



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

***BUDGET COMMITTEE/BOARD MEETING
NOTICE and 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 21, 2019
11:30 p.m.**

LOCATION	COMMITTEE MEMBERS	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574	OPHELIA BASGAL, CHAIR	APPOINTED
	HENRY LEVY	TREASURER
	DALE AMARAL	ELECTED SAFETY
	JAIME GODFREY	APPOINTED
	LIZ KOPPENHAVER	ELECTED RETIRED

Should a quorum of the Board attend this meeting, this meeting shall be deemed a joint meeting of the Board and Committee.

The order of agenda items is subject to change without notice. Board and committee agendas and minutes 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 Retirement Board 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.

BUDGET COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 2 – Thursday, November 21, 2019

Call to Order: 11:30 p.m.

Public Input (Time Limit: 4 minutes per speaker)

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

- None

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

- Review Proposed 2020 ACERA Expense Budget

Trustee Remarks

Future Discussion Items

1. Discussion and motion to recommend approval of the ACERA 2020 Operating Expense Budget at the December 4, 2019, Operations Committee meeting

Establishment of Next Meeting Date

TBD



MEMORANDUM TO THE BUDGET COMMITTEE

DATE: November 21, 2019

TO: Members of the Budget Committee

FROM: Dave Nelsen, Chief Executive Officer *DN*

SUBJECT: Presentation of 2020 ACERA Budget Proposal

Executive Summary

It is my pleasure to present the 2020 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 \$21,346,000, which is a 0.5% increase over the 2019 approved operating expense budget of \$21,233,000. Highlights of the proposal are as follows:

- Reduction of funded positions from 91 to 88;
- Increase in staffing costs from 2019 forecast by 8.5%;
- Decrease in staff development costs from 2019 forecast by -2.8%;
- Decrease in insurance costs from 2019 forecast by -26%; and,
- Contingency funds for training resource and IT software totaling \$315,000.

The 2020 proposal includes increases in staffing costs from the 2019 forecast. While streamlining throughout the organization resulted in additional unfunded FTEs, it includes significant negotiated COLA and longevity/merit increases.

It also 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. Notwithstanding the increased costs, the 2020 proposed operating expense budget is still slightly less than the approved 2017 operating expense budget.

Variance Analysis

In reviewing the 2020 proposed expense budget summary (Section III, p. 19) there are eight expense line items identified with net changes exceeding \$15,000¹. For ease of review, the eight line items are summarized in the following table on page 2 using the line item nomenclature with page reference, net change amount, percentage associated with the net change, and the budget variance narrative.

¹ A \$15,000 threshold has been used over 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 2020 proposed budget versus the 2019 forecast.

2020 Expense Line Items with a Net Change > \$15,000

	Expense Line Items	Net Change	Percentage	Cause of Variance (COV)
1	<i>Temporary Staffing</i> (Cited on p. 22)	\$ (330,000)	-77.1%	<ul style="list-style-type: none"> • Decrease in temporary staff from hiring permanent staff
2	<i>Actuarial Fees</i> (Cited on p. 27)	\$ 75,000	19.2%	<ul style="list-style-type: none"> • Increase in GASB, actuarial valuation and SRBR valuation • Increase in supplemental consulting fees • Triennial experience study
3	<i>Legal Fees</i> (Cited on p. 27)	\$ (67,000)	-22.6%	<ul style="list-style-type: none"> • Decrease in legal fees for fiduciary services • Decrease in legal fees for tax & benefits, and outside investigations; offset by an increase in miscellaneous legal advice
4	<i>Misc. Admin. Expenses</i> (Cited on p. 28)	\$ (26,000)	-61.9%	<ul style="list-style-type: none"> • Decrease in miscellaneous administrative expenses primarily due to asset inventory project completed in 2019 and reduction in new employee onboarding expenses
5	<i>Building Expense</i> (Cited on p. 28)	\$ 20,000	33.3%	<ul style="list-style-type: none"> • Increase in escalation cost; offset by savings from prior year escalation credits
6	<i>Communications</i> (Cited on p. 28)	\$ 36,000	-36.4%	<ul style="list-style-type: none"> • Savings due to consolidation of email service provider and termination of intranet services
7	<i>Insurance</i> (Cited on p. 29)	\$ 340,000	-26.0%	<ul style="list-style-type: none"> • Significant decrease in risk management due to fewer claims
8	Board of Retirement (Cited on p. 32)	\$ 22,000	3.4%	<ul style="list-style-type: none"> • Increase in board compensation • Projected increase in board conference and trainings in 2020 • Increase in employer reimbursement due to COLA and fringe benefits • Slight increase in miscellaneous activities • Increase in software maintenance and support; offset by decrease in strategic planning



**ALAMEDA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

**2020
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 2020 budget. During the 2019 budget year the organization focused on the development of ACERA's administrative infrastructure, while continuing to serve our customers and move forward on important customer focused initiatives. With that said, the proposed 2020 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, technology will be leveraged 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 2019 ACCOMPLISHMENTS

Organization-Wide Initiatives | Touching all departments across the organization, ACERA continued the pension administration system (PAS) upgrade project, working with our project oversight consultant and our in-house project manager staff completed a full requirement definition process, and initiated a data conversion cleanup subproject, and an employer reporting portal subproject. The project has and will require copious staff resources across departments until its targeted completion in 2023. ACERA will reduce the volume of other project work during this time.

Administration Initiatives | Implemented an organization-wide scorecard made up of key performance indicators to measure performance outcomes; enhanced and tested ACERA's emergency management and business continuity plans; and restructured certain functions within the organization to the Administration Department to enhance effectiveness and support the PAS replacement project.

Benefits Initiatives | Restructured the Benefits Department through an in depth analysis of processes, volume, and customer service goals; conducted lean process improvement initiative to review service credit purchase workflow, resulting in increased efficiencies and reduced average completion times from 145 days down to 20 days; conducted an RFP for a retiree individual medical plan marketplace; launched an incoming call phone structure featuring direct topic selection that connects callers with topic specialists; reclassified ACERA Retirement Specialist position series I and II to Retirement Technician and Senior Retirement Technician, and Retirement Specialist III to Retirement Benefits Specialist (lead position); transitioned to a new benefits consultant; expanded the wellness program to include 5 events including open houses and wellness walks; optimized the death benefits process and terminations process; initiated a rethink and redesign of ACERA's public website.

Fiscal Services Initiatives | Implemented budget processing workflows in Adaptive Insights software; streamlined vendor payments and cash management with paperless processes; innovated retiree vendor payroll reporting from

an antiquated database system to Pension Gold; received the GFOA award for the 2018 CAFR; received an unqualified opinion for the 2018 external audit; and optimization of department resources by utilizing the lean processes.

Human Resources Initiatives | Developed and launched Workforce Excellence, an associate development program that consolidates performance planning, professional development, and performance evaluation into a single template and management cycle; partnered with the county to utilize their online system to provide ACERA staff with core training.

Internal Audit Initiatives | Developed and launched an internal financial fraud hotline; completed a cybersecurity insurance analysis to review current coverage levels and possible policy gaps.

Investment Initiatives | Modified the strategic allocations in the Real Assets Portfolio to include both liquid and illiquid investments with specific asset allocation targets; conducted a U.S. Small Cap Growth – Domestic Equities manager search and selected a firm; made multiple commitments to private equity managers which involved completion of legal due diligence, background investigations, and successful contract negotiations; initiated an Investment Department optimization project using Lean methodology.

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, 2019, the total fund returned 10.33% (net), year-to-date for 2019. The value of the total fund was \$8.4 billion.

HIGHLIGHTS OF 2020 BUSINESS PLAN

The 2020 business plan is included in this budget document (see Appendix A). These initiatives are linked to goals in the strategic plan. As we implement these items, they are managed as projects – with an assigned project owner and manager and a proposed project plan with timelines and deliverables. Monthly project oversight meetings are held to receive status reports and balance timelines and resources as necessary. Initiatives were prioritized and reduced down due to the expected resource needs for upgrading the existing Pension Administration System.

Highlights of the upcoming business initiatives are listed below.

For the Pension Administration System:

- Contract with the vendor and begin system design
- Access Database Migration (OnBase)
- PAS Data Conversion Clean up
- PAS Correspondence Review

Additional projects include:

- Granicus Implementation
- In-House Lean/Process Excellence Function
- On-the-Job Training (OJT) Structure
- Vision & Dental RFP

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- CEM Benchmarking
- Strategic Communication Plan
- Enterprise Risk Management

2019 BUDGET

The 2019 approved budget is \$21.2 million. Based on the current amount of spending and staff estimates of continued spending in 2019, the year-end forecast is determined to be \$20.5 million, which is \$0.8 million less than the approved budget amount. This decrease in expenses is mainly due to unfilled positions and delay in projects.

BASELINE AND PROPOSED 2020 OPERATING EXPENSE BUDGET (OEB)

The starting point for the 2020 OEB is a “baseline” that reflects the anticipated costs of carrying out the same level of services proposed by the ACERA Board in the 2019 Budget. Staff was required to request and justify additional funds with a formal Budget Change Proposal (BCP) for any item affecting the 2020 baseline and proposed 2020 budget. Additional staff positions or changes in salaries for 2020 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 2020 budget is \$21.3 million. This is \$0.1 million or 0.5% more than the 2019 approved budget of \$21.2 million. It is also \$0.9 million or 4.2% more than the 2020 baseline budget of \$20.5 million.

The reasons for the budget differences will be explained below.

PROPOSED 2020 BUDGET HIGHLIGHTS

This section highlights the proposed adjustments to the 2020 proposed budget from the 2019 approved budget. A complete review of the differences can be found in Section III.

Staffing

The primary changes in Staffing costs for 2020 are as follows:

The assumption to fill and fund the remaining vacant positions filled by temporary staff in 2019; cost-of-living adjustments, step increases, and an average four percent (4%) performance-driven merit increase for some deep-class positions. While we did reduce funding for some positions that were included in the 2019 budget, the total 2020 increase for staffing from the 2019 approved budget is \$0.6 million, or a net increase of 3.8%.

Staff Development

The primary change in Staff Development costs is a decrease of \$0.03 million for 2020 over the 2019 budget. This difference is due to prioritizing training opportunities and focusing on in-house or county provided training when those options are appropriate.

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Professional Fees

The change in Professional Fees for 2020 is an increase of \$0.03 million, primarily due to an increase in actuarial fees.

The senior managers and I look forward to presenting our proposed 2020 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.

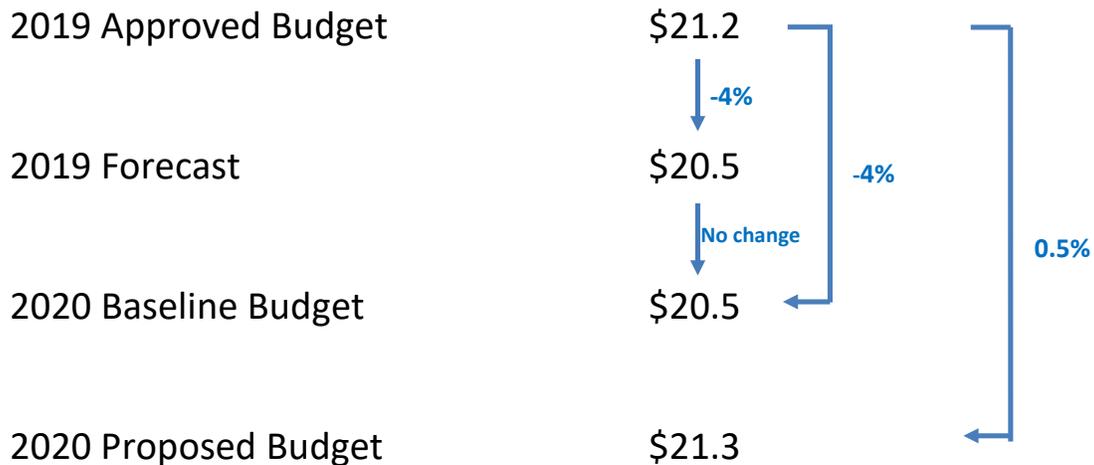
Once the proposed budget and the administrative budget are complete, the budget team pulls the information from Adaptive through Office Connect into InDesign (the budget publishing software). The budget team is responsible for preparing the variance analyses, updating changes to the budget, and for reviewing 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 re-presented at the discretion of the committee. The Board's feedback is incorporated into the budget for final approval.

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2020 Budget Process¹



1. The starting point for the 2020 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 2019 budget. To that end, the 2020 baseline budget is \$20.5 million, a decrease of 4.0% under the approved 2019 budget.
2. Key to developing the 2020 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 2020 Proposed Budget of \$21.3 million which is 0.5% over the approved 2019 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 2020 budget assumptions for each major expense category and the corresponding results:

Staffing and Salary Assumptions

- Merit increase average of 4% per department, for eligible/selected deep class employees;
- Cost of living allowance and associated fringe benefit increase of 3.5%;
- 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 net increase of 8.5% net increase compared to the 2019 forecast.

Staff Development Assumptions

- Staff development expenses were capped to no increase over 2019 budget; and,
- Professional dues and subscriptions were capped to no increase over 2019 forecast.

Result: Staff development realized a (2.8%) net decrease compared to the 2019 forecast.

Professional Fees Assumptions

- Actuarial Fees—Funding and SRBR valuations, Triennial experience study, 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 0.2% net increase compared to the 2019 forecast.

Office Expenses Assumptions

- Banking expenses would remain flat with little to no increase over the 2019 forecast;
- Miscellaneous Administrative expenses were capped to no increase over the 2019 forecast;
- Building Operation expenses would experience a 33% increase over the 2019 forecast;
- Communication expenses were capped to no increase over the 2019 forecast;
- Equipment Lease and Maintenance expenses would experience a 8.4% increase over the 2019 forecast;
- Minor Furniture and Equipment expenses would experience a 5.6% increase over the 2019 forecast;
- Office supplies and Maintenance expenses would remain flat with little to no increase over the 2019 forecast; and,
- Printing and Postage expenses would experience a 7.7% increase over the 2019 forecast.

Result: Office Expense expenditures realized a (5.2%) net decrease compared to the 2019 forecast.

Insurance Assumption

- The 2019/2020 commercial insurance rates remain flat for the last half of 2019/2020. Fiduciary and cyber liability would experience a 9% increase for the first half of 2020/2021. The Alameda County risk insurance rates would remain flat remain flat for last half of 2019/2020, but experience a 5% increase for the first half of 2020/2021. County risk insurance costs are based on a 5-year experience.

Result: Insurance expenses realized a (26%) net decrease compared to the 2019 forecast.

Member Services Assumptions

- Benefit Verification expenses would remain flat with little to no increase over the 2019 forecast;
- Disability Arbitration and Transcript expenses would experience an increase of 19% over the 2019 forecast;
- Disability Medical expenses were capped to no increase over the 2019 forecast;
- Disability Claims expenses were capped to no increase over the 2019 forecast;
- Health Reimbursement Accounts (HRA) expense were capped to no increase over the 2019 forecast;
- Member Training & Education expenses would realize a decrease of (15.8%) under the 2019 forecast; and,
- Printing and Postage expenses were capped to no increase over the 2019 forecast.

Result: Member Services expenses realized a 1.7% net increase compared to the 2019 forecast.

Systems Assumptions

- Business Continuity expenses were capped to no increase over the 2019 forecast;
- Computer Maintenance expenses were capped to no increase over the 2019 forecast;
- County Data Processing expenses were capped to no increase over the 2019 forecast;
- Minor Computer Hardware expenses would realize an increase of 32% over the 2019 forecast; and
- Software License and Maintenance expenses would realize an increase of 0.7% over the 2019 forecast.

Result: Systems expenses realized a (0.6%) net decrease compared to the 2019 forecast.

Board of Retirement Assumptions

- Conference and training expenditure estimates were based on Administration Department survey results and factored in the new policy guidelines;

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- Employer reimbursement estimates for elected active members were forecasted using the 3.25% cost of living increase effective December 29, 2019, for unrepresented management; and,
- Elected retired and county appointed members' committee and board meetings compensation expenditures were calculated using the standard policy rate.

Result: Board of Retirement expenses realized a 3.4% net increase compared to the 2019 forecast.

Uncollectible Benefit Payments Assumption

- Uncollectible Benefit Payment expense amounts were based on a discharge schedule.

Result: Uncollectible Benefit Payments expense decreased by (24%) compared to the 2019 forecast.

Depreciation Assumption

- Defined by accounting principles. Additions are tracked with a capital amortization schedule.

Result: Depreciation expense realized a 3.4% net increase compared to the 2019 forecast.

PROPOSED 2020 BUDGET SUMMARY AND COMPARISON

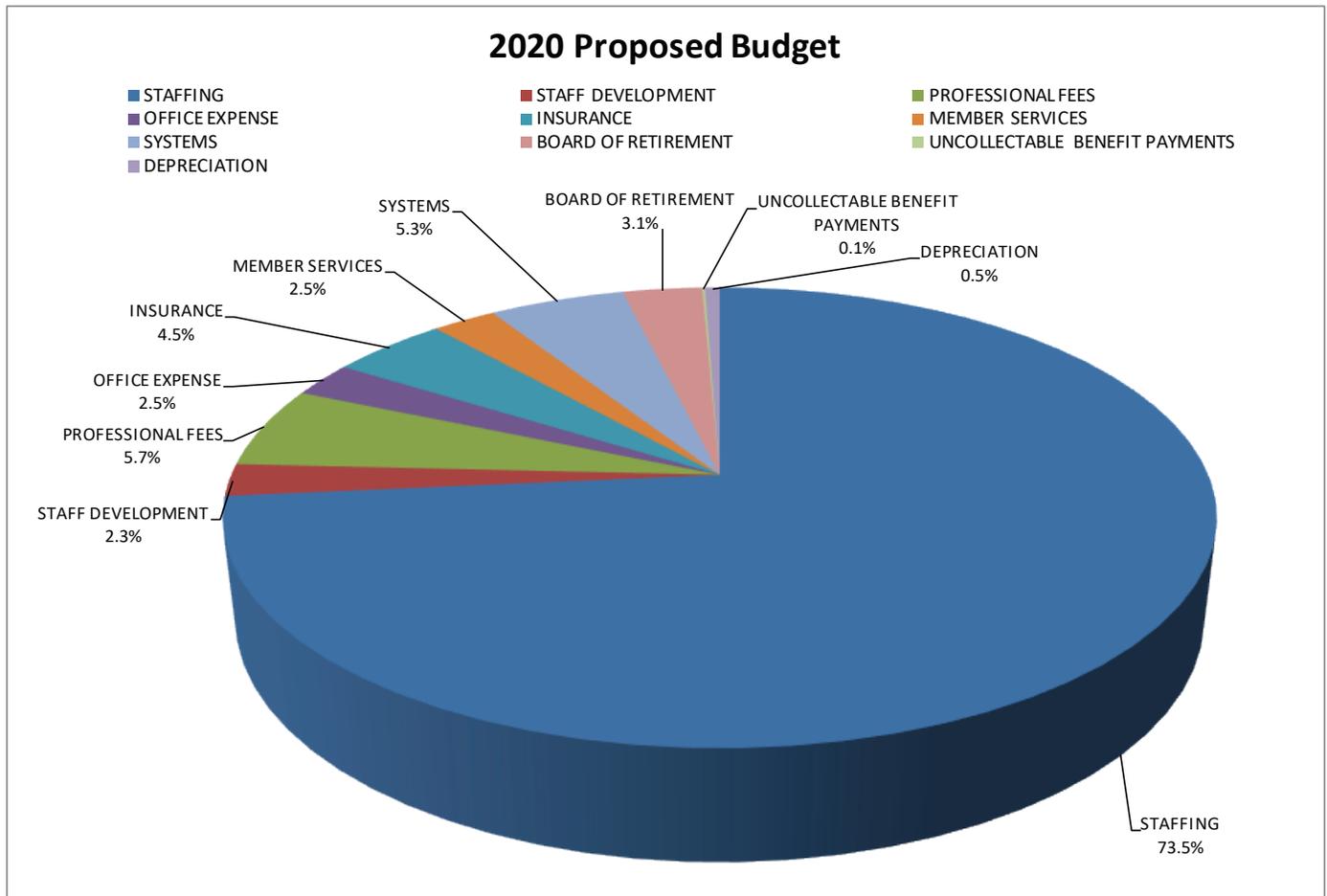
Staff recommends a proposed 2020 budget of \$21.3 million which is:

- \$0.1 million or 0.5% greater than the approved 2019 budget of \$21.2 million;
- \$0.9 million or 4.2% greater than the 2020 baseline budget of \$20.5 million; and,
- \$0.9 million or 4.2% greater than the 2019 forecast of \$20.5 million.

The 2020 administrative budget of \$13.0 million is \$9.1 million under the administrative cap of \$22.1 million. A year-over-year comparison reveals that the 2020 administrative budget of \$13.0 million is \$0.4 million higher than the 2019 administrative budget of \$12.6 million. Approximately \$8.3 million was excluded for the annual operating expense budget of \$21.3 million (see Section VI for administrative budget and allocation schedules).

2020 Proposed Operating Expense Budget (\$ in thousands)

	2019 Forecast	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change	Category % of Total Operating Expenses
Staffing	\$ 14,467	\$ 15,691	\$ 1,224	8.5%	73.5%
Staff Development	496	482	(14)	-2.8%	2.3%
Professional Fees	1,213	1,215	2	0.2%	5.7%
Office Expense	560	531	(29)	-5.2%	2.5%
Insurance	1,307	967	(340)	-26.0%	4.5%
Member Services	518	527	9	1.7%	2.5%
Systems	1,135	1,128	(7)	-0.6%	5.3%
Board Of Retirement	638	660	22	3.4%	3.1%
Uncollectible Benefit Payments	29	22	(7)	-24.1%	0.1%
Depreciation	119	123	4	3.4%	0.5%
OPERATING EXPENSES Total	\$ 20,482	\$ 21,346	\$ 864	4.2%	100.0%



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Operating Expense Budget ¹	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
STAFFING (p.#21)						
Salaries	\$ 9,566,000	\$ 8,831,000	\$ (735,000)	\$ 9,701,000	\$ 870,000	9.9%
Fringe Benefits	5,456,000	5,208,000	(248,000)	5,892,000	684,000	13.1%
Temporary Staff	100,000	428,000	328,000	98,000	(330,000)	-77.1%
Staffing Total	15,122,000	14,467,000	(655,000)	15,691,000	1,224,000	8.5%
STAFF DEVELOPMENT (p.#22)	510,000	496,000	(14,000)	482,000	(14,000)	-2.8%
PROFESSIONAL FEES (p.#26)						
Actuarial Fees	415,000	391,000	(24,000)	466,000	75,000	19.2%
Audit Fees	149,000	149,000	-	153,000	4,000	2.7%
Consultant Fees	388,000	376,000	(12,000)	366,000	(10,000)	-2.7%
Legal Fees	235,000	297,000	62,000	230,000	(67,000)	-22.6%
Professional Fees Total	1,187,000	1,213,000	26,000	1,215,000	2,000	0.2%
OFFICE EXPENSE (p.#28)						
Bank Charges	120,000	120,000	-	120,000	-	0.0%
Misc. Administrative Expenses	45,000	42,000	(3,000)	16,000	(26,000)	-61.9%
Building Expenses	63,000	60,000	(3,000)	80,000	20,000	33.3%
Communications	109,000	99,000	(10,000)	63,000	(36,000)	-36.4%
Equipment Lease & Maint.	74,000	107,000	33,000	116,000	9,000	8.4%
Minor Furniture & Equip.	18,000	18,000	-	19,000	1,000	5.6%
Office Supplies & Maint.	97,000	88,000	(9,000)	89,000	1,000	1.1%
Printing & Postage	28,000	26,000	(2,000)	28,000	2,000	7.7%
Office Expense Total	554,000	560,000	6,000	531,000	(29,000)	-5.2%
INSURANCE (p.#29)	1,305,000	1,307,000	2,000	967,000	(340,000)	-26.0%
MEMBER SERVICES (p.#30)						
Benefit Verification	5,000	5,000	-	5,000	-	0.0%
Disability - Arbitration & Transcripts	75,000	63,000	(12,000)	75,000	12,000	19.0%
Disability - Medical Expense	203,000	203,000	-	203,000	-	0.0%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account	60,000	60,000	-	60,000	-	0.0%
Member Training & Education	16,000	19,000	3,000	16,000	(3,000)	-15.8%
Printing & Postage - Members	122,000	122,000	-	122,000	-	0.0%
Member Services Total	527,000	518,000	(9,000)	527,000	9,000	1.7%
SYSTEMS (p.#31)						
Business Continuity Expenses	154,000	154,000	-	147,000	(7,000)	-4.5%
Computer Maintenance	21,000	14,000	(7,000)	-	(14,000)	-100.0%
County Data Processing	106,000	113,000	7,000	113,000	-	0.0%
Minor Computer Hardware	30,000	25,000	(5,000)	33,000	8,000	32.0%
Software License & Maintenance	841,000	829,000	(12,000)	835,000	6,000	0.7%
Systems Total	1,152,000	1,135,000	(17,000)	1,128,000	(7,000)	-0.6%
BOARD OF RETIREMENT (p.#32)	711,000	638,000	(73,000)	660,000	22,000	3.4%
UNCOLLECTIBLE BENEFITS						
PAYMENTS (p.#34)	39,000	29,000	(10,000)	22,000	(7,000)	-24.1%
Total Operating Expenses Before Depreciation	21,107,000	20,363,000	(744,000)	21,223,000	860,000	4.2%
DEPRECIATION (p.#33)	126,000	119,000	(7,000)	123,000	4,000	3.4%
TOTAL OPERATING EXPENSE	21,233,000	20,482,000	(751,000)	21,346,000	864,000	4.2%
TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE	56,985,000	49,556,000	(7,429,000)	52,696,000	3,140,000	6.3%
TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES	\$ 78,218,000	\$ 70,038,000	\$ (8,180,000)	\$ 74,042,000	\$ 4,004,000	5.7%
CONTINGENCY FUND (p.#89)	177,000	-	(177,000)	315,000	315,000	100.0%

¹ Budget schedules amounts are rounded to the nearest thousand.

Operating Expense Budget 2020 Baseline vs. 2020 Increments (\$ in thousands)	2019		2020		2020		2020		2020 Proposed	
	Forecast	Baseline	Baseline vs. 2019 Forecast Over/ (Under)	Baseline vs. 2019 Forecast % Of Change	Proposed	Proposed Budget (Baseline + Increments)	Proposed Budget (Baseline + Increments)	Proposed Budget (Baseline + Increments)	Forecast Over/ (Under)	% Change
STAFFING										
Salaries	\$ 8,831	\$ 9,278	\$ 447	5.1%	\$ 423	\$ 9,701	\$ 870	9.9%		
Fringe Benefits	5,208	5,572	364	7.0%	320	5,892	684	13.1%		
Temporary Staff	428	79	(349)	-81.5%	19	98	(330)	-77.1%		
Staffing Total	14,467	14,929	462	3.2%	762	15,691	1,224	8.5%		
STAFF DEVELOPMENT	496	480	(16)	-3.2%	2	482	(14)	-2.8%		
PROFESSIONAL FEES										
Actuarial Fees	391	425	34	8.7%	41	466	75	19.2%		
Audit Fees	149	153	4	2.7%	-	153	4	2.7%		
Consultant Fees	376	326	(50)	-13.3%	40	366	(10)	-2.7%		
Legal Fees	297	230	(67)	-22.6%	-	230	(67)	-22.6%		
Professional Fees Total	1,213	1,134	(79)	-6.5%	81	1,215	2	0.2%		
OFFICE EXPENSE										
Bank Charges	120	120	-	0.0%	-	120	-	0.0%		
Misc. Administrative Expenses	42	16	(26)	-61.9%	-	16	(26)	-61.9%		
Building Expenses	60	80	20	33.3%	-	80	20	33.3%		
Communications	99	75	(24)	-24.2%	(12)	63	(36)	-36.4%		
Equipment Lease & Maint.	107	113	6	5.6%	3	116	9	8.4%		
Minor Furniture & Equipment	18	18	-	0.0%	1	19	1	5.6%		
Office Supplies & Maint.	88	87	(1)	-1.1%	2	89	1	1.1%		
Printing & Postage	26	28	2	7.7%	-	28	2	7.7%		
Office Expense Total	560	537	(23)	-4.1%	(6)	531	(29)	-5.2%		
INSURANCE	1,307	967	(340)	-26.0%	-	967	(340)	-26.0%		
MEMBER SERVICES										
Benefit Verification	5	5	-	0.0%	-	5	-	0.0%		
Disability Arbitr. & Transcripts	63	75	12	19.0%	-	75	12	19.0%		
Disability - Medical Expense	203	203	-	0.0%	-	203	-	0.0%		
Disability Claims Management	46	46	-	0.0%	-	46	-	0.0%		
Health Reimb. Account (HRA)	60	60	-	0.0%	-	60	-	0.0%		
Member Training & Education	19	16	(3)	-15.8%	-	16	(3)	-15.8%		
Printing & Postage - Members	122	122	-	0.0%	-	122	-	0.0%		
Member Services Total	518	527	9	1.7%	-	527	9	1.7%		
SYSTEMS										
Business Continuity Expenses	154	148	(6)	-3.9%	(1)	147	(7)	-4.5%		
Computer Maintenance	14	-	(14)	-100.0%	-	-	(14)	-100.0%		
County Data Processing	113	112	(1)	-0.9%	1	113	-	0.0%		
Minor Computer Hardware	25	30	5	20.0%	3	33	8	32.0%		
Software License & Maint.	829	821	(8)	-1.0%	14	835	6	0.7%		
Systems Total	1,135	1,111	(24)	-2.1%	17	1,128	(7)	-0.6%		
BOARD OF RETIREMENT	638	660	22	3.4%	-	660	22	3.4%		
UNCOLLECTIBLE BENEFIT PAYMENTS										
	29	22	(7)	-24.1%	-	22	(7)	-24.1%		
Total Operating Expenses Before Depreciation	20,363	20,367	4	0.0%	856	21,223	860	4.2%		
DEPRECIATION	119	119	-	0.0%	4	123	4	3.4%		
TOTAL OPERATING EXPENSE	20,482	20,486	4	0.0%	860	21,346	864	4.2%		
TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE	49,556	52,679	3,123	6.3%	17	52,696	3,140	6.3%		
TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES	\$ 70,038	\$ 73,165	\$ 3,127	4.5%	\$ 877	\$ 74,042	\$ 4,004	5.7%		

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STAFFING (p.#19)

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

Headcount by Department	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)
Administration	7	8	1	8	-
Benefits	39	37	(2)	39	2
Fiscal Services	12	12	-	11	(1)
Human Resources	3	3	-	3	-
Internal Audit	3	3	-	3	-
Investments	10	7	(3)	9	2
Legal	6	4	(2)	4	-
PRISM	11	11	-	11	-
HEADCOUNT TOTAL	91	85	(6)	88	3

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

Staffing	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
Administration	\$ 844,000	\$ 837,000	\$ (7,000)	\$ 920,000	\$ 83,000	9.9%
Benefits	3,261,000	3,105,000	(156,000)	3,624,000	519,000	16.7%
Fiscal Services	1,118,000	1,110,000	(8,000)	1,171,000	61,000	5.5%
Human Resources	363,000	360,000	(3,000)	378,000	18,000	5.0%
Internal Audit	425,000	427,000	2,000	438,000	11,000	2.6%
Investments	1,281,000	966,000	(315,000)	1,224,000	258,000	26.7%
Legal	1,032,000	811,000	(221,000)	642,000	(169,000)	-20.8%
PRISM	1,222,000	1,186,000	(36,000)	1,269,000	83,000	7.0%
Total Salaries	9,546,000	8,802,000	(744,000)	9,666,000	864,000	9.8%
Cafeteria Benefit Allowance	235,000	198,000	(37,000)	224,000	26,000	13.1%
Health and Dental	1,440,000	1,375,000	(65,000)	1,555,000	180,000	13.1%
Retirement Contributions	2,968,000	2,880,000	(88,000)	3,258,000	378,000	13.1%
Medicare and SDI	180,000	167,000	(13,000)	189,000	22,000	13.2%
Social Security	562,000	531,000	(31,000)	601,000	70,000	13.2%
Other Benefits (Life Insurance, Def. Comp. and Auto Allowance)	71,000	57,000	(14,000)	65,000	8,000	14.0%
Fringe Benefits	5,456,000	5,208,000	(248,000)	5,892,000	684,000	13.1%
Overtime	20,000	29,000	9,000	35,000	6,000	20.7%
Temporary Staffing	100,000	428,000	328,000	98,000	(330,000)	-77.1%
STAFFING EXPENSES Total	\$ 15,122,000	\$ 14,467,000	\$ (655,000)	\$ 15,691,000	\$ 1,224,000	8.5%

**Staffing - Variance Narrative
2020 Proposed Budget vs. 2019 Forecast**

	Variance Over/(Under)
• Increase in salaries due to filled vacant positions in mid-year 2019; and projected hiring of permanent personnel for full year 2020: 2-Senior Retirement Technicians, 1-Administrative Support Specialist, 2-Investment Officers, and 1-Senior Investment Officer	\$ 346,000
• Increase in salaries due to COLA, merit increases, vacation sellbacks, promotions and overtime	524,000
• Increase in fringe benefits attributed to the filling of all vacant positions in 2020 and inflation costs	684,000
• Decrease in temporary staff from hiring permanent staff	(330,000)
Total Over/(Under)	\$ 1,224,000

**Staffing - Variance Narrative
2019 Forecast vs. 2019 Budget**

	Variance Over/(Under)
• Net savings from unfilled positions and vacant positions of 1-Senior Investment Officer, 1-Investment Officer, 1-Investment Analyst, 2-Retirement Technicians, and layoff of 2-Associate Counsels; delays in filling the Retirement Technician, Administrative Support Specialist, and Network System Analyst which offset temporary staffing costs	\$ (416,000)
• Net savings in fringe benefits due to vacant positions	(248,000)
• Net increase in overtime	9,000
Total Over/(Under)	\$ (655,000)

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

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

Staff Development	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/ (Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
CONFERENCES/TRAININGS						
American Management Association (AMA)	\$ 23,000	\$ -	\$ (23,000)	\$ -	-	0.0%
Adaptive	10,000	10,000	-	8,000	(2,000)	-20.0%
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	60,000	60,000	-	61,000	1,000	1.7%
CALPERLA	5,000	5,000	-	5,000	-	0.0%
Cybersecurity	8,000	12,000	4,000	12,000	-	0.0%
BCP/Disaster Recovery Journal Conference (DRJ)	9,000	9,000	-	6,000	(3,000)	-33.3%
GFOA	21,000	16,000	(5,000)	11,000	(5,000)	-31.3%
IFEBP	25,000	25,000	-	25,000	-	0.0%
ILPA	10,000	10,000	-	13,000	3,000	30.0%
Institutional Investors	3,000	3,000	-	3,000	-	0.0%
MILKEN	16,000	14,000	(2,000)	16,000	2,000	14.3%
PG User and Onbase Conference	51,000	42,000	(9,000)	48,000	6,000	14.3%
SACRS	44,000	40,000	(4,000)	31,000	(9,000)	-22.5%
Technology Related Trainings	-	19,000	19,000	19,000	-	0.0%
Miscellaneous	116,000	126,000	10,000	111,000	(15,000)	-11.9%
Sub-Total	401,000	391,000	(10,000)	369,000	(22,000)	-5.6%
PROFESSIONAL DUES & SUBSCRIPTIONS	106,000	101,000	(5,000)	111,000	10,000	9.9%
RECRUITMENT EXPENSES	3,000	4,000	1,000	2,000	(2,000)	-50.0%
STAFF DEVELOPMENT EXPENSES Total	\$ 510,000	\$ 496,000	\$ (14,000)	\$ 482,000	\$ (14,000)	-2.8%

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Staff Development - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast

Variance Over/(Under)

CONFERENCE/TRAINING

- Decrease in attendance of Adaptive, Disaster Recovery Journal, SACRS, and other miscellaneous trainings

	\$	(22,000)
Sub-total		(22,000)

PROFESSIONAL FEES & SUBSCRIPTIONS

- Increase in professional dues and subscriptions for new advisory council membership

		10,000
Sub-total		10,000

RECRUITMENT

- Decrease in recruitment costs

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

Total Over/(Under)	\$	(14,000)
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Staff Development - Variance Narrative 2019 Forecast vs. 2019 Budget

Variance Over/(Under)

CONFERENCE/TRAINING

- Decrease in attendance of AMA, GFOA, Pension Gold, Onbase, and SACRS; offset by increases in miscellaneous and technology related trainings

	\$	(10,000)
Sub-total		(10,000)

PROFESSIONAL FEES & SUBSCRIPTIONS

- Decrease in subscriptions and professional dues

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

RECRUITMENT

- Hiring permanent staff to fill vacant positions

		1,000
Sub-total		1,000

Total Over/(Under)	\$	(14,000)
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2020 Proposed Budget: Breakdowns for Miscellaneous Trainings/Conferences						
	Administration	Benefits	Fiscal Services	Human Resources	Internal Audit	
Association of Certified Fraud Examiners (ACFE)	\$ -	\$ -	\$ -	\$ -	\$ -	3,000
Association OF Public Pension Fund Auditors (APPFA)	-	-	-	-	-	4,000
Computer Training/County	-	5,000	3,000	-	-	-
CSDA Conference	3,000	-	-	-	-	-
IDEA Training	-	-	-	-	-	5,000
Investment Related	-	-	-	-	-	-
ISCEBS Annual Conference	-	3,000	-	-	-	-
LMS (Alameda County HRS)	-	-	-	6,000	-	-
NAPPA	-	-	-	-	-	-
NCPERS Conference	-	5,000	-	-	-	-
NASRA Winter & Annual Conference	5,000	-	-	-	-	-
Nossaman Conference	2,000	-	-	-	-	-
Project Management	-	-	-	-	-	-
PRISM Conference	-	-	-	-	-	-
Staff Development	-	9,000	-	-	-	-
Miscellaneous Training/Conferences	10,000	7,000	4,000	6,000	-	5,000
Total Other Training/Conferences	20,000	29,000	7,000	12,000	17,000	
Adaptive	-	-	8,000	-	-	-
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	10,000	34,000	11,000	-	-	-
CALPERLA	-	-	-	5,000	-	-
Cybersecurity	-	-	-	-	-	-
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	-	-	-	-
GFOA	-	-	9,000	-	-	2,000
IFEBP	-	25,000	-	-	-	-
ILPA	-	-	-	-	-	-
Institutional Investors	-	-	-	-	-	-
MILKEN	-	-	-	-	-	-
PG User and Onbase Conference	-	13,000	10,000	-	-	-
SACRS	6,000	13,000	-	-	-	3,000
Technology Related Trainings	-	-	-	-	-	-
Other Training/Conferences (from above)	20,000	29,000	7,000	12,000	-	17,000
Total Training/Conferences	36,000	114,000	45,000	17,000	22,000	
Professional Dues & Subscriptions	37,000	3,000	4,000	2,000	4,000	
Recruitment Expenses	-	1,000	-	-	-	
TOTAL	\$ 73,000	\$ 118,000	\$ 49,000	\$ 19,000	\$ 26,000	

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2020 Proposed Budget: Breakdowns for Miscellaneous Trainings/Conferences				
	Investments	Legal	PRISM	Total
Association of Certified Fraud Examiners (ACFE)	\$ -	\$ -	\$ -	3,000
Association OF Public Pension Fund Auditors (APPFA)	-	-	-	4,000
Computer Training/County	-	-	1,000	9,000
CSDA Conference	-	-	-	3,000
IDEA Training	-	-	-	5,000
Investment Related	-	3,000	-	3,000
ISCEBS Annual Conference	-	-	-	3,000
LMS (Alameda County HRS)	-	-	-	6,000
NAPPA	-	4,000	-	4,000
NCPERS Conference	-	-	-	5,000
NASRA Winter & Annual Conference	-	-	-	5,000
Nossaman Conference	-	-	-	2,000
Project Management	-	-	5,000	5,000
PRISM Conference	-	-	3,000	3,000
Staff Development	-	-	-	9,000
Miscellaneous Training/Conferences	4,000	3,000	3,000	42,000
Total Other Training/Conferences	4,000	10,000	12,000	111,000
Adaptive	-	-	-	8,000
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	2,000	3,000	1,000	61,000
CALPERLA	-	-	-	5,000
Cybersecurity	-	-	12,000	12,000
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	6,000	6,000
GFOA	-	-	-	11,000
IFEBP	-	-	-	25,000
ILPA	10,000	3,000	-	13,000
Institutional Investors	3,000	-	-	3,000
MILKEN	16,000	-	-	16,000
PG User and Onbase Conference	-	-	25,000	48,000
SACRS	3,000	3,000	3,000	31,000
Technology Related Trainings	-	-	19,000	19,000
Other Training/Conferences (from above)	4,000	10,000	12,000	111,000
Total Training/Conferences	38,000	19,000	78,000	369,000
Professional Dues & Subscriptions	7,000	54,000	-	111,000
Recruitment Expenses	1,000	-	-	2,000
TOTAL	\$ 46,000	\$ 73,000	\$ 78,000	\$ 482,000

PROFESSIONAL FEES (p.#19)

This category excludes investment professional consultant and advisor expenses.

Professional Fees	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/ (Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/ (Under)	% Change
Actuarial Fees	\$ 415,000	\$ 391,000	\$ (24,000)	\$ 466,000	\$ 75,000	19.2%
Audit Fees	149,000	149,000	-	153,000	4,000	2.7%
Consultant Fees	388,000	376,000	(12,000)	366,000	(10,000)	-2.7%
Legal Fees	235,000	297,000	62,000	230,000	(67,000)	-22.6%
PROFESSIONAL FEES TOTAL	\$ 1,187,000	\$ 1,213,000	\$ 26,000	\$ 1,215,000	\$ 2,000	0.2%
Actuarial Fees						
Actuarial Valuation	75,000	75,000	-	77,000	2,000	2.7%
ASOP #51, Risk Report	60,000	60,000	-	60,000	-	0.0%
GASB 67 & 68	46,000	46,000	-	48,000	2,000	4.3%
GASB 74 & 75	14,000	14,000	-	14,000	-	0.0%
SRBR Valuation	40,000	40,000	-	41,000	1,000	2.5%
Supplemental Consulting	180,000	156,000	(24,000)	190,000	34,000	21.8%
Triennial Study	-	-	-	36,000	36,000	100.0%
Total Actuarial Fees	\$ 415,000	\$ 391,000	\$ (24,000)	\$ 466,000	\$ 75,000	19.2%
Audit Fees						
Audit Fees	126,000	126,000	-	129,000	3,000	2.4%
GASB 67 & 68	12,000	12,000	-	12,000	-	0.0%
GASB 74 & 75	11,000	11,000	-	12,000	1,000	9.1%
Total Audit Fees	\$ 149,000	\$ 149,000	\$ -	\$ 153,000	\$ 4,000	2.7%
Consultant Fees						
Administration						
Benchmark Services	20,000	-	(20,000)	20,000	20,000	100.0%
Process Excellence	50,000	50,000	-	-	(50,000)	-100.0%
Total Administration	70,000	50,000	(20,000)	20,000	(30,000)	-60.0%
Benefits						
Benefit Cons./Open Enroll.	115,000	123,000	8,000	143,000	20,000	16.3%
County Retirees Medical	126,000	126,000	-	126,000	-	0.0%
Total Benefits	241,000	249,000	8,000	269,000	20,000	8.0%
Human Resources						
Lakeside Group (County Personnel)	77,000	77,000	-	77,000	-	0.0%
Total Human Resources	77,000	77,000	-	77,000	-	0.0%
Total Consultant Fees	\$ 388,000	\$ 376,000	\$ (12,000)	\$ 366,000	\$ (10,000)	-2.7%
Legal Fees						
Fiduciary	110,000	183,000	73,000	130,000	(53,000)	-29.0%
Misc. Legal Advice	66,000	46,000	(20,000)	60,000	14,000	30.4%
Outside Investigation	20,000	23,000	3,000	-	(23,000)	100.0%
Tax and Benefit Issues	39,000	45,000	6,000	40,000	(5,000)	-11.1%
Total Legal Fees	\$ 235,000	\$ 297,000	\$ 62,000	\$ 230,000	\$ (67,000)	-22.6%

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Professional Fees - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast

	Variance Over/(Under)
ACTUARIAL	
• Increase in GASB, actuarial valuation and SRBR valuation	\$ 5,000
• Increase in supplemental consulting fees	34,000
• Triennial experience study	36,000
Sub-total	75,000
AUDIT	
• Increase in audit fees	4,000
Sub-total	4,000
CONSULTANTS	
• Decrease in consulting fees for completing process excellence; offset by increases in benchmark services	(30,000)
• Increase in benefits consulting fees due to dental and vision RFP	20,000
Sub-total	(10,000)
LEGAL	
• Decrease in legal fees for fiduciary services	(53,000)
• Decrease in legal fees for tax & benefits, and outside investigations; offset by an increase in miscellaneous legal advice	(14,000)
Sub-total	(67,000)
Total Over/(Under)	\$ 2,000

Professional Fees - Variance Narrative 2019 Forecast vs. 2019 Budget

	Variance Over/(Under)
CONSULTANTS	
• Increase in benefits consulting fees due to changing of service provider	\$ 8,000
• Savings from delaying benchmark services	(20,000)
Sub-total	(12,000)
ACTUARIAL	
• Savings in supplemental consulting fees due to prior year accruals	(24,000)
Sub-total	(24,000)
LEGAL	
• Increase in legal fees for fiduciary services	73,000
• Decrease in legal fees for miscellaneous legal advice; offset by increases in tax & benefits, and outside investigations	(11,000)
Sub-total	62,000
Total Over/(Under)	\$ 26,000

OFFICE EXPENSE (p.#19)

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

Office Expense	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/ (Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/ (Under)	% Change
Bank Charges	\$ 120,000	\$ 120,000	\$ -	\$ 120,000	\$ -	0.0%
Misc. Administrative Expenses	45,000	42,000	(3,000)	16,000	(26,000)	-61.9%
Building Expenses	63,000	60,000	(3,000)	80,000	20,000	33.3%
Communications	109,000	99,000	(10,000)	63,000	(36,000)	-36.4%
Equip. Leasing & Maint.	74,000	107,000	33,000	116,000	9,000	8.4%
Minor Furniture & Equipment	18,000	18,000	-	19,000	1,000	5.6%
Office Supplies & Maint.	97,000	88,000	(9,000)	89,000	1,000	1.1%
Printing & Postage	28,000	26,000	(2,000)	28,000	2,000	7.7%
OFFICE EXPENSE Total	\$ 554,000	\$ 560,000	\$ 6,000	\$ 531,000	\$ (29,000)	-5.2%

**Office Expense - Variance Narrative
2020 Proposed Budget vs. 2019 Forecast**

Variance Over/(Under)

EQUIPMENT, FURNITURE & SUPPLIES

- Due to inflation in equipment lease, office supplies and maintenance costs

\$ 11,000
Sub-total 11,000

MISC. ADMINISTRATIVE

- Decrease in miscellaneous administrative expenses primarily due to asset inventory project completed in 2019 and reduction in new employee onboarding expenses

(26,000)
Sub-total (26,000)

PRINTING & POSTAGE

- Slight increase in printing & postage expenses

2,000
Sub-total 2,000

BUILDING AND COMMUNICATIONS

- Savings due to consolidation of email service provider and termination of intranet services
- Increase in building escalation fees

(36,000)
20,000
Sub-total (16,000)

Total Over/(Under) \$ (29,000)

**Office Expense - Variance Narrative
2019 Forecast vs. 2019 Budget**

Variance Over/(Under)

MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Slight decrease in miscellaneous administrative expenses

\$ (3,000)
Sub-total (3,000)

BUILDING AND COMMUNICATIONS

- Decrease in cost from transition to new service provider
- Increase in escalation cost; offset by savings from prior year escalation credits

(10,000)
(3,000)
Sub-total (13,000)

EQUIPMENT, FURNITURE & SUPPLIES

- Increase resulted from new lease agreement for copier and printer; offset by decrease in office supplies and maintenance

24,000
Sub-total 24,000

PRINTING & POSTAGE

- Slight decrease in printing volumes

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

Total Over/(Under) \$ 6,000

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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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
Business Automobile	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.0%
Commercial Package	29,000	31,000	2,000	31,000	-	0.0%
Crime	8,000	8,000	-	8,000	-	0.0%
Cyber Liability	13,000	13,000	-	14,000	1,000	11.1%
Earthquake	26,000	26,000	-	26,000	-	0.0%
Fiduciary Liability	158,000	158,000	-	167,000	9,000	8.5%
Risk Management	808,000	808,000	-	455,000	(353,000)	-65.0%
Umbrella	8,000	8,000	-	8,000	-	0.0%
Worker's Compensation	254,000	254,000	-	257,000	3,000	1.8%
INSURANCE Total	\$ 1,305,000	\$ 1,307,000	\$ 2,000	\$ 967,000	\$ (340,000)	-26.0%

Insurance - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast

Variance Over/(Under)

ARTHUR GALLAGHER

- Increase in premium for fiduciary liability and cyber liability

\$ 10,000

Sub-Total 10,000

COUNTY RISK MANAGEMENT

- Significant decrease in risk management due to fewer claims
- Slight increase in worker's compensation

(353,000)

3,000

Sub-Total (350,000)

Total Over/(Under) \$ (340,000)

Insurance - Variance Narrative 2019 Forecast vs. 2019 Budget

Variance Over/(Under)

ARTHUR GALLAGHER

- Slight increase in premium for commercial package

\$ 2,000

Sub-Total 2,000

Total Over/(Under) \$ 2,000

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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
Benefit Verification	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -	0.0%
Disability - Legal Arbitration & Transcripts	75,000	63,000	(12,000)	75,000	12,000	19.0%
Disability - Medical	203,000	203,000	-	203,000	-	0.0%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account (HRA)	60,000	60,000	-	60,000	-	0.0%
Member Training & Education	16,000	19,000	3,000	16,000	(3,000)	-15.8%
Printing and Postage - Members	122,000	122,000	-	122,000	-	0.0%
MEMBER SERVICES EXPENSE Total	\$ 527,000	\$ 518,000	\$ (9,000)	\$ 527,000	\$ 9,000	1.7%

Member Services - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast		Variance Over/(Under)
DISABILITY - ARBITRATION		
• Increase in the number of disability cases		\$ 12,000
	Sub-total	12,000
MEMBERS TRAINING AND EDUCATION		
• Retirees wellness program completed in 2019		(3,000)
	Sub-total	(3,000)
	Total Over/(Under)	\$ 9,000

Member Services - Variance Narrative 2019 Forecast vs. 2019 Budget		Variance Over/(Under)
DISABILITY - ARBITRATION		
• Lower number of disability cases than budgeted		\$ (12,000)
	Sub-total	(12,000)
MEMBERS TRAINING AND EDUCATION		
• Slight increase in retirees wellness program		3,000
	Sub-total	3,000
	Total Over/(Under)	\$ (9,000)

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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.

Systems	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
Business Continuity Expenses	\$ 154,000	\$ 154,000	\$ -	\$ 147,000	\$ (7,000)	-4.5%
Computer Maintenance	21,000	14,000	(7,000)	-	(14,000)	-100.0%
County Data Processing	106,000	113,000	7,000	113,000	-	0.0%
Minor Computer Hardware	30,000	25,000	(5,000)	33,000	8,000	32.0%
Software License & Maintenance	841,000	829,000	(12,000)	835,000	6,000	0.7%
SYSTEMS Total	\$ 1,152,000	\$ 1,135,000	\$ (17,000)	\$ 1,128,000	\$ (7,000)	-0.6%

Systems - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast

SOFTWARE, MAINTENANCE & SUPPORT

- Support for automation of visitors check-in

\$ 6,000
Sub Total 6,000

BUSINESS CONTINUITY EXPENSES

- Termination of SatCom phone service and transfer of hazardous permits to Administration Department

(7,000)
Sub Total (7,000)

COMPUTER HARDWARE & MAINTENANCE

- Transfer costs from computer maintenance to equipment maintenance account
- Purchase additional computer hardware and iPads for the automation of visitors check-in

(14,000)
8,000
Sub Total (6,000)

Total Over/(Under) \$ (7,000)

Systems - Variance Narrative 2019 Forecast vs. 2019 Budget

SOFTWARE, MAINTENANCE & SUPPORT

- Savings from database migration project

\$ (12,000)
Sub Total (12,000)

COMPUTER HARDWARE & MAINTENANCE

- Decrease in computer maintenance and hardware purchases

(12,000)
Sub Total (12,000)

COUNTY DATA PROCESSING

- Increase in data processing usage

7,000
Sub Total 7,000

Total Over/(Under) \$ (17,000)

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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
Board Compensation	\$ 30,000	\$ 24,000	\$ (6,000)	\$ 29,000	\$ 5,000	20.8%
Board Conference and Training	203,000	151,000	(52,000)	221,000	70,000	46.4%
Board Elections	80,000	67,000	(13,000)	-	(67,000)	-100.0%
Board Employer Reimbursement	337,000	347,000	10,000	357,000	10,000	2.9%
Board Miscellaneous Activities	36,000	27,000	(9,000)	30,000	3,000	11.1%
Board Software Maint. & Support	10,000	7,000	(3,000)	13,000	6,000	85.7%
Board Strategic Planning	15,000	15,000	-	10,000	(5,000)	-33.3%
BOARD OF RETIREMENT Total	\$ 711,000	\$ 638,000	\$ (73,000)	\$ 660,000	\$ 22,000	3.4%

**Board of Retirement - Variance Narrative
2020 Proposed Budget vs. 2019 Forecast**

	Variance Over/(Under)
• No election in 2020	\$ (67,000)
• Increase in board compensation	5,000
• Projected increase in board conference and trainings in 2020	70,000
• Increase in employer reimbursement due to COLA and fringe benefits	10,000
• Slight increase in miscellaneous activities	3,000
• Increase in software maintenance and support; offset by decrease in strategic planning	1,000
Total Over/(Under)	\$ 22,000

**Board of Retirement - Variance Narrative
2019 Forecast vs. 2019 Budget**

	Variance Over/(Under)
• Increase in employer reimbursement due to COLA and fringe benefits	\$ 10,000
• Decrease in board compensation	(6,000)
• Savings due to unattended board conferences and trainings	(52,000)
• Delay in implementation of the board software	(3,000)
• Savings due to prior year accrual for board election expense	(13,000)
• Decrease in board miscellaneous activities	(9,000)
Total Over/(Under)	\$ (73,000)

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DEPRECIATION (p.#19)

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

Depreciation	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
BCP	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000	100.0%
Computer Software	5,000	5,000	0	4,000	(1,000)	-20.0%
EDMS Admin. Share	-	-	-	1,000	1,000	100.0%
Equipment	23,000	18,000	(5,000)	20,000	2,000	11.1%
Furniture	1,000	1,000	-	1,000	-	0.0%
Leasehold Improvements	97,000	95,000	(2,000)	95,000	-	0.0%
DEPRECIATION Total	\$ 126,000	\$ 119,000	\$ (7,000)	\$ 123,000	\$ 4,000	3.4%

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 2020 Proposed Budget vs. 2019 Forecast

	Variance Over/(Under)
• Increase attributed to office equipment and system upgrades	\$ 5,000
• Slight decrease in depreciation of computer software	(1,000)
Total Over/(Under)	\$ 4,000

Depreciation - Variance Narrative 2019 Forecast vs. 2019 Budget

	Variance Over/(Under)
• Savings from office equipment and leasehold improvements	\$ (7,000)
Total Over/(Under)	\$ (7,000)

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 \$22,000. 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	2019		2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
	Budget	Forecast					
Uncollectible Benefit Payments	\$ 39,000	\$ 29,000		\$ (10,000)	\$ 22,000	\$ (7,000)	-24.1%
Total	\$ 39,000	\$ 29,000		\$ (10,000)	\$ 22,000	\$ (7,000)	-24.1%

Uncollectible Benefit Payments - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast		Variance Over/(Under)
• Decrease in uncollectible benefit payments		\$ (7,000)
Total Over/(Under)		\$ (7,000)

Uncollectible Benefit Payments - Variance Narrative 2019 Forecast vs. 2019 Budget		Variance Over/(Under)
• Expected lower uncollectible benefit payments		\$ (10,000)
Total Over/(Under)		\$ (10,000)

Section IV

Departmental Operating Expense Budgets

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D R A F T

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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
Administration (p.#38)	\$ 4,568,000	\$ 4,472,000	\$ (96,000)	\$ 4,288,000	\$ (184,000)	-4.1%
Benefits (p.#42)	6,517,000	6,232,000	(285,000)	6,918,000	686,000	11.0%
Fiscal Services (p.#45)	2,170,000	2,191,000	21,000	2,293,000	102,000	4.7%
Human Resources (p.#47)	663,000	697,000	34,000	728,000	31,000	4.4%
Internal Audit (p.#49)	653,000	720,000	67,000	742,000	22,000	3.1%
Investment (p.#51)	1,936,000	1,568,000	(368,000)	1,982,000	414,000	26.4%
Legal (p.#53)	1,816,000	1,719,000	(97,000)	1,394,000	(325,000)	-18.9%
PRISM (p.#55)	2,819,000	2,792,000	(27,000)	2,951,000	159,000	5.7%
Total Depart. Expenses	21,142,000	20,391,000	(751,000)	21,296,000	905,000	4.4%
PROJECTS¹	91,000	91,000	-	50,000	(41,000)	-45.1%
Total Depart. Exp. + Projects	\$ 21,233,000	\$ 20,482,000	\$ (751,000)	\$ 21,346,000	\$ 864,000	4.2%

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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 844,000	\$ 837,000	\$ (7,000)	\$ 920,000	\$ 83,000	9.9%
Fringe Benefits	433,000	472,000	39,000	517,000	45,000	9.5%
Temporary Staff	32,000	32,000	-	-	(32,000)	-100.0%
Staffing Total	1,309,000	1,341,000	32,000	1,437,000	96,000	7.2%
STAFF DEVELOPMENT	68,000	59,000	(9,000)	73,000	14,000	23.7%
PROFESSIONAL FEES						
Actuarial Fees	415,000	391,000	(24,000)	466,000	75,000	19.2%
Consultant Fees	70,000	50,000	(20,000)	20,000	(30,000)	-60.0%
Professional Fees Total	485,000	441,000	(44,000)	486,000	45,000	10.2%
OFFICE EXPENSE						
Miscellaneous Administrative	45,000	42,000	(3,000)	16,000	(26,000)	-61.9%
Building Expenses	63,000	60,000	(3,000)	80,000	20,000	33.3%
Communications	109,000	99,000	(10,000)	63,000	(36,000)	-36.4%
Equipment Lease & Maintenance	74,000	107,000	33,000	116,000	9,000	8.4%
Minor Furniture & Equipment	3,000	3,000	-	4,000	1,000	33.3%
Office Supplies & Maintenance	97,000	88,000	(9,000)	89,000	1,000	1.1%
Printing & Postage	28,000	26,000	(2,000)	28,000	2,000	7.7%
Office Expense Total	419,000	425,000	6,000	396,000	(29,000)	-6.8%
INSURANCE	1,305,000	1,307,000	2,000	967,000	(340,000)	-26.0%
SYSTEMS						
County Data Processing	106,000	113,000	7,000	113,000	-	0.0%
Software Maintenance & Support	-	-	-	11,000	11,000	100.0%
Systems Total	106,000	113,000	7,000	124,000	11,000	9.7%
BOARD OF RETIREMENT						
Board Conferences & Miscellaneous Activity	711,000	638,000	(73,000)	660,000	22,000	3.4%
UNCOLLECTIBLE BENEFIT PAYMENTS	39,000	29,000	(10,000)	22,000	(7,000)	-24.1%
DEPRECIATION						
Depreciation Expense	126,000	119,000	(7,000)	123,000	4,000	3.4%
GRAND TOTAL	\$ 4,568,000	\$ 4,472,000	\$ (96,000)	\$ 4,288,000	\$ (184,000)	-4.1%

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Administration Department - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast

	Variance Over/(Under)
STAFFING	
<ul style="list-style-type: none"> Increase in salaries due to COLA, merit increase, vacation sellbacks, and Administrative Support Specialist position 	\$ 83,000
<ul style="list-style-type: none"> Increase in fringe benefits due to inflation costs 	45,000
<ul style="list-style-type: none"> Decrease in temporary staff from hiring permanent staff 	(32,000)
Sub-Total	96,000
STAFF DEVELOPMENT	
<ul style="list-style-type: none"> Increase in attendance of trainings and conferences 	14,000
Sub-Total	14,000
PROFESSIONAL FEES	
<ul style="list-style-type: none"> Increase in GASB, actuarial valuation and SRBR valuation 	5,000
<ul style="list-style-type: none"> Increase in supplemental consulting fees 	34,000
<ul style="list-style-type: none"> Increase due to new Triennial Experience Study 	36,000
<ul style="list-style-type: none"> Decrease in consulting fees for process excellence; offset by increases in benchmark services 	(30,000)
Sub-Total	45,000
OFFICE EXPENSE	
<ul style="list-style-type: none"> Inflation costs of equipment lease, office supplies and maintenance costs 	11,000
<ul style="list-style-type: none"> Decrease in miscellaneous administrative expenses primarily due to completion of asset inventory project and reduction in new employee onboarding expenses 	(26,000)
<ul style="list-style-type: none"> Slight increase in printing & postage 	2,000
<ul style="list-style-type: none"> Savings due to consolidation of service provider and termination of intranet services 	(36,000)
<ul style="list-style-type: none"> Increase in building escalation fees 	20,000
Sub-Total	(29,000)
INSURANCE	
ARTHUR GALLAGHER	
<ul style="list-style-type: none"> Increase in premium for fiduciary liability 	9,000
<ul style="list-style-type: none"> Slight increase in premium for cyber liability 	1,000
COUNTY RISK MANAGEMENT	
<ul style="list-style-type: none"> Significant decrease in employer liability 	(353,000)
<ul style="list-style-type: none"> Slight increase in worker's compensation 	3,000
Sub-Total	(340,000)
SYSTEMS	
<ul style="list-style-type: none"> Implementation for automation of visitors check-in system 	11,000
Sub-Total	11,000
BOARD OF RETIREMENT	
<ul style="list-style-type: none"> No board election in 2020 	(67,000)
<ul style="list-style-type: none"> Increase in board compensation 	5,000
<ul style="list-style-type: none"> Projected increase in board conference and trainings in 2020 	70,000
<ul style="list-style-type: none"> Increase in employer reimbursement due to COLA and fringe benefits 	10,000
<ul style="list-style-type: none"> Slight increase in miscellaneous activities 	3,000
<ul style="list-style-type: none"> Increase in software maintenance and support; offset by decrease in strategic planning 	1,000
Sub-Total	22,000
UNCOLLECTIBLE BENEFIT PAYMENTS	
<ul style="list-style-type: none"> Decrease in uncollectible benefit payments 	(7,000)
Sub-Total	(7,000)
DEPRECIATION EXPENSE	
<ul style="list-style-type: none"> Increase attributed to office equipment and system upgrades 	5,000
<ul style="list-style-type: none"> Slight decrease in depreciation of computer software 	(1,000)
Sub-Total	4,000
Total Over/(Under) \$	
	(184,000)

**Administration Department - Variance Narrative
2019 Forecast vs. 2019 Budget**

	Variance Over/(Under)
STAFFING	
• Change of benefit calculation in 2019 forecast	\$ 32,000
Sub-Total	32,000
STAFF DEVELOPMENT	
• Savings due to unattended conferences and trainings	(9,000)
Sub-Total	(9,000)
PROFESSIONAL FEES	
• Saving due to prior year accruals	(24,000)
• Saving from delaying benchmark services	(20,000)
Sub-Total	(44,000)
OFFICE EXPENSE	
• Slight decrease in miscellaneous administrative expenses	(3,000)
• Decrease in communication due to the transition to new service provider	(10,000)
• Increase in escalation cost; offset by savings from prior year escalation credits	(3,000)
• Increase resulted from new lease agreement for copier and printer; offset by decrease in office supplies & maintenance	24,000
• Slight decrease in printing volumes	(2,000)
Sub-Total	6,000
INSURANCE	
ARTHUR GALLAGHER	
• Slight increase in premium for commercial package	2,000
Sub-Total	2,000
SYSTEMS	
• Increase in data processing usage	7,000
Sub-Total	7,000
BOARD OF RETIREMENT	
• Increase in employer reimbursement due to COLA and fringe benefits	10,000
• Decrease in board compensation	(6,000)
• Savings due to unattended board conferences and trainings	(52,000)
• Delay in implementation of the board software	(3,000)
• Savings due to prior year accrual for board election expense	(13,000)
• Decrease in board miscellaneous activities	(9,000)
Sub-Total	(73,000)
Uncollectible BENEFIT PAYMENTS	
• Expected lower uncollectible benefit payments	(10,000)
Sub-Total	(10,000)
DEPRECIATION EXPENSE	
• Savings from office equipment and leasehold improvements	(7,000)
Sub-Total	(7,000)
Total Over/(Under)	\$ (96,000)

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Administration Department Professional Fees	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
Consultant Fees						
Benchmark Services	\$ 20,000	\$ -	\$ (20,000)	\$ 20,000	\$ 20,000	100.0%
Process Excellence	50,000	50,000	-	-	(50,000)	-100.0%
Sub-Total	70,000	50,000	(20,000)	20,000	(30,000)	-60.0%
Actuarial Fees						
Actuarial Valuation	75,000	75,000	-	77,000	2,000	2.7%
ASOP #51, Risk Report	60,000	60,000	-	60,000	-	0.0%
GASB 67 & 68	46,000	46,000	-	48,000	2,000	4.3%
GASB 74 & 75	14,000	14,000	-	14,000	-	0.0%
SRBR Valuation	40,000	40,000	-	41,000	1,000	2.5%
Supplemental Consulting	180,000	156,000	(24,000)	190,000	34,000	21.8%
Triennial Study	-	-	-	36,000	36,000	100.0%
Sub-Total	415,000	391,000	(24,000)	466,000	75,000	19.2%
Administration Total	\$ 485,000	\$ 441,000	\$ (44,000)	\$ 486,000	\$ 45,000	10.2%

Administration Department Staffing	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)
Chief Executive Officer	\$ 275,000	\$ 275,000	\$ -	\$ 294,000	\$ 19,000
Assistant CEO	186,000	176,000	(10,000)	181,000	5,000
Admin Assistant	72,000	72,000	-	75,000	3,000
Administrative Support Specialist	31,000	30,000	(1,000)	67,000	37,000
Administrative Specialist II	72,000	75,000	3,000	82,000	7,000
Clerk II	53,000	53,000	-	55,000	2,000
Executive Secretary	109,000	109,000	-	112,000	3,000
Supply Clerk II	46,000	47,000	1,000	54,000	7,000
Sub-total Salaries¹	844,000	837,000	(7,000)	920,000	83,000
Fringe Benefits	433,000	472,000	39,000	517,000	45,000
Temporary Staff	32,000	32,000	-	-	(32,000)
Administration Total	\$ 1,309,000	\$ 1,341,000	\$ 32,000	\$ 1,437,000	\$ 96,000

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

BENEFITS DEPARTMENT *(p.#37)*

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

Benefits Department	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 3,281,000	\$ 3,126,000	\$ (155,000)	\$ 3,659,000	\$ 533,000	17.1%
Fringe Benefits	2,291,000	1,855,000	(436,000)	2,266,000	411,000	22.2%
Temporary Staff	68,000	363,000	295,000	94,000	(269,000)	-74.1%
Staffing Total	5,640,000	5,344,000	(296,000)	6,019,000	675,000	12.6%
STAFF DEVELOPMENT	120,000	120,000	-	118,000	(2,000)	-1.7%
PROFESSIONAL FEES	241,000	249,000	8,000	269,000	20,000	8.0%
MEMBER SERVICES						
Benefit Verification	5,000	5,000	-	5,000	-	0.0%
Disability - Medical Expense	203,000	203,000	-	203,000	-	0.0%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimburs.Account (HRA)	60,000	60,000	-	60,000	-	0.0%
Member Training & Education	16,000	19,000	3,000	16,000	(3,000)	-15.8%
Printing & Postage - Members	122,000	122,000	-	122,000	-	0.0%
Member Services Total	452,000	455,000	3,000	452,000	(3,000)	-0.7%
SYSTEMS						
Software Maint./Support	64,000	64,000	-	60,000	(4,000)	-6.3%
Systems Total	64,000	64,000	-	60,000	(4,000)	-6.3%
GRAND TOTAL	\$ 6,517,000	\$ 6,232,000	\$ (285,000)	\$ 6,918,000	\$ 686,000	11.0%

**Benefits Department - Variance Narrative
2020 Proposed Budget vs. 2019 Forecast**

	Variance Over/(Under)
STAFFING	
<ul style="list-style-type: none"> Increase in salaries from all vacant positions being filled in 2020, COLA, merit increase, vacation sellbacks, and overtime 	\$ 533,000
<ul style="list-style-type: none"> Increase in fringe benefits attributed to the filling of all vacant positions in 2020 and inflation costs 	411,000
<ul style="list-style-type: none"> Decrease in temporary staff from hiring permanent staff 	(269,000)
Sub-Total	675,000
STAFF DEVELOPMENT	
<ul style="list-style-type: none"> Savings due to unattended conferences and trainings 	(2,000)
Sub-Total	(2,000)
PROFESSIONAL FEES	
<ul style="list-style-type: none"> Increase in consulting fees due to dental and vision RFP 	20,000
Sub-Total	20,000
MEMBER SERVICES	
<ul style="list-style-type: none"> Retirees wellness program completed in 2019 	(3,000)
Sub-Total	(3,000)
SYSTEMS	
<ul style="list-style-type: none"> Decrease in software maintenance and support 	(4,000)
Sub-Total	(4,000)
Total Over/(Under)	\$ 686,000

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Benefits Department - Variance Narrative 2019 Forecast vs. 2019 Budget

	Variance Over/(Under)
STAFFING	
• Savings from vacant positions and delays in filling the Retirement Technicians	\$ (155,000)
• Saving in fringe benefits due to vacant positions	(436,000)
• Increase attributed to vacant positions filled by temporary staff	295,000
Sub-Total	(296,000)
PROFESSIONAL FEES	
• Increase in consulting fees due to changing of service provider	8,000
Sub-Total	8,000
MEMBER SERVICES	
• Slight increase in retirees wellness program	3,000
Sub-Total	3,000
Total Over/(Under)	\$ (285,000)

Benefits Department Professional Fees	2019 Forecast vs. 2019 Budget Over/ (Under)		2020 Proposed Budget		2020 Proposed Budget vs. 2019 Forecast Over/(Under)		% Change
	2019 Budget	2019 Forecast	2020 Proposed Budget	2020 Proposed Budget	2019 Forecast Over/(Under)		
Benefits Consultant/Open Enrollment	\$ 115,000	\$ 123,000	\$ 8,000	\$ 143,000	\$ 20,000	16.3%	
County Retirees Medical (Benefit Consultant)	126,000	126,000	-	126,000	-	0.0%	
Benefits Total	\$ 241,000	\$ 249,000	\$ 8,000	\$ 269,000	\$ 20,000	8.0%	

Benefits Department Staffing	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)
Assistant CEO	\$ 233,000	\$ 233,000	\$ -	\$ 241,000	\$ 8,000
Administrative Specialist II	92,000	90,000	(2,000)	93,000	3,000
Administrative Specialist II	90,000	90,000	-	93,000	3,000
Administrative Specialist II	88,000	88,000	-	91,000	3,000
Administrative Support Specialist	67,000	67,000	-	72,000	5,000
Communications Manager	102,000	102,000	-	106,000	4,000
Graphic Designer	77,000	77,000	-	83,000	6,000
Retirement Assistant Benefits Manager	110,000	106,000	(4,000)	114,000	8,000
Retirement Assistant Benefits Manager	133,000	128,000	(5,000)	138,000	10,000
Retirement Benefits Manager	132,000	138,000	6,000	151,000	13,000
Retirement Benefits Manager	168,000	167,000	(1,000)	174,000	7,000
Retirement Benefits Specialist	95,000	95,000	-	98,000	3,000
Retirement Benefits Specialist	95,000	95,000	-	100,000	5,000
Retirement Benefits Specialist	95,000	95,000	-	98,000	3,000
Retirement Benefits Specialist	95,000	95,000	-	98,000	3,000
Retirement Benefits Specialist	67,000	79,000	12,000	89,000	10,000
Retirement Benefits Specialist	60,000	70,000	10,000	88,000	18,000
Retirement Support Specialist	58,000	58,000	-	60,000	2,000
Retirement Support Specialist	58,000	58,000	-	60,000	2,000
Retirement Support Specialist	55,000	55,000	-	60,000	5,000
Retirement Technician	66,000	74,000	8,000	77,000	3,000
Retirement Technician	63,000	45,000	(18,000)	76,000	31,000
Retirement Technician	66,000	66,000	-	77,000	11,000
Retirement Technician	60,000	62,000	2,000	68,000	6,000
Retirement Technician	60,000	60,000	-	71,000	11,000
Retirement Technician	60,000	37,000	(23,000)	68,000	31,000
Retirement Technician	60,000	37,000	(23,000)	73,000	36,000
Retirement Technician	58,000	58,000	-	70,000	12,000
Senior Retirement Technician	60,000	43,000	(17,000)	81,000	38,000
Senior Retirement Technician	58,000	23,000	(35,000)	83,000	60,000
Senior Retirement Technician	52,000	-	(52,000)	83,000	83,000
Senior Retirement Technician	68,000	68,000	-	81,000	13,000
Senior Retirement Technician	65,000	65,000	-	77,000	12,000
Senior Retirement Technician	93,000	89,000	(4,000)	92,000	3,000
Senior Retirement Technician	93,000	92,000	(1,000)	92,000	-
Senior Retirement Technician	93,000	89,000	(4,000)	92,000	3,000
Senior Retirement Technician	81,000	81,000	-	87,000	6,000
Senior Retirement Technician	75,000	78,000	3,000	87,000	9,000
Senior Retirement Technician	60,000	52,000	(8,000)	82,000	30,000
Sub-total Salaries¹	3,261,000	3,105,000	(156,000)	3,624,000	519,000
Fringe Benefits	2,291,000	1,855,000	(436,000)	2,266,000	411,000
Temporary Staff	68,000	363,000	295,000	94,000	(269,000)
Overtime	20,000	21,000	1,000	35,000	14,000
Benefits Total	\$ 5,640,000	\$ 5,344,000	\$ (296,000)	\$ 6,019,000	\$ 675,000

¹Total 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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 1,118,000	\$ 1,118,000	\$ -	\$ 1,171,000	\$ 53,000	4.7%
Fringe Benefits	678,000	700,000	22,000	744,000	44,000	6.3%
Staffing Total	1,796,000	1,818,000	22,000	1,915,000	97,000	5.3%
STAFF DEVELOPMENT	50,000	50,000	-	49,000	(1,000)	-2.0%
PROFESSIONAL FEES						
External Audit	149,000	149,000	-	153,000	4,000	2.7%
Professional Fees Total	149,000	149,000	-	153,000	4,000	2.7%
OFFICE EXPENSE						
Bank Charges	120,000	120,000	-	120,000	-	0.0%
Office Expense Total	120,000	120,000	-	120,000	-	0.0%
SYSTEMS						
Software Maint./Support	55,000	54,000	(1,000)	56,000	2,000	3.7%
Systems Total	55,000	54,000	(1,000)	56,000	2,000	3.7%
GRAND TOTAL	\$ 2,170,000	\$ 2,191,000	\$ 21,000	\$ 2,293,000	\$ 102,000	4.7%

Fiscal Services Department - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast		Variance Over/(Under)
STAFFING		
• Increase in salaries due to COLA, step increase, and vacation sellbacks		\$ 53,000
• Increase in fringe benefits due to inflation costs		44,000
	Sub-Total	97,000
STAFF DEVELOPMENT		
• Slight savings due to unattended conferences and trainings		(1,000)
	Sub-Total	(1,000)
PROFESSIONAL FEES		
• Increase in audit fees		4,000
	Sub-Total	4,000
SYSTEMS		
• Slight increase in software maintenance and support		2,000
	Sub-Total	2,000
Total Over/(Under)		\$ 102,000

Fiscal Services Department - Variance Narrative 2019 Forecast vs. 2019 Budget

Variance Over/(Under)

STAFFING

- Change of benefit calculation in 2019 forecast

\$ 22,000
Sub-Total 22,000

SYSTEMS

- Slight decrease in software maintenance and support

(1,000)
Sub-Total (1,000)

Total Over/(Under) \$ 21,000

Fiscal Services Department Professional Fees	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
External Audit	\$ 126,000	\$ 126,000	\$ -	\$ 129,000	\$ 3,000	2.4%
GASB 67 & 68	12,000	12,000	-	12,000	-	0.0%
GASB 74 & 75	11,000	11,000	-	12,000	1,000	9.1%
Fiscal Services Total	\$ 149,000	\$ 149,000	\$ -	\$ 153,000	\$ 4,000	2.7%

Fiscal Services Department Staffing	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)
Retirement Assistant Accounting Manager	\$ 135,000	\$ 142,000	\$ 7,000	\$ 147,000	\$ 5,000
Administrative Assistant	72,000	75,000	3,000	78,000	3,000
Financial Services Specialist II	88,000	84,000	(4,000)	91,000	7,000
Financial Services Specialist II	92,000	92,000	-	96,000	4,000
Retirement Accountant III	95,000	89,000	(6,000)	98,000	9,000
Retirement Accountant III	108,000	107,000	(1,000)	111,000	4,000
Retirement Budget Analyst	115,000	115,000	-	120,000	5,000
Retirement Accountant II	96,000	96,000	-	100,000	4,000
Retirement Accountant II	100,000	100,000	-	37,000	(63,000)
Retirement Accountant II	21,000	14,000	(7,000)	90,000	76,000
Retirement Accountant II	96,000	96,000	-	100,000	4,000
Retirement Accountant II	100,000	100,000	-	103,000	3,000
Sub-total Salaries¹	1,118,000	1,110,000	(8,000)	1,171,000	61,000
Fringe Benefits	678,000	700,000	22,000	744,000	44,000
Overtime	-	8,000	8,000	-	(8,000)
Fiscal Services Total	\$ 1,796,000	\$ 1,818,000	\$ 22,000	\$ 1,915,000	\$ 97,000

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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 363,000	\$ 360,000	\$ (3,000)	\$ 378,000	\$ 18,000	5.0%
Fringe Benefits	189,000	225,000	36,000	239,000	14,000	6.2%
Staffing Total	552,000	585,000	33,000	617,000	32,000	5.5%
STAFF DEVELOPMENT	19,000	20,000	1,000	19,000	(1,000)	-5.0%
PROFESSIONAL FEES	77,000	77,000	-	77,000	-	0.0%
OFFICE EXPENSE						
Ergo. Furniture & Equipment	15,000	15,000	-	15,000	-	0.0%
Office Expense Total	15,000	15,000	-	15,000	-	0.0%
GRAND TOTAL	\$ 663,000	\$ 697,000	\$ 34,000	\$ 728,000	\$ 31,000	4.4%

Human Resources Department - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast

	Variance Over/(Under)
STAFFING	
• Increase in salaries due to COLA, merit increase, and vacation sellbacks	\$ 18,000
• Increase in fringe benefits due to inflation costs	14,000
Sub-total	32,000
STAFF DEVELOPMENT	
• Savings due to unattended conferences and trainings	(1,000)
Sub-total	(1,000)
Total Over/(Under)	\$ 31,000

Human Resources Department - Variance Narrative 2019 Forecast vs. 2019 Budget

	Variance Over/(Under)
STAFFING	
• Saving due to timing of merit increase	\$ (3,000)
• Change of benefit calculation in 2019 forecast	36,000
Sub-total	33,000
STAFF DEVELOPMENT	
• Slight increase in attended conferences and trainings	1,000
Sub-total	1,000
Total Over/(Under)	\$ 34,000

Human Resources Department Professional Fees	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/ (Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)
Human Resources Officer	\$ 168,000	\$ 168,000	\$ -	\$ 173,000	\$ 5,000
Human Resources Specialist	113,000	113,000	-	117,000	4,000
Administrative Specialist II	82,000	79,000	(3,000)	88,000	9,000
Sub-total Salaries¹	363,000	360,000	(3,000)	378,000	18,000
Fringe Benefits	189,000	225,000	36,000	239,000	14,000
Human Resources Total	\$ 552,000	\$ 585,000	\$ 33,000	\$ 617,000	\$ 32,000

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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/ (Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/ (Under)	% Change
STAFFING						
Salaries	\$ 425,000	\$ 427,000	\$ 2,000	\$ 438,000	\$ 11,000	2.6%
Fringe Benefits	189,000	260,000	71,000	272,000	12,000	4.6%
Temporary Staff	-	-	-	4,000	4,000	100.0%
Staffing Total	614,000	687,000	73,000	714,000	27,000	3.9%
STAFF DEVELOPMENT	27,000	29,000	2,000	26,000	(3,000)	-10.3%
SYSTEMS	12,000	4,000	(8,000)	2,000	(2,000)	-50.0%
GRAND TOTAL	\$ 653,000	\$ 720,000	\$ 67,000	\$ 742,000	\$ 22,000	3.1%

Internal Audit Department - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast

	Variance Over/(Under)
STAFFING	
• Increase in salaries from COLA and vacation sellbacks	\$ 11,000
• Increase in fringe benefits due to inflation costs	12,000
• Increase due to hiring of a part-time intern	4,000
Sub-Total	27,000
STAFF DEVELOPMENT	
• Savings due to unattended conferences and trainings	(3,000)
Sub-Total	(3,000)
SOFTWARE MAINTENANCE AND SUPPORT	
• Change in projected costs for audit software	(2,000)
Sub-Total	(2,000)
Total Over/(Under)	\$ 22,000

Internal Audit Department - Variance Narrative 2019 Forecast vs. 2019 Budget

	Variance Over/(Under)
STAFFING	
• Slight increase in salaries due to vacation sellbacks	\$ 2,000
• Change of benefit calculation in 2019 forecast	71,000
Sub-Total	73,000
STAFF DEVELOPMENT	
• Slight increase in attended conferences and trainings	2,000
Sub-Total	2,000
SOFTWARE MAINTENANCE AND SUPPORT	
• Deferred audit management software implementation	(8,000)
Sub-Total	(8,000)
Total Over/(Under)	\$ 67,000

Internal Audit Department Staffing		2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)		2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)
Chief Internal Auditor	\$	168,000	\$ 168,000	\$ -	\$	174,000	\$ 6,000
Internal Auditor		114,000	116,000	2,000		117,000	1,000
Retirement Assistant Accounting Manager		143,000	143,000	-		147,000	4,000
Sub-total Salaries¹		425,000	427,000	2,000		438,000	11,000
Fringe Benefits		189,000	260,000	71,000		272,000	12,000
Temporary Staff		-	-	-		4,000	4,000
Internal Audit Total	\$	614,000	\$ 687,000	\$ 73,000	\$	714,000	\$ 27,000

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			2019 Forecast			2020 Proposed	2020 Proposed	% Change
	2019 Budget	2019 Forecast	vs. 2019 Budget Over/ (Under)	2020 Proposed Budget	Budget vs. 2019 Forecast Over/(Under)	Budget	Over/(Under)	
STAFFING								
Salaries	\$ 1,281,000	\$ 966,000	\$ (315,000)	\$ 1,224,000	\$ 258,000			26.7%
Fringe Benefits	600,000	520,000	(80,000)	712,000	192,000			36.9%
Temporary Staff	-	33,000	33,000	-	(33,000)			-100.0%
Staffing Total	1,881,000	1,519,000	(362,000)	1,936,000	417,000			27.5%
STAFF DEVELOPMENT	55,000	49,000	(6,000)	46,000	(3,000)			-6.1%
GRAND TOTAL	\$ 1,936,000	\$ 1,568,000	\$ (368,000)	\$ 1,982,000	\$ 414,000			26.4%

Investment Department - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast		Variance Over/(Under)
STAFFING		
<ul style="list-style-type: none"> Increase due to filling vacant positions, vacation sellbacks, COLA, and merit increase Increase in fringe benefits due to filling vacant positions and inflation costs Decrease in temporary staff from hiring permanent staff 	\$	258,000
		192,000
		(33,000)
	Sub-Total	417,000
STAFF DEVELOPMENT		
<ul style="list-style-type: none"> Savings due to unattended conferences and trainings 		(3,000)
	Sub-Total	(3,000)
	Total Over/(Under)	\$ 414,000

Investment Department - Variance Narrative 2019 Forecast vs. 2019 Budget		Variance Over/(Under)
STAFFING		
<ul style="list-style-type: none"> Saving in salaries from vacant positions Saving in fringe benefits from vacant positions Temporary costs resulting from vacant position 	\$	(315,000)
		(80,000)
		33,000
	Sub-Total	(362,000)
STAFF DEVELOPMENT		
<ul style="list-style-type: none"> Savings due to unattended conferences and trainings 		(6,000)
	Sub-Total	(6,000)
	Total Over/(Under)	\$ (368,000)

Investment Department Staffing	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)
Chief Investment Officer	\$ 306,000	\$ 306,000	\$ -	\$ 325,000	\$ 19,000
Administrative Specialist II	94,000	94,000	-	97,000	3,000
Administrative Support Specialist	66,000	46,000	(20,000)	74,000	28,000
Investment Analyst	108,000	44,000	(64,000)	89,000	45,000
Investment Analyst	45,000	-	(45,000)	-	-
Investment Officer	108,000	112,000	4,000	121,000	9,000
Investment Officer	109,000	114,000	5,000	123,000	9,000
Investment Officer	134,000	133,000	(1,000)	139,000	6,000
Investment Officer	143,000	49,000	(94,000)	112,000	63,000
Sr. Investment Officer	168,000	68,000	(100,000)	144,000	76,000
Sub-total Salaries¹	1,281,000	966,000	(315,000)	1,224,000	258,000
Fringe Benefits	600,000	520,000	(80,000)	712,000	192,000
Temporary Staff	-	33,000	33,000	-	(33,000)
Investment Total	\$ 1,881,000	\$ 1,519,000	\$ (362,000)	\$ 1,936,000	\$ 417,000

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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 1,032,000	\$ 811,000	\$ (221,000)	\$ 642,000	\$ (169,000)	-20.8%
Fringe Benefits	372,000	444,000	72,000	353,000	(91,000)	-20.5%
Staffing Total	1,404,000	1,255,000	(149,000)	995,000	(260,000)	-20.7%
STAFF DEVELOPMENT	82,000	84,000	2,000	73,000	(11,000)	-13.1%
PROFESSIONAL FEES	235,000	297,000	62,000	230,000	(67,000)	-22.6%
DISABILITY-ARBITRATION & TRANSCRIPTS	75,000	63,000	(12,000)	75,000	12,000	19.0%
SYSTEMS						
Software Maintenance & Support	20,000	20,000	-	21,000	1,000.00	5.0%
Systems Total	20,000	20,000	-	21,000	1,000.00	5.0%
GRAND TOTAL	\$ 1,816,000	\$ 1,719,000	\$ (97,000)	\$ 1,394,000	\$ (325,000)	-18.9%

Legal Department - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast		Variance Over/(Under)
STAFFING		
• Savings from defunded positions		\$ (169,000)
• Decrease in fringe benefits from defunded positions		(91,000)
	Sub-Total	(260,000)
STAFF DEVELOPMENT		
• Reduction in conferences and trainings		(11,000)
	Sub-Total	(11,000)
PROFESSIONAL FEES		
• Decrease in legal fees for fiduciary services		(53,000)
• Decrease in legal fees for tax & benefits and outside investigations; offset by increase in miscellaneous legal advice		(14,000)
	Sub-Total	(67,000)
DISABILITY-LEGAL TRANSCRIPTS		
• Increase in disability cases		12,000
	Sub-Total	12,000
SYSTEMS		
• Increase in software maintenance and support		1,000
	Sub-Total	1,000
Total Over/(Under)		\$ (325,000)

**Legal Department - Variance Narrative
2019 Forecast vs. 2019 Budget**

	Variance Over/(Under)
STAFFING	
• Decrease in salaries due to the layoff of two Associate Counsel positions	\$ (221,000)
• Change of benefit calculation in 2019 forecast	72,000
Sub-Total	(149,000)
STAFF DEVELOPMENT	
• Slight increase in professional dues	2,000
Sub-Total	2,000
PROFESSIONAL FEES	
• Increase in legal fees for fiduciary services	73,000
• Decrease in legal fees for miscellaneous legal advice; offset by increase in tax & benefits and outside investigations	(11,000)
Sub-Total	62,000
DISABILITY-LEGAL TRANSCRIPTS	
• Lower number of cases than budgeted	(12,000)
Sub-Total	(12,000)
Total Over/(Under)	\$ (97,000)

Legal Department Professional Fees	2019 Budget		2019 Forecast		2019 Forecast vs. 2019 Budget Over/ (Under)		2020 Proposed Budget		2020 Proposed Budget vs. 2019 Forecast Over/(Under)		% Change
Fiduciary	\$	110,000	\$	183,000	\$	73,000	\$	130,000	\$	(53,000)	-29.0%
Misc. Legal Advice		66,000		46,000		(20,000)		60,000		14,000	30.4%
Outside Investigation		20,000		23,000		3,000		-		(23,000)	-100.0%
Tax and Benefit Issues		39,000		45,000		6,000		40,000		(5,000)	-11.1%
Legal Total	\$	235,000	\$	297,000	\$	62,000	\$	230,000	\$	(67,000)	-22.6%

Legal Department Staffing	2019 Budget		2019 Forecast		2019 Forecast vs. 2019 Budget Over/(Under)		2020 Proposed Budget		2020 Proposed Budget vs. 2019 Forecast Over/(Under)	
Chief Counsel	\$	258,000	\$	252,000	\$	(6,000)	\$	267,000	\$	15,000
Administrative Specialist II		76,000		76,000		-		82,000		6,000
Administrative Support Specialist		71,000		71,000		-		74,000		3,000
Associate Counsel		224,000		118,000		(106,000)		-		(118,000)
Associate Counsel		191,000		82,000		(109,000)		-		(82,000)
Associate Counsel		212,000		212,000		-		219,000		7,000
Sub-total Salaries¹		1,032,000		811,000		(221,000)		642,000		(169,000)
Fringe Benefits		372,000		444,000		72,000		353,000		(91,000)
Legal Total	\$	1,404,000	\$	1,255,000	\$	(149,000)	\$	995,000	\$	(260,000)

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	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)	% Change
STAFFING						
Salaries	\$ 1,222,000	\$ 1,186,000	\$ (36,000)	\$ 1,269,000	\$ 83,000	7.0%
Fringe Benefits	704,000	732,000	28,000	789,000	57,000	7.8%
Staffing Total	1,926,000	1,918,000	(8,000)	2,058,000	140,000	7.3%
STAFF DEVELOPMENT	89,000	85,000	(4,000)	78,000	(7,000)	-8.2%
SYSTEMS						
Business Continuity Expenses	154,000	154,000	-	147,000	(7,000)	-4.5%
Computer Maintenance	21,000	14,000	(7,000)	-	(14,000)	-100.0%
Minor Computer Hardware	30,000	25,000	(5,000)	33,000	8,000	32.0%
Software Maint.& Support	599,000	596,000	(3,000)	635,000	39,000	6.5%
Systems Total	804,000	789,000	(15,000)	815,000	26,000	3.3%
GRAND TOTAL	\$ 2,819,000	\$ 2,792,000	\$ (27,000)	\$ 2,951,000	\$ 159,000	5.7%

PRISM Department - Variance Narrative 2020 Proposed Budget vs. 2019 Forecast

	Variance Over/(Under)
STAFFING	
<ul style="list-style-type: none"> Increase in salaries due to filling vacant position, merit increases, and vacation sellbacks Increase in fringe benefits due to inflation costs 	\$ 83,000 57,000
Sub-Total	140,000
STAFF DEVELOPMENT	
<ul style="list-style-type: none"> Savings due to unattended conferences and trainings 	(7,000)
Sub-Total	(7,000)
SOFTWARE MAINTENANCE AND SUPPORT	
<ul style="list-style-type: none"> Decrease in cybersecurity hardware costs Transfer costs from computer maintenance to equipment maintenance account; offset by increase in computer hardware purchases Increase due to transferring email costs from communications and change of service providers 	(7,000) (6,000) 39,000
Sub-Total	26,000
Total Over/(Under)	\$ 159,000

PRISM Department - Variance Narrative 2019 Forecast vs. 2019 Budget

	Variance Over/(Under)
STAFFING	
• Saving from vacant Computer Network System Analyst position	\$ (36,000)
• Change of benefit calculation in 2019 forecast	28,000
Sub-Total	(8,000)
STAFF DEVELOPMENT	
• Savings due to unattended conferences and trainings	(4,000)
Sub-Total	(4,000)
SOFTWARE MAINTENANCE AND SUPPORT	
• Decrease in computer maintenance and hardware purchases	(12,000)
• Slight decrease in software maintenance and support	(3,000)
Sub-Total	(15,000)
Total Over/(Under)	\$ (27,000)

PRISM Department Staffing	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/(Under)
Retirement Tech Officer	\$ 166,000	\$ 166,000	\$ -	\$ 180,000	\$ 14,000
Administrative Specialist II	79,000	80,000	1,000	93,000	13,000
Computer and Network System Specialist	96,000	93,000	(3,000)	100,000	7,000
Computer and Network System Analyst	144,000	111,000	(33,000)	120,000	9,000
Retirement Support Specialist	58,000	58,000	-	60,000	2,000
Retirement Support Specialist	58,000	58,000	-	60,000	2,000
Retirement System Program Analyst	122,000	121,000	(1,000)	134,000	13,000
Retirement System Program Analyst	128,000	128,000	-	133,000	5,000
Retirement System Program Analyst	124,000	124,000	-	128,000	4,000
Retirement System Program Analyst	124,000	124,000	-	128,000	4,000
Security Analyst	117,000	117,000	-	120,000	3,000
Supply Clerk II	6,000	6,000	-	-	(6,000)
Lean Team/Process Excellence	-	-	-	13,000	13,000
Sub-total Salaries¹	1,222,000	1,186,000	(36,000)	1,269,000	83,000
Fringe Benefits	704,000	732,000	28,000	789,000	57,000
Prism Total	\$ 1,926,000	\$ 1,918,000	\$ (8,000)	\$ 2,058,000	\$ 140,000

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	2019 Forecast		2019 Forecast vs. 2019 Budget Over/ (Under)		2020 Proposed Budget		2020 Proposed Budget vs. 2019 Forecast Over/(Under)		% Change
	2019 Budget	2019 Forecast			2020 Proposed Budget				
SYSTEMS	\$ 91,000	\$ 91,000	\$ -	\$ -	\$ 50,000	\$ (41,000)		-45.1%	
GRAND TOTAL	\$ 91,000	\$ 91,000	\$ -	\$ -	\$ 50,000	\$ (41,000)		-45.1%	

Projects System	2019 Forecast		2019 Forecast vs. 2019 Budget Over/ (Under)		2020 Proposed Budget		2020 Proposed Budget vs. 2019 Forecast Over/(Under)		% Change
	2019 Budget	2019 Forecast			2020 Proposed Budget				
Database Migration	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 50,000	\$ (25,000)		-33.3%	
Web Member Services	16,000	16,000	-	-	-	(16,000)		-100.0%	
Grand Total	\$ 91,000	\$ 91,000	\$ -	\$ -	\$ 50,000	\$ (41,000)		-45.1%	

PROJECT - Variance Narrative		2020 Proposed Budget vs. 2019 Forecast		Variance Over/(Under)
SYSTEMS				
• Completed Web Member Services project			\$	(16,000)
• Reduction in Database Migration costs				(25,000)
			Sub-Total	(41,000)
			Total Over/(Under)	\$ (41,000)

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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 2020 administrative budget, ACERA is \$9.1 million under the cap limit of \$22.1 million.

BCP EXPENSES BUDGET ALLOCATION	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/ (Under)
STAFFING	\$ 392,000	\$ 390,000	\$ (2,000)	\$ 417,000	\$ 27,000
STAFF DEVELOPMENT	10,000	10,000	-	10,000	-
PROFESSIONAL FEES					
Consultant Fees - Operations	4,000	3,000	(1,000)	3,000	-
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	4,000	4,000	-	4,000	-
Building Expenses	2,000	2,000	-	2,000	-
Communications	3,000	3,000	-	2,000	(1,000)
Equipment Lease & Maintenance	2,000	2,000	-	3,000	1,000
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	16,000	15,000	(1,000)	15,000	-
INSURANCE	34,000	34,000	-	26,000	(8,000)
SYSTEMS					
Disaster Recovery & Business Continuity	154,000	154,000	-	147,000	(7,000)
DEPRECIATION					
Depreciation Expense - Technology	-	-	-	2,000	2,000
Depreciation Expense - Other	3,000	3,000	-	3,000	-
Depreciation Total	3,000	3,000	-	5,000	2,000
GRAND TOTAL	\$ 613,000	\$ 609,000	\$ (4,000)	\$ 623,000	\$ 14,000

INVESTMENT EXPENSES BUDGET ALLOCATION	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/ (Under)
STAFFING					
Staffing - Direct	\$ 1,879,000	\$ 1,518,000	\$ (361,000)	\$ 1,927,000	\$ 409,000
Staffing - Indirect	752,000	710,000	(42,000)	807,000	97,000
Staffing Total	2,631,000	2,228,000	(403,000)	2,734,000	506,000
STAFF DEVELOPMENT	122,000	113,000	(9,000)	109,000	(4,000)
PROFESSIONAL FEES					
Consultant Fees - Operations	26,000	23,000	(3,000)	17,000	(6,000)
External Audit	37,000	38,000	1,000	38,000	-
Professional Fees Total	63,000	61,000	(2,000)	55,000	(6,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	30,000	29,000	(1,000)	24,000	(5,000)
Building Expenses	11,000	11,000	-	14,000	3,000
Communications	19,000	18,000	(1,000)	11,000	(7,000)
Equipment Lease & Maintenance	13,000	20,000	7,000	20,000	-
Minor Furniture and Equipment	3,000	3,000	-	3,000	-
Office Supplies & Maintenance	17,000	16,000	(1,000)	16,000	-
Printing & Postage	5,000	4,000	(1,000)	5,000	1,000
Office Expense Total	98,000	101,000	3,000	93,000	(8,000)
INSURANCE	233,000	233,000	-	168,000	(65,000)
DEPRECIATION					
Depreciation Expense - Other	22,000	20,000	(2,000)	21,000	1,000
Depreciation Total	22,000	20,000	(2,000)	21,000	1,000
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activity	178,000	160,000	(18,000)	165,000	5,000
GRAND TOTAL	\$ 3,347,000	\$ 2,916,000	\$ (431,000)	\$ 3,345,000	\$ 429,000

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LEGAL EXPENSES BUDGET ALLOCATION	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/ (Under)
STAFFING	\$ 972,000	\$ 869,000	\$ (103,000)	\$ 514,000	\$ (355,000)
STAFF DEVELOPMENT	106,000	108,000	2,000	85,000	(23,000)
PROFESSIONAL FEES					
Consultant Fees - Operations	10,000	8,000	(2,000)	3,000	(5,000)
Consultant Fees - Legal	235,000	297,000	62,000	230,000	(67,000)
Professional Fees Total	245,000	305,000	60,000	233,000	(72,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	11,000	10,000	(1,000)	4,000	(6,000)
Building Expenses	4,000	4,000	-	3,000	(1,000)
Communications	7,000	6,000	(1,000)	2,000	(4,000)
Equipment Lease & Maintenance	5,000	7,000	2,000	4,000	(3,000)
Minor Furniture and Equipment	1,000	1,000	-	1,000	-
Office Supplies & Maintenance	6,000	6,000	-	3,000	(3,000)
Printing & Postage	2,000	2,000	-	1,000	(1,000)
Office Expense Total	36,000	36,000	-	18,000	(18,000)
INSURANCE	84,000	85,000	1,000	32,000	(53,000)
MEMBER SERVICES					
Disability - Legal Arbitration & Transcripts	75,000	63,000	(12,000)	75,000	12,000
SYSTEMS					
Software Maintenance & Support	20,000	20,000	-	21,000	1,000
DEPRECIATION	8,000	7,000	(1,000)	4,000	(3,000)
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activity	72,000	65,000	(7,000)	68,000	3,000
GRAND TOTAL	\$ 1,618,000	\$ 1,558,000	\$ (60,000)	\$ 1,050,000	\$ (508,000)

SRBR EXPENSES BUDGET ALLOCATION	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/ (Under)
STAFFING	\$ 1,129,000	\$ 1,079,000	\$ (50,000)	\$ 1,328,000	\$ 249,000
PROFESSIONAL FEES					
Actuarial - SRBR Valuation	40,000	40,000	-	41,000	1,000
Consultant Fees - SRBR	241,000	249,000	8,000	269,000	20,000
Professional Fees Total	281,000	289,000	8,000	310,000	21,000
MEMBER SERVICES					
Health Reimbursement Account (HRA)	60,000	60,000	-	60,000	-
Printing & Postage - Members	61,000	61,000	-	61,000	-
Member Services Total	121,000	121,000	-	121,000	-
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	178,000	159,000	(19,000)	165,000	6,000
UNCOLLECTIBLE BENEFIT PAYMENTS	3,000	-	(3,000)	-	-
GRAND TOTAL	\$ 1,712,000	\$ 1,648,000	\$ (64,000)	\$ 1,924,000	\$ 276,000

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TECHNOLOGY EXPENSES BUDGET ALLOCATION	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/ (Under)
SYSTEMS					
Computer Hardware & Maintenance	\$ 51,000	\$ 39,000	\$ (12,000)	\$ 33,000	\$ (6,000)
County Data Processing	106,000	113,000	7,000	113,000	-
Software Maintenance & Support	821,000	809,000	(12,000)	814,000	5,000
Systems Total	978,000	961,000	(17,000)	960,000	(1,000)
DEPRECIATION	5,000	5,000	-	4,000	(1,000)
GRAND TOTAL	\$ 983,000	\$ 966,000	\$ (17,000)	\$ 964,000	\$ (2,000)

ADMINISTRATIVE EXPENSES BUDGET ALLOCATION	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/ (Under)
STAFFING	\$ 9,998,000	\$ 9,901,000	\$ (97,000)	\$ 10,698,000	\$ 797,000
STAFF DEVELOPMENT	272,000	265,000	(7,000)	278,000	13,000
PROFESSIONAL FEES					
Consultant Fees - Operations	107,000	93,000	(14,000)	74,000	(19,000)
External Audit	112,000	111,000	(1,000)	115,000	4,000
Professional Fees Total	219,000	204,000	(15,000)	189,000	(15,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	120,000	118,000	(2,000)	104,000	(14,000)
Building Expenses	46,000	44,000	(2,000)	61,000	17,000
Communications	80,000	72,000	(8,000)	48,000	(24,000)
Equipment Lease & Maintenance	54,000	78,000	24,000	89,000	11,000
Minor Furniture and Equipment	13,000	13,000	-	14,000	1,000
Office Supplies & Maintenance	71,000	64,000	(7,000)	68,000	4,000
Printing & Postage	20,000	19,000	(1,000)	21,000	2,000
Office Expense Total	404,000	408,000	4,000	405,000	(3,000)
INSURANCE	954,000	955,000	1,000	741,000	(214,000)
MEMBER SERVICES					
Benefit Verification	5,000	5,000	-	5,000	-
Members Medical Expense	203,000	203,000	-	203,000	-
Disability Claims Management	46,000	46,000	-	46,000	-
Member Training & Education	16,000	19,000	3,000	16,000	(3,000)
Printing & Postage - Members	61,000	61,000	-	61,000	-
Member Services Total	331,000	334,000	3,000	331,000	(3,000)
DEPRECIATION	88,000	84,000	(4,000)	89,000	5,000
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activity	283,000	254,000	(29,000)	262,000	8,000
UNCOLLECTIBLE BENEFIT PAYMENTS	36,000	29,000	(7,000)	22,000	(7,000)
GRAND TOTAL	\$ 12,585,000	\$ 12,434,000	\$ (151,000)	\$ 13,015,000	\$ 581,000

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Administrative Expense Budget Overview (\$ in thousands)	2020 Proposed Budget	2020 Actuarial Budget	2020 Business Continuity Budget	2020 Investment Budget	2020 Legal Budget	2020 SRBR Budget	2020 Technology Budget	2020 Administrative Budget
STAFFING	\$ 15,691	\$ -	\$ (417)	\$ (2,734)	\$ (514)	\$ (1,328)	\$ -	\$ (10,698)
STAFF DEVELOPMENT	482	-	(10)	(109)	(85)	-	-	(278)
PROFESSIONAL FEES								
Actuarial Fees	466	(425)	-	-	-	(41)	-	-
Audit Fees	153	-	-	(38)	-	-	-	(115)
Consultant Fees	366	-	(3)	(17)	(3)	(269)	-	(74)
Legal Fees	230	-	-	-	(230)	-	-	-
Professional Fees Total	1,215	(425)	(3)	(55)	(233)	(310)	-	(189)
OFFICE EXPENSE								
Bank Charges & Misc. Admin	136	-	(4)	(24)	(4)	-	-	(104)
Building Expenses	80	-	(2)	(14)	(3)	-	-	(61)
Communications	63	-	(2)	(11)	(2)	-	-	(48)
Equipment Lease & Maint.	116	-	(3)	(20)	(4)	-	-	(89)
Minor Furniture & Equipment	19	-	(1)	(3)	(1)	-	-	(14)
Office Supplies & Maintenance	89	-	(2)	(16)	(3)	-	-	(68)
Printing & Postage	28	-	(1)	(5)	(1)	-	-	(21)
Office Expense Total	531	-	(15)	(93)	(18)	-	-	(405)
INSURANCE	967	-	(26)	(168)	(32)	-	-	(741)
MEMBER SERVICES								
Benefit Verification	5	-	-	-	-	-	-	(5)
Disability - Legal Arbitration & Transcripts	75	-	-	-	(75)	-	-	-
Disability Claimed Management	46	-	-	-	-	-	-	(46)
Health Reimbursement Account (HRA)	60	-	-	-	-	(60)	-	-
Member Medical Expense	203	-	-	-	-	-	-	(203)
Member Training & Education	16	-	-	-	-	-	-	(16)
Printing & Postage - Members	122	-	-	-	-	(61)	-	(61)
Member Services Total	527	-	-	-	(75)	(121)	-	(331)
SYSTEMS								
Business Continuity Expenses	147	-	(147)	-	-	-	-	-
Computer Hardware & Maintenance	33	-	-	-	-	-	(33)	-
County Data Processing	113	-	-	-	-	-	(113)	-
Software Maintenance & Support	835	-	-	-	(21)	-	(814)	-
Systems Total	1,128	-	(147)	-	(21)	-	(960)	-
BOARD OF RETIREMENT	660	-	-	(165)	(68)	(165)	-	(262)
UNCOLLECTIBLE BENEFIT PAYMENTS	22	-	-	-	-	-	-	(22)
DEPRECIATION	123	-	(5)	(21)	(4)	-	(4)	(89)
TOTAL OPERATING EXPENSE	\$ 21,346	\$ (425)	\$ (623)	\$ (3,345)	\$ (1,050)	\$ (1,924)	\$ (964)	\$ (13,015)

OPERATING AND ADMINISTRATIVE EXPENSES

Operating Expenses			2019 Forecast vs. 2019 Budget Over/(Under)			2020 Proposed Budget vs. 2019 Forecast Over/(Under)
	2019 Budget	2019 Forecast		2020 Proposed Budget		
EXPENSE CATEGORY						
Staffing	\$ 15,122	\$ 14,467	\$ (655)	\$ 15,691	\$	1,224
Staff Development	510	496	(14)	482		(14)
Professional Fees	1,187	1,213	26	1,215		2
Office Expense	554	560	6	531		(29)
Insurance	1,305	1,307	2	967		(340)
Member Services	527	518	(9)	527		9
Systems	1,152	1,135	(17)	1,128		(7)
Board of Retirement	711	638	(73)	660		22
Uncollectible Benefit Payments	39	29	(10)	22		(7)
Depreciation	126	119	(7)	123		4
Operating Expenses	\$ 21,233	\$ 20,482	\$ (751)	\$ 21,346	\$	864

Administrative Expenses			2019 Forecast vs. 2019 Budget Over/(Under)			2020 Proposed Budget vs. 2019 Forecast Over/(Under)
	2019 Budget	2019 Forecast		2020 Proposed Budget		
EXCLUSIONS FROM OPERATING EXPENSE TO CALCULATE ADMINISTRATIVE EXPENSE						
Operating Expense (from above)	\$ 21,233	\$ 20,482	\$ (751)	\$ 21,346	\$	864
Actuarial	(375)	(351)	24	(425)		(74)
Business Continuity ¹	(613)	(609)	4	(623)		(14)
Investment- Related ²	(3,347)	(2,916)	431	(3,345)		(429)
Legal- Related ³	(1,618)	(1,558)	60	(1,050)		508
SRBR ⁴	(1,712)	(1,648)	64	(1,924)		(276)
Technology ⁵	(983)	(966)	17	(964)		2
Administrative Expense	\$ 12,585	\$ 12,434	\$ (151)	\$ 13,015	\$	581

¹ Business Continuity – 2020 related costs include total direct costs (\$149K) for software support and direct depreciation; 2.7% is added for both allocated staffing and other overhead expenses (\$474K).

² Investment – 2020 related expenses are composed of direct costs of Investment staff (\$1,927K), allocated staffing costs (\$807K), 25% of Board expenses (\$165K), 25% of audit expenses (\$38K) and 17.4% of other overhead costs (\$408K).

³ Legal – 2020 related expenses include direct costs of Staffing (\$514K), Professional Legal fees (\$230K), Disability Arbitration Expenses (\$75K), Software Support - Legal (\$21K), 10% of Board expenses (\$68K), and 3.3% of other overhead costs (\$142K).

⁴ SRBR – 2020 related expenses are composed of allocated staffing costs (\$1,328K), direct costs of Professional Fees (\$310K), Member Services (\$121K), and 25% of Board expenses (\$165K).

⁵ Technology – 2020 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)			2019 Forecast vs. 2019 Budget Over/(Under)			2020 Proposed Budget vs. 2019 Forecast Over/(Under)
	2019 Budget	2019 Forecast		2020 Proposed Budget		
Total Actuarial Accrued Liabilities ⁶	\$ 10,086,960	\$ 10,086,960	\$ -	\$ 10,527,660	\$	440,700
Limit on Expense	0.21%	0.21%	-	0.21%		-
Maximum Allowed	21,183	21,183	-	22,108		925
Administrative Expense	12,585	12,434	(151)	13,015		581
Over/(Under) Maximum	\$ (8,598)	\$ (8,749)	\$ (151)	\$ (9,093)	\$	(344)

⁶ Based on total actuarial accrued liabilities for pension as of December 31, 2018; OPEB and non-OPEB as of December 31, 2017 for 2020 Budget.

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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%	

2019 DEPARTMENT WEIGHTED AVERAGE

2019 Allocation Percentages								
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative	
STAFFING	Administration	8.0%	0.0%	2.8%	0.0%	0.0%	89.2%	
	Benefits	0.3%	0.0%	0.5%	17.4%	0.0%	81.8%	
	SALARIES	Fiscal Services	10.5%	0.0%	0.6%	8.3%	0.0%	80.6%
	FRINGE BENEFITS	Human Resources	0.0%	0.0%	1.4%	0.0%	0.0%	98.6%
	TEMPS	Internal Audit	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
		Investments	99.9%	0.0%	0.1%	0.0%	0.0%	0.0%
		Legal	30.3%	69.2%	0.5%	0.0%	0.0%	0.0%
		PRISM	0.8%	0.0%	15.6%	0.0%	0.0%	83.6%
Total Staffing Factors		17.8%	6.4%	2.6%	7.5%	0.0%	65.6%	

APPLIED FACTORS

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 FEES	Actuarial - SRBR	n/a	n/a	n/a	100.0%	0.0%	n/a
	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 EXPENSE	Bank Charges & Misc. Admin.	17.4%	3.3%	2.7%	0.0%	0.0%	76.6%
	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 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%
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	17.4%	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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2019 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFF DEVELOPMENT	Staff Development	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
PROFESSIONAL FEES	Actuarial - SRBR	n/a	n/a	n/a	100.0%	0.0%	n/a
	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	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
	Operations Consulting - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
OFFICE EXPENSE	Bank Charges & Misc. Admin.	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
	Building Expenses	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
	Communications	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
	Communications - BCP	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Equipment Lease & Maintenance	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
	Minor Furniture & Equipment	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
	Office Maintenance & Supplies	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
	Printing & Postage	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
INSURANCE	Insurance	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
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%
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%	7.7%	0.0%	92.3%
BOARD OF RETIREMENT	Compensation	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Conferences & Training	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Election Expenses	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Employer Reimbursement	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Miscellaneous Activities	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Strategic Planning / Workshop	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
DEPRECIATION	Depreciation - Other	17.8%	6.4%	2.6%	0.0%	0.0%	73.1%
	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 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	-	-	-	50%
Administrative Specialist II	-	-	-	25%
Admin Support Specialist	-	-	-	50%
Communications Manager	5%	-	-	50%
Graphic Designer	-	-	-	50%
Retirement Benefits Assistant Manager	-	-	2%	90%
Retirement Benefits Assistant Manager	-	-	2%	25%
Retirement Benefits Manager	-	-	2%	25%
Retirement Benefits Manager	-	-	5%	25%
Retirement Technician	-	-	-	30%
Retirement Technician	-	-	-	30%
Retirement Technician	-	-	-	30%
Senior Retirement Technician	-	-	-	90%
Senior Retirement Technician	-	-	-	50%
FISCAL SERVICES				
Retirement Asst 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	20%	78%	2%	-
Administrative Specialist II	50%	50%	-	-
Admin Support Specialist	15%	85%	-	-
Associate Counsel	90%	10%	-	-
PRISM				
Retirement Tech Officer	-	-	10%	-
Computer Network System Analyst -- vacant	5%	-	20%	-
Computer and Network System Specialist	1%	-	10%	-
Retirement Support Specialist	-	-	50%	-
Retirement Support Specialist	-	-	50%	-
Retirement System Program Analyst	2%	-	15%	-
Security Analyst	-	-	30%	-
All Other PRISM Staff	-	-	5%	-

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 2019 - 2020

Statement of Capital Assets Outlay - 2019 Forecast and 2020 Proposed Budget

	2019 Budget	2019 Forecast	2019 Forecast vs. 2019 Budget Over/ (Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast Over/ (Under)	% Change
Computer Software						
Board Communication Software Upgrade	\$ 9,000	\$ 7,000	\$ (2,000)	\$ -	\$ (7,000)	-100.0%
Sub-Total	9,000	7,000	(2,000)	-	(7,000)	-100.0%
Disaster Recovery						
Additional Server & Storage at BCP site	-	-	-	15,000	15,000	100.0%
Sub-Total	-	-	-	15,000	15,000	100.0%
Leasehold Improvement						
Reception Area Remodel	50,000	-	(50,000)	-	-	0.0%
Sub-Total	50,000	-	(50,000)	-	-	0.0%
Office Equipment						
A/V Controller Upgrade	-	-	-	13,000	13,000	100.0%
Projectors Replacement - 11th FL Training Room and Board Room	12,000	7,000	(5,000)	-	(7,000)	-100.0%
Sub-Total	12,000	7,000	(5,000)	13,000	6,000	85.7%
System						
OnBase Upgrade	-	-	-	15,000	15,000	100.0%
Pension Gold System Upgrade ¹	1,199,000	1,244,000	45,000	3,609,000	2,365,000	190.1%
Sub-Total	1,199,000	1,244,000	45,000	3,624,000	2,380,000	191.3%
Capital Assets Outlay Total	\$ 1,270,000	\$ 1,258,000	\$ (12,000)	\$ 3,652,000	\$ 2,394,000	190.3%

¹ Pension Gold Upgrade is a three-year project. Listed below are the current estimated expenses for the 2020 proposed budget:

- Anticipated implementation services with Levi, Ray and Shoup (LRS) -- \$2,544,000
- Anticipated cost for LRWL to oversee the project -- \$400,000
- Four project Retirement Technician -- \$433,000
- Internal Project Manager -- \$232,000

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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	2019 Forecast		2019 Forecast vs. 2019 Budget Over/(Under)	2020 Proposed Budget	2020 Proposed Budget vs. 2019 Forecast		% Change
	2019 Budget	2019 Forecast			2019 Forecast Over/(Under)	2020 Proposed Budget Over/(Under)	
Consultant Fees	\$ 1,660,000	\$ 1,500,000	\$ (160,000)	\$ 1,594,000	\$ 94,000	6.3%	
Custodian Bank Fees	550,000	561,000	11,000	588,000	27,000	4.8%	
Investment Manager Fees	54,495,000	48,099,000	(6,396,000)	50,227,000	2,128,000	4.4%	
Other Investment Expenses ¹	280,000	(604,000)	(884,000)	287,000	891,000	-147.5%	
Total Portfolio Management Investment Expenses	\$ 56,985,000	\$ 49,556,000	\$ (7,429,000)	\$ 52,696,000	\$ 3,140,000	6.3%	

¹ The net decrease in Other Investment Expenses is primarily due to foreign tax expense which was overbooked by State Street Bank (SSB) in 2018. The correction was made by SSB in 2019 and has resulted in a reduction of 2019 ACERA's expenses.

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Appendix A

ACERA Business Plan Key Strategic Initiatives (Prioritized)

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ACERA BUSINESS PLAN INITIATIVES: 2020

INITIATIVE	Assigned To	Timeline
GOAL #1: Process and Organization Optimization		
<ul style="list-style-type: none"> • Death Benefits Process Optimization • Enrollment Process Optimization • Termination Process Optimization (w/OnBase WMS Application) • OnBase Upgrade • Access Database Migration (OnBase) • PAS Data Conversion Clean up • PAS Correspondence Review 	<p><i>Jessica H.</i></p> <p><i>Jessica H.</i></p> <p><i>Jessica H.</i></p> <p><i>Vijay J.</i></p> <p><i>Vijay J.</i></p> <p><i>Dana D.</i></p> <p><i>Dana D.</i></p>	



ACERA BUSINESS PLAN INITIATIVES: 2020

INITIATIVE	Assigned To	Timeline
GOAL #2: Technology Modernization		
<ul style="list-style-type: none"> • Granicus Implementation • WMS P2 (Enhance Benefit Estimator Tools) • PAS Employer Reporting 	<p style="text-align: center;"><i>Vijay J.</i></p> <p style="text-align: center;"><i>Mike F.</i></p> <p style="text-align: center;"><i>Dana D.</i></p>	

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ACERA BUSINESS PLAN INITIATIVES: 2020

INITIATIVE	Assigned To	Timeline
GOAL #3: Workforce Excellence		
<ul style="list-style-type: none"> • In-House Lean/Process Excellence Function • On-the-Job (OJT) Structure 	<p><i>Margo A.</i></p> <p><i>Margo A. & Vicki A.</i></p>	



ACERA BUSINESS PLAN INITIATIVES: 2020

INITIATIVE	Assigned To	Timeline
GOAL #4: Governance		
<ul style="list-style-type: none"> • Vision & Dental RFP • CEM Benchmarking • Strategic Communication Plan • Enterprise Risk Management 	<p><i>Kathy F.</i></p> <p><i>Dave N.</i></p> <p><i>Mike F.</i></p> <p><i>Harsh J. & Margo A.</i></p>	

Appendix B

2020 Budget Change Proposals (BCP)

2020 Contingency Fund

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Appendix B

2020 BUDGET CHANGE PROPOSALS (BCP)

Department	BCP Description	Totals
Administration	Automate Reception Check-in	\$ 15,000
Administration	CEM Benchmarking	20,000
Administration	Triennial Experience Study	36,000
Benefits	Consulting for dental and vision RFP	20,000
Benefits/PRISM	Pension Gold System Upgrade (Capital)	3,609,000
PRISM	A/V Controllor Upgrade (Capital)	13,000
PRISM	Additional server & storage at BCP site (Capital)	15,000
PRISM	User license fees for Doc-U-Sign	6,000
PRISM	OnBase Upgrade - database reporting (Capital)	15,000
BCP Total		\$ 3,749,000

2020 CONTINGENCY FUND

Department	Description	Expense Type	Totals
Administration	OJT template structure	Temporary staff	\$ 150,000
PRISM	Board communication software	Computer Hardware	15,000
PRISM	OnBase upgrade	Temporary staff	150,000
Contingency Fund Total			\$ 315,000

2020 Proposed Budget Contingency Fund *(p.#19)***On-the-Job Training and Cross Utilization Workforce Excellence Integration - \$150,000**

The fund will be used to establish a formal in-house training function to provide On-the-Job Training (OJT) and Cross-Utilization Training (CUT). It is proposed that ACERA will hire a provisional project position in the classification of staff development specialist to establish and implement the initial training program structure.

Board Communication Software - \$15,000

With Board approval the fund will be used to further enhance the capabilities of ACERA's Granicus implementation. In particular, this fund will be used for hardware to allow for video streaming and recording.

OnBase Upgrade - \$150,000

The fund is for identified and unidentified project risks such as an unforeseen increase in costs or to allow for design flexibility.

