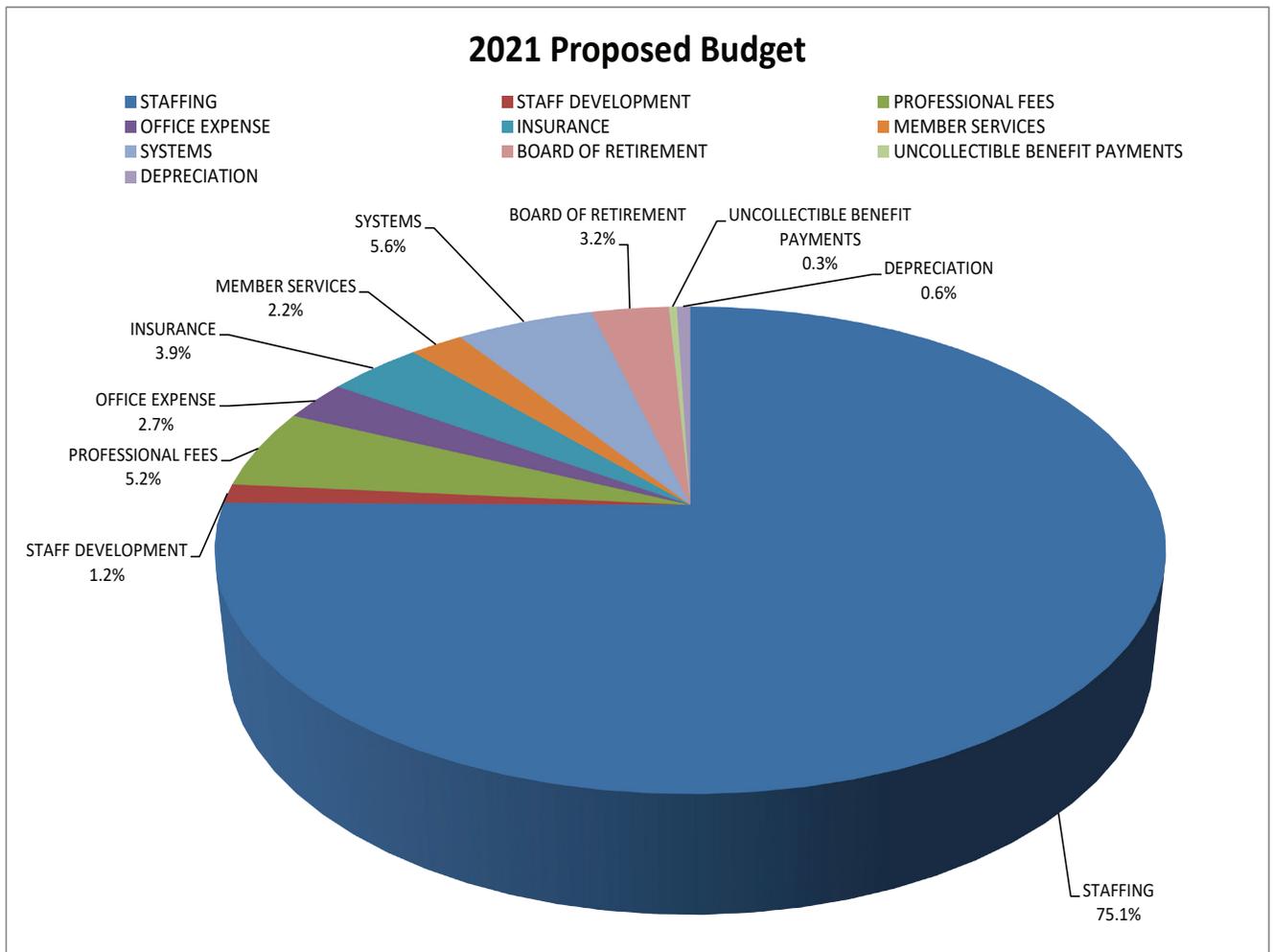
Staff recommends a proposed 2021 budget of \$21.4 million which is:

- \$0.027 million or 0.1% greater than the approved 2020 budget of \$21.4 million;
- \$0.2 million or 1% greater than the 2021 baseline budget of \$21.2 million; and,
- \$1.4 million or 7% greater than the 2020 forecast of \$20.0 million.

The 2021 administrative budget of \$13.2 million is \$9.9 million under the administrative cap of \$23.1 million. A year-over-year comparison reveals that the 2021 administrative budget of \$13.2 million is \$0.1 million higher than the 2020 administrative budget of \$13.1 million. Approximately \$8.2 million was excluded for the annual operating expense budget of \$21.4 million (see Section VI for administrative budget and allocation schedules).

2021 Proposed Operating Expense Budget
(\$ in thousands)

	2020 Forecast	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change	Category % of Total Operating Expenses
Staffing	\$ 14,530	\$ 16,099	\$ 1,569	10.8%	75.1%
Staff Development	336	274	(62)	-18.5%	1.2%
Professional Fees	1,361	1,128	(233)	-17.1%	5.2%
Office Expense	544	574	30	5.5%	2.7%
Insurance	866	825	(41)	-4.7%	3.9%
Member Services	527	464	(63)	-12.0%	2.2%
Systems	1,127	1,202	75	6.7%	5.6%
Board Of Retirement	584	675	91	15.6%	3.2%
Uncollectible Benefit Payments	21	68	47	223.8%	0.3%
Depreciation	120	118	(2)	-1.7%	0.6%
OPERATING EXPENSES Total	\$ 20,016	\$ 21,427	\$ 1,411	7.0%	100.0%



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Operating Expense Budget ¹	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
STAFFING (p.#21)						
Salaries	\$ 9,737,000	\$ 9,364,000	\$ (373,000)	\$ 10,026,000	\$ 662,000	7.1%
Fringe Benefits	5,910,000	4,847,000	(1,063,000)	5,792,000	945,000	19.5%
Temporary Staff	98,000	319,000	221,000	281,000	(38,000)	-11.9%
Staffing Total	15,745,000	14,530,000	(1,215,000)	16,099,000	1,569,000	10.8%
STAFF DEVELOPMENT (p.#22)						
	482,000	336,000	(146,000)	274,000	(62,000)	-18.5%
PROFESSIONAL FEES (p.#26)						
Actuarial Fees	466,000	410,000	(56,000)	415,000	5,000	1.2%
Audit Fees	153,000	153,000	-	157,000	4,000	2.6%
Consultant Fees	366,000	369,000	3,000	333,000	(36,000)	-9.8%
Legal Fees	230,000	429,000	199,000	223,000	(206,000)	-48.0%
Professional Fees Total	1,215,000	1,361,000	146,000	1,128,000	(233,000)	-17.1%
OFFICE EXPENSE (p.#28)						
Bank Charges	120,000	118,000	(2,000)	120,000	2,000	1.7%
Misc. Administrative Expenses	16,000	14,000	(2,000)	15,000	1,000	7.1%
Building Expenses	80,000	81,000	1,000	84,000	3,000	3.7%
Communications	63,000	96,000	33,000	96,000	-	0.0%
Equipment Lease & Maint.	116,000	122,000	6,000	130,000	8,000	6.6%
Minor Furniture & Equip.	19,000	16,000	(3,000)	18,000	2,000	12.5%
Office Supplies & Maint.	89,000	74,000	(15,000)	83,000	9,000	12.2%
Printing & Postage	28,000	23,000	(5,000)	28,000	5,000	21.7%
Office Expense Total	531,000	544,000	13,000	574,000	30,000	5.5%
INSURANCE (p.#29)						
	967,000	866,000	(101,000)	825,000	(41,000)	-4.7%
MEMBER SERVICES (p.#30)						
Benefit Verification	5,000	5,000	-	6,000	1,000	20.0%
Disability - Arbitration & Transcripts	75,000	54,000	(21,000)	60,000	6,000	11.1%
Disability - Medical Expense	203,000	203,000	-	119,000	(84,000)	-41.4%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account	60,000	59,000	(1,000)	60,000	1,000	1.7%
Member Training & Education	16,000	18,000	2,000	16,000	(2,000)	-11.1%
Printing & Postage - Members	122,000	122,000	-	122,000	-	0.0%
Virtual Call Center	-	20,000	20,000	35,000	15,000	75.0%
Member Services Total	527,000	527,000	-	464,000	(63,000)	-12.0%
SYSTEMS (p.#31)						
Business Continuity Expenses	147,000	171,000	24,000	173,000	2,000	1.2%
County Data Processing	113,000	113,000	-	114,000	1,000	0.9%
Minor Computer Hardware	33,000	35,000	2,000	30,000	(5,000)	-14.3%
Software License & Maintenance	835,000	808,000	(27,000)	885,000	77,000	9.5%
Systems Total	1,128,000	1,127,000	(1,000)	1,202,000	75,000	6.7%
BOARD OF RETIREMENT (p.#32)						
	660,000	584,000	(76,000)	675,000	91,000	15.6%
UNCOLLECTIBLE BENEFITS						
	22,000	21,000	(1,000)	68,000	47,000	223.8%
Total Operating Expenses Before Depreciation	21,277,000	19,896,000	(1,381,000)	21,309,000	1,413,000	7.1%
DEPRECIATION (p.#33)						
	123,000	120,000	(3,000)	118,000	(2,000)	-1.7%
TOTAL OPERATING EXPENSE	21,400,000	20,016,000	(1,384,000)	21,427,000	1,411,000	7.0%
TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE	52,696,000	51,418,000	(1,278,000)	51,373,000	(45,000)	-0.1%
TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES	\$ 74,096,000	\$ 71,434,000	\$ (2,662,000)	\$ 72,800,000	\$ 1,366,000	1.9%
¹ Budget schedules amounts are rounded to the nearest thousand.						
CONTINGENCY FUND (p.#83)						
	\$ 315,000	\$ 54,000	\$ (261,000)	\$ 258,000	\$ 204,000	377.8%

Operating Expense Budget 2021 Baseline vs. 2021 Increments (\$ in thousands)			2021	2021			2021 Proposed Budget (Baseline + Increments) vs.2020		% Change
	2020 Forecast	2021 Baseline	Baseline vs. 2020 Forecast Over/ (Under)	Baseline vs. 2020 Forecast % Of Change	2021 Proposed Increments	2021 Proposed Budget (Baseline + Increments)	Forecast Over/ (Under)		
STAFFING									
Salaries	\$ 9,364	\$ 10,065	\$ 701	7.5%	\$ (39)	\$ 10,026	\$ 662	7.1%	
Fringe Benefits	4,847	5,830	983	20.3%	(38)	5,792	945	19.5%	
Temporary Staff	319	75	(244)	-76.5%	206	281	(38)	-11.9%	
Staffing Total	14,530	15,970	1,440	9.9%	129	16,099	1,569	10.8%	
STAFF DEVELOPMENT	336	273	(63)	-18.8%	1	274	(62)	-18.5%	
PROFESSIONAL FEES									
Actuarial Fees	410	400	(10)	-2.4%	15	415	5	1.2%	
Audit Fees	153	157	4	2.6%	-	157	4	2.6%	
Consultant Fees	369	333	(36)	-9.8%	-	333	(36)	-9.8%	
Legal Fees	429	223	(206)	-48.0%	-	223	(206)	-48.0%	
Professional Fees Total	1,361	1,113	(248)	-18.2%	15	1,128	(233)	-17.1%	
OFFICE EXPENSE									
Bank Charges	118	120	2	1.7%	-	120	2	1.7%	
Miscellaneous Administrative Expenses	14	15	1	7.1%	-	15	1	7.1%	
Building Expenses	81	84	3	3.7%	-	84	3	3.7%	
Communications	96	96	-	0.0%	-	96	-	0.0%	
Equipment Lease & Maint.	122	125	3	2.5%	5	130	8	6.6%	
Minor Furniture & Equipment	16	18	2	12.5%	-	18	2	12.5%	
Office Supplies & Maint.	74	83	9	12.2%	-	83	9	12.2%	
Printing & Postage	23	28	5	21.7%	-	28	5	21.7%	
Office Expense Total	544	569	25	4.6%	5	574	30	5.5%	
INSURANCE	866	825	(41)	-4.7%	-	825	(41)	-4.7%	
MEMBER SERVICES									
Benefit Verification	5	6	1	20.0%	-	6	1	20.0%	
Disability Arbitr. & Transcripts	54	60	6	11.1%	-	60	6	11.1%	
Disability - Medical Expense	203	119	(84)	-41.4%	-	119	(84)	-41.4%	
Disability Claims Management	46	46	-	0.0%	-	46	-	0.0%	
Health Reimb. Account (HRA)	59	60	1	1.7%	-	60	1	1.7%	
Member Training & Education	18	16	(2)	-11.1%	-	16	(2)	-11.1%	
Printing & Postage - Members	122	122	-	0.0%	-	122	-	0.0%	
Virtual Call Center	20	35	15	75.0%	-	35	15	75.0%	
Member Services Total	527	464	(63)	-12.0%	-	464	(63)	-12.0%	
SYSTEMS									
Business Continuity Expenses	171	173	2	1.2%	-	173	2	1.2%	
County Data Processing	113	114	1	0.9%	-	114	1	0.9%	
Minor Computer Hardware	35	30	(5)	-14.3%	-	30	(5)	-14.3%	
Software License & Maint.	808	847	39	4.8%	38	885	77	9.5%	
Systems Total	1,127	1,164	37	3.3%	38	1,202	75	6.7%	
BOARD OF RETIREMENT	584	654	70	12.0%	21	675	91	15.6%	
UNCOLLECTIBLE BENEFIT PAYMENTS	21	68	47	223.8%	-	68	47	223.8%	
Total Operating Expenses Before Depreciation	19,896	21,100	1,204	6.1%	209	21,309	1,413	7.1%	
DEPRECIATION	120	118	(2)	-1.7%	-	118	(2)	-1.7%	
TOTAL OPERATING EXPENSE	20,016	21,218	1,202	6.0%	209	21,427	1,411	7.0%	
TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE	51,418	51,373	(45)	-0.1%	-	51,373	(45)	-0.1%	
TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES	\$ 71,434	\$ 72,591	\$ 1,157	1.6%	\$ 209	\$ 72,800	\$ 1,366	1.9%	

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STAFFING (p.#19)

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

Headcount by Department	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)
Administration	9	9	-	9	-
Benefits	39	39	-	39	-
Fiscal Services	11	11	-	11	-
Human Resources	3	3	-	3	-
Internal Audit	3	3	-	3	-
Investments	9	8	(1)	9	1
Legal	4	4	-	4	-
PRISM	11	11	-	11	-
HEADCOUNT TOTAL	89	88	(1)	89	1

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

Staffing	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
Administration	\$ 956,000	\$ 954,000	\$ (2,000)	\$ 1,048,000	\$ 94,000	9.9%
Benefits	3,624,000	3,472,000	(152,000)	3,686,000	214,000	6.2%
Fiscal Services	1,171,000	1,178,000	7,000	1,186,000	8,000	0.7%
Human Resources	378,000	378,000	-	392,000	14,000	3.7%
Internal Audit	438,000	441,000	3,000	453,000	12,000	2.7%
Investments	1,224,000	1,032,000	(192,000)	1,251,000	219,000	21.2%
Legal	642,000	649,000	7,000	651,000	2,000	0.3%
PRISM	1,269,000	1,223,000	(46,000)	1,324,000	101,000	8.3%
Total Salaries	9,702,000	9,327,000	(375,000)	9,991,000	664,000	7.1%
Cafeteria Benefit Allowance	225,000	184,000	(41,000)	264,000	80,000	43.5%
Health and Dental	1,560,000	1,280,000	(280,000)	1,830,000	550,000	43.0%
Retirement Contributions	3,268,000	2,681,000	(587,000)	2,638,000	(43,000)	-1.6%
Medicare and SDI	189,000	155,000	(34,000)	230,000	75,000	48.4%
Social Security	603,000	494,000	(109,000)	734,000	240,000	48.6%
Other Benefits (Life Insurance, Def. Comp. and Auto Allowance)	65,000	53,000	(12,000)	96,000	43,000	81.1%
Fringe Benefits	5,910,000	4,847,000	(1,063,000)	5,792,000	945,000	19.5%
Overtime	35,000	37,000	2,000	35,000	(2,000)	-5.4%
Temporary Staffing	98,000	319,000	221,000	281,000	(38,000)	-11.9%
STAFFING EXPENSES Total	\$ 15,745,000	\$ 14,530,000	\$ (1,215,000)	\$ 16,099,000	\$ 1,569,000	10.8%

Staffing - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast		Variance Over/(Under)
• Increase in salaries due to filled vacant positions: 3-Retirement Technicians and 1- Investment Analyst	\$	232,000
• Increase in salaries due to COLA, merit increases, step increases, and vacation sellbacks		432,000
• Increase in fringe benefits attributed to the filling of all vacant positions in 2021 and inflation costs		945,000
• Slight decrease in overtime expense		(2,000)
• Decrease in temporary staff from hiring permanent staff		(38,000)
Total Over/(Under)		\$ 1,569,000

Staffing - Variance Narrative 2020 Forecast vs. 2020 Budget		Variance Over/(Under)
• Net savings from unfilled positions and vacant positions of 1-Senior Investment Officer, 1-Investment Officer, and 3-Retirement Technicians	\$	(375,000)
• Net savings in fringe benefits are mainly due to vacant positions and lower in fringe benefits rate		(1,063,000)
• Slight increase in overtime expense		2,000
• Increase in temporary staff due to vacant positions		221,000
Total Over/(Under)		\$ (1,215,000)

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

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

Staff Development	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/ (Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
CONFERENCES/TRAININGS						
Adaptive	\$ 8,000	\$ 2,000	\$ (6,000)	\$ 2,000	\$ -	0.0%
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	61,000	33,000	(28,000)	20,000	(13,000)	-39.4%
CALPERLA	5,000	5,000	-	1,000	(4,000)	-80.0%
Cyber-Security	12,000	8,000	(4,000)	3,000	(5,000)	-62.5%
BCP/Disaster Recovery Journal Conference (DRJ)	6,000	6,000	-	2,000	(4,000)	-66.7%
GFOA	11,000	2,000	(9,000)	5,000	3,000	150.0%
IFEBP	25,000	11,000	(14,000)	8,000	(3,000)	-27.3%
ILPA	13,000	9,000	(4,000)	4,000	(5,000)	-55.6%
Institutional Investors	3,000	3,000	-	1,000	(2,000)	-66.7%
MILKEN	16,000	-	(16,000)	10,000	10,000	100.0%
PG User, Onbase, Sungard Conference	48,000	31,000	(17,000)	14,000	(17,000)	-54.8%
SACRS	31,000	18,000	(13,000)	10,000	(8,000)	-44.4%
Technology Related Trainings	19,000	8,000	(11,000)	6,000	(2,000)	-25.0%
Miscellaneous	111,000	78,000	(33,000)	73,000	(5,000)	-6.4%
Sub-Total	369,000	214,000	(155,000)	159,000	(55,000)	-25.7%
PROFESSIONAL DUES & SUBSCRIPTIONS	111,000	112,000	1,000	113,000	1,000	0.9%
RECRUITMENT EXPENSES	2,000	10,000	8,000	2,000	(8,000)	-80.0%
STAFF DEVELOPMENT EXPENSES Total	\$ 482,000	\$ 336,000	\$ (146,000)	\$ 274,000	\$ (62,000)	-18.5%

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Staff Development - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast

	Variance Over/(Under)
CONFERENCE/TRAINING	
• Reallocated to contingency expense due to COVID-19	\$ (55,000)
Sub-total	(55,000)
PROFESSIONAL FEES & SUBSCRIPTIONS	
• Slight increase in professional dues and subscriptions expense	1,000
Sub-total	1,000
RECRUITMENT	
• Decrease in recruitment costs due to less vacant positions to fill in 2021	(8,000)
Sub-total	(8,000)
Total Over/(Under)	\$ (62,000)

Staff Development - Variance Narrative 2020 Forecast vs. 2020 Budget

	Variance Over/(Under)
CONFERENCE/TRAINING	
• Decrease in attendance of trainings primarily due to COVID-19	\$ (155,000)
Sub-total	(155,000)
PROFESSIONAL FEES & SUBSCRIPTIONS	
• Slight increase in professional dues and subscriptions expenses	1,000
Sub-total	1,000
RECRUITMENT	
• Increase due to conversion fees for temporary staff converted into permanent staff	8,000
Sub-total	8,000
Total Over/(Under)	\$ (146,000)

2021 Proposed 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)	-	-	-	-	-	1,000
Association of Public Pension Fund Auditors (APPFA)	-	-	-	-	-	1,000
Computer Training/County	-	5,000	3,000	-	-	-
CSDA Conference	1,000	-	-	-	-	-
IDEA Training	-	-	-	-	-	3,000
Investment Related	-	-	-	-	-	-
ISCEBS Annual Conference	-	1,000	-	-	-	-
LMS (Alameda County HRS)	-	-	-	6,000	-	-
NAPPA	-	-	-	-	-	-
NCPERS Conference	-	1,000	-	-	-	-
NASRA Winter & Annual Conference	1,000	-	-	-	-	-
Project Management	-	-	-	-	-	-
PRISM Conference	-	-	-	-	-	-
Staff Development	-	9,000	-	-	-	-
Miscellaneous Trainings/Conferences	4,000	4,000	4,000	6,000	-	5,000
Total Other Training/Conferences	6,000	20,000	7,000	12,000	12,000	
Adaptive	-	-	2,000	-	-	-
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	3,000	11,000	4,000	-	-	-
CALPERLA	-	-	-	1,000	-	-
Cybersecurity	-	-	-	-	-	-
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	-	-	-	-
GFOA	-	-	4,000	-	-	1,000
IFEBP	-	8,000	-	-	-	-
ILPA	-	-	-	-	-	-
Institutional Investors	-	-	-	-	-	-
MILKEN	-	-	-	-	-	-
PG User and Onbase Conference	-	4,000	3,000	-	-	-
SACRS	2,000	4,000	-	-	-	1,000
Technology Related Trainings	-	-	-	-	-	-
Other Training/Conferences (from above)	6,000	20,000	7,000	12,000	-	12,000
Total Training/Conferences	11,000	47,000	20,000	13,000	14,000	
Professional Dues & Subscriptions	35,000	3,000	4,000	2,000	5,000	
Recruitment Expenses	-	1,000	-	-	-	
TOTAL	\$ 46,000	\$ 51,000	\$ 24,000	\$ 15,000	\$ 19,000	

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2021 Proposed 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)	-	-	-	1,000
Association of Public Pension Fund Auditors (APPFA)	-	-	-	1,000
Computer Training/County	-	-	1,000	9,000
CSDA Conference	-	-	-	1,000
IDEA Training	-	-	-	3,000
Investment Related	-	3,000	-	3,000
ISCEBS Annual Conference	-	-	-	1,000
LMS (Alameda County HRS)	-	-	-	6,000
NAPPA	-	1,000	-	1,000
NCPERS Conference	-	-	-	1,000
NASRA Winter & Annual Conference	-	-	-	1,000
Project Management	-	-	1,000	1,000
PRISM Conference	-	-	1,000	1,000
Staff Development	-	-	-	9,000
Miscellaneous Trainings/Conferences	4,000	3,000	2,000	32,000
Total Other Training/Conferences	4,000	7,000	5,000	73,000
Adaptive	-	-	-	2,000
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	1,000	1,000	-	20,000
CALPERLA	-	-	-	1,000
Cybersecurity	-	-	3,000	3,000
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	2,000	2,000
GFOA	-	-	-	5,000
IFEBP	-	-	-	8,000
ILPA	3,000	1,000	-	4,000
Institutional Investors	1,000	-	-	1,000
MILKEN	10,000	-	-	10,000
PG User and Onbase Conference	-	-	7,000	14,000
SACRS	1,000	1,000	1,000	10,000
Technology Related Trainings	-	-	6,000	6,000
Other Trainings/Conferences (from above)	4,000	7,000	5,000	73,000
Total Training/Conferences	20,000	10,000	24,000	159,000
Professional Dues & Subscriptions	7,000	57,000	-	113,000
Recruitment Expenses	1,000	-	-	2,000
TOTAL	\$ 28,000	\$ 67,000	\$ 24,000	\$ 274,000

PROFESSIONAL FEES (p.#19)

This category excludes investment professional consultant and advisor expenses.

Professional Fees	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/ (Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)	% Change
Actuarial Fees	\$ 466,000	\$ 410,000	\$ (56,000)	\$ 415,000	\$ 5,000	1.2%
Audit Fees	153,000	153,000	-	157,000	4,000	2.6%
Consultant Fees	366,000	369,000	3,000	333,000	(36,000)	-9.8%
Legal Fees	230,000	429,000	199,000	223,000	(206,000)	-48.0%
PROFESSIONAL FEES TOTAL	1,215,000	1,361,000	146,000	1,128,000	(233,000)	-17.1%
Actuarial Fees						
Actuarial Valuation	77,000	77,000	-	79,000	2,000	2.6%
ASOP #51, Risk Report	60,000	40,000	(20,000)	40,000	-	0.0%
GASB 67 & 68	48,000	48,000	-	49,000	1,000	2.1%
GASB 74 & 75	14,000	14,000	-	15,000	1,000	7.1%
SRBR Valuation	41,000	41,000	-	42,000	1,000	2.4%
Supplemental Consulting	190,000	154,000	(36,000)	190,000	36,000	23.4%
Triennial Study	36,000	36,000	-	-	(36,000)	-100.0%
Total Actuarial Fees	466,000	410,000	(56,000)	415,000	5,000	1.2%
Audit Fees						
Audit Fees	129,000	129,000	-	132,000	3,000	2.3%
GASB 67 & 68	12,000	12,000	-	13,000	1,000	8.3%
GASB 74 & 75	12,000	12,000	-	12,000	-	0.0%
Total Audit Fees	153,000	153,000	-	157,000	4,000	2.6%
Consultant Fees						
Administration						
Benchmark Services	20,000	20,000	-	-	(20,000)	100.0%
Total Administration	20,000	20,000	-	-	(20,000)	-100.0%
Benefits						
Benefit Cons./Open Enroll.	143,000	146,000	3,000	130,000	(16,000)	-11.0%
County Retirees Medical	126,000	126,000	-	126,000	-	0.0%
Total Benefits	269,000	272,000	3,000	256,000	(16,000)	-5.9%
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	366,000	369,000	3,000	333,000	(36,000)	-9.8%
Legal Fees						
Fiduciary	130,000	114,000	(16,000)	126,000	12,000	10.5%
Miscellaneous Legal Advice	60,000	281,000	221,000	68,000	(213,000)	-75.8%
Tax and Benefit Issues	40,000	34,000	(6,000)	29,000	(5,000)	-14.7%
Total Legal Fees	\$ 230,000	\$ 429,000	\$ 199,000	\$ 223,000	\$ (206,000)	-48.0%

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Professional Fees - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast

	Variance Over/(Under)
ACTUARIAL	
• Increase in GASB, actuarial valuation and SRBR valuation	\$ 5,000
Sub-total	5,000
AUDIT	
• Slight increase in audit fees	4,000
Sub-total	4,000
CONSULTANTS	
• Decrease due to benchmark services completed in 2020	(20,000)
• Decrease due to completion of RFP for dental and vision; offset by slight increase in other consulting fees	(16,000)
Sub-total	(36,000)
LEGAL	
• Increase in legal fees for fiduciary services	12,000
• Decrease in legal fees for tax & benefits	(5,000)
• Decrease in projected litigation expenses in 2021 as compared to unexpected higher litigation expenses incurred in 2020	(213,000)
Sub-total	(206,000)
Total Over/(Under)	\$ (233,000)

Professional Fees - Variance Narrative 2020 Forecast vs. 2020 Budget

	Variance Over/(Under)
CONSULTANTS	
• Increase in benefits consulting fees	\$ 3,000
Sub-total	3,000
ACTUARIAL	
• Decrease in ASOP #51, Risk Report	(20,000)
• Decrease in supplemental consulting fees	(36,000)
Sub-total	(56,000)
LEGAL	
• Decrease in legal fees for fiduciary services	(16,000)
• Decrease in legal fees for tax & benefits	(6,000)
• Increase due to unexpected higher litigation expenses	221,000
Sub-total	199,000
Total Over/(Under)	\$ 146,000

OFFICE EXPENSE (p.#19)

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

Office Expense	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
Bank Charges	\$ 120,000	\$ 118,000	\$ (2,000)	\$ 120,000	\$ 2,000	1.7%
Misc. Administrative Expenses	16,000	14,000	(2,000)	15,000	1,000	7.1%
Building Expenses	80,000	81,000	1,000	84,000	3,000	3.7%
Communications	63,000	96,000	33,000	96,000	-	0.0%
Equip. Leasing & Maint.	116,000	122,000	6,000	130,000	8,000	6.6%
Minor Furniture & Equipment	19,000	16,000	(3,000)	18,000	2,000	12.5%
Office Supplies & Maint.	89,000	74,000	(15,000)	83,000	9,000	12.2%
Printing & Postage	28,000	23,000	(5,000)	28,000	5,000	21.7%
OFFICE EXPENSE Total	\$ 531,000	\$ 544,000	\$ 13,000	\$ 574,000	\$ 30,000	5.5%

**Office Expense - Variance Narrative
2021 Proposed Budget vs. 2020 Forecast**

Variance Over/(Under)

EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

- Increase in office supplies, maintenance, minor furniture and equipment expenses in 2021; plus new lease agreement for mailing equipment in 2020

\$ 19,000
Sub-total 19,000

MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Slight increase in miscellaneous administrative expenses

1,000
Sub-total 1,000

PRINTING & POSTAGE

- Increase in printing and postage expenses in 2021

5,000
Sub-total 5,000

BUILDING AND BANK CHARGES

- Slight increase in building expenses
- Slight increase in bank charges

3,000
2,000
Sub-total 5,000

Total Over/(Under) \$ 30,000

**Office Expense - Variance Narrative
2020 Forecast vs. 2020 Budget**

Variance Over/(Under)

MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Slight decrease in miscellaneous administrative expenses

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

BUILDING, BANK CHARGES AND COMMUNICATIONS

- Increase in communication expense due to teleconference services during COVID-19
- Slight increase in building expenses
- Slight decrease in bank charges

33,000
1,000
(2,000)
Sub-total 32,000

EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

- Decrease in office supplies & maintenance and minor equipment & furniture expenses; offset by increase in equipment leasing

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

PRINTING & POSTAGE

- Decrease in printing and postage expense

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

Total Over/(Under) \$ 13,000

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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	2020 Forecast		2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget		2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
	2020 Budget	2020 Forecast		2021 Proposed Budget	2020 Forecast		
Business Automobile	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.0%	
Commercial Package	31,000	31,000	-	33,000	2,000	9.5%	
Crime	8,000	7,000	(1,000)	8,000	1,000	20.0%	
Cyber Liability	14,000	14,000	-	14,000	-	0.0%	
Earthquake	26,000	26,000	-	30,000	4,000	23.5%	
Fiduciary Liability	167,000	167,000	-	185,000	18,000	15.9%	
Risk Management	455,000	409,000	(46,000)	385,000	(24,000)	-9.2%	
Umbrella	8,000	9,000	1,000	9,000	-	0.0%	
Worker's Compensation	257,000	202,000	(55,000)	160,000	(42,000)	-35.6%	
INSURANCE Total	\$ 967,000	\$ 866,000	\$ (101,000)	\$ 825,000	\$ (41,000)	-4.7%	

Insurance - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast

	Variance Over/(Under)
• Increase in premium for fiduciary liability	\$ 18,000
• Slight increase in premiums for Commercial Package, Crime and Earthquake	7,000
• Significant decrease in Alameda County Risk Management	(24,000)
• Significant decrease in Alameda County worker's compensation	(42,000)
Total Over/(Under)	\$ (41,000)

Insurance - Variance Narrative 2020 Forecast vs. 2020 Budget

	Variance Over/(Under)
• Significant decrease in Alameda County Risk Management	\$ (46,000)
• Significant decrease in Alameda County worker's compensation	(55,000)
Total Over/(Under)	\$ (101,000)

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	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
Benefit Verification	\$ 5,000	\$ 5,000	\$ -	\$ 6,000	\$ 1,000	20.0%
Disability - Legal Arbitration & Transcripts	75,000	54,000	(21,000)	60,000	6,000	11.1%
Disability - Medical	203,000	203,000	-	119,000	(84,000)	-41.4%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account (HRA)	60,000	59,000	(1,000)	60,000	1,000	1.7%
Member Training & Education	16,000	18,000	2,000	16,000	(2,000)	-11.1%
Printing and Postage - Members	122,000	122,000	-	122,000	-	0.0%
Virtual Call Center	-	20,000	20,000	35,000	15,000	75.0%
MEMBER SERVICES Total	\$ 527,000	\$ 527,000	\$ -	\$ 464,000	\$ (63,000)	-12.0%

Member Services - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast		Variance Over/(Under)
DISABILITY		
• Decrease in disability cases	\$	(84,000)
• Increase in disability legal arbitration and transcripts		6,000
	Sub-total	(78,000)
VIRTUAL CALL CENTER AND BENEFIT VERIFICATION		
• Increase due to virtual call center		15,000
• Slight increase in benefit verification expense		1,000
	Sub-total	16,000
MEMBERS TRAINING AND EDUCATION AND HEALTH REIMBURSEMENT ACCOUNT		
• Slight decrease in members training and education		(2,000)
• Slight increase in health reimbursement account		1,000
	Sub-total	(1,000)
	Total Over/(Under)	\$ (63,000)

Member Services - Variance Narrative 2020 Forecast vs. 2020 Budget		Variance Over/(Under)
DISABILITY		
• Decrease in disability legal arbitration and transcripts due to lower number of disability cases than budgeted	\$	(21,000)
	Sub-total	(21,000)
VIRTUAL CALL CENTER		
• Increase due to virtual call center		20,000
	Sub-total	20,000
MEMBERS TRAINING AND EDUCATION AND HEALTH REIMBURSEMENT ACCOUNT		
• Slight increase in members training and education		2,000
• Slight decrease in health reimbursement account		(1,000)
	Sub-total	1,000
	Total Over/(Under)	\$ -

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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	2020		2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
	Budget	Forecast					
Business Continuity Expenses	\$ 147,000	\$ 171,000	\$ 24,000	\$ 173,000	\$ 2,000	1.2%	
County Data Processing	113,000	113,000	-	114,000	1,000	0.9%	
Minor Computer Hardware	33,000	35,000	2,000	30,000	(5,000)	-14.3%	
Software License & Maintenance	835,000	808,000	(27,000)	885,000	77,000	9.5%	
SYSTEMS Total	\$ 1,128,000	\$ 1,127,000	\$ (1,000)	\$ 1,202,000	\$ 75,000	6.7%	

Systems - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast

Variance Over/(Under)

SOFTWARE, MAINTENANCE & SUPPORT

- Increase due to accounting system upgrade in 2021; plus increase in other software, maintenance and support

\$ 77,000
Sub Total 77,000

BUSINESS CONTINUITY EXPENSES

- Slight increase in business continuity expenses

2,000
Sub Total 2,000

COMPUTER HARDWARE & COUNTY DATA PROCESSING

- Delay implementation of automated check-in system at front desk
- Slight increase in county data processing expense

(5,000)
1,000
Sub Total (4,000)

Total Over/(Under) \$ 75,000

Systems - Variance Narrative 2020 Forecast vs. 2020 Budget

Variance Over/(Under)

SOFTWARE, MAINTENANCE & SUPPORT

- Savings due to delay in projects caused by COVID-19

\$ (27,000)
Sub Total (27,000)

COMPUTER HARDWARE

- Slight increase in minor computer hardware expense

2,000
Sub Total 2,000

BUSINESS CONTINUITY EXPENSES

- Increase due to COVID-19 related expenses

24,000
Sub Total 24,000

Total Over/(Under) \$ (1,000)

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	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
Board Compensation	\$ 29,000	\$ 21,000	\$ (8,000)	\$ 28,000	\$ 7,000	33.3%
Board Conference and Training	221,000	170,000	(51,000)	192,000	22,000	12.9%
Board Elections	-	-	-	45,000	45,000	100.0%
Board Employer Reimbursement	357,000	354,000	(3,000)	361,000	7,000	2.0%
Board Miscellaneous Activities	30,000	17,000	(13,000)	26,000	9,000	52.9%
Board Software Maint. & Support	13,000	12,000	(1,000)	13,000	1,000	8.3%
Board Strategic Planning	10,000	10,000	-	10,000	-	0.0%
BOARD OF RETIREMENT Total	\$ 660,000	\$ 584,000	\$ (76,000)	\$ 675,000	\$ 91,000	15.6%

**Board of Retirement - Variance Narrative
2021 Proposed Budget vs. 2020 Forecast**

	Variance Over/(Under)
• Board elections projected in 2021	\$ 45,000
• Increase in board meetings projected in 2021	7,000
• Increase in board conferences and trainings projected in 2021	22,000
• Increase in employer reimbursement due to COLA and fringe benefits	7,000
• Increase in board miscellaneous activities projected in 2021	9,000
• Slight increase in board software maintenance and support	1,000
Total Over/(Under)	\$ 91,000

**Board of Retirement - Variance Narrative
2020 Forecast vs. 2020 Budget**

	Variance Over/(Under)
• Decrease in board members attendance	\$ (8,000)
• Decrease in board conferences and trainings	(51,000)
• Slight decrease in board employer reimbursements	(3,000)
• Decrease in board miscellaneous activities	(13,000)
• A slight decrease in board software maintenance and support	(1,000)
Total Over/(Under)	\$ (76,000)

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DEPRECIATION (p.#19)

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

Depreciation	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
BCP	\$ 2,000	\$ 2,000	\$ -	\$ 4,000	\$ 2,000	100.0%
Computer Software	4,000	2,000	(2,000)	2,000	-	0.0%
EDMS Admin. Share	1,000	1,000	-	1,000	-	0.0%
Equipment	20,000	19,000	(1,000)	15,000	(4,000)	-21.1%
Furniture	1,000	1,000	-	1,000	-	0.0%
Leasehold Improvements	95,000	95,000	-	95,000	-	0.0%
DEPRECIATION Total	\$ 123,000	\$ 120,000	\$ (3,000)	\$ 118,000	\$ (2,000)	-1.7%

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

Depreciation - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast

	Variance Over/(Under)
• Increase attributed to BCP server and OnBase upgrade	\$ 2,000
• Decrease attributed to fully depreciated office equipment	(4,000)
Total Over/(Under)	\$ (2,000)

Depreciation - Variance Narrative 2020 Forecast vs. 2020 Budget

	Variance Over/(Under)
• Decrease in purchase of office equipment	\$ (3,000)
Total Over/(Under)	\$ (3,000)

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 \$68,000. 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	2020		2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget		2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
	Budget	2020 Forecast		Budget			
Uncollectible Benefit Payments	\$ 22,000	\$ 21,000	\$ (1,000)	\$ 68,000	\$ 47,000	223.8%	
Total	\$ 22,000	\$ 21,000	\$ (1,000)	\$ 68,000	\$ 47,000	223.8%	

Uncollectible Benefit Payments - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast		Variance Over/(Under)
• Expected increase in uncollectible benefit payments		\$ 47,000
Total Over/(Under)		\$ 47,000

Uncollectible Benefit Payments - Variance Narrative 2020 Forecast vs. 2020 Budget		Variance Over/(Under)
• Slight decrease in uncollectible benefit payments		\$ (1,000)
Total Over/(Under)		\$ (1,000)

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	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
Administration (p.#38)	\$ 4,342,000	\$ 4,028,000	\$ (314,000)	\$ 4,297,000	\$ 269,000	6.7%
Benefits (p.#42)	6,918,000	6,456,000	(462,000)	6,854,000	398,000	6.2%
Fiscal Services (p.#45)	2,293,000	2,206,000	(87,000)	2,338,000	132,000	6.0%
Human Resources (p.#47)	728,000	689,000	(39,000)	738,000	49,000	7.1%
Internal Audit (p.#49)	742,000	689,000	(53,000)	744,000	55,000	8.0%
Investment (p.#51)	1,982,000	1,555,000	(427,000)	1,962,000	407,000	26.2%
Legal (p.#53)	1,394,000	1,528,000	134,000	1,388,000	(140,000)	-9.2%
PRISM (p.#55)	2,951,000	2,834,000	(117,000)	3,061,000	227,000	8.0%
Total Depart. Expenses	21,350,000	19,985,000	(1,365,000)	21,382,000	1,397,000	7.0%
PROJECTS¹	50,000	31,000	(19,000)	45,000	14,000	45.2%
Total Depart. Exp. + Projects	\$ 21,400,000	\$ 20,016,000	\$ (1,384,000)	\$ 21,427,000	\$ 1,411,000	7.0%

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	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 956,000	\$ 954,000	\$ (2,000)	\$ 1,048,000	\$ 94,000	9.9%
Fringe Benefits	535,000	451,000	(84,000)	544,000	93,000	20.6%
Staffing Total	1,491,000	1,405,000	(86,000)	1,592,000	187,000	13.3%
STAFF DEVELOPMENT	73,000	69,000	(4,000)	46,000	(23,000)	-33.3%
PROFESSIONAL FEES						
Actuarial Fees	466,000	410,000	(56,000)	415,000	5,000	1.2%
Consultant Fees	20,000	20,000	-	-	(20,000)	-100.0%
Professional Fees Total	486,000	430,000	(56,000)	415,000	(15,000)	-3.5%
OFFICE EXPENSE						
Miscellaneous Administrative	16,000	14,000	(2,000)	15,000	1,000	7.1%
Building Expenses	80,000	81,000	1,000	84,000	3,000	3.7%
Communications	63,000	96,000	33,000	96,000	-	0.0%
Equipment Lease & Maintenance	116,000	122,000	6,000	130,000	8,000	6.6%
Minor Furniture & Equipment	4,000	4,000	-	3,000	(1,000)	-25.0%
Office Supplies & Maintenance	89,000	74,000	(15,000)	83,000	9,000	12.2%
Printing & Postage	28,000	23,000	(5,000)	28,000	5,000	21.7%
Office Expense Total	396,000	414,000	18,000	439,000	25,000	6.0%
INSURANCE	967,000	866,000	(101,000)	825,000	(41,000)	-4.7%
SYSTEMS						
County Data Processing	113,000	113,000	-	114,000	1,000	0.9%
Software Maintenance & Support	11,000	6,000	(5,000)	5,000	(1,000)	-16.7%
Systems Total	124,000	119,000	(5,000)	119,000	-	0.0%
BOARD OF RETIREMENT						
Board Conferences & Miscellaneous Activity	660,000	584,000	(76,000)	675,000	91,000	15.6%
UNCOLLECTIBLE BENEFIT PAYMENTS	22,000	21,000	(1,000)	68,000	47,000	223.8%
DEPRECIATION						
Depreciation Expense	123,000	120,000	(3,000)	118,000	(2,000)	-1.7%
GRAND TOTAL	\$ 4,342,000	\$ 4,028,000	\$ (314,000)	\$ 4,297,000	\$ 269,000	6.7%

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Administration Department - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast

	Variance Over/(Under)
STAFFING	
• Increase due to filling vacant positions, vacation sellbacks, COLA, and merit increase	\$ 94,000
• Increase in fringe benefits due to inflation costs	93,000
Sub-Total	187,000
STAFF DEVELOPMENT	
• Reallocated to contingency fund due to COVID-19	(23,000)
Sub-Total	(23,000)
PROFESSIONAL FEES	
• Increase in GASB, actuarial valuation and SRBR valuation	5,000
• Decrease due to benchmark services completed in 2020	(20,000)
Sub-Total	(15,000)
OFFICE EXPENSE	
• Increase in printing and postage expenses in 2021	5,000
• Slight increase in building expenses	3,000
• Increase in office supplies, maintenance, minor furniture and equipment expenses in 2021; plus new lease agreement for mailing equipment in 2020	17,000
Sub-Total	25,000
INSURANCE	
• Increase in premium for fiduciary liability	18,000
• Slight increase in premiums for Commercial Package, Crime and Earthquake	7,000
• Significant decrease in Alameda County Risk Management	(24,000)
• Significant decrease in Alameda County worker's compensation	(42,000)
Sub-Total	(41,000)
BOARD OF RETIREMENT	
• Board elections projected in 2021	45,000
• Increase in board meetings projected in 2021	7,000
• Increase in board conferences and trainings projected in 2021	22,000
• Increase in employer reimbursement due to COLA and fringe benefits	7,000
• Increase in board miscellaneous activities projected in 2021	9,000
• Slight increase in board software maintenance and support	1,000
Sub-Total	91,000
UNCOLLECTIBLE BENEFIT PAYMENTS	
• Expected increase in uncollectible benefit payments	47,000
Sub-Total	47,000
DEPRECIATION EXPENSE	
• Increase attributed to BCP server and OnBase upgrade	2,000
• Decrease attributed to fully depreciated office equipment	(4,000)
Sub-Total	(2,000)
Total Over/(Under)	\$ 269,000

Administration Department - Variance Narrative 2020 Forecast vs. 2020 Budget

	Variance Over/(Under)
STAFFING	
<ul style="list-style-type: none"> Savings due to lower fringe benefits rate and slight decrease in salaries 	\$ (86,000)
Sub-Total	(86,000)
STAFF DEVELOPMENT	
<ul style="list-style-type: none"> Decrease in attendance of trainings primarily due to COVID-19 	(4,000)
Sub-Total	(4,000)
PROFESSIONAL FEES	
<ul style="list-style-type: none"> Savings in actuarial fees 	(56,000)
Sub-Total	(56,000)
OFFICE EXPENSE	
<ul style="list-style-type: none"> Slight decrease in miscellaneous administrative expenses Increase in communication expense due to teleconference services during COVID-19 Increase in escalation cost and equipment lease Decrease in office supplies & maintenance and minor equipment & furniture expenses; offset by increase in equipment leasing Decrease in printing and postage expense 	(2,000) 33,000 7,000 (15,000) (5,000)
Sub-Total	18,000
INSURANCE	
<ul style="list-style-type: none"> Decrease in premium for worker's compensation and risk management 	(101,000)
Sub-Total	(101,000)
SYSTEMS	
<ul style="list-style-type: none"> Delay implementation of automated check-in system at front desk 	(5,000)
Sub-Total	(5,000)
BOARD OF RETIREMENT	
<ul style="list-style-type: none"> Decrease in board members attendance Decrease in board conferences and trainings Slight decrease in board employer reimbursements Decrease in board miscellaneous activities A slight decrease in board software maintenance and support 	(8,000) (51,000) (3,000) (13,000) (1,000)
Sub-Total	(76,000)
UNCOLLECTABLE BENEFIT PAYMENTS	
<ul style="list-style-type: none"> Slight decrease in uncollectible benefit payments 	(1,000)
Sub-Total	(1,000)
DEPRECIATION EXPENSE	
<ul style="list-style-type: none"> Decrease in purchase of office equipment 	(3,000)
Sub-Total	(3,000)
Total Over/(Under)	\$ (314,000)

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Administration Department Professional Fees	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
Consultant Fees						
Benchmark Services	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ (20,000)	-100.0%
Sub-Total	20,000	20,000	-	-	(20,000)	-100.0%
Actuarial Fees						
Actuarial Valuation	77,000	77,000	-	79,000	2,000	2.6%
ASOP #51, Risk Report	60,000	40,000	(20,000)	40,000	-	0.0%
GASB 67 & 68	48,000	48,000	-	49,000	1,000	2.1%
GASB 74 & 75	14,000	14,000	-	15,000	1,000	7.1%
SRBR Valuation	41,000	41,000	-	42,000	1,000	2.4%
Supplemental Consulting	190,000	154,000	(36,000)	190,000	36,000	23.4%
Triennial Study	36,000	36,000	-	-	(36,000)	-100.0%
Sub-Total	466,000	410,000	(56,000)	415,000	5,000	1.2%
Administration Total	\$ 486,000	\$ 430,000	\$ (56,000)	\$ 415,000	\$ (15,000)	-3.5%

Administration Department Staffing	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)
Chief Executive Officer	\$ 294,000	\$ 292,000	\$ (2,000)	\$ 309,000	\$ 17,000
Assistant CEO ²	181,000	181,000	-	187,000	6,000
Admin Assistant	75,000	75,000	-	77,000	2,000
Administrative Support Specialist	67,000	67,000	-	71,000	4,000
Administrative Specialist II	82,000	82,000	-	94,000	12,000
Clerk II	55,000	55,000	-	56,000	1,000
Executive Secretary	112,000	112,000	-	116,000	4,000
Staff Development Specialist	36,000	36,000	-	81,000	45,000
Supply Clerk II	54,000	54,000	-	57,000	3,000
Sub-total Salaries¹	956,000	954,000	(2,000)	1,048,000	94,000
Fringe Benefits	535,000	451,000	(84,000)	544,000	93,000
Administration Total	\$ 1,491,000	\$ 1,405,000	\$ (86,000)	\$ 1,592,000	\$ 187,000

¹Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

²The FSO is occupied in this position

BENEFITS DEPARTMENT *(p.#37)*

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

Benefits Department	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/ (Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)	% Change
STAFFING						
Salaries	\$ 3,659,000	\$ 3,507,000	\$ (152,000)	\$ 3,721,000	\$ 214,000	6.1%
Fringe Benefits	2,266,000	1,827,000	(439,000)	2,142,000	315,000	17.2%
Temporary Staff	94,000	236,000	142,000	240,000	4,000	1.7%
Staffing Total	6,019,000	5,570,000	(449,000)	6,103,000	533,000	9.6%
STAFF DEVELOPMENT	118,000	81,000	(37,000)	51,000	(30,000)	-37.0%
PROFESSIONAL FEES	269,000	272,000	3,000	256,000	(16,000)	-5.9%
MEMBER SERVICES						
Benefit Verification	5,000	5,000	-	6,000	1,000	20.0%
Disability - Medical Expense	203,000	203,000	-	119,000	(84,000)	-41.4%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimburs. Account (HRA)	60,000	59,000	(1,000)	60,000	1,000	1.7%
Member Training & Education	16,000	18,000	2,000	16,000	(2,000)	-11.1%
Printing & Postage - Members	122,000	122,000	-	122,000	-	0.0%
Virtual Call Center	-	20,000	20,000	35,000	15,000	75.0%
Member Services Total	452,000	473,000	21,000	404,000	(69,000)	-14.6%
SYSTEMS						
Software Maintenance/Support	60,000	60,000	-	40,000	(20,000)	-33.3%
Systems Total	60,000	60,000	-	40,000	(20,000)	-33.3%
GRAND TOTAL	\$ 6,918,000	\$ 6,456,000	\$ (462,000)	\$ 6,854,000	\$ 398,000	6.2%

**Benefits Department - Variance Narrative
2021 Proposed Budget vs. 2020 Forecast**

	Variance Over/(Under)
STAFFING	
• Increase in salaries from hiring permanent staff, COLA, merit increase, step increase and vacation sellbacks	\$ 214,000
• Increase in fringe benefits attributed to filling vacant positions and inflation costs	315,000
• Increase in temporary staff	4,000
Sub-Total	533,000
STAFF DEVELOPMENT	
• Reallocated to contingency fund due to COVID-19	(30,000)
Sub-Total	(30,000)
PROFESSIONAL FEES	
• Decrease due to completion of RFP for dental and vision; offset by slight increase in other consulting fees	(16,000)
Sub-Total	(16,000)
MEMBER SERVICES	
• Slight increase in benefit verification expense	1,000
• Decrease in disability cases	(84,000)
• Slight increase in health reimbursement account	1,000
• Slight decrease in members training and education	(2,000)
• Increase due to virtual call center	15,000
Sub-Total	(69,000)
SYSTEMS	
• Decrease due to completion of projects	(20,000)
Sub-Total	(20,000)
Total Over/(Under)	\$ 398,000

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Benefits Department - Variance Narrative 2020 Forecast vs. 2020 Budget

Variance Over/(Under)

STAFFING

• Savings from vacant positions	\$	(152,000)
• Savings due to lower fringe benefits rate and vacant positions		(439,000)
• Increase attributed to vacant positions filled by temporary staff		142,000
Sub-Total		(449,000)

STAFF DEVELOPMENT

• Decrease in attendance of trainings primarily due to COVID-19		(37,000)
Sub-Total		(37,000)

PROFESSIONAL FEES

• Increase in benefits consulting fees		3,000
Sub-Total		3,000

MEMBER SERVICES

• Slight decrease in health reimbursement account		(1,000)
• Slight increase in members training and education		2,000
• Increase due to virtual call center		20,000
Sub-Total		21,000

Total Over/(Under) \$ (462,000)

Benefits Department Professional Fees

	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/ (Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
Benefits Consultant/Open Enrollment	\$ 143,000	\$ 146,000	\$ 3,000	\$ 130,000	\$ (16,000)	-11.0%
County Retirees Medical (Benefit Consultant)	126,000	126,000	-	126,000	-	0.0%
Benefits Total	\$ 269,000	\$ 272,000	\$ 3,000	\$ 256,000	\$ (16,000)	-5.9%

Benefits Department Staffing	2020 Forecast vs. 2020 Budget			2021 Proposed Budget vs. 2020 Forecast	
	2020 Budget	2020 Forecast	Over/(Under)	2021 Proposed Budget	Forecast Over/(Under)
Assistant CEO	\$ 241,000	\$ 240,000	\$ (1,000)	\$ 248,000	\$ 8,000
Management Analyst	93,000	96,000	3,000	104,000	8,000
Administrative Specialist II	93,000	93,000	-	75,000	(18,000)
Administrative Specialist II	91,000	91,000	-	94,000	3,000
Administrative Support Specialist	72,000	72,000	-	76,000	4,000
Communications Manager	106,000	106,000	-	109,000	3,000
Graphic Designer	83,000	83,000	-	87,000	4,000
Retirement Assistant Benefits Manager	114,000	112,000	(2,000)	121,000	9,000
Retirement Assistant Benefits Manager	138,000	137,000	(1,000)	146,000	9,000
Retirement Benefits Manager	151,000	151,000	-	163,000	12,000
Retirement Benefits Manager	174,000	173,000	(1,000)	178,000	5,000
Retirement Benefits Specialist	98,000	98,000	-	101,000	3,000
Retirement Benefits Specialist	100,000	100,000	-	101,000	1,000
Retirement Benefits Specialist	98,000	98,000	-	101,000	3,000
Retirement Benefits Specialist	98,000	102,000	4,000	105,000	3,000
Retirement Benefits Specialist	89,000	88,000	(1,000)	96,000	8,000
Retirement Benefits Specialist	88,000	88,000	-	96,000	8,000
Retirement Support Specialist	60,000	59,000	(1,000)	61,000	2,000
Retirement Support Specialist	60,000	62,000	2,000	64,000	2,000
Retirement Support Specialist	60,000	59,000	(1,000)	61,000	2,000
Retirement Technician	77,000	77,000	-	79,000	2,000
Retirement Technician	76,000	75,000	(1,000)	79,000	4,000
Retirement Technician	77,000	77,000	-	79,000	2,000
Retirement Technician	71,000	71,000	-	77,000	6,000
Retirement Technician	73,000	75,000	2,000	81,000	6,000
Retirement Technician	68,000	28,000	(40,000)	35,000	7,000
Retirement Technician	68,000	28,000	(40,000)	35,000	7,000
Retirement Technician	70,000	28,000	(42,000)	35,000	7,000
Senior Retirement Technician	81,000	81,000	-	88,000	7,000
Senior Retirement Technician	83,000	74,000	(9,000)	86,000	12,000
Senior Retirement Technician	83,000	76,000	(7,000)	86,000	10,000
Senior Retirement Technician	81,000	81,000	-	88,000	7,000
Senior Retirement Technician	77,000	77,000	-	85,000	8,000
Senior Retirement Technician	92,000	92,000	-	95,000	3,000
Senior Retirement Technician	92,000	92,000	-	98,000	6,000
Senior Retirement Technician	92,000	92,000	-	95,000	3,000
Senior Retirement Technician	87,000	72,000	(15,000)	95,000	23,000
Senior Retirement Technician	87,000	86,000	(1,000)	94,000	8,000
Senior Retirement Technician	82,000	82,000	-	89,000	7,000
Sub-total Salaries¹	3,624,000	3,472,000	(152,000)	3,686,000	214,000
Fringe Benefits	2,266,000	1,827,000	(439,000)	2,142,000	315,000
Temporary Staff	94,000	236,000	142,000	240,000	4,000
Overtime	35,000	35,000	-	35,000	-
Benefits Total	\$ 6,019,000	\$ 5,570,000	\$ (449,000)	\$ 6,103,000	\$ 533,000

¹Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

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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	2020 Budget		2020 Forecast		2020 Forecast vs. 2020 Budget Over/ (Under)	2021 Proposed Budget		2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change		
STAFFING											
Salaries	\$	1,171,000	\$	1,179,000	\$	8,000	\$	1,186,000	\$	7,000	0.6%
Fringe Benefits		744,000		659,000		(85,000)		758,000		99,000	15.0%
Temporary Staff		-		24,000		24,000		-		(24,000)	-100.0%
Staffing Total		1,915,000		1,862,000		(53,000)		1,944,000		82,000	4.4%
STAFF DEVELOPMENT		49,000		18,000		(31,000)		24,000		6,000	33.3%
PROFESSIONAL FEES											
External Audit		153,000		153,000		-		157,000		4,000	2.6%
Professional Fees Total		153,000		153,000		-		157,000		4,000	2.6%
OFFICE EXPENSE											
Bank Charges		120,000		118,000		(2,000)		120,000		2,000	1.7%
Office Expense Total		120,000		118,000		(2,000)		120,000		2,000	1.7%
SYSTEMS											
Software Maintenance/Support		56,000		55,000		(1,000)		93,000		38,000	69.1%
Systems Total		56,000		55,000		(1,000)		93,000		38,000	69.1%
GRAND TOTAL	\$	2,293,000	\$	2,206,000	\$	(87,000)	\$	2,338,000	\$	132,000	6.0%

Fiscal Services Department - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast		Variance Over/(Under)
STAFFING		
• Increase in salaries due to step increases, COLA and vacation sellbacks		\$ 7,000
• Increase in fringe benefits due to inflation costs		99,000
• Decrease in temporary staff		(24,000)
Sub-Total		82,000
STAFF DEVELOPMENT		
• Increase in attendance of conferences and trainings		6,000
Sub-Total		6,000
PROFESSIONAL FEES		
• Slight increase in audit fees		4,000
Sub-Total		4,000
OFFICE EXPENSE		
• Slight increase in bank fees		2,000
Sub-Total		2,000
SYSTEMS		
• Increase due to system upgrade and contract renewal		38,000
Sub-Total		38,000
Total Over/(Under)		\$ 132,000

Fiscal Services Department - Variance Narrative 2020 Forecast vs. 2020 Budget

	Variance Over/(Under)
STAFFING	
• Increase in salaries due to vacation sellbacks	\$ 8,000
• Savings due to lower fringe benefits rate	(85,000)
• Increase in temporary staff	24,000
Sub-Total	(53,000)
STAFF DEVELOPMENT	
• Decrease in attendance of trainings primarily due to COVID-19	(31,000)
Sub-Total	(31,000)
OFFICE EXPENSE	
• Slight decrease in bank charges	(2,000)
Sub-Total	(2,000)
SYSTEMS	
• Slight decrease in software maintenance and support	(1,000)
Sub-Total	(1,000)
Total Over/(Under)	\$ (87,000)

Fiscal Services Department Professional Fees	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
External Audit	\$ 129,000	\$ 129,000	\$ -	\$ 132,000	\$ 3,000	2.3%
GASB 67 & 68	12,000	12,000	-	13,000	1,000	8.3%
GASB 74 & 75	12,000	12,000	-	12,000	-	0.0%
Fiscal Services Total	\$ 153,000	\$ 153,000	\$ -	\$ 157,000	\$ 4,000	2.6%

Fiscal Services Department Staffing	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)
Retirement Assistant Accounting Manager	\$ 147,000	\$ 147,000	\$ -	\$ 152,000	\$ 5,000
Administrative Assistant	78,000	77,000	(1,000)	80,000	3,000
Financial Services Specialist II	91,000	94,000	3,000	98,000	4,000
Financial Services Specialist II	96,000	98,000	2,000	100,000	2,000
Retirement Accountant III	98,000	98,000	-	106,000	8,000
Retirement Accountant III	111,000	113,000	2,000	117,000	4,000
Retirement Accountant II	100,000	99,000	(1,000)	102,000	3,000
Retirement Accountant II	37,000	42,000	5,000	-	(42,000)
Retirement Accountant II	90,000	80,000	(10,000)	93,000	13,000
Retirement Accountant II	100,000	103,000	3,000	106,000	3,000
Retirement Accountant II	103,000	103,000	-	106,000	3,000
Retirement Budget Analyst	120,000	124,000	4,000	126,000	2,000
Sub-total Salaries¹	1,171,000	1,178,000	7,000	1,186,000	8,000
Fringe Benefits	744,000	659,000	(85,000)	758,000	99,000
Temporary Staff	-	24,000	24,000	-	(24,000)
Overtime	-	1,000	1,000	-	(1,000)
Fiscal Services Total	\$ 1,915,000	\$ 1,862,000	\$ (53,000)	\$ 1,944,000	\$ 82,000

¹Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

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HUMAN RESOURCES DEPARTMENT (p.#37)

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

Human Resources Department	2020 Forecast		2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast		% Change
	2020 Budget	Forecast			2020 Forecast Over/(Under)	2021 Proposed Budget Over/(Under)	
STAFFING							
Salaries	\$ 378,000	\$ 378,000	\$ -	\$ 392,000	\$ 14,000		3.7%
Fringe Benefits	239,000	207,000	(32,000)	239,000	32,000		15.5%
Staffing Total	617,000	585,000	(32,000)	631,000	46,000		7.9%
STAFF DEVELOPMENT	19,000	15,000	(4,000)	15,000	-		0.0%
PROFESSIONAL FEES	77,000	77,000	-	77,000	-		0.0%
OFFICE EXPENSE							
Ergonomic Furniture & Equipment	15,000	12,000	(3,000)	15,000	3,000		25.0%
Office Expense Total	15,000	12,000	(3,000)	15,000	3,000		25.0%
GRAND TOTAL	\$ 728,000	\$ 689,000	\$ (39,000)	\$ 738,000	\$ 49,000		7.1%

Human Resources Department - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast

	Variance Over/(Under)
STAFFING	
• Increase in salaries due to COLA, merit increase, and vacation sellbacks	\$ 14,000
• Increase in fringe benefits due to inflation costs	32,000
Sub-total	46,000
OFFICE EXPENSE	
• Increase in ergonomic furniture and equipment	3,000
Sub-total	3,000
Total Over/(Under)	\$ 49,000

Human Resources Department - Variance Narrative 2020 Forecast vs. 2020 Budget

	Variance Over/(Under)
STAFFING	
• Savings due to lower fringe benefits rate	\$ (32,000)
Sub-total	(32,000)
STAFF DEVELOPMENT	
• Decrease in attendance of trainings primarily due to COVID-19	(4,000)
Sub-total	(4,000)
OFFICE EXPENSE	
• Decrease in ergonomics furniture and equipment	(3,000)
Sub-total	(3,000)
Total Over/(Under)	\$ (39,000)

Human Resources Department Professional Fees	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 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%

Human Resources Department Staffing	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)
Human Resources Officer	\$ 173,000	\$ 173,000	\$ -	\$ 179,000	\$ 6,000
Human Resources Specialist	117,000	117,000	-	120,000	3,000
Administrative Specialist II	88,000	88,000	-	93,000	5,000
Sub-total Salaries¹	378,000	378,000	-	392,000	14,000
Fringe Benefits	239,000	207,000	(32,000)	239,000	32,000
Human Resources Total	\$ 617,000	\$ 585,000	\$ (32,000)	\$ 631,000	\$ 46,000

¹Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

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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	2020 Forecast		2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast		% Change
	Budget	Forecast		Budget Over/ (Under)	Forecast Over/ (Under)	
STAFFING						
Salaries	\$ 438,000	\$ 441,000	\$ 453,000	\$ 12,000	2.7%	
Fringe Benefits	272,000	227,000	263,000	36,000	15.9%	
Temporary Staff	4,000	-	6,000	6,000	100.0%	
Staffing Total	714,000	668,000	722,000	54,000	8.1%	
STAFF DEVELOPMENT	26,000	19,000	19,000	-	0.0%	
SYSTEMS	2,000	2,000	3,000	1,000	50.0%	
GRAND TOTAL	\$ 742,000	\$ 689,000	\$ 744,000	\$ 55,000	8.0%	

Internal Audit Department - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast		Variance Over/(Under)
STAFFING		
• Increase in salaries from COLA and vacation sellbacks	\$	12,000
• Increase in fringe benefits due to inflation costs		36,000
• Increase due to hiring of a part-time intern		6,000
	Sub-Total	54,000
SOFTWARE MAINTENANCE AND SUPPORT		
• Increase cost for audit software		1,000
	Sub-Total	1,000
	Total Over/(Under)	\$ 55,000

Internal Audit Department - Variance Narrative 2020 Forecast vs. 2020 Budget		Variance Over/(Under)
STAFFING		
• Slight increase in salaries due to vacation sellbacks	\$	3,000
• Savings due to lower fringe benefits rate		(45,000)
• Savings from postponement of part-time intern		(4,000)
	Sub-Total	(46,000)
STAFF DEVELOPMENT		
• Decrease in attendance of trainings primarily due to COVID-19		(7,000)
	Sub-Total	(7,000)
	Total Over/(Under)	\$ (53,000)

Internal Audit Department Staffing	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)
Chief Internal Auditor	\$ 174,000	\$ 174,000	\$ -	\$ 178,000	\$ 4,000
Internal Auditor	117,000	120,000	3,000	123,000	3,000
Retirement Assistant Accounting Manager	147,000	147,000	-	152,000	5,000
Sub-total Salaries¹	438,000	441,000	3,000	453,000	12,000
Fringe Benefits	272,000	227,000	(45,000)	263,000	36,000
Temporary Staff	4,000	-	(4,000)	6,000	6,000
Internal Audit Total	\$ 714,000	\$ 668,000	\$ (46,000)	\$ 722,000	\$ 54,000

¹Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

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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	2020 Budget	2020 Forecast	2020 Forecast	2021 Proposed Budget	2021 Proposed Budget	% Change
			vs. 2020 Budget Over/ (Under)		vs. 2020 Forecast Over/(Under)	
STAFFING						
Salaries	\$ 1,224,000	\$ 1,032,000	\$ (192,000)	\$ 1,251,000	\$ 219,000	21.2%
Fringe Benefits	712,000	502,000	(210,000)	683,000	181,000	36.1%
Staffing Total	1,936,000	1,534,000	(402,000)	1,934,000	400,000	26.1%
STAFF DEVELOPMENT	46,000	21,000	(25,000)	28,000	7,000	33.3%
GRAND TOTAL	\$ 1,982,000	\$ 1,555,000	\$ (427,000)	\$ 1,962,000	\$ 407,000	26.2%

Investment Department - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast

	Variance Over/(Under)
STAFFING	
<ul style="list-style-type: none"> Increase due to filling vacant positions, COLA, merit increases, and vacation sellbacks, Increase in fringe benefits due to filling vacant positions and inflation costs 	\$ 219,000 181,000
Sub-Total	400,000
STAFF DEVELOPMENT	
<ul style="list-style-type: none"> Increase in attendance of conferences and trainings 	7,000
Sub-Total	7,000
Total Over/(Under)	\$ 407,000

Investment Department - Variance Narrative 2020 Forecast vs. 2020 Budget

	Variance Over/(Under)
STAFFING	
<ul style="list-style-type: none"> Saving in salaries from vacant positions Savings due to lower fringe benefits rate and vacant positions 	\$ (192,000) (210,000)
Sub-Total	(402,000)
STAFF DEVELOPMENT	
<ul style="list-style-type: none"> Decrease in attendance of trainings primarily due to COVID-19 	(25,000)
Sub-Total	(25,000)
Total Over/(Under)	\$ (427,000)

Investment Department Staffing	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)
Chief Investment Officer	\$ 325,000	\$ 326,000	\$ 1,000	\$ 338,000	\$ 12,000
Administrative Specialist II	97,000	97,000	-	99,000	2,000
Administrative Support Specialist	74,000	74,000	-	76,000	2,000
Investment Analyst	89,000	104,000	15,000	113,000	9,000
Investment Analyst	112,000	-	(112,000)	69,000	69,000
Investment Officer	121,000	122,000	1,000	131,000	9,000
Investment Officer	123,000	124,000	1,000	133,000	9,000
Investment Officer	139,000	139,000	-	144,000	5,000
Investment Operations Officer	144,000	46,000	(98,000)	148,000	102,000
Sub-total Salaries¹	1,224,000	1,032,000	(192,000)	1,251,000	219,000
Fringe Benefits	712,000	502,000	(210,000)	683,000	181,000
Investment Total	\$ 1,936,000	\$ 1,534,000	\$ (402,000)	\$ 1,934,000	\$ 400,000

¹Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

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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	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 642,000	\$ 649,000	\$ 7,000	\$ 651,000	\$ 2,000	0.3%
Fringe Benefits	353,000	315,000	(38,000)	366,000	51,000	16.2%
Staffing Total	995,000	964,000	(31,000)	1,017,000	53,000	5.5%
STAFF DEVELOPMENT	73,000	60,000	(13,000)	67,000	7,000	11.7%
PROFESSIONAL FEES	230,000	429,000	199,000	223,000	(206,000)	-48.0%
DISABILITY-ARBITRATION & TRANSCRIPTS	75,000	54,000	(21,000)	60,000	6,000	11.1%
SYSTEMS						
Software Maintenance & Support	21,000	21,000	-	21,000	-	0.0%
Systems Total	21,000	21,000	-	21,000	-	0.0%
GRAND TOTAL	\$ 1,394,000	\$ 1,528,000	\$ 134,000	\$ 1,388,000	\$ (140,000)	-9.2%

Legal Department - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast	Variance Over/(Under)
STAFFING	
<ul style="list-style-type: none"> Increase in fringe benefits plus slight increase in salaries 	\$ 53,000
Sub-Total	53,000
STAFF DEVELOPMENT	
<ul style="list-style-type: none"> Increase in attendance of conferences and trainings 	7,000
Sub-Total	7,000
PROFESSIONAL FEES	
<ul style="list-style-type: none"> Increase in fiduciary services Decrease in tax & benefits Decrease in projected litigation expenses in 2021 as compared to unexpected higher litigation expenses incurred in 2020 	12,000 (5,000) (213,000)
Sub-Total	(206,000)
DISABILITY-LEGAL TRANSCRIPTS	
<ul style="list-style-type: none"> Increase in disability legal arbitration and transcripts 	6,000
Sub-Total	6,000
Total Over/(Under)	\$ (140,000)

**Legal Department - Variance Narrative
2020 Forecast vs. 2020 Budget**

	Variance Over/(Under)
STAFFING	
• Savings due to lower fringe benefits rate offset by slight increase in salaries	\$ (31,000)
Sub-Total	(31,000)
STAFF DEVELOPMENT	
• Decrease in attendance of trainings primarily due to COVID-19	(13,000)
Sub-Total	(13,000)
PROFESSIONAL FEES	
• Increase due to unexpected higher litigation expenses	199,000
Sub-Total	199,000
DISABILITY-LEGAL TRANSCRIPTS	
• Decrease in disability legal arbitration and transcripts due to lower number of disability cases than budgeted	(21,000)
Sub-Total	(21,000)
Total Over/(Under) \$	134,000

Legal Department Professional Fees	2020 Budget		2020 Forecast		2020 Forecast vs. 2020 Budget Over/(Under)		2021 Proposed Budget vs. 2020 Forecast Over/(Under)		% Change		
Fiduciary	\$	130,000	\$	114,000	\$	(16,000)	\$	126,000	\$	12,000	10.5%
Miscellaneous Legal Advice		60,000		281,000		221,000		68,000		(213,000)	-75.8%
Tax and Benefit Issues		40,000		34,000		(6,000)		29,000		(5,000)	-14.7%
Legal Total	\$	230,000	\$	429,000	\$	199,000	\$	223,000	\$	(206,000)	-48.0%

Legal Department Staffing	2020 Budget		2020 Forecast		2020 Forecast vs. 2020 Budget Over/(Under)		2021 Proposed Budget vs. 2020 Forecast Over/(Under)			
Chief Counsel	\$	267,000	\$	275,000	\$	8,000	\$	261,000	\$	(14,000)
Administrative Specialist II		82,000		82,000		-		89,000		7,000
Administrative Support Specialist		74,000		73,000		(1,000)		76,000		3,000
Associate Counsel		219,000		219,000		-		225,000		6,000
Sub-total Salaries¹		642,000		649,000		7,000		651,000		2,000
Fringe Benefits		353,000		315,000		(38,000)		366,000		51,000
Legal Total	\$	995,000	\$	964,000	\$	(31,000)	\$	1,017,000	\$	53,000

¹Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

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PRISM DEPARTMENT (p.#37)

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

PRISM Department	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 1,269,000	\$ 1,223,000	\$ (46,000)	\$ 1,324,000	\$ 101,000	8.3%
Fringe Benefits	789,000	660,000	(129,000)	797,000	137,000	20.8%
Temporary Staff	-	59,000	59,000	35,000	(24,000)	-40.7%
Staffing Total	2,058,000	1,942,000	(116,000)	2,156,000	214,000	11.0%
STAFF DEVELOPMENT	78,000	53,000	(25,000)	24,000	(29,000)	-54.7%
SYSTEMS						
Business Continuity Expenses	147,000	171,000	24,000	173,000	2,000	1.2%
Minor Computer Hardware	33,000	35,000	2,000	30,000	(5,000)	-14.3%
Software Maintenance & Support	635,000	633,000	(2,000)	678,000	45,000	7.1%
Systems Total	815,000	839,000	24,000	881,000	42,000	5.0%
GRAND TOTAL	\$ 2,951,000	\$ 2,834,000	\$ (117,000)	\$ 3,061,000	\$ 227,000	8.0%

PRISM Department - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast

	Variance Over/(Under)
STAFFING	
• Increase in salaries due to COLA, merit increases, and vacation sellbacks	\$ 101,000
• Increase in fringe benefits attributed to salary increases and inflation costs	137,000
• Decrease in temporary staff	(24,000)
Sub-Total	214,000
STAFF DEVELOPMENT	
• Reallocated to contingency fund due to COVID-19	(29,000)
Sub-Total	(29,000)
SOFTWARE MAINTENANCE AND SUPPORT	
• Slight increase in business continuity expenses	2,000
• Decrease due to reduction in minor computer hardware purchases	(5,000)
• Increase in software, maintenance and support in 2021	45,000
Sub-Total	42,000
Total Over/(Under)	\$ 227,000

**PRISM Department - Variance Narrative
2020 Forecast vs. 2020 Budget**

Variance Over/(Under)

STAFFING

• Savings due to employee on leave	\$	(46,000)
• Savings due to lower fringe benefits rate		(129,000)
• Temporary staff hired to cover the permanent staff on leave in scanning unit		59,000
Sub-Total		(116,000)

STAFF DEVELOPMENT

• Decrease in attendance of trainings primarily due to COVID-19		(25,000)
Sub-Total		(25,000)

SOFTWARE MAINTENANCE AND SUPPORT

• Increase due to COVID-19 related expenses		24,000
Sub-Total		24,000

Total Over/(Under) \$ (117,000)

**PRISM Department
Staffing**

	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/ (Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)
Retirement Tech Officer	\$ 180,000	\$ 180,000	\$ -	\$ 187,000	\$ 7,000
Administrative Specialist II	93,000	86,000	(7,000)	94,000	8,000
Computer and Network System Specialist	100,000	93,000	(7,000)	103,000	10,000
Computer and Network System Analyst	120,000	149,000	29,000	154,000	5,000
Retirement Support Specialist	60,000	15,000	(45,000)	61,000	46,000
Retirement Support Specialist	60,000	59,000	(1,000)	64,000	5,000
Retirement System Program Analyst	134,000	134,000	-	139,000	5,000
Retirement System Program Analyst	133,000	133,000	-	136,000	3,000
Retirement System Program Analyst	128,000	127,000	(1,000)	131,000	4,000
Retirement System Program Analyst	128,000	127,000	(1,000)	131,000	4,000
Security Analyst	120,000	120,000	-	124,000	4,000
Lean Team/Process Excellence	13,000	-	(13,000)	-	-
Sub-total Salaries¹	1,269,000	1,223,000	(46,000)	1,324,000	101,000
Fringe Benefits	789,000	660,000	(129,000)	797,000	137,000
Temporary Staff	-	59,000	59,000	35,000	(24,000)
Prism Total	\$ 2,058,000	\$ 1,942,000	\$ (116,000)	\$ 2,156,000	\$ 214,000

¹Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

Section V

Enterprise-wide Projects

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Section V

Enterprise-wide Projects

PROJECTS			2020 Forecast			2021 Proposed			% Change
	2020 Budget	2020 Forecast	vs. 2020 Budget Over/ (Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)				
SYSTEMS	\$ 50,000	\$ 31,000	\$ (19,000)	\$ 45,000	\$ 14,000			45.2%	
GRAND TOTAL	\$ 50,000	\$ 31,000	\$ (19,000)	\$ 45,000	\$ 14,000			45.2%	

Projects System			2020 Forecast			2021 Proposed			% Change
	2020 Budget	2020 Forecast	vs. 2020 Budget Over/ (Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)				
Database Migration	\$ 50,000	\$ 31,000	\$ (19,000)	\$ 45,000	\$ 14,000			45.2%	
GRAND TOTAL	\$ 50,000	\$ 31,000	\$ (19,000)	\$ 45,000	\$ 14,000			45.2%	

PROJECT - Variance Narrative 2021 Proposed Budget vs. 2020 Forecast		Variance Over/(Under)
SYSTEMS		
• Increase in Database Migration	\$	14,000
Sub-Total		14,000
Total Over/(Under)	\$	14,000

PROJECT - Variance Narrative 2020 Forecast vs. 2020 Budget		Variance Over/(Under)
SYSTEMS		
• Decrease in Database Migration due to COVID-19	\$	(19,000)
Sub-Total		(19,000)
Total Over/(Under)	\$	(19,000)

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Section VI

Administrative Budget

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Section VI :

Administrative Budget

The Administrative Budget incorporates the limits of Section 31580.2 of the County Employees Act of 1937; whereby administrative expenses are “capped” at 0.21% of actuarially accrued liabilities. Pursuant to the relevant code sections, certain costs are excluded from the expense cap. Excluded costs include those associated with actuarial fees, business continuity planning (BCP), investments, legal, SRBR, and technology. Excludable expenses also include a pro rata portion of overhead expense attributable to excludable activities. In the 2021 administrative budget, ACERA is \$9.9 million under the cap limit of \$23.0 million.

ADMINISTRATIVE EXPENSES BUDGET ALLOCATION	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/ (Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/(Under)
STAFFING	\$ 10,747,000	\$ 10,098,000	\$ (649,000)	\$ 11,141,000	\$ 1,043,000
STAFF DEVELOPMENT	278,000	195,000	(83,000)	138,000	(57,000)
PROFESSIONAL FEES					
Consultant Fees - Operations	74,000	75,000	1,000	59,000	(16,000)
External Audit	115,000	115,000	-	118,000	3,000
Professional Fees Total	189,000	190,000	1,000	177,000	(13,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	104,000	101,000	(3,000)	104,000	3,000
Building Expenses	61,000	62,000	1,000	65,000	3,000
Communications	48,000	73,000	25,000	74,000	1,000
Equipment Lease/Maintenance	89,000	93,000	4,000	100,000	7,000
Minor Furniture and Equipment	14,000	11,000	(3,000)	13,000	2,000
Office Supplies and Maint.	68,000	57,000	(11,000)	65,000	8,000
Printing & Postage	21,000	17,000	(4,000)	21,000	4,000
Office Expense Total	405,000	414,000	9,000	442,000	28,000
INSURANCE	741,000	664,000	(77,000)	635,000	(29,000)
MEMBER SERVICES					
Benefit Verification	5,000	5,000	-	6,000	1,000
Members Medical Expense	203,000	203,000	-	119,000	(84,000)
Disability Claims Management	46,000	46,000	-	46,000	-
Member Training & Education	16,000	18,000	2,000	16,000	(2,000)
Printing & Postage - Members	61,000	61,000	-	61,000	-
Virtual Call Center	-	20,000	20,000	35,000	15,000
Member Services Total	331,000	353,000	22,000	283,000	(70,000)
DEPRECIATION	89,000	88,000	(1,000)	85,000	(3,000)
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	262,000	232,000	(30,000)	270,000	38,000
UNCOLLECTIBLE BENEFIT PAYMENTS	22,000	21,000	(1,000)	68,000	47,000
GRAND TOTAL	\$ 13,064,000	\$ 12,255,000	\$ (809,000)	\$ 13,239,000	\$ 984,000

BCP EXPENSES BUDGET ALLOCATION	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)
STAFFING	\$ 418,000	\$ 394,000	\$ (24,000)	\$ 449,000	\$ 55,000
STAFF DEVELOPMENT	10,000	7,000	(3,000)	5,000	(2,000)
PROFESSIONAL FEES					
Consultant Fees - Operations	3,000	3,000	-	2,000	(1,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	4,000	4,000	-	4,000	-
Building Expenses	2,000	2,000	-	2,000	-
Communications	2,000	3,000	1,000	3,000	-
Equipment Lease/Maintenance	3,000	2,000	(1,000)	3,000	1,000
Minor Furniture and Equipment	1,000	1,000	-	1,000	-
Office Supplies and Maint.	2,000	2,000	-	2,000	-
Printing & Postage	1,000	1,000	-	1,000	-
Office Expense Total	15,000	15,000	-	16,000	1,000
INSURANCE	26,000	23,000	(3,000)	23,000	-
SYSTEMS					
Disaster Recovery & Business Continuity	147,000	171,000	24,000	173,000	2,000
DEPRECIATION					
Depreciation Expense - Technology	2,000	2,000	-	4,000	2,000
Depreciation Expense - Other	3,000	3,000	-	3,000	-
Depreciation Total	5,000	5,000	-	7,000	2,000
GRAND TOTAL	\$ 624,000	\$ 618,000	\$ (6,000)	\$ 675,000	\$ 57,000

INVESTMENT EXPENSES BUDGET ALLOCATION	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)
STAFFING					
Staffing - Direct	\$ 1,927,000	\$ 1,527,000	\$ (400,000)	\$ 1,924,000	\$ 397,000
Staffing - Indirect	811,000	779,000	(32,000)	813,000	34,000
Staffing Total	2,738,000	2,306,000	(432,000)	2,737,000	431,000
STAFF DEVELOPMENT	109,000	65,000	(44,000)	58,000	(7,000)
PROFESSIONAL FEES					
Consultant Fees - Operations	17,000	17,000	-	13,000	(4,000)
External Audit	38,000	38,000	-	39,000	1,000
Professional Fees Total	55,000	55,000	-	52,000	(3,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	24,000	23,000	(1,000)	23,000	-
Building Expenses	14,000	14,000	-	14,000	-
Communications	11,000	17,000	6,000	16,000	(1,000)
Equipment Lease & Maintenance	20,000	20,000	-	23,000	3,000
Minor Furniture and Equipment	3,000	3,000	-	3,000	-
Office Supplies & Maintenance	16,000	13,000	(3,000)	14,000	1,000
Printing & Postage	5,000	4,000	(1,000)	5,000	1,000
Office Expense Total	93,000	94,000	1,000	98,000	4,000
INSURANCE	168,000	151,000	(17,000)	140,000	(11,000)
DEPRECIATION					
Depreciation Expense - Other	20,000	20,000	-	19,000	(1,000)
Depreciation Total	20,000	20,000	-	19,000	(1,000)
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activity	165,000	146,000	(19,000)	169,000	23,000
GRAND TOTAL	\$ 3,348,000	\$ 2,837,000	\$ (511,000)	\$ 3,273,000	\$ 436,000

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LEGAL EXPENSES BUDGET ALLOCATION	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)
STAFFING	\$ 514,000	\$ 495,000	\$ (19,000)	\$ 518,000	\$ 23,000
STAFF DEVELOPMENT	85,000	69,000	(16,000)	73,000	4,000
PROFESSIONAL FEES					
Consultant Fees - Operations	3,000	3,000	-	3,000	-
Consultant Fees - Legal	230,000	429,000	199,000	223,000	(206,000)
Professional Fees Total	233,000	432,000	199,000	226,000	(206,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	4,000	4,000	-	4,000	-
Building Expenses	3,000	3,000	-	3,000	-
Communications	2,000	3,000	1,000	3,000	-
Equipment Lease & Maintenance	4,000	7,000	3,000	4,000	(3,000)
Minor Furniture and Equipment	1,000	1,000	-	1,000	-
Office Supplies & Maintenance	3,000	2,000	(1,000)	2,000	-
Printing & Postage	1,000	1,000	-	1,000	-
Office Expense Total	18,000	21,000	3,000	18,000	(3,000)
INSURANCE	32,000	28,000	(4,000)	27,000	(1,000)
MEMBER SERVICES					
Disability - Legal Arbitration & Transcripts	75,000	54,000	(21,000)	60,000	6,000
SYSTEMS					
Software Maintenance & Support	21,000	21,000	-	21,000	-
DEPRECIATION	4,000	4,000	-	4,000	-
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activity	68,000	61,000	(7,000)	67,000	6,000
GRAND TOTAL	\$ 1,050,000	\$ 1,185,000	\$ 135,000	\$ 1,014,000	\$ (171,000)

SRBR EXPENSES BUDGET ALLOCATION	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)
STAFFING	\$ 1,328,000	\$ 1,237,000	\$ (91,000)	\$ 1,254,000	\$ 17,000
PROFESSIONAL FEES					
Actuarial - SRBR Valuation	41,000	41,000	-	42,000	1,000
Consultant Fees - SRBR	269,000	271,000	2,000	256,000	(15,000)
Professional Fees Total	310,000	312,000	2,000	298,000	(14,000)
MEMBER SERVICES					
Health Reimbursement Account (HRA)	60,000	59,000	(1,000)	60,000	1,000
Printing & Postage - Members	61,000	61,000	-	61,000	-
Member Services Total	121,000	120,000	(1,000)	121,000	1,000
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	165,000	145,000	(19,000)	169,000	24,000
GRAND TOTAL	\$ 1,924,000	\$ 1,814,000	\$ (110,000)	\$ 1,842,000	\$ 28,000

TECHNOLOGY EXPENSES BUDGET ALLOCATION	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)
SYSTEMS					
Computer Hardware & Maintenance	\$ 33,000	\$ 35,000	\$ 2,000	\$ 30,000	\$ (5,000)
County Data Processing	113,000	113,000	-	114,000	1,000
Software Maintenance & Support	814,000	787,000	(27,000)	864,000	77,000
Systems Total	960,000	935,000	(25,000)	1,008,000	73,000
DEPRECIATION	5,000	3,000	(2,000)	3,000	-
GRAND TOTAL	\$ 965,000	\$ 938,000	\$ (27,000)	\$ 1,011,000	\$ 73,000

Administrative Expense Budget Overview ¹ (\$ in thousands)	2021 Proposed Budget	2021 Actuarial Budget	2021 Business Continuity Budget	2021 Investment Budget	2021 Legal Budget	2021 SRBR Budget	2021 Technology Budget	2021 Administrative Budget
STAFFING	\$ 16,099	\$ -	\$ (449)	\$ (2,737)	\$ (518)	\$ (1,254)	\$ -	\$ 11,141
STAFF DEVELOPMENT	274	-	(5)	(58)	(73)	-	-	138
PROFESSIONAL FEES								
Actuarial Fees	415	(373)	-	-	-	(42)	-	-
Audit Fees	157	-	-	(39)	-	-	-	118
Consultant Fees	333	-	(2)	(13)	(3)	(256)	-	59
Legal Fees	223	-	-	-	(223)	-	-	-
Professional Fees Total	1,128	(373)	(2)	(52)	(226)	(298)	-	177
OFFICE EXPENSE								
Bank Charges & Miscellaneous Admin	135	-	(4)	(23)	(4)	-	-	104
Building Expenses	84	-	(2)	(14)	(3)	-	-	65
Communications	96	-	(3)	(16)	(3)	-	-	74
Equipment Lease & Maint.	130	-	(3)	(23)	(4)	-	-	100
Minor Furniture & Equipment	18	-	(1)	(3)	(1)	-	-	13
Office Supplies & Maintenance	83	-	(2)	(14)	(2)	-	-	65
Printing & Postage	28	-	(1)	(5)	(1)	-	-	21
Office Expense Total	574	-	(16)	(98)	(18)	-	-	442
INSURANCE	825	-	(23)	(140)	(27)	-	-	635
MEMBER SERVICES								
Benefit Verification	6	-	-	-	-	-	-	6
Disability - Legal Arbitration & Transcripts	60	-	-	-	(60)	-	-	-
Disability Claimed Management	46	-	-	-	-	-	-	46
Health Reimbursement Account (HRA)	60	-	-	-	-	(60)	-	-
Member Medical Expense	119	-	-	-	-	-	-	119
Member Training & Education	16	-	-	-	-	-	-	16
Printing & Postage - Members	122	-	-	-	-	(61)	-	61
Virtual Call Center	35	-	-	-	-	-	-	35
Member Services Total	464	-	-	-	(60)	(121)	-	283
SYSTEMS								
Business Continuity Expenses	173	-	(173)	-	-	-	-	-
Computer Hardware & Maintenance	30	-	-	-	-	-	(30)	-
County Data Processing	114	-	-	-	-	-	(114)	-
Software Maintenance & Support	885	-	-	-	(21)	-	(864)	-
Systems Total	1,202	-	(173)	-	(21)	-	(1,008)	-
BOARD OF RETIREMENT	675	-	-	(169)	(67)	(169)	-	270
UNCOLLECTIBLE BENEFIT PAYMENTS	68	-	-	-	-	-	-	68
DEPRECIATION	118	-	(7)	(19)	(4)	-	(3)	85
TOTAL OPERATING EXPENSE	\$ 21,427	\$ (373)	\$ (675)	\$ (3,273)	\$ (1,014)	\$ (1,842)	\$ (1,011)	\$ 13,239

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

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OPERATING AND ADMINISTRATIVE EXPENSES

Operating Expenses (\$ in Thousands)	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)
EXPENSE CATEGORY					
Staffing	\$ 15,745	\$ 14,530	\$ (1,215)	\$ 16,099	\$ 1,569
Staff Development	482	336	(146)	274	(62)
Professional Fees	1,215	1,361	146	1,128	(233)
Office Expense	531	544	13	574	30
Insurance	967	866	(101)	825	(41)
Member Services	527	527	-	464	(63)
Systems	1,128	1,127	(1)	1,202	75
Board of Retirement	660	584	(76)	675	91
Uncollectible Benefit Payments	22	21	(1)	68	47
Depreciation	123	120	(3)	118	(2)
Operating Expenses	\$ 21,400	\$ 20,016	\$ (1,384)	\$ 21,427	\$ 1,411

Administrative Expenses (\$ in Thousands)	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)
EXCLUSIONS FROM OPERATING EXPENSE TO CALCULATE ADMINISTRATIVE EXPENSE					
Operating Expense (from above)	\$ 21,400	\$ 20,016	\$ (1,384)	\$ 21,427	\$ 1,411
Actuarial	(425)	(369)	56	(373)	(4)
Business Continuity ¹	(624)	(618)	6	(675)	(57)
Investment- Related ²	(3,348)	(2,837)	511	(3,273)	(436)
Legal- Related ³	(1,050)	(1,185)	(135)	(1,014)	171
SRBR ⁴	(1,924)	(1,814)	110	(1,842)	(28)
Technology ⁵	(965)	(938)	27	(1,011)	(73)
Administrative Expense	\$ 13,064	\$ 12,255	\$ (809)	\$ 13,239	\$ 984

¹ Business Continuity – 2021 related costs include total direct costs (\$177K) for software support and direct depreciation; 2.8% is added for both allocated staffing and other overhead expenses (\$498K).

² Investment – 2021 related expenses are composed of direct costs of Investment staff (\$1,924K), allocated staffing costs (\$813K), 25% of Board expenses (\$169K), 25% of audit expenses (\$39K) and 17.0% of other overhead costs (\$328K).

³ Legal – 2021 related expenses include direct costs of Staffing (\$518K), Professional Legal fees (\$223K), Disability Arbitration Expenses (\$60K), Software Support - Legal (\$21K), 10% of Board expenses (\$67K), and 3.2% of other overhead costs (\$125K).

⁴ SRBR – 2021 related expenses are composed of allocated staffing costs (\$1,254K), direct costs of Professional Fees (\$298K), Member Services (\$121K), and 25% of Board expenses (\$169K).

⁵ Technology – 2021 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)	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)
Total Actuarial Accrued Liabilities ⁶	\$ 10,527,660	\$ 10,527,660	\$ -	\$ 10,984,240	\$ 456,580
Limit on Expense	0.21%	0.21%	-	0.21%	-
Maximum Allowed	22,108	22,108	-	23,067	959
Administrative Expense	13,064	12,255	(809)	13,239	984
Over/(Under) Maximum	\$ (9,044)	\$ (9,853)	\$ (809)	\$ (9,828)	\$ 25

⁶ Based on total actuarial accrued liabilities for pension as of December 31, 2019; OPEB and non-OPEB as of December 31, 2018 for 2021 Budget.

2021 DEPARTMENT WEIGHTED AVERAGE

2021 Allocation Percentages								
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative	
STAFFING	Administration	7.1%	0.0%	2.1%	0.0%	0.0%	90.8%	
	Benefits	0.3%	0.0%	0.6%	17.8%	0.0%	81.3%	
	SALARIES	Fiscal Services	9.5%	0.0%	0.6%	8.7%	0.0%	81.2%
	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	99.5%	0.0%	0.5%	0.0%	0.0%	0.0%
		Legal	47.0%	51.0%	2.0%	0.0%	0.0%	0.0%
		PRISM	0.8%	0.0%	15.2%	0.0%	0.0%	84.0%
Total Staffing Factors		17.0%	3.2%	2.8%	7.8%	0.0%	69.2%	

2020 DEPARTMENT WEIGHTED AVERAGE

2020 Allocation Percentages								
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative	
STAFFING	Administration	8.0%	0.0%	2.4%	0.0%	0.0%	89.6%	
	Benefits	0.3%	0.0%	0.5%	19.4%	0.0%	79.8%	
	SALARIES	Fiscal Services	9.6%	0.0%	0.6%	8.6%	0.0%	81.2%
	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	99.5%	0.0%	0.5%	0.0%	0.0%	0.0%
		Legal	47.5%	51.7%	0.8%	0.0%	0.0%	0.0%
		PRISM	0.8%	0.0%	15.2%	0.0%	0.0%	84.0%
Total Staffing Factors		17.4%	3.3%	2.7%	8.4%	0.0%	68.2%	

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APPLIED FACTORS

2021 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFF DEVELOPMENT	Staff Development	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
PROFESSIONAL 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 - Technology Consultant	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Operations Consulting	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Operations Consulting - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
OFFICE EXPENSE	Bank Charges & Miscellaneous Admin.	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Building Expenses	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Communications	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Equipment Lease & Maintenance	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Minor Furniture & Equipment	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Office Maintenance & Supplies	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Printing & Postage	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
INSURANCE	Insurance	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
MEMBER 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%
	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 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	17.0%	3.2%	2.8%	0.0%	0.0%	77.0%
	Depreciation - BCP	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Depreciation - Hardware & Software and EDMS	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%

2020 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFF							
DEVELOPMENT	Staff Development	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
PROFESSIONAL	Actuarial - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
FEES	External Audit	25.0%	0.0%	0.0%	0.0%	0.0%	75.0%
	Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Operations - Technology Consultant	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Operations Consulting	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
	Operations Consulting - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
OFFICE	Bank Charges & Miscellaneous Admin.	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
EXPENSE	Building Expenses	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
	Communications	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
	Equipment Lease & Maintenance	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
	Minor Furniture & Equipment	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
	Office Maintenance & Supplies	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
	Printing & Postage	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
INSURANCE	Insurance	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
MEMBER	Benefit Verification	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
SERVICES	Disability Arbitration and Transcripts	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Disability Member Medical Expense	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Health Reimbursement Account (HRA)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	Member Training & Education	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Printing & Postage - Members	0.0%	0.0%	0.0%	50.0%	0.0%	50.0%
SYSTEMS	Computer Hardware & Software	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	County Data Processing	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Disaster Recovery	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Software Maintenance & Support	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Software Maintenance & Support-Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
UNCOLLECTIBLE	Uncollectible Benefit Payments	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
BENEFIT PAYMENTS							
BOARD OF	Compensation	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
RETIREMENT	Conferences & Training	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Election Expenses	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Employer Reimbursement	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Miscellaneous Activities	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Strategic Planning / Workshop	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
DEPRECIATION	Depreciation - Other	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
	Depreciation - BCP	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Depreciation - Hardware & Software and EDMS	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%

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2021 Proposed Staffing Allocation Matrix				
	INVESTMENTS	LEGAL	BCP	SRBR
ADMINISTRATION				
CEO	20%	-	2%	-
Assistant CEO	10%	-	10%	-
BENEFITS				
Assistant CEO	3%	-	1%	50%
Administrative Specialist II	-	-	2%	-
Administrative Specialist II	-	-	2%	-
Administrative Support Specialist	-	-	-	50%
Communications Manager	5%	-	-	50%
Graphic Designer	-	-	-	50%
Management Analyst	-	-	-	50%
Retirement Benefits Assistant Manager	-	-	2%	90%
Retirement Benefits Assistant Manager	-	-	2%	-
Retirement Benefits Manager	-	-	2%	-
Retirement Benefits Manager	-	-	5%	25%
Retirement Benefits Specialist	-	-	-	30%
Retirement Technician	-	-	-	30%
Retirement Technician	-	-	-	30%
Senior Retirement Technician	-	-	-	30%
Senior Retirement Technician	-	-	-	90%
Senior Retirement Technician	-	-	-	50%
FISCAL SERVICES				
Retirement Assistant Accounting Manager	5%	-	1%	-
Finance Services Specialist II	-	-	-	70%
Retirement Accountant II	90%	-	-	-
Retirement Accountant III	-	-	2%	25%
Retirement Accountant III	25%	-	1%	-
Retirement Budget Analyst	-	-	2%	-
HUMAN RESOURCES				
Human Resources Officer	-	-	2%	-
Administrative Specialist II	-	-	1%	-
Human Resources Specialist	-	-	1%	-
INVESTMENTS				
Chief Investment Officer	99%	-	1%	-
Investment Officer	99%	-	1%	-
Investment Officer	99%	-	1%	-
All Other Investment Staff	100%	-	-	-
LEGAL				
Chief Counsel	15%	80%	5%	-
Administrative Specialist II	50%	50%	-	-
Administrative Support Specialist	15%	85%	-	-
Associate Counsel	95%	5%	-	-
PRISM				
Retirement Tech Officer	-	-	10%	-
Computer Network System Analyst	5%	-	20%	-
Computer and Network System Specialist	1%	-	10%	-
Retirement Support Specialist	-	-	50%	-
Retirement System Program Analyst	2%	-	15%	-
Security Analyst	-	-	30%	-
All Other PRISM Staff	-	-	5%	-

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Section VII

Capital Assets Outlay Budget

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Section VII :

Capital Assets Outlay Budget

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

Capital Assets Outlay 2020 - 2021

Statement of Capital Assets Outlay - 2020 Forecast and 2021 Proposed Budget

	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/ (Under)	2021 Proposed Budget	2021 Proposed Budget vs. 2020 Forecast Over/ (Under)	% Change
Disaster Recovery						
Additional Server & Storage at BCP site	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ (15,000)	-100.0%
Sub-Total	15,000	15,000	-	-	(15,000)	-100.0%
Office Equipment						
A/V Controller Upgrade	13,000	-	(13,000)	-	-	0.0%
Virtual Call Center	-	9,000	9,000	-	(9,000)	-100.0%
Sub-Total	13,000	9,000	(4,000)	-	(9,000)	-100.0%
System						
OnBase Upgrade	15,000	7,000	(8,000)	-	(7,000)	-100.0%
Pension Gold System Upgrade ¹	3,609,000	3,432,000	(177,000)	1,694,000	(1,738,000)	-50.6%
Sub-Total	3,624,000	3,439,000	(185,000)	1,694,000	(1,745,000)	-50.7%
Capital Assets Outlay Total	\$ 3,652,000	\$ 3,463,000	\$ (189,000)	\$ 1,694,000	\$ (1,769,000)	-51.1%

¹ Pension Gold Upgrade is a five-year project. Listed below are the current estimated expenses for the 2021 proposed budget:

- Anticipated implementation services with Levi, Ray and Shoup (LRS) — \$683,000
- Anticipated cost for Segal/LRWL to oversee the project — \$384,000
- Additional license fees — \$50,000
- Internal Project Manager — \$233,000
- Four Retirement Technicians — \$344,000

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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			2020 Forecast			2021 Proposed	% Change
	2020 Budget	2020 Forecast	Budget Over/ (Under)	2021 Proposed Budget	2020 Forecast Over/ (Under)		
Consultant Fees	\$ 1,594,000	\$ 1,463,000	\$ (131,000)	\$ 1,537,000	\$ 74,000	5.1%	
Custodian Bank Fees	588,000	577,000	(11,000)	606,000	29,000	5.0%	
Investment Manager Fees	50,227,000	49,186,000	(1,041,000)	48,942,000	(244,000)	-0.5%	
Other Investment Expenses	287,000	192,000	(95,000)	288,000	96,000	50.0%	
Total Portfolio Management Investment Expenses	\$ 52,696,000	\$ 51,418,000	\$ (1,278,000)	\$ 51,373,000	\$ (45,000)	-0.1%	

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Appendix

2021 Budget Change Proposals (BCP)

2021 Contingency Fund

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Appendix

2021 BUDGET CHANGE PROPOSALS (BCP)

Department	BCP Description	Totals
Benefits/PRISM	Pension Gold System Upgrade (Capital)	\$ 1,694,000
Fiscal Services	Accounting System Upgrade	35,000
Legal	Litigation Reserve Fund	50,000
BCP Total		\$ 1,779,000

2021 CONTINGENCY FUND

Department	Description	Expense Type	Totals
Administration	Trainings/Conferences	Staff Development	\$ 25,000
Benefits	Trainings/Conferences	Staff Development	67,000
FSD	Trainings/Conferences	Staff Development	25,000
HR	Trainings/Conferences	Staff Development	4,000
IA	Trainings/Conferences	Staff Development	6,000
Investment	Trainings/Conferences	Staff Development	18,000
Legal	Trainings/Conferences	Staff Development	9,000
Legal	Litigation Reserve	Professional fees	50,000
PRISM	Trainings/Conferences	Staff Development	54,000
Contingency Fund Total			\$ 258,000

2021 Proposed Budget Contingency Fund *(p.#19)***Contingency Reserve for Conference and Training Travel-Related Expenses - \$208,000**

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

Contingency Reserve for Litigation - \$50,000

These reserve funds are for anticipated personnel litigation expenses. If there is a need for litigation defense, the Fiscal Services Officer can redirect the contingency appropriation back to the operating expense budget.

