



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

**OPERATIONS 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, 2024  
12:30 p.m.**

LOCATION AND TELECONFERENCE		COMMITTEE MEMBERS	
<b>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</b>  <b>The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.</b>  <a href="https://zoom.us/join">https://zoom.us/join</a> <b>Call-In Number: 1 699 900 6833</b> <b>Meeting ID: 879 6337 8479</b> <b>Password: 699406</b> <b>For help joining a Zoom meeting, see:</b> <a href="https://support.zoom.us/hc/en-us/articles/201362193">https://support.zoom.us/hc/en-us/articles/201362193</a>		<b>ROSS CLIPPINGER, CHAIR</b>	<b>ELECTED SAFETY</b>
		<b>KEITH CARSON, VICE CHAIR</b>	<b>APPOINTED</b>
		<b>TARRELL GAMBLE</b>	<b>APPOINTED</b>
		<b>JAIME GODFREY</b>	<b>APPOINTED</b>
		<b>ELIZABETH ROGERS</b>	<b>ELECTED RETIRED</b>

The Alternate Retired Member votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Safety Member and an Elected General member, are absent.

The Alternate Safety Member votes in the absence of the Elected Safety, either of the two Elected General Members, or both the Retired and Alternate Retired members.

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

Board and Committee agendas and minutes and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure) are posted online at [www.acera.org](http://www.acera.org) and also may be inspected at 475 14<sup>th</sup> Street, 10<sup>th</sup> Floor, Oakland, CA 94612-1900.

Public comments are limited to four (4) minutes per person in total. The order of the items on the agenda is subject to change without notice.

*Note regarding accommodations:* If you require a reasonable modification or accommodation for a disability, please contact ACERA between 9:00 a.m. and 5:00 p.m. at least 72 hours prior to the meeting at [accommodation@acera.org](mailto:accommodation@acera.org) or at 510-628-3000.

# ***OPERATIONS COMMITTEE/BOARD MEETING***

NOTICE and AGENDA, Page 2 of 2 – November 21, 2024

Call to Order: 12:30 p.m.

Roll Call

**Public Input (Time Limit: 4 minutes per speaker)**

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

1. **Discussion and possible motion to approve a 2024 Operating Expense Budget Adjustment.**

-Erica Haywood

### **Recommendation**

Staff recommends that the Operations Committee recommend to the Board of Retirement that the Board approve additional funds in the amount of \$400K for the 2024 Operating Expense Budget (OEB), resulting in a change from \$22.4 million to \$22.8 million in budgetary operating expenses.

2. **Discussion and possible motion to approve the proposed 2025 ACERA Operating Expense Budget.**

-David Nelsen

### **Recommendation**

Staff recommends that the Operations Committee recommend to the Board of Retirement that the Board approve the proposed 2025 ACERA Operation Expense Budget.

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

None

## **Trustee Remarks**

## **Future Discussion Items**

## **Establishment of Next Meeting Date**

T.B.D.

## **Adjournment**

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MEMORANDUM TO THE OPERATIONS COMMITTEE

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DATE: November 21, 2024

TO: Members of the Operations Committee

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: 2024 Budget Adjustment

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**Purpose**

To request additional funds in the amount of \$400K for the Approved 2024 Operating Expense Budget (OEB), resulting in a change from \$22.4 million to \$22.8 million in operating expenses.

**Justification**

We have been tracking a budget overage from January of this year, due primarily to unexpected vacation sellbacks and a settlement amount. Although there have been periods of recovery, staffing costs have remained over budget. This is due to a 6% COLA and a new longevity payment added in June, as well as greater than expected fringe benefit costs. For the fourth quarter we project an additional \$300K for vacation sellbacks, filling vacant positions, COLA and longevity pay. In addition, member services require additional funding of \$100K due to increases in disability medical and arbitration expenses.

**Recommendation**

Staff recommends that the Operations Committee recommend to the Board of Retirement to approve additional funds in the amount of \$400K for the 2024 Operating Expense Budget (OEB), resulting in a change from \$22.4 million to \$22.8 million in budgetary operating expenses.



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MEMORANDUM TO THE OPERATIONS COMMITTEE

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DATE: November 21, 2024

TO: Members of the Operations Committee

FROM: Dave Nelsen, Chief Executive Officer *DN*

SUBJECT: Presentation of 2025 ACERA Budget Proposal

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**Executive Summary**

It is my pleasure to present the 2025 ACERA Budget Proposal.

The Proposed Operating Expense Budget is \$25,322,000, which is a 12.9% increase over the 2024 Approved Operating Expense Budget of \$22,422,000. The highlights of the proposal are as follows:

- Increase in total staffing costs from 2024 Approved Budget by 10.3%.
- Decrease in staff development from 2024 Approved Budget by 17.4%.
- Increase in professional fees from 2024 Approved Budget by 9.5%.
- Increase in member services from 2024 Approved Budget by 37.8%.
- Increase in depreciation from 2024 Approved Budget by 823.2%; and
- Contingency fund reserve of \$473,000.

The 2025 proposal includes increases in salary and fringe benefit costs from the 2024 Forecast. It recognizes increased costs from vacant positions previously filled by less expensive temporary staff that are projected to be filled by permanent employees for the full budget year; therefore, increasing both salary and fringe benefit costs. In addition, it includes a 5% COLA, 5% step, and merit increases, as well as new longevity payments. We continued the applied across-the-board reduction of 5% to all staffing costs to reflect unanticipated staff vacancies throughout the year.

Variance Analysis

In reviewing the 2025 Proposed Expense Budget Summary (Section III, pg. 21) there are nine expense line items identified with net changes exceeding \$15,000<sup>1</sup>. For ease of review, the nine-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.

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<sup>1</sup> A \$15,000 threshold has been used to review net changes in the 2025 Proposed Budget versus the 2024 Forecast.

<b>2025 Expense Line Items with a Net Change &gt; \$15,000</b>				
	<b>Expense Line Items</b>	<b>Net Change</b>	<b>Percentage</b>	<b>Cause of Variance (COV)</b>
1	<i>Staffing</i> (Cited on pg. 23)	\$1,474,000	8.5%	<ul style="list-style-type: none"> <li>• Increase in salaries from filled vacant positions, merit and step increases, and COLA; offset by decreases in temporary staffing, overtime, and adjustment for unexpected staff vacancies</li> </ul>
2	<i>Actuarial Fees</i> (Cited on pg. 28)	\$42,000	9.3%	<ul style="list-style-type: none"> <li>• Increase in actuarial fees due to additional supplemental services in 2025</li> </ul>
3	<i>Consultant Fees</i> (Cited on pg. 28)	\$118,000	32.3%	<ul style="list-style-type: none"> <li>• Increase in consulting fees from new projects in 2025, such as the On-Base upgrade</li> </ul>
4	<i>Building Expenses</i> (Cited on pg. 30)	\$26,000	81.3%	<ul style="list-style-type: none"> <li>• Increase in building expenses due to higher escalation fees and insurance in 2025</li> </ul>
5	<i>Insurance</i> (Cited on pg. 31)	\$24,000	3.8%	<ul style="list-style-type: none"> <li>• Increase in risk management, commercial package, and fiduciary premiums</li> </ul>
6	<i>Health Reimbursement Account (HRA)</i> (Cited on pg. 32)	\$24,000	33.8%	<ul style="list-style-type: none"> <li>• Increase in 2025 costs due to higher administrative fees under the new HRA contract</li> </ul>
7	<i>Printing &amp; Postage - Members</i> (Cited on pg. 32)	\$29,000	20.4%	<ul style="list-style-type: none"> <li>• Increase in member mailings reflecting additional communication items such as new Member Direct enrollment</li> </ul>
8	<i>Board of Retirement</i> (Cited on pg. 34)	\$55,000	8.4%	<ul style="list-style-type: none"> <li>• Increase in board elections, training, and employer reimbursements</li> </ul>
9	<i>Depreciation</i> (Cited on pg. 35)	\$920,000	807.0%	<ul style="list-style-type: none"> <li>• Capitalization of PAS project in 2025</li> </ul>



**ALAMEDA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**2025  
PROPOSED  
EXPENSE  
BUDGET**

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# Table of contents

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## Section I

Letter from the CEO to the Board of Retirement.....	3
---	---

## Section II

Budget Policies and Process .....	11
-----------------------------------	----

## Section III

Operating Expense Budget .....	17
Staffing .....	23
Staff Development .....	24
Professional Fees .....	28
Office Expense .....	30
Insurance .....	31
Member Services .....	32
Systems .....	33
Board of Retirement .....	34
Depreciation.....	35
Uncollectible Benefit Payments.....	36

## Section IV

Departmental Operating Expense Budgets .....	41
Administration Department .....	42
Benefits Department .....	46
Fiscal Services Department .....	49
Human Resources Department .....	51
Internal Audit Department .....	53
Investment Department .....	55
Legal Department .....	57
Prism Department .....	59

## Section V

Enterprise-wide Projects .....	65
--------------------------------	----

## Section VI

Administrative Budget .....	69
Operating and Administrative Expenses .....	73
2025 Department Weighted Average.....	74
2024 Department Weighted Average.....	74
Applied Factors .....	75

## Section VII

Capital Assets Outlay Budget .....	81
------------------------------------	----

## Section VIII

Portfolio Management Investment Expenses .....	85
--	----

## Appendix

Appendix .....	89
2025 Budget Change Proposals (BCP) .....	89
2025 Contingency Fund.....	89



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## **Section I**

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

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# Section I

## Letter from the CEO to the Board of Retirement

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Members of the Board of Retirement,

I'm pleased to introduce the 2025 budget, a reflection of ACERA's ongoing mission to provide our members with prudent financial management and exceptional service. This budget underscores our commitment to transparency, accountability, and technological advancement, aligning with our strategic objectives to bolster funded status, navigate transitions, optimize operations, and amplify member services. Building on the strong investment performance of 2023 and our continued focus on innovation and sustainable growth, we are well-positioned to achieve our goals. With the Board's collaboration, we embark on a year poised for success and the fulfillment of our shared vision.

### KEY 2024 ACCOMPLISHMENTS

#### Pension Administration System (PAS) Replacement

Utilizing considerable resources from all departments across the organization, ACERA continued its project to replace its pension administration system, Pension Gold Version 2, with Pension Gold Version 3 by the 4th quarter of 2024.

- Initiated parallel processing of member account and retiree benefits for go-live of Pension Gold Version 3 in October.
- Completed and activated MemberDirect rollout engagement and adoption plan.
- Completed EmployerDirect employer portal rollout and training for all employer staff members to facilitate management of transmittal exceptions.
- Developed a benefits training library of Version 3 job aids and process documents in SharePoint for go live readiness and cross-training purposes.
- Initiated optimization efforts for OnBase Case Manager and document import technology solutions using MemberDirect.
- Developed robust internal controls through collaboration with the Internal Audit Department, enhancing oversight and compliance.

#### Benefits Initiatives

- Increased the Monthly Medical Allowance (MMA) for the 2025 plan year by 4.25%.
- Continued launching member forms in DocuSign.
- Conducted an RFP for Benefits Consultant and selected incumbent firm Segal.
- Completed an optimization of new member onboarding and communications to enhance new employees' understanding of their benefits.
- Conducted an email wellness campaign for retirees, distributing timed wellness messages provided by ACERA's insurance carriers.
- Promoted the Kaiser Permanente Silver&Fit free-gym membership program to Medicare participants.
- Completed revisions to all notices and documents associated with the new age limits which are applicable to the Required Minimum Distribution requirements.

- Spearheaded by the Legal Department, ACERA implemented the revised Death Benefit Equity Policy, which established the ability for active members to make an Advance Death Benefit Election. This allows a member to potentially provide greater benefits for their beneficiaries if the member dies before retirement. ACERA completed revision of the Beneficiary Designation Form and ACERA Welcome Form to add the new Advance Death Benefit Election. ACERA completed a communications campaign to advertise the new election.

#### **Administration Initiatives**

- Successfully defended against the Alameda Health System v. ACERA lawsuit, securing a favorable final judgment that confirms the Board's authority over the actuarial process that assures the funding of the benefits owed to our members.
- Received Certificate of Achievement for Excellence in Financial Reporting for 2022 Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) from Government Financial Officers Association (GFOA).
- Received an unmodified opinion on the 2023 Annual Financial Statements from the external auditors.
- Completed a triennial experience study with Segal.
- Completed a Benefit Certification Audit.
- Adopted BoardEffect board-management software to simplify storage and maintenance of Board agenda and packet materials, increase efficiency of Board and staff access to materials, and provide electronic annotation.
- Implemented the Expensify mobile app to ease electronic submission of Board expense reimbursements.
- Conducted an analysis of ACERA's Board election administration and retained MK Election Services LLC as ACERA's new Board Election Services vendor.
- Rebalanced the Supplemental Retiree Benefit Reserve (SRBR) to equalize sufficiency periods to pay Other Post Employment Benefit (OPEB) and non-OPEB Benefits.
- Conducted a study of ACERA's Workforce Excellence (WFE) processes and tools.
- Initiated development of SharePoint as an ACERA intranet tool.
- Initiated research on a new general ledger system for Fiscal Services.
- Implemented the provisions of GASB Statement 96 which changed reporting of certain subscription-based information technology.

#### **Investment Initiatives**

- Board selected NEPC, LLC as ACERA's General Investment Consultant – September 2023
- Completed onboarding and integrated NEPC's expertise into ACERA's operations as our General Investment Consultant, driving forward our investment strategies and aligning on key objectives. – February 2024
- Board approved negotiation of an extension of the custody contract with State Street Bank and Trust Company for up to two (2) years. – June 2024
- Adopted a new asset allocation mix. – July 2024
- Board approved the Minimum Qualifications (revised) for the Emerging Markets (EM) Equity Manager Search – August 2024
- Year-to-date in 2024 (September 2023 to August 2024), ACERA expanded the Total Fund's investment in 3 privately placed funds worth \$130 million.

#### **Portfolio Performance**

- As of June 30, 2024, ACERA's Total Fund returned 5.79% (gross) YTD. The value of the Total Fund was \$11.8 billion (per NEPC performance report as of 06/30/2024).

## BUSINESS INITIATIVES

ACERA's strategic plan focuses on four key goals: bolstering funded status, navigating transitions, optimizing operations, and amplifying member services:

- Goal 1: Improve funded status while maintaining an appropriate risk posture in the area of investments.
- Goal 2: Manage internal and external people transitions at all levels.
- Goal 3: Modernize technology and optimize processes and operations.
- Goal 4: Implement cost-effective member service improvements and expanded communications.

**ACERA's leadership team executes a business plan to work toward meeting the strategic plan goals through key projects. Highlights of ongoing projects are:**

- Comprehensive Pension Administration System training as a foundational model of all organization training
- Completion of Pension Administration System upgrade to Pension Gold Version 3
- Exploration of investment license services for private market and subscription
- Work Force Excellence Phase 2, implementing OnBase as the platform for evaluations and tracking coaching
- Implementation of SharePoint as an agency intranet solution for internal document management, knowledge base, internal information storage, and retrieval
- Expense submission software training
- Product analysis for upgrading accounting and ledger software

## BASELINE AND PROPOSED 2025 OPERATING EXPENSE BUDGET (OEB)

The starting point for the 2025 OEB is a "baseline" that reflects the anticipated costs of carrying out the same level of services proposed by the ACERA Board in the 2024 Budget. Staff was required to request and justify additional funds with a formal Budget Change Proposal (BCP) for any item affecting the 2025 baseline and proposed 2025 budget. Additional staff positions or changes in salaries for 2025 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, Assistant Chief Executive Officer-Operations, and Fiscal Services Officer before approvals were granted. With the addition of those items, the proposed 2025 budget is \$25.3 million. This is \$2.9 million or 12.9% more than the 2024 approved budget of \$22.4 million. It is also \$1.6 million or 6.5% more than the 2025 baseline budget of \$23.8 million.

The reasons for the budget differences will be explained below.

## PROPOSED 2025 BUDGET HIGHLIGHTS

This section highlights the proposed adjustments to the 2025 proposed budget from the 2024 approved budget. A complete review of the differences can be found in Section III.

### Staffing

The primary changes in Staffing costs for 2025 are as follows:

We continued the assumption to fill and fund the remaining vacant positions filled by temporary staff in 2024; cost-of-living adjustments, step increases, and an average of 4% percent performance-driven merit increase for eligible/selected deep-class positions, but then applied an across the board decrease of 5% to reflect unanticipated staff

vacancies throughout the year. The total 2025 increase for staffing from the 2024 approved budget is \$1.8 million, or a net increase of 10.3%. This increased amount includes the 5% Cost of Living Adjustments granted by the County, the 5% step increases for eligible employees, and the implementation of the County granted Longevity pay.

## Staff Development

The primary change in Staff Development costs is a 17.4% decrease compared to the 2024 budget. The decrease is due to budgeting closer to what we anticipate spending in 2024. In the 2025 Budget we removed regularly budgeted Staff Development costs and put them in the Contingency Fund in case there is a need for additional training during the year.

## Professional Fees

The change in Professional Fees for 2025 is an increase of \$0.1 million, or a net increase of 9.5%. This increase is due primarily to consultant fees the new projects in 2025.

## Depreciation

This section increased the most of any budget area, by over 800%, or \$900,000. As we have completed our Pension Administration System replacement project, the costs of that project that had been capitalized during the course of the implementation will now be showed as depreciated costs per standard accounting rules. The project costs will be depreciated over the next seven budget cycles.

The senior managers and I look forward to presenting our proposed 2025 operating expense budget to the committee and to the Board of Retirement.

Respectfully submitted,



Dave Nelsen  
Chief Executive Officer

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## **Section II**

### **Budget Policies and Process**

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## Section II

# Budget Policies and Process

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### Budget Policies

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

#### Legal Requirements

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

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

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

#### Budget Amendments

Budget line item amounts may be amended, i.e., reallocated from one department to another or moved between categories at the discretion of the Chief Executive Officer, if such action does not increase the overall 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, natural disasters, an action by the Board of Supervisors, or a release of new project; where the event may or will occur but the timing is in question.

### Budget Process

ACERA's budget is developed with Adaptive Insights budget software. This 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.

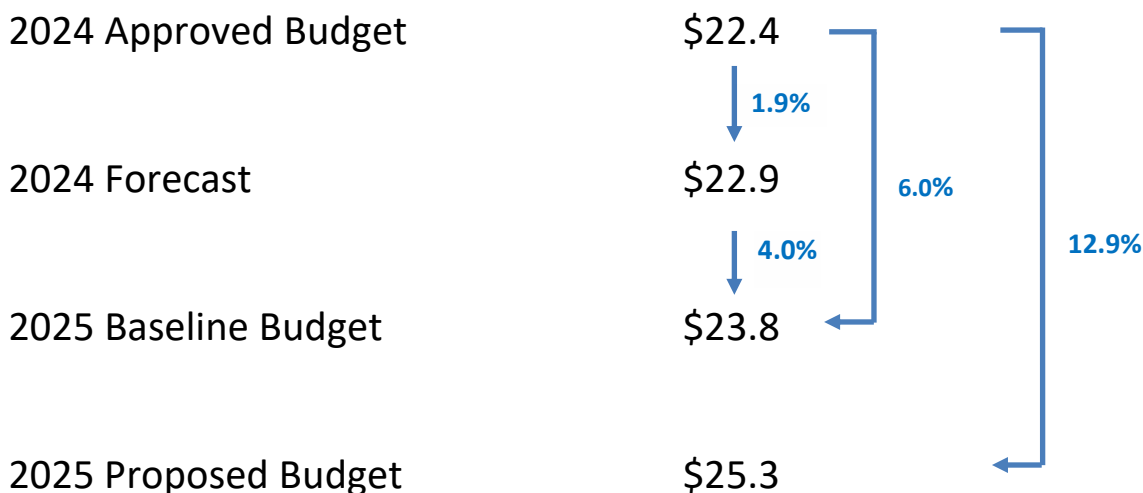
It is the responsibility of the budget team to develop the baseline budget once the forecast has been completed. Upon completion of the baseline, department staff and management begin entering information into the budget worksheets. When that step is completed, the budget team prepares the administrative 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 software into InDesign (the budget publishing software). The budget team is responsible for preparing the variance analyses, updating changes to the budget, and for reviewing the budget document for submission to the Board of Retirement.

The Chief Executive Officer present the 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.



## 2025 Budget Process<sup>1</sup>



1. The starting point for the 2025 proposed expenses budget was to develop a “baseline” budget that reflected the anticipated costs of maintaining the same level of services approved by ACERA’s Board of Retirement in the 2024 budget. To that end, the 2025 baseline budget is \$23.8 million, an increase of 6.0% from the approved 2024 budget.
2. Key to developing the 2025 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 2025 Proposed Budget of \$25.3 million which is \$2.9 million or 12.9% increase from the approved 2024 budget.

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

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## **Section III**

### **Operating Expense Budget**



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## Section III

# Operating Expense Budget

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 2025 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 adjustment and associated fringe benefit increase of 5%;
- 5% adjustment for unexpected vacancies;
- Filling all current vacancies with:
  - Hire deep-class employees at 80% of the top salary range; and,
  - Hire step-class employees at an average salary of Step 3.

**Result:** *Staffing expenses realized a 10.3% net increase compared to the 2024 budget; and an 8.5% net increase compared to the 2024 forecast.*

### Staff Development Assumptions

- Training, conferences and certifications would experience a (23.0%) decrease over the 2024 budget;
- Professional dues and subscriptions would experience a 1.2% increase over the 2024 budget.

**Result:** *Staff development realized a (17.4%) net decrease compared to the 2024 budget; and a (2.0%) net decrease compared to the 2024 forecast.*

### Professional Fees Assumptions

- Actuarial Fees—Actuarial valuations, SRBR valuations, GASB 67/68 and GASB 74/75, and reporting requirement for ASOP #51 were calculated using the actual contracts price, and other actuarial consulting services were estimated at contracted hourly rate;
- Auditor Fees—Annual audit, GASB 67/68 and GASB 74/75 schedules were calculated using the actual contracts price, other auditing services were estimated at contracted hourly rate;

- Other Consultant Fees—Consultant services were calculated using the actual contract price or estimated cost.

**Result:** Professional fees realized a 9.5% net increase compared to the 2024 budget; and a 15.8% net increase compared to the 2024 forecast.

#### Office Expenses Assumptions

- Banking expenses experience a (8.9%) decrease over the 2024 budget;
- Miscellaneous Administrative expenses experience a (16.7%) decrease over the 2024 budget;
- Building Operation expenses experience a 52.6% increase over the 2024 budget;
- Communication expenses experience a (54.7%) decrease over the 2024 budget;
- Equipment Lease and Maintenance expenses experience a (23.2%) decrease over the 2024 budget;
- Minor Furniture and Equipment expenses experience an 84.6% increase over the 2024 budget;
- Office Supplies and Maintenance expenses experience a 5.6% increase over the 2024 budget;
- Printing and Postage expenses would experience a (8.7%) decrease over the 2024 budget.

**Result:** Office expenses realized a (15.4%) net decrease compared to the 2024 budget; and an (6.6%) net decrease compared to the 2024 forecast.

#### Insurance Assumption

- The commercial insurance expense experience a 4.3% increase over the 2024 budget;
- The cyber liability insurance expense experience a (4.7%) decrease over the 2024 budget;
- The County risk management and worker's compensation insurance expense experience a 4.9% increase over the 2024 budget.

**Result:** Insurance expenses realized a 2.8% net increase compared to the 2024 budget; and a 3.8% net increase compared to the 2024 forecast.

#### Member Services Assumptions

- Benefit Verification expense experience a 16.7% increase over the 2024 budget;
- Disability Arbitration and Transcript expenses experience a 18.8% increase over the 2024 budget;
- Disability Medical expenses experience a 90% increase over the 2024 budget;
- Health Reimbursement Accounts (HRA) expense experience a 35.7% increase over the 2024 budget;
- Printing and Postage expense experience a 19.6% increase over the 2024 budget.

**Result:** Member Services expenses realized a 37.8% net increase compared to the 2024 budget; and a 8.3% net increase compared to the 2024 forecast.

#### Systems Assumptions

- Business Continuity expense experience a 6.0% increase over the 2024 budget;
- County Data Processing expense experience no change over the 2024 budget;
- Minor Computer Hardware expenses experience a (14.3%) decrease over the 2024 budget;
- Software License and Maintenance expenses experience a (1.9%) decrease over the 2024 budget.

**Result:** Systems expenses realized a (0.5%) net decrease compared to the 2024 budget; and a (13.3%) net decrease compared to the 2024 forecast.

**Board of Retirement Assumptions**

- Training and conferences expenses changed as outlined in the Board's policy;
- Voluntary Employer Reimbursement changed as outlined in the Board's policy;
- Trustee stipend is \$100 /meeting based on committee and board meetings.

*Result: Board of Retirement expenses realized no change compared to the 2024 budget; and an 8.4% net increase compared to the 2024 forecast.*

**Uncollectible Benefit Payments Assumption**

- Uncollectible Benefit Payments expenses were based on the accounts receivable write-off.

*Result: Uncollectible Benefit Payments expenses realized no change compared to the 2024 budget; and a (10.3%) decrease compared to the 2024 forecast.*

**Depreciation Assumption**

- Depreciation expenses are based on the current capitalized assets.

*Result: Depreciation expense realized an 823.2% net increase compared to the 2024 budget; and an 807.0% increase compared to the 2024 forecast from PAS project capitalization in 2025.*

**Proposed 2025 BUDGET SUMMARY AND COMPARISON**

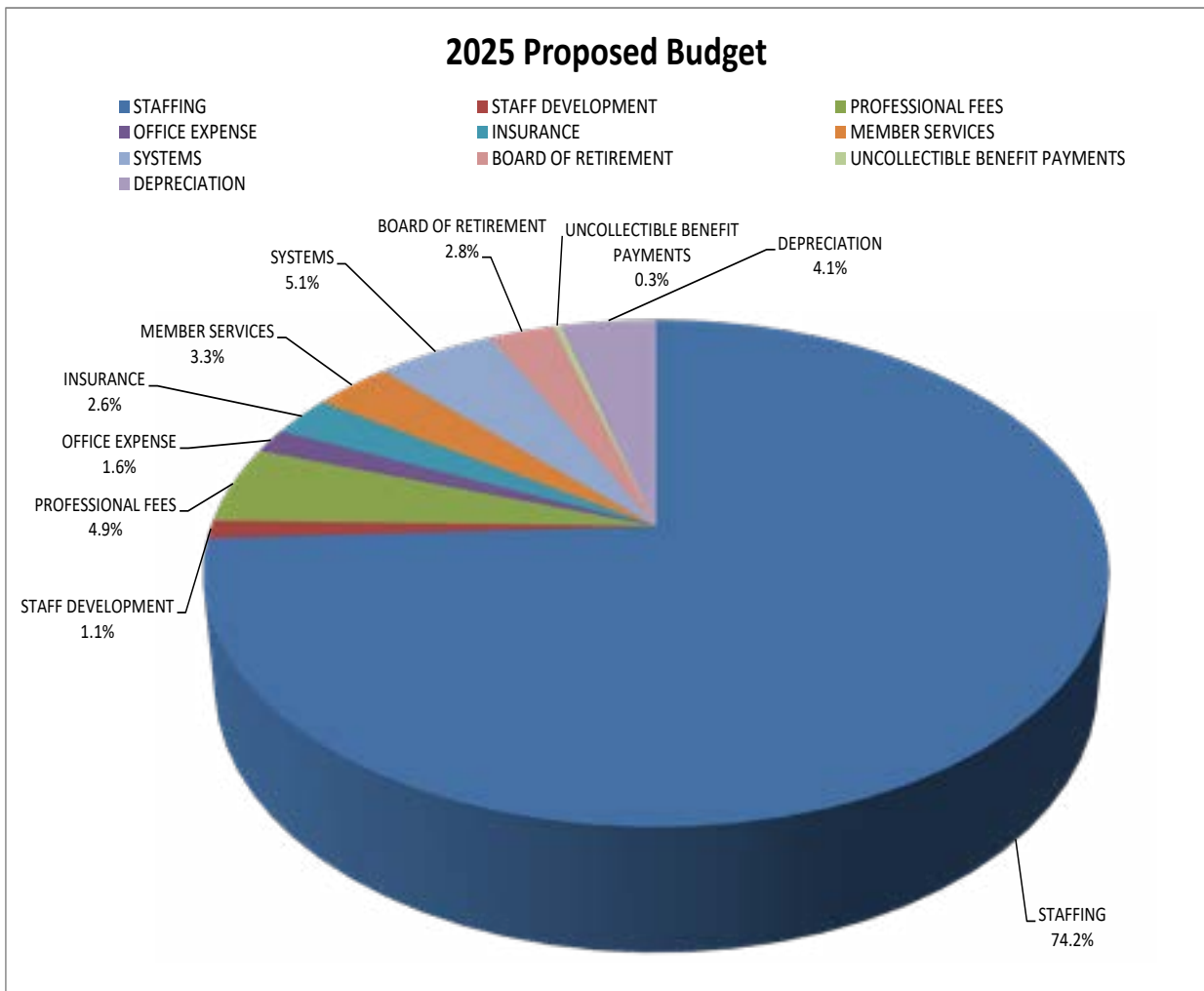
Staff recommends a proposed 2025 budget of \$25.3 million which is:

- \$2.90 million or 12.9% greater than the approved 2024 budget of \$22.4 million;
- \$1.55 million or 6.5% greater than the 2025 baseline budget of \$23.8 million; and,
- \$2.47 million or 10.8% greater than the 2024 forecast of \$22.9 million.

The 2025 administrative budget of \$14.7 million is \$12.8 million under the administrative cap of \$27.5 million. A year-over-year comparison reveals that the 2025 administrative budget is \$1.3 million higher than the 2024 administrative budget of \$13.4 million. Approximately \$10.6 million was excluded from the annual operating expense budget of \$25.3 million (see Section VI for administrative budget and allocation schedules).

**2025 Proposed Operating Expense Budget**  
 (\$ in thousands)

	2024 Forecast	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change	Category % of Total Operating Expenses
Staffing	\$ 17,320	\$ 18,794	\$ 1,474	8.5%	74.2%
Staff Development	296	290	(6)	-2.0%	1.1%
Professional Fees	1,079	1,249	170	15.8%	4.9%
Office Expense	424	396	(28)	-6.6%	1.6%
Insurance	631	655	24	3.8%	2.6%
Member Services	774	838	64	8.3%	3.3%
Systems	1,477	1,281	(196)	-13.3%	5.1%
Board Of Retirement	652	707	55	8.4%	2.8%
Uncollectible Benefit Payments	87	78	(9)	-10.3%	0.3%
Depreciation	114	1,034	920	807.0%	4.1%
<b>OPERATING EXPENSES Total</b>	<b>\$ 22,854</b>	<b>\$ 25,322</b>	<b>\$ 2,468</b>	<b>10.8%</b>	<b>100.0%</b>



Operating Expense Budget <sup>1</sup>	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change
<b>STAFFING</b> <a href="#">(p#23)</a>						
Salaries	\$ 11,727,000	\$ 11,638,000	\$ (89,000)	\$ 12,930,000	\$ 1,292,000	11.1%
Fringe Benefits	5,987,000	6,094,000	107,000	6,811,000	717,000	11.8%
Temporary Staff	200,000	470,000	270,000	36,000	(434,000)	-92.3%
5% Adjustment for unexpected vacancies	(882,000)	(882,000)	-	(983,000)	(101,000)	11.5%
<b>Staffing Total</b>	<b>17,032,000</b>	<b>17,320,000</b>	<b>288,000</b>	<b>18,794,000</b>	<b>1,474,000</b>	<b>8.5%</b>
<b>STAFF DEVELOPMENT</b> <a href="#">(p#24)</a>	<b>351,000</b>	<b>296,000</b>	<b>(55,000)</b>	<b>290,000</b>	<b>(6,000)</b>	<b>-2.0%</b>
<b>PROFESSIONAL FEES</b> <a href="#">(p#28)</a>						
Actuarial Fees	490,000	454,000	(36,000)	496,000	42,000	9.3%
Audit Fees	145,000	145,000	-	145,000	-	0.0%
Consultant Fees	356,000	365,000	9,000	483,000	118,000	32.3%
Legal Fees	150,000	115,000	(35,000)	125,000	10,000	8.7%
<b>Professional Fees Total</b>	<b>1,141,000</b>	<b>1,079,000</b>	<b>(62,000)</b>	<b>1,249,000</b>	<b>170,000</b>	<b>15.8%</b>
<b>OFFICE EXPENSE</b> <a href="#">(p#30)</a>						
Bank Charges	79,000	76,000	(3,000)	72,000	(4,000)	-5.3%
Misc. Administrative Expenses	6,000	5,000	(1,000)	5,000	-	0.0%
Building Expenses	38,000	32,000	(6,000)	58,000	26,000	81.3%
Communications	117,000	117,000	-	53,000	(64,000)	-54.7%
Equipment Lease & Maint.	138,000	109,000	(29,000)	106,000	(3,000)	-2.8%
Minor Furniture & Equip.	13,000	13,000	-	24,000	11,000	84.6%
Office Supplies & Maint.	54,000	54,000	-	57,000	3,000	5.6%
Printing & Postage	23,000	18,000	(5,000)	21,000	3,000	16.7%
<b>Office Expense Total</b>	<b>468,000</b>	<b>424,000</b>	<b>(44,000)</b>	<b>396,000</b>	<b>(28,000)</b>	<b>-6.6%</b>
<b>INSURANCE</b> <a href="#">(p#31)</a>	<b>637,000</b>	<b>631,000</b>	<b>(6,000)</b>	<b>655,000</b>	<b>24,000</b>	<b>3.8%</b>
<b>MEMBER SERVICES</b> <a href="#">(p#32)</a>						
Benefit Verification	6,000	7,000	1,000	7,000	-	0.0%
Disability - Arbitration & Transcripts	80,000	82,000	2,000	95,000	13,000	15.9%
Disability - Medical Expense	180,000	346,000	166,000	342,000	(4,000)	-1.2%
Disability Claims Management	47,000	46,000	(1,000)	46,000	-	0.0%
Health Reimbursement Account	70,000	71,000	1,000	95,000	24,000	33.8%
Member Training & Education	16,000	14,000	(2,000)	16,000	2,000	14.3%
Printing & Postage - Members	143,000	142,000	(1,000)	171,000	29,000	20.4%
Virtual Call Center	66,000	66,000	-	66,000	-	0.0%
<b>Member Services Total</b>	<b>608,000</b>	<b>774,000</b>	<b>166,000</b>	<b>838,000</b>	<b>64,000</b>	<b>8.3%</b>
<b>SYSTEMS</b> <a href="#">(p#33)</a>						
Business Continuity Expenses	248,000	259,000	11,000	263,000	4,000	1.5%
County Data Processing	139,000	138,000	(1,000)	139,000	1,000	0.7%
Minor Computer Hardware	42,000	42,000	-	36,000	(6,000)	-14.3%
Software License & Maintenance	859,000	1,038,000	179,000	843,000	(195,000)	-18.8%
<b>Systems Total</b>	<b>1,288,000</b>	<b>1,477,000</b>	<b>189,000</b>	<b>1,281,000</b>	<b>(196,000)</b>	<b>-13.3%</b>
<b>BOARD OF RETIREMENT</b> <a href="#">(p#34)</a>						
Board Conferences & Misc. Activities	707,000	652,000	(55,000)	707,000	55,000	8.4%
<b>UNCOLLECTIBLE BENEFITS</b>						
<b>PAYMENTS</b> <a href="#">(p#36)</a>	<b>78,000</b>	<b>87,000</b>	<b>9,000</b>	<b>78,000</b>	<b>(9,000)</b>	<b>-10.3%</b>
<b>Total Operating Expenses Before Depreciation</b>	<b>22,310,000</b>	<b>22,740,000</b>	<b>430,000</b>	<b>24,288,000</b>	<b>1,548,000</b>	<b>6.8%</b>
<b>DEPRECIATION</b> <a href="#">(p#35)</a>	<b>112,000</b>	<b>114,000</b>	<b>2,000</b>	<b>1,034,000</b>	<b>920,000</b>	<b>807.0%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>22,422,000</b>	<b>22,854,000</b>	<b>432,000</b>	<b>25,322,000</b>	<b>2,468,000</b>	<b>10.8%</b>
<b>TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE</b>	<b>57,875,000</b>	<b>66,884,000</b>	<b>9,009,000</b>	<b>70,594,000</b>	<b>3,710,000</b>	<b>5.5%</b>
<b>TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES</b>	<b>80,297,000</b>	<b>89,738,000</b>	<b>9,441,000</b>	<b>95,916,000</b>	<b>6,178,000</b>	<b>6.9%</b>

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

<b>CONTINGENCY FUND</b>	<b>\$ 114,000</b>	<b>-</b>	<b>\$ (114,000)</b>	<b>\$ 473,000</b>	<b>\$ 473,000</b>	<b>100.0%</b>
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(TOC p.# III)

22

## STAFFING

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

Headcount by Department	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)
Administration	6	5	-	6	1
Benefits	42	42	-	42	-
Fiscal Services	12	12	-	12	-
Human Resources	3	3	-	3	-
Internal Audit	3	3	-	3	-
Investments	9	9	-	9	-
Legal	4	4	-	4	-
PRISM	8	8	-	8	-
<b>HEADCOUNT TOTAL</b>	<b>87</b>	<b>86</b>	<b>-</b>	<b>87</b>	<b>1</b>

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

Staffing	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change
Administration	\$ 980,000	\$ 958,000	\$ (22,000)	\$ 1,218,000	\$ 260,000	27.1%
Benefits	4,783,000	4,576,000	(207,000)	5,124,000	548,000	12.0%
Fiscal Services	1,460,000	1,462,000	2,000	1,580,000	118,000	8.1%
Human Resources	446,000	449,000	3,000	476,000	27,000	6.0%
Internal Audit	507,000	519,000	12,000	547,000	28,000	5.4%
Investments	1,501,000	1,519,000	18,000	1,730,000	211,000	13.9%
Legal	750,000	820,000	70,000	857,000	37,000	4.5%
PRISM	1,220,000	1,235,000	15,000	1,318,000	83,000	6.7%
<b>Total Salaries</b>	<b>11,647,000</b>	<b>11,538,000</b>	<b>(109,000)</b>	<b>12,850,000</b>	<b>1,312,000</b>	<b>11.4%</b>
Health and Dental	1,812,000	1,875,000	63,000	2,118,000	243,000	13.0%
Retirement Contributions	2,908,000	2,954,000	46,000	3,288,000	334,000	11.3%
Medicare and SDI	245,000	247,000	2,000	267,000	20,000	8.1%
Social Security	707,000	701,000	(6,000)	811,000	110,000	15.7%
Other Benefits (Cafeteria Benefit, Life Insurance, Def. Comp. and Auto Allowance)	315,000	317,000	2,000	327,000	10,000	3.2%
<b>Total Fringe Benefits</b>	<b>5,987,000</b>	<b>6,094,000</b>	<b>107,000</b>	<b>6,811,000</b>	<b>717,000</b>	<b>11.8%</b>
<b>Overtime</b>	<b>80,000</b>	<b>100,000</b>	<b>20,000</b>	<b>80,000</b>	<b>(20,000)</b>	<b>-20.0%</b>
<b>Temporary Staffing</b>	<b>200,000</b>	<b>470,000</b>	<b>270,000</b>	<b>36,000</b>	<b>(434,000)</b>	<b>-92.3%</b>
<b>5% Adjustment for unexpected vacancies</b>	<b>(882,000)</b>	<b>(882,000)</b>	<b>-</b>	<b>(983,000)</b>	<b>(101,000)</b>	<b>11.5%</b>
<b>STAFFING EXPENSES Total</b>	<b>\$ 17,032,000</b>	<b>\$ 17,320,000</b>	<b>\$ 288,000</b>	<b>\$ 18,794,000</b>	<b>\$ 1,474,000</b>	<b>8.5%</b>



### Staffing - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

	Variance Over/(Under)
• Increase in salaries from 2024 filled staff positions, COLA, merit and step increases, and vacation sellbacks	\$ 1,312,000
• 5% adjustment for unexpected staff vacancies	(101,000)
• Increase in 2025 fringe benefits from higher health and contributions cost	717,000
• Decrease in 2025 overtime expense	(20,000)
• Temporary cost allocated to contingency fund	(434,000)
<b>Total Over/(Under)</b>	<b>\$ 1,474,000</b>

### Staffing - Variance Narrative 2024 Forecast vs. 2024 Budget

	Variance Over/(Under)
• Decrease from unfilled staff positions	\$ (109,000)
• Increase in fringe benefits from higher health and contributions cost	107,000
• Increase in overtime expense	20,000
• Increase in temporary costs	270,000
<b>Total Over/(Under)</b>	<b>\$ 288,000</b>

## STAFF DEVELOPMENT

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

Staff Development	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change
<b>CONFERENCES/TRAININGS</b>						
Adaptive	\$ 3,000	\$ 4,000	\$ 1,000	\$ 4,000	\$ -	0.0%
American Management Association (AMA)	-	2,000	2,000	4,000	2,000	100.0%
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	49,000	23,000	(26,000)	33,000	10,000	43.5%
CALPERLA	5,000	5,000	-	4,000	(1,000)	-20.0%
Cyber-Security	5,000	3,000	(2,000)	6,000	3,000	100.0%
GFOA	14,000	13,000	(1,000)	13,000	-	0.0%
IFEBP	17,000	7,000	(10,000)	3,000	(4,000)	-57.1%
ILPA	6,000	6,000	-	6,000	-	0.0%
NAPPA	4,000	3,000	(1,000)	7,000	4,000	133.3%
PG User and Onbase Conference	22,000	28,000	6,000	25,000	(3,000)	-10.7%
SACRS	34,000	33,000	(1,000)	36,000	3,000	9.1%
Technology Related Trainings	2,000	2,000	-	3,000	1,000	50.0%
Miscellaneous	108,000	77,000	(31,000)	63,000	(14,000)	-18.2%
<b>Sub-Total</b>	<b>269,000</b>	<b>206,000</b>	<b>(63,000)</b>	<b>207,000</b>	<b>1,000</b>	<b>0.5%</b>
<b>PROFESSIONAL DUES &amp; SUBSCRIPTIONS</b>	<b>82,000</b>	<b>87,000</b>	<b>5,000</b>	<b>83,000</b>	<b>(4,000)</b>	<b>-4.6%</b>
<b>RECRUITMENT EXPENSES</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>	<b>(3,000)</b>	<b>-100.0%</b>
<b>STAFF DEVELOPMENT EXPENSES TOTAL</b>	<b>\$ 351,000</b>	<b>\$ 296,000</b>	<b>\$ (55,000)</b>	<b>\$ 290,000</b>	<b>\$ (6,000)</b>	<b>-2.0%</b>

**Staff Development - Variance Narrative  
2025 Proposed Budget vs. 2024 Forecast**

	Variance Over/(Under)
CONFERENCE/TRAINING	
• Increase in training costs	\$ 1,000
<b>Subtotal</b>	<b>1,000</b>
PROFESSIONAL FEES & SUBSCRIPTIONS	
• Decrease in professional dues and subscriptions	(4,000)
<b>Subtotal</b>	<b>(4,000)</b>
RECRUITMENT	
• Decrease in recruitment expenses	(3,000)
<b>Subtotal</b>	<b>(3,000)</b>
<b>Total Over/(Under) \$</b>	<b>(6,000)</b>

**Staff Development - Variance Narrative  
2024 Forecast vs. 2024 Budget**

	Variance Over/(Under)
CONFERENCE/TRAINING	
• Decrease in conference and training expense	\$ (63,000)
<b>Subtotal</b>	<b>(63,000)</b>
PROFESSIONAL FEES & SUBSCRIPTIONS	
• Increase in professional dues and subscriptions	5,000
<b>Subtotal</b>	<b>5,000</b>
RECRUITMENT	
• Increase in recruitment expense	3,000
<b>Subtotal</b>	<b>3,000</b>
<b>Total Over/(Under) \$</b>	<b>(55,000)</b>

**2025 Proposed Budget: Breakdowns for Miscellaneous Trainings/Conferences**

	Administration	Benefits	Fiscal Services	Human Resources	Internal Audit
American Institute of Certified Public Accountants (AICPA)	\$ -	\$ -	\$ -	\$ -	3,000
Association of Certified Fraud Examiners (ACFE)	-	-	-	-	3,000
Association OF Public Pension Fund Auditors (APPFA)	-	-	-	-	5,000
Computer Training/County	-	2,000	1,000	-	1,000
CSDA Conference	2,000	-	-	-	-
IDEA Training	-	-	-	-	5,000
Investment Related	-	-	-	-	-
LMS (Alameda County HRS)	-	-	-	2,000	-
NASRA Winter & Annual Conference	2,000	-	-	-	-
Miscellaneous Trainings/Conferences	1,000	13,000	1,000	6,000	3,000
<b>Total Other Trainings/Conferences</b>	<b>5,000</b>	<b>15,000</b>	<b>2,000</b>	<b>8,000</b>	<b>20,000</b>
Adaptive	-	-	4,000	-	-
American Management Association (AMA)	4,000	-	-	-	-
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	7,000	21,000	2,000	-	-
CALPERLA	-	-	-	4,000	-
Cybersecurity	-	-	-	-	-
GFOA	-	-	12,000	-	1,000
IFEBP	-	3,000	-	-	-
ILPA	-	-	-	-	-
NAPPA	-	-	-	-	-
PG User and Onbase Conference	-	8,000	3,000	-	-
SACRS	9,000	5,000	3,000	2,000	3,000
Technology Related Trainings	-	-	-	-	-
Other Trainings/Conferences (from above)	5,000	15,000	2,000	8,000	20,000
<b>Total Trainings/Conferences</b>	<b>25,000</b>	<b>52,000</b>	<b>26,000</b>	<b>14,000</b>	<b>24,000</b>
<b>Professional Dues &amp; Subscriptions</b>	<b>28,000</b>	<b>3,000</b>	<b>3,000</b>	<b>2,000</b>	<b>7,000</b>
<b>TOTAL</b>	<b>\$ 53,000</b>	<b>\$ 55,000</b>	<b>\$ 29,000</b>	<b>\$ 16,000</b>	<b>\$ 31,000</b>

**2025 Proposed Budget: Breakdowns for Miscellaneous Trainings/Conferences**

	Investments	Legal	PRISM	Total
American Institute of Certified Public Accountants (AICPA)	\$ -	\$ -	\$ -	3,000
Association of Certified Fraud Examiners (ACFE)	-	-	-	3,000
Association OF Public Pension Fund Auditors (APPFA)	-	-	-	5,000
Computer Training/County	-	-	-	4,000
CSDA Conference	2,000	-	-	4,000
IDEA Training	-	-	-	5,000
Investment Related	-	2,000	-	2,000
LMS (Alameda County HRS)	-	-	-	2,000
NASRA Winter & Annual Conference	-	-	-	2,000
Miscellaneous Trainings/Conferences	3,000	4,000	2,000	33,000
<b>Total Other Trainings/Conferences</b>	<b>5,000</b>	<b>6,000</b>	<b>2,000</b>	<b>63,000</b>
Adaptive	-	-	-	4,000
American Management Association (AMA)	-	-	-	4,000
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	1,000	1,000	1,000	33,000
CALPERLA	-	-	-	4,000
Cybersecurity	-	-	6,000	6,000
GFOA	-	-	-	13,000
IFEBP	-	-	-	3,000
ILPA	3,000	3,000	-	6,000
NAPPA	-	7,000	-	7,000
PG User and Onbase Conference	-	-	14,000	25,000
SACRS	6,000	5,000	3,000	36,000
Technology Related Trainings	-	-	3,000	3,000
Other Trainings/Conferences (from above)	5,000	6,000	2,000	63,000
<b>Total Trainings/Conferences</b>	<b>15,000</b>	<b>22,000</b>	<b>29,000</b>	<b>207,000</b>
<b>Professional Dues &amp; Subscriptions</b>	<b>18,000</b>	<b>22,000</b>	<b>-</b>	<b>83,000</b>
<b>TOTAL</b>	<b>\$ 33,000</b>	<b>\$ 44,000</b>	<b>\$ 29,000</b>	<b>\$ 290,000</b>

## PROFESSIONAL FEES

This category excludes investment professional consultant and advisor expenses.

Professional Fees	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/ (Under)	% Change
Actuarial Fees	\$ 490,000	\$ 454,000	\$ (36,000)	\$ 496,000	\$ 42,000	9.3%
Audit Fees	145,000	145,000	-	145,000	-	0.0%
Consultant Fees	356,000	365,000	9,000	483,000	118,000	32.3%
Legal Fees	150,000	115,000	(35,000)	125,000	10,000	8.7%
<b>Total Professional Fees</b>	<b>1,141,000</b>	<b>1,079,000</b>	<b>(62,000)</b>	<b>1,249,000</b>	<b>170,000</b>	<b>15.8%</b>
<b>Actuarial Fees</b>						
Actuarial Valuation	87,500	88,000	500	90,000	2,000	2.3%
ASOP #51, Risk Report	30,000	30,000	-	30,000	-	0.0%
GASB 67 & 68	53,500	48,000	(5,500)	55,000	7,000	14.6%
GASB 74 & 75	16,000	16,000	-	17,000	1,000	6.3%
SRBR Valuation	45,000	45,000	-	46,000	1,000	2.2%
Supplemental Consulting	258,000	227,000	(31,000)	258,000	31,000	13.7%
<b>Total Actuarial Fees</b>	<b>490,000</b>	<b>454,000</b>	<b>(36,000)</b>	<b>496,000</b>	<b>42,000</b>	<b>9.3%</b>
<b>Audit Fees</b>						
Audit Fees	122,000	122,000	-	121,000	(1,000)	-0.8%
GASB 67 & 68	11,000	11,000	-	12,000	1,000	9.1%
GASB 74 & 75	12,000	12,000	-	12,000	-	0.0%
<b>Total Audit Fees</b>	<b>145,000</b>	<b>145,000</b>	<b>-</b>	<b>145,000</b>	<b>-</b>	<b>0.0%</b>
<b>Consultant Fees</b>						
<b>Benefits</b>						
Benefit Cons./Open Enroll.	133,000	133,000	-	137,000	4,000	3.0%
County Retirees Medical	126,000	126,000	-	126,000	-	0.0%
Dental and Vision RFP	-	-	-	50,000	50,000	100.0%
<b>Total Benefits</b>	<b>259,000</b>	<b>259,000</b>	<b>-</b>	<b>313,000</b>	<b>54,000</b>	<b>20.8%</b>
<b>Fiscal Services</b>						
Cashlog/Accounting System	20,000	-	(20,000)	20,000	20,000	100.0%
<b>Total Fiscal Services</b>	<b>20,000</b>	<b>-</b>	<b>(20,000)</b>	<b>20,000</b>	<b>20,000</b>	<b>100.0%</b>
<b>Human Resources</b>						
Lakeside Group (County Personnel)	77,000	106,000	29,000	135,000	29,000	27.4%
<b>Total Human Resources</b>	<b>77,000</b>	<b>106,000</b>	<b>29,000</b>	<b>135,000</b>	<b>29,000</b>	<b>27.4%</b>
<b>PRISM</b>						
OnBase Upgrade	-	-	-	15,000	15,000	100.0%
<b>Total PRISM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>15,000</b>	<b>100.0%</b>
<b>Total Consultant Fees</b>	<b>356,000</b>	<b>365,000</b>	<b>9,000</b>	<b>483,000</b>	<b>118,000</b>	<b>32.3%</b>
<b>Legal Fees</b>						
Fiduciary	60,000	55,000	(5,000)	50,000	(5,000)	-9.1%
Miscellaneous Legal Advice	65,000	41,000	(24,000)	50,000	9,000	22.0%
Tax and Benefit Issues	25,000	19,000	(6,000)	25,000	6,000	31.6%
<b>Total Legal Fees</b>	<b>\$ 150,000</b>	<b>\$ 115,000</b>	<b>\$ (35,000)</b>	<b>\$ 125,000</b>	<b>\$ 10,000</b>	<b>8.7%</b>

### Professional Fees - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

Variance Over/(Under)

#### ACTUARIAL

• Increase in actuarial valuation, GASB, and SRBR valuation costs	\$	11,000
• Increase in supplemental consulting fees		31,000
<b>Subtotal</b>		<b>42,000</b>

#### CONSULTANTS

• Increase in benefit consulting fees for the dental and vision RFP		54,000
• OnBase upgrade and accounting system projects for 2025		35,000
• Increase in contract fees		29,000
<b>Subtotal</b>		<b>118,000</b>

#### LEGAL

• Increase in legal consulting expenses		10,000
<b>Subtotal</b>		<b>10,000</b>

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**Total Over/(Under) \$ 170,000**


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### Professional Fees - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

#### ACTUARIAL

• Decrease in actuarial expenses	\$	(36,000)
<b>Subtotal</b>		<b>(36,000)</b>

#### CONSULTANTS

• Increase in consultant fees		9,000
<b>Subtotal</b>		<b>9,000</b>

#### LEGAL

• Decrease in legal consulting expenses		(35,000)
<b>Subtotal</b>		<b>(35,000)</b>

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**Total Over/(Under) \$ (62,000)**


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## OFFICE EXPENSE

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

Office Expense	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/ (Under)	% Change
Bank Charges	\$ 79,000	\$ 76,000	\$ (3,000)	\$ 72,000	\$ (4,000)	-5.3%
Misc. Administrative Expenses	6,000	5,000	(1,000)	5,000	-	0.0%
Building Expenses	38,000	32,000	(6,000)	58,000	26,000	81.3%
Communications	117,000	117,000	-	53,000	(64,000)	-54.7%
Equip. Leasing & Maint.	138,000	109,000	(29,000)	106,000	(3,000)	-2.8%
Minor Furniture & Equipment	13,000	13,000	-	24,000	11,000	84.6%
Office Supplies & Maint.	54,000	54,000	-	57,000	3,000	5.6%
Printing & Postage	23,000	18,000	(5,000)	21,000	3,000	16.7%
<b>OFFICE EXPENSE Total</b>	<b>\$ 468,000</b>	<b>\$ 424,000</b>	<b>\$ (44,000)</b>	<b>\$ 396,000</b>	<b>\$ (28,000)</b>	<b>-6.6%</b>

### Office Expense - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

Variance Over/(Under)

#### EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

- Increase in minor furniture & equipment costs

\$ 11,000  
**Subtotal 11,000**

#### PRINTING & POSTAGE

- Increase in printing & postage costs

3,000  
**Subtotal 3,000**

#### BUILDING, BANK CHARGES AND COMMUNICATIONS

- Decrease in communication expense from switching to new service provider in 2025
- Increase in building expenses
- Decrease in bank fees

(64,000)  
26,000  
(4,000)  
**Subtotal (42,000)**

**Total Over/(Under) \$ (28,000)**

### Office Expense - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

#### EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

- Decrease in equipment lease expenses

\$ (29,000)  
**Subtotal (29,000)**

#### MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Decrease in miscellaneous administrative expenses

(1,000)  
**Subtotal (1,000)**

#### PRINTING & POSTAGE

- Decrease in printing costs

(5,000)  
**Subtotal (5,000)**

#### BUILDING AND BANK CHARGES

- Decrease in escalation fees for building expenses
- Decrease in bank fees

(6,000)  
(3,000)  
**Subtotal (9,000)**

**Total Over/(Under) \$ (44,000)**

## INSURANCE

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

Insurance	2024 Budget		2024 Forecast		2024 Forecast vs. 2024 Budget Over/(Under)		2025 Proposed Budget		2025 Proposed Budget vs. 2024 Forecast Over/(Under)		% Change
Commercial Package	\$	92,000	\$	93,000	\$	1,000	\$	96,000	\$	3,000	4.8%
Cyber Liability		43,000		40,000		(3,000)		41,000		1,000	3.7%
Fiduciary Liability		175,000		171,000		(4,000)		175,000		4,000	3.5%
Risk Management		152,000		160,000		8,000		159,000		(1,000)	-1.0%
Worker's Compensation		175,000		167,000		(8,000)		184,000		17,000	14.4%
<b>INSURANCE Total</b>	<b>\$</b>	<b>637,000</b>	<b>\$</b>	<b>631,000</b>	<b>\$</b>	<b>(6,000)</b>	<b>\$</b>	<b>655,000</b>	<b>\$</b>	<b>24,000</b>	<b>3.8%</b>

### Insurance - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

	Variance Over/(Under)
• Increase in fiduciary liability insurance premiums	\$ 4,000
• Increase in cyber liability and commercial package insurance premiums	4,000
• Increase in Alameda County worker's compensation and risk management insurance premiums	16,000
<b>Total Over/(Under)</b>	<b>\$ 24,000</b>

### Insurance - Variance Narrative 2024 Forecast vs. 2024 Budget

	Variance Over/(Under)
• Savings in fiduciary liability insurance premiums	\$ (4,000)
• Savings in premiums for cyber liability and commercial package	(2,000)
<b>Total Over/(Under)</b>	<b>\$ (6,000)</b>



## MEMBER SERVICES

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

Member Services		2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change
Benefit Verification	\$	6,000	\$ 7,000	\$ 1,000	\$ 7,000	\$ -	0.0%
Disability - Legal Arbitration & Transcripts		80,000	82,000	2,000	95,000	13,000	15.9%
Disability - Medical		180,000	346,000	166,000	342,000	(4,000)	-1.2%
Disability Claims Management		47,000	46,000	(1,000)	46,000	-	0.0%
Health Reimbursement Account (HRA)		70,000	71,000	1,000	95,000	24,000	33.8%
Member Training & Education		16,000	14,000	(2,000)	16,000	2,000	14.3%
Printing and Postage - Members		143,000	142,000	(1,000)	171,000	29,000	20.4%
Virtual Call Center		66,000	66,000	-	66,000	-	0.0%
<b>MEMBER SERVICES Total</b>	<b>\$</b>	<b>608,000</b>	<b>\$ 774,000</b>	<b>\$ 166,000</b>	<b>\$ 838,000</b>	<b>\$ 64,000</b>	<b>8.3%</b>

### Member Services - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

Variance Over/(Under)

#### DISABILITY

- Increase in disability legal arbitration and transcripts

\$ 9,000  
**Subtotal** 9,000

#### PRINTING AND POSTAGE BENEFITS

- Increase in members printing and postage for open enrollment

29,000  
**Subtotal** 29,000

#### MEMBER TRAINING AND EDUCATION

- Increase in member training and education

2,000  
**Subtotal** 2,000

#### HEALTH REIMBURSEMENT ACCOUNT

- Rate increase in health reimbursement account for 2025

24,000  
**Subtotal** 24,000

**Total Over/(Under) \$ 64,000**

### Member Services - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

#### DISABILITY

- Increase in disability medical expenses

\$ 167,000  
**Subtotal** 167,000

#### PRINTING AND POSTAGE BENEFITS

- Decrease in printing & postage costs

(1,000)  
**Subtotal** (1,000)

#### MEMBER TRAINING AND EDUCATION

- Decrease in member training and education

(2,000)  
**Subtotal** (2,000)

#### HEALTH REIMBURSEMENT ACCOUNT AND BENEFIT VERIFICATION

- Increase in health reimbursement account and benefit verification

2,000  
**Subtotal** 2,000

**Total Over/(Under) \$ 166,000**

## SYSTEMS

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

System Expenses			2024 Forecast vs. 2024		2025 Proposed Budget vs.		% Change
	2024 Budget	2024 Forecast	Budget Over/ (Under)	2025 Proposed Budget	2024 Forecast Over/(Under)		
Business Continuity Expenses	\$ 248,000	\$ 259,000	\$ 11,000	\$ 263,000	\$ 4,000	1.5%	
County Data Processing	139,000	138,000	(1,000)	139,000	1,000	0.7%	
Minor Computer Hardware	42,000	42,000	-	36,000	(6,000)	-14.3%	
Software License & Maintenance	859,000	1,038,000	179,000	843,000	(195,000)	-18.8%	
SYSTEMS Total	\$ 1,288,000	\$ 1,477,000	\$ 189,000	\$ 1,281,000	\$ (196,000)	-13.3%	

### Systems - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

	Variance Over/(Under)
<b>SOFTWARE, MAINTENANCE &amp; SUPPORT</b>	
• Reduction in software cost for PensionGold version 3	\$ (195,000)
<b>Subtotal</b>	<b>(195,000)</b>
<b>COMPUTER HARDWARE &amp; COUNTY DATA PROCESSING</b>	
• Reduction in minor computer hardware costs	(6,000)
• Increase in county data processing expenses	1,000
<b>Subtotal</b>	<b>(5,000)</b>
<b>BUSINESS CONTINUITY EXPENSES</b>	
• Increase in business continuity expenses	4,000
<b>Subtotal</b>	<b>4,000</b>
<b>Total Over/(Under)</b>	<b>\$ (196,000)</b>

### Systems - Variance Narrative 2024 Forecast vs. 2024 Budget

	Variance Over/(Under)
<b>SOFTWARE, MAINTENANCE &amp; SUPPORT</b>	
• Increase in software licenses & maintenance	\$ 179,000
<b>Subtotal</b>	<b>179,000</b>
<b>BUSINESS CONTINUITY &amp; COUNTY DATA PROCESSING</b>	
• Increase in business continuity expenses	11,000
• Decrease in county data processing expenses	(1,000)
<b>Subtotal</b>	<b>10,000</b>
<b>Total Over/(Under)</b>	<b>\$ 189,000</b>

## BOARD OF RETIREMENT

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

Board of Retirement		2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change
Board Compensation	\$	28,000	\$ 24,000	\$ (4,000)	\$ 28,000	\$ 4,000	16.7%
Board Conference and Training		209,000	167,000	(42,000)	202,000	35,000	21.0%
Board Elections		43,000	43,000	-	49,000	6,000	14.0%
Board Employer Reimbursement		379,000	379,000	-	391,000	12,000	3.2%
Board Miscellaneous Activities		22,000	14,000	(8,000)	13,000	(1,000)	-7.1%
Board Software Maint. & Support		18,000	17,000	(1,000)	16,000	(1,000)	-5.9%
Board Strategic Planning		8,000	8,000	-	8,000	-	0.0%
<b>BOARD OF RETIREMENT Total</b>	<b>\$</b>	<b>707,000</b>	<b>\$ 652,000</b>	<b>\$ (55,000)</b>	<b>\$ 707,000</b>	<b>\$ 55,000</b>	<b>8.4%</b>

### Board of Retirement - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

	Variance Over/(Under)
• Increase in board compensation expense	\$ 4,000
• Increase in board conference and training expense	35,000
• Increase in board election expense	6,000
• Increase in employer reimbursements	12,000
• Decrease in board miscellaneous and software maintenance & support costs	(2,000)
<b>Total Over/(Under)</b>	<b>\$ 55,000</b>

### Board of Retirement - Variance Narrative 2024 Forecast vs. 2024 Budget

	Variance Over/(Under)
• Decrease in board compensation expense	\$ (4,000)
• Decrease in board conference and training expense	(42,000)
• Decrease in board miscellaneous activities expense	(8,000)
• Decrease in software maintenance & support	(1,000)
<b>Total Over/(Under)</b>	<b>\$ (55,000)</b>

## DEPRECIATION

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

Depreciation	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/ (Under)	% Change
Computer Hardware	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
EDMS Admin. Share	2,000	2,000	-	1,000	(1,000)	-50.0%
Equipment	10,000	9,000	(1,000)	4,000	(5,000)	-55.6%
Information system	5,000	5,000	-	931,000	926,000	18520.0%
Leasehold Improvements	95,000	95,000	-	95,000	-	0.0%
<b>Total Depreciation</b>	<b>\$ 112,000</b>	<b>\$ 114,000</b>	<b>\$ 2,000</b>	<b>\$ 1,034,000</b>	<b>\$ 920,000</b>	<b>807.0%</b>

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

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

### Depreciation - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

	Variance Over/(Under)
• PAS Project capitalization in 2025	\$ 920,000
<b>Total Over/(Under)</b>	<b>\$ 920,000</b>

### Depreciation - Variance Narrative 2024 Forecast vs. 2024 Budget

	Variance Over/(Under)
COMPUTER HARDWARE AND EQUIPMENT	
• Purchase of new equipment	\$ 2,000
<b>Total Over/(Under)</b>	<b>\$ 2,000</b>

## UNCOLLECTIBLE BENEFIT PAYMENTS

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 \$78,000. 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 one-year period from which collection efforts have been exhausted and the receivable has been declared uncollectible.

Uncollectible Benefit Payments	2024		2024 Forecast		2024 Forecast vs. 2024 Budget Over/(Under)		2025 Proposed Budget		2025 Proposed Budget vs. 2024 Forecast Over/(Under)		% Change
	Budget										
Uncollectible Benefit Payments	\$	78,000	\$	87,000	\$	9,000	\$	78,000	\$	(9,000)	-10.3%
<b>Total</b>	<b>\$</b>	<b>78,000</b>	<b>\$</b>	<b>87,000</b>	<b>\$</b>	<b>9,000</b>	<b>\$</b>	<b>78,000</b>	<b>\$</b>	<b>(9,000)</b>	<b>-10.3%</b>

### Uncollectible Benefit Payments - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

	Variance Over/(Under)	
• Decrease in uncollectible benefit payments	\$	(9,000)
<b>Total Over/(Under)</b>	<b>\$</b>	<b>(9,000)</b>

### Uncollectible Benefit Payments - Variance Narrative 2024 Forecast vs. 2024 Budget

	Variance Over/(Under)	
• Increase in uncollectible benefit payments	\$	9,000
<b>Total Over/(Under)</b>	<b>\$</b>	<b>9,000</b>

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## **Section IV**

### **Departmental Operating Expense Budgets**



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## Section IV

# Departmental Operating Expense Budgets

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

Departments	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/ (Under)	% Change
Administration <a href="#">(p#42)</a>	\$ 4,003,000	\$ 3,836,000	\$ (167,000)	\$ 5,245,000	\$ 1,409,000	36.7%
Benefits <a href="#">(p#46)</a>	8,084,000	8,219,000	135,000	8,755,000	536,000	6.5%
Fiscal Services <a href="#">(p#49)</a>	2,470,000	2,486,000	16,000	2,640,000	154,000	6.2%
Human Resources <a href="#">(p#51)</a>	766,000	777,000	11,000	847,000	70,000	9.0%
Internal Audit <a href="#">(p#53)</a>	767,000	790,000	23,000	835,000	45,000	5.7%
Investment <a href="#">(p#55)</a>	2,186,000	2,279,000	93,000	2,540,000	261,000	11.5%
Legal <a href="#">(p#57)</a>	1,319,000	1,355,000	36,000	1,435,000	80,000	5.9%
PRISM <a href="#">(p#59)</a>	2,787,000	3,102,000	315,000	3,025,000	(77,000)	-2.5%
<b>Total Depart. Expenses</b>	<b>22,382,000</b>	<b>22,844,000</b>	<b>462,000</b>	<b>25,322,000</b>	<b>2,478,000</b>	<b>10.8%</b>
<b>PROJECTS <sup>1</sup></b>	<b>40,000</b>	<b>10,000</b>	<b>(30,000)</b>	<b>-</b>	<b>(10,000)</b>	<b>-100.0%</b>
<b>Total Depart. Exp. + Projects</b>	<b>\$ 22,422,000</b>	<b>\$ 22,854,000</b>	<b>\$ 432,000</b>	<b>\$ 25,322,000</b>	<b>\$ 2,468,000</b>	<b>10.8%</b>

<sup>1</sup> See Section V

## ADMINISTRATION DEPARTMENT

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		2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/ (Under)	% Change
STAFFING							
Salaries	\$	980,000	\$ 958,000	\$ (22,000)	\$ 1,218,000	\$ 260,000	27.1%
Fringe Benefits		486,000	480,000	(6,000)	604,000	124,000	25.8%
Temporary Staff		-	-	-	36,000	36,000	100.0%
5% adjustment for unexpected vacancies		(73,000)	(73,000)	-	(91,000)	(18,000)	24.7%
Staffing Total		1,393,000	1,365,000	(28,000)	1,767,000	402,000	29.5%
STAFF DEVELOPMENT		64,000	53,000	(11,000)	53,000	-	0.0%
PROFESSIONAL FEES							
Actuarial Fees		490,000	454,000	(36,000)	496,000	42,000	9.3%
Professional Fees Total		490,000	454,000	(36,000)	496,000	42,000	9.3%
OFFICE EXPENSE							
Miscellaneous Administrative		6,000	5,000	(1,000)	5,000	-	0.0%
Building Expenses		38,000	32,000	(6,000)	58,000	26,000	81.3%
Communications		117,000	117,000	-	53,000	(64,000)	-54.7%
Equipment Lease & Maintenance		138,000	109,000	(29,000)	106,000	(3,000)	-2.8%
Minor Furniture & Equipment		3,000	3,000	-	12,000	9,000	300.0%
Office Supplies & Maintenance		54,000	54,000	-	57,000	3,000	5.6%
Printing & Postage		23,000	18,000	(5,000)	21,000	3,000	16.7%
Office Expense Total		379,000	338,000	(41,000)	312,000	(26,000)	-7.7%
INSURANCE		637,000	631,000	(6,000)	655,000	24,000	3.8%
SYSTEMS							
County Data Processing		139,000	138,000	(1,000)	139,000	1,000	0.7%
Software Maintenance & Support		4,000	4,000	-	4,000	-	0.0%
Systems Total		143,000	142,000	(1,000)	143,000	1,000	0.7%
BOARD OF RETIREMENT							
Board Conferences & Miscellaneous Activities		707,000	652,000	(55,000)	707,000	55,000	8.4%
UNCOLLECTIBLE BENEFIT PAYMENTS		78,000	87,000	9,000	78,000	(9,000)	-10.3%
DEPRECIATION							
Depreciation Expense		112,000	114,000	2,000	1,034,000	920,000	807.0%
GRAND TOTAL	\$	4,003,000	\$ 3,836,000	\$ (167,000)	\$ 5,245,000	\$ 1,409,000	36.7%

## Administration Department - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

Variance Over/(Under)

### STAFFING

• Increase in salaries from COLA, merit increase, and vacation sellbacks	\$	260,000
• Increase in 2025 fringe benefits from higher health and contributions cost		124,000
• Increase in temporary staff expense		36,000
• 5% adjustment for unexpected staff vacancies		(18,000)
<b>Subtotal</b>		<b>402,000</b>

### PROFESSIONAL FEES

• Increase in actuarial fees		42,000
<b>Subtotal</b>		<b>42,000</b>

### OFFICE EXPENSE

• Increase in building expenses		26,000
• Decrease in communication expense from switching to new service provider in 2025		(64,000)
• Increase in minor furniture & equipment costs		6,000
• Increase in office supplies & maintenance, and printing & postage		6,000
<b>Subtotal</b>		<b>(26,000)</b>

### INSURANCE

• Increase in insurance premiums for worker's compensation, cyber liability, and fiduciary liability		24,000
<b>Subtotal</b>		<b>24,000</b>

### SYSTEMS

• Increase in county data processing expenses		1,000
<b>Subtotal</b>		<b>1,000</b>

### BOARD OF RETIREMENT

• Increase in board elections, employer reimbursements, board compensation, and conferences & trainings		55,000
<b>Subtotal</b>		<b>55,000</b>

### UNCOLLECTIBLE BENEFIT PAYMENTS

• Decrease in uncollectible benefit payments		(9,000)
<b>Subtotal</b>		<b>(9,000)</b>

### DEPRECIATION EXPENSE

• PAS Project capitalization in 2025		920,000
<b>Subtotal</b>		<b>920,000</b>

**Total Over/(Under) \$ 1,409,000**

## Administration Department - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

### STAFFING

• Decrease from unfilled staff position	\$	(22,000)
• Decrease in fringe benefits from unfilled staff position		(6,000)
<b>Subtotal</b>		<b>(28,000)</b>

### STAFF DEVELOPMENT

• Decrease in conference and training expense		(11,000)
<b>Subtotal</b>		<b>(11,000)</b>

### PROFESSIONAL FEES

• Decrease in actuarial expenses		(36,000)
<b>Subtotal</b>		<b>(36,000)</b>

### OFFICE EXPENSE

• Decrease in miscellaneous administrative expenses		(1,000)
• Decrease in escalation fees for building expenses		(6,000)
• Decrease in equipment lease expenses		(29,000)
• Decrease in printing costs		(5,000)
<b>Subtotal</b>		<b>(41,000)</b>

### INSURANCE

• Savings in insurance premiums		(6,000)
<b>Subtotal</b>		<b>(6,000)</b>

### SYSTEMS

• Decrease in county data processing expenses		(1,000)
<b>Subtotal</b>		<b>(1,000)</b>

### BOARD OF RETIREMENT

• Decrease in board compensation, conferences & trainings, board miscellaneous, and board software maint. & support		(55,000)
<b>Subtotal</b>		<b>(55,000)</b>

### UNCOLLECTIBLE BENEFIT PAYMENTS

• Increase in uncollectible benefit payments		9,000
<b>Subtotal</b>		<b>9,000</b>

### DEPRECIATION

• Purchase of new equipment		2,000
<b>Subtotal</b>		<b>2,000</b>

**Total Over/(Under) \$ (167,000)**

Administration Department Professional Fees				2024 Forecast vs. 2024 Budget Over/(Under)		2025 Proposed Budget vs. 2024 Forecast Over/(Under)		% Change			
	2024 Budget		2024 Forecast		2025 Proposed Budget						
Actuarial Fees											
Actuarial Valuation	\$	87,500	\$	88,000	\$	500	\$	2,000	2.3%		
ASOP #51, Risk Report		30,000		30,000		-	30,000	-	0.0%		
GASB 67 & 68		53,500		48,000		(5,500)	55,000	7,000	14.6%		
GASB 74 & 75		16,000		16,000		-	17,000	1,000	6.3%		
SRBR Valuation		45,000		45,000		-	46,000	1,000	2.2%		
Supplemental Consulting		258,000		227,000		(31,000)	258,000	31,000	13.7%		
Subtotal		490,000		454,000		(36,000)	496,000	42,000	9.3%		
Administration Total	\$	490,000	\$	454,000	\$	(36,000)	\$	496,000	\$	42,000	9.3%

Administration Department Staffing		2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)
Chief Executive Officer	\$	348,000	\$ 357,000	\$ 9,000	\$ 377,000	\$ 20,000
Assistant CEO		243,000	250,000	7,000	282,000	32,000
Administrative Support Specialist		85,000	87,000	2,000	92,000	5,000
Administrative Specialist II		105,000	107,000	2,000	114,000	7,000
Cybersecurity Analyst		-	-	-	212,000	212,000
Executive Secretary		129,000	133,000	4,000	141,000	8,000
Supply Clerk II		70,000	24,000	(46,000)	-	(24,000)
Subtotal Salaries <sup>1</sup>		980,000	958,000	(22,000)	1,218,000	260,000
Fringe Benefits		486,000	480,000	(6,000)	604,000	124,000
Temporary Staff		-	-	-	36,000	36,000
5% adjustment for unexpected vacancies		(73,000)	(73,000)	-	(91,000)	(18,000)
Administration Total	\$	1,393,000	\$ 1,365,000	\$ (28,000)	\$ 1,767,000	\$ 402,000

<sup>1</sup>Subtotal salaries include base salary, work out of class, footnotes and vacation sellback.

## BENEFITS DEPARTMENT

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

Benefits Department			2024 Forecast vs. 2024 Budget Over/ (Under)			2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change					
	2024 Budget	2024 Forecast		2025 Proposed Budget								
STAFFING												
Salaries	\$	4,844,000	\$	4,656,000	\$	(188,000)	\$	5,184,000	\$	528,000		11.3%
Fringe Benefits		2,475,000		2,487,000		12,000		2,827,000		340,000		13.7%
Temporary Staff		200,000		427,000		227,000		-		(427,000)		-100.0%
5% adjustment for unexpected vacancies		(363,000)		(363,000)		-		(397,000)		(34,000)		9.4%
Staffing Total		7,156,000		7,207,000		51,000		7,614,000		407,000		5.6%
STAFF DEVELOPMENT		111,000		57,000		(54,000)		55,000		(2,000)		-3.5%
PROFESSIONAL FEES		259,000		259,000		-		313,000		54,000		20.8%
MEMBER SERVICES												
Benefit Verification		6,000		7,000		1,000		7,000		-		0.0%
Disability - Medical Expense		180,000		346,000		166,000		342,000		(4,000)		-1.2%
Disability - Managed Medical Review Organization (MMRO)		47,000		46,000		(1,000)		46,000		-		0.0%
Health Reimbursement Account (HRA)		70,000		71,000		1,000		95,000		24,000		33.8%
Member Training & Education		16,000		14,000		(2,000)		16,000		2,000		14.3%
Printing & Postage - Members		143,000		142,000		(1,000)		171,000		29,000		20.4%
Virtual Call Center		66,000		66,000		-		66,000		-		0.0%
Member Services Total		528,000		692,000		164,000		743,000		51,000		7.4%
SYSTEMS												
Software Maintenance/Support		30,000		4,000		(26,000)		30,000		26,000		650.0%
Systems Total		30,000		4,000		(26,000)		30,000		26,000		650.0%
GRAND TOTAL	\$	8,084,000	\$	8,219,000	\$	135,000	\$	8,755,000	\$	536,000		6.5%

### Benefits Department - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
• Increase in salaries from filled staff positions, COLA, merit and step increases, and vacation sellbacks	\$ 528,000
• Increase in fringe benefits attributed to filled staff positions, higher health and contributions cost	340,000
• Temporary cost allocated to contingency fund	(427,000)
• 5% adjustment for unexpected staff vacancies	(34,000)
<b>Subtotal</b>	<b>407,000</b>
<b>STAFF DEVELOPMENT</b>	
• Decrease in recruitment expenses	(2,000)
<b>Subtotal</b>	<b>(2,000)</b>
<b>PROFESSIONAL FEES</b>	
• Increase in benefit consulting fees for the dental and vision RFP	54,000
<b>Subtotal</b>	<b>54,000</b>
<b>MEMBER SERVICES</b>	
• Decrease in disability medical costs	(4,000)
• Rate increase in health reimbursement account for 2025	24,000
• Increase in member training and education	2,000
• Increase in members printing and postage for open enrollment	29,000
<b>Subtotal</b>	<b>51,000</b>
<b>SYSTEMS</b>	
• Increase in software licenses & maintenance	26,000
<b>Subtotal</b>	<b>26,000</b>
<b>Total Over/(Under)</b>	<b>\$ 536,000</b>

## Benefits Department - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

### STAFFING

• Decrease in salaries from unfilled staff positions	\$	(188,000)
• Increase in fringe benefits from higher health and contributions cost		12,000
• Increase in 2024 temporary cost		227,000
<b>Subtotal</b>		<b>51,000</b>

### STAFF DEVELOPMENT

• Decrease in conference and training expense		(54,000)
<b>Subtotal</b>		<b>(54,000)</b>

### MEMBER SERVICES

• Increase in disability medical expenses		166,000
• Decrease in member training and education		(2,000)
<b>Subtotal</b>		<b>164,000</b>

### SYSTEMS

• Decrease in software licenses & maintenance		(26,000)
<b>Subtotal</b>		<b>(26,000)</b>

**Total Over/(Under) \$ 135,000**

Benefits Department Professional Fees			2024 Forecast vs. 2024 Budget Over/ (Under)		2025 Proposed Budget vs. 2024 Forecast Over/(Under)		% Change
	2024 Budget	2024 Forecast			2025 Proposed Budget		
Benefits Consultant/Open Enrollment	\$ 133,000	\$ 133,000	\$ -	\$	137,000	\$ 4,000	3.0%
County Retirees Medical (Benefit Consultant)	126,000	126,000	-		126,000	-	0.0%
Dental and Vision RFP	-	-	-		50,000	50,000	100.0%
<b>Benefits Total</b>	<b>\$ 259,000</b>	<b>\$ 259,000</b>	<b>\$ -</b>	<b>\$</b>	<b>313,000</b>	<b>\$ 54,000</b>	<b>20.8%</b>



# Section IV: Departmental Operating Expense Budgets

(TOC p.# III)

Benefits Department Staffing			2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)			2025 Proposed Budget vs. 2024 Forecast Over/ (Under)
	2024 Budget	2024 Forecast			2025 Proposed Budget		
Assistant CEO	\$ 267,000	\$ 269,000	\$ 2,000	\$ 284,000	\$ 15,000		
Administrative Specialist II	105,000	106,000	1,000	117,000	11,000		
Administrative Support Specialist	85,000	86,000	1,000	91,000	5,000		
Communications Manager	122,000	124,000	2,000	131,000	7,000		
Graphic Designer	101,000	98,000	(3,000)	104,000	6,000		
Management Analyst	119,000	121,000	2,000	128,000	7,000		
Retirement Assistant Benefits Manager	151,000	98,000	(53,000)	138,000	40,000		
Retirement Assistant Benefits Manager	170,000	173,000	3,000	184,000	11,000		
Retirement Benefits Manager	189,000	191,000	2,000	205,000	14,000		
Retirement Benefits Manager	200,000	201,000	1,000	217,000	16,000		
Retirement Benefits Specialist	115,000	118,000	3,000	123,000	5,000		
Retirement Benefits Specialist	115,000	116,000	1,000	121,000	5,000		
Retirement Benefits Specialist	115,000	116,000	1,000	121,000	5,000		
Retirement Benefits Specialist	104,000	28,000	(76,000)	110,000	82,000		
Retirement Benefits Specialist	118,000	119,000	1,000	123,000	4,000		
Retirement Benefits Specialist	118,000	120,000	2,000	130,000	10,000		
Retirement Benefits Specialist	115,000	116,000	1,000	121,000	5,000		
Retirement Benefits Specialist	115,000	79,000	(36,000)	110,000	31,000		
Retirement Technician	70,000	31,000	(39,000)	86,000	55,000		
Retirement Technician	86,000	87,000	1,000	97,000	10,000		
Retirement Technician	90,000	92,000	2,000	96,000	4,000		
Retirement Technician	88,000	88,000	-	95,000	7,000		
Retirement Technician	97,000	31,000	(66,000)	86,000	55,000		
Senior Retirement Technician	97,000	109,000	12,000	113,000	4,000		
Senior Retirement Technician	89,000	88,000	(1,000)	102,000	14,000		
Senior Retirement Technician	90,000	91,000	1,000	102,000	11,000		
Senior Retirement Technician	90,000	90,000	-	99,000	9,000		
Senior Retirement Technician	85,000	87,000	2,000	102,000	15,000		
Senior Retirement Technician	100,000	106,000	6,000	113,000	7,000		
Senior Retirement Technician	104,000	112,000	8,000	114,000	2,000		
Senior Retirement Technician	101,000	101,000	-	111,000	10,000		
Senior Retirement Technician	108,000	108,000	-	113,000	5,000		
Senior Retirement Technician	108,000	109,000	1,000	114,000	5,000		
Senior Retirement Technician	108,000	109,000	1,000	113,000	4,000		
Senior Retirement Technician	108,000	109,000	1,000	114,000	5,000		
Senior Retirement Technician	108,000	109,000	1,000	113,000	4,000		
Senior Retirement Technician	108,000	109,000	1,000	113,000	4,000		
Senior Retirement Technician	108,000	110,000	2,000	122,000	12,000		
Senior Retirement Technician	108,000	109,000	1,000	114,000	5,000		
Senior Retirement Technician	99,000	100,000	1,000	107,000	7,000		
Senior Retirement Technician	108,000	109,000	1,000	115,000	6,000		
Senior Retirement Technician	102,000	103,000	1,000	112,000	9,000		
<b>Subtotal Salaries<sup>1</sup></b>	<b>4,784,000</b>	<b>4,576,000</b>	<b>(208,000)</b>	<b>5,124,000</b>	<b>548,000</b>		
Fringe Benefits	2,475,000	2,487,000	12,000	2,827,000	340,000		
Temporary Staff	200,000	427,000	227,000	-	(427,000)		
Overtime	60,000	80,000	20,000	60,000	(20,000)		
5% adjustment for unexpected vacancies	(363,000)	(363,000)	-	(397,000)	(34,000)		
<b>Benefits Total</b>	<b>\$ 7,156,000</b>	<b>\$ 7,207,000</b>	<b>\$ 51,000</b>	<b>\$ 7,614,000</b>	<b>\$ 407,000</b>		

<sup>1</sup>Subtotal salaries include base salary, work out of class, footnotes and vacation sellback.

## FISCAL SERVICES DEPARTMENT

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

Fiscal Services Department			2024 Forecast vs. 2024 Budget Over/ (Under)			2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change
	2024 Budget	2024 Forecast		2025 Proposed Budget			
STAFFING							
Salaries	\$ 1,480,000	\$ 1,482,000	\$ 2,000	\$ 1,600,000	\$ 118,000		8.0%
Fringe Benefits	756,000	758,000	2,000	828,000	70,000		9.2%
Temporary Staff	-	43,000	43,000	-	(43,000)		-100.0%
5% adjustment for unexpected vacancies	(111,000)	(111,000)	-	(120,000)	(9,000)		8.1%
Staffing Total	2,125,000	2,172,000	47,000	2,308,000	136,000		6.3%
STAFF DEVELOPMENT							
	29,000	29,000	-	29,000	-		0.0%
PROFESSIONAL FEES							
Consultant Fees	20,000	-	(20,000)	20,000	20,000		100.0%
External Audit	145,000	145,000	-	145,000	-		0.0%
Professional Fees Total	165,000	145,000	(20,000)	165,000	20,000		13.8%
OFFICE EXPENSE							
Bank Charges	79,000	76,000	(3,000)	72,000	(4,000)		-5.3%
Office Expense Total	79,000	76,000	(3,000)	72,000	(4,000)		-5.3%
SYSTEMS							
Software Maintenance/Support	72,000	64,000	(8,000)	66,000	2,000		3.1%
Systems Total	72,000	64,000	(8,000)	66,000	2,000		3.1%
GRAND TOTAL	\$ 2,470,000	\$ 2,486,000	\$ 16,000	\$ 2,640,000	\$ 154,000		6.2%

### Fiscal Services Department - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
• Increase in salaries from COLA, merit and step increases, and vacation sellbacks	\$ 118,000
• Increase in 2025 fringe benefits from higher health and contributions cost	70,000
• Decrease in temporary staff attributed to filled staff position	(43,000)
• 5% adjustment for unexpected staff vacancies	(9,000)
<b>Subtotal</b>	<b>136,000</b>
<b>PROFESSIONAL FEES</b>	
• Consultant fees for accounting system project in 2025	20,000
<b>Subtotal</b>	<b>20,000</b>
<b>OFFICE EXPENSE</b>	
• Decrease in bank fees	(4,000)
<b>Subtotal</b>	<b>(4,000)</b>
<b>SYSTEMS</b>	
• Increase in software licenses & maintenance	2,000
<b>Subtotal</b>	<b>2,000</b>
<b>Total Over/(Under) \$</b>	<b>154,000</b>

### Fiscal Services Department - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

#### STAFFING

• Increase in salaries	\$	2,000
• Increase in temporary staff attributed to filled staff position		43,000
• Increase in fringe benefits from higher health and contributions cost		2,000
<b>Subtotal</b>		<b>47,000</b>

#### PROFESSIONAL FEES

• Consultant fees for accounting system project delayed until 2025		(20,000)
<b>Subtotal</b>		<b>(20,000)</b>

#### OFFICE EXPENSE

• Decrease in bank fees		(3,000)
<b>Subtotal</b>		<b>(3,000)</b>

#### SYSTEMS

• Decrease in software maintenance and support		(8,000)
<b>Subtotal</b>		<b>(8,000)</b>

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

Fiscal Services Department Professional Fees	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change
Consultant Fees						
Cashlog/Accounting System	\$ 20,000	\$ -	\$ (20,000)	\$ 20,000	\$ 20,000	100.0%
<b>Subtotal</b>	<b>20,000</b>	<b>-</b>	<b>(20,000)</b>	<b>20,000</b>	<b>20,000</b>	<b>100.0%</b>
External Audit						
External Audit	122,000	122,000	-	121,000	(1,000)	-0.8%
GASB 67 & 68	11,000	11,000	-	12,000	1,000	9.1%
GASB 74 & 75	12,000	12,000	-	12,000	-	0.0%
<b>Subtotal</b>	<b>145,000</b>	<b>145,000</b>	<b>-</b>	<b>145,000</b>	<b>-</b>	<b>0.0%</b>
<b>Fiscal Services Total</b>	<b>\$ 165,000</b>	<b>\$ 145,000</b>	<b>\$ (20,000)</b>	<b>\$ 165,000</b>	<b>\$ 20,000</b>	<b>13.8%</b>

Fiscal Services Department Staffing	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)
Fiscal Services Officer	\$ 201,000	\$ 209,000	\$ 8,000	\$ 225,000	\$ 16,000
Administrative Assistant	88,000	90,000	2,000	94,000	4,000
Financial Services Specialist II	111,000	112,000	1,000	121,000	9,000
Retirement Accountant III	131,000	131,000	-	141,000	10,000
Retirement Accountant III	131,000	134,000	3,000	141,000	7,000
Retirement Accountant II	104,000	87,000	(17,000)	111,000	24,000
Retirement Accountant II	122,000	120,000	(2,000)	129,000	9,000
Retirement Accountant II	122,000	124,000	2,000	132,000	8,000
Retirement Accountant II	122,000	124,000	2,000	132,000	8,000
Retirement Accountant II	114,000	113,000	(1,000)	125,000	12,000
Retirement Budget Analyst	144,000	147,000	3,000	155,000	8,000
Retirement Support Specialist	70,000	71,000	1,000	74,000	3,000
<b>Subtotal Salaries<sup>1</sup></b>	<b>1,460,000</b>	<b>1,462,000</b>	<b>2,000</b>	<b>1,580,000</b>	<b>118,000</b>
Fringe Benefits	756,000	758,000	2,000	828,000	70,000
Temporary Staff	-	43,000	43,000	-	-
Overtime	20,000	20,000	-	20,000	-
5% adjustment for unexpected vacancies	(111,000)	(111,000)	-	(120,000)	(9,000)
<b>Fiscal Services Total</b>	<b>\$ 2,125,000</b>	<b>\$ 2,172,000</b>	<b>\$ 47,000</b>	<b>\$ 2,308,000</b>	<b>\$ 136,000</b>

<sup>1</sup>Subtotal salaries include base salary, work out of class, footnotes and vacation sellback.

## HUMAN RESOURCES DEPARTMENT

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

Human Resources Department				2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change							
				2024 Forecast										
				2024 Budget										
STAFFING														
Salaries	\$	446,000	\$	450,000	\$	4,000	\$	476,000	\$	26,000	5.8%			
Fringe Benefits		239,000		229,000		(10,000)		244,000		15,000	6.6%			
5% adjustment for unexpected vacancies		(34,000)		(34,000)		-		(36,000)		(2,000)	5.9%			
Staffing Total		651,000		645,000		(6,000)		684,000		39,000	6.0%			
STAFF DEVELOPMENT														
		16,000		16,000		-		16,000		-	0.0%			
PROFESSIONAL FEES														
		77,000		106,000		29,000		135,000		29,000	27.4%			
OFFICE EXPENSE														
Ergonomic Furniture & Equipment		10,000		10,000		-		12,000		2,000	20.0%			
Office Expense Total		10,000		10,000		-		12,000		2,000	20.0%			
SYSTEMS														
Software Maintenance & Support		12,000		-		(12,000)		-		-	0.0%			
Systems Total		12,000		-		(12,000)		-		-	0.0%			
GRAND TOTAL				\$	766,000	\$	777,000	\$	11,000	\$	847,000	\$	70,000	9.0%

### Human Resources Department - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

Variance Over/(Under)

<b>STAFFING</b>			
• Increase in salaries from COLA and vacation sellbacks	\$		26,000
• Increase in 2025 fringe benefits from higher health and contributions cost			15,000
• 5% adjustment for unexpected staff vacancies			(2,000)
<b>Subtotal</b>			<b>39,000</b>
<b>PROFESSIONAL FEES</b>			
• Increase in contract fees			29,000
<b>Subtotal</b>			<b>29,000</b>
<b>OFFICE EXPENSE</b>			
• Increase in minor furniture & equipment costs			2,000
<b>Subtotal</b>			<b>2,000</b>
<b>Total Over/(Under)</b>		<b>\$</b>	<b>70,000</b>

### Human Resources Department - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

<b>STAFFING</b>			
• Increase in salaries from COLA, and vacation sellbacks	\$		4,000
• Decrease in fringe benefits			(10,000)
<b>Subtotal</b>			<b>(6,000)</b>
<b>PROFESSIONAL FEES</b>			
• Increase in consultant fees			29,000
<b>Subtotal</b>			<b>29,000</b>
<b>SYSTEMS</b>			
• Cancellation of software research project			(12,000)
<b>Subtotal</b>			<b>(12,000)</b>
<b>Total Over/(Under)</b>		<b>\$</b>	<b>11,000</b>

## Section IV: Departmental Operating Expense Budgets

(TOC p.# III)

<b>Human Resources Department Professional Fees</b>		<b>2024 Budget</b>	<b>2024 Forecast</b>	<b>2024 Forecast vs. 2024 Budget Over/ (Under)</b>	<b>2025 Proposed Budget</b>	<b>2025 Proposed Budget vs. 2024 Forecast Over/ (Under)</b>	<b>% Change</b>
Consultant Fees - Lakeside Group	\$	77,000	\$ 106,000	\$ 29,000	\$ 135,000	\$ 29,000	27.4%
<b>Human Resources Total</b>	<b>\$</b>	<b>77,000</b>	<b>\$ 106,000</b>	<b>\$ 29,000</b>	<b>\$ 135,000</b>	<b>\$ 29,000</b>	<b>27.4%</b>

<b>Human Resources Department Staffing</b>		<b>2024 Budget</b>	<b>2024 Forecast</b>	<b>2024 Forecast vs. 2024 Budget Over/ (Under)</b>	<b>2025 Proposed Budget</b>	<b>2025 Proposed Budget vs. 2024 Forecast Over/ (Under)</b>
Human Resources Officer	\$	200,000	\$ 204,000	\$ 4,000	\$ 217,000	\$ 13,000
Human Resources Specialist		135,000	139,000	4,000	146,000	7,000
Administrative Specialist II		111,000	107,000	(4,000)	113,000	6,000
<b>Subtotal Salaries<sup>1</sup></b>		<b>446,000</b>	<b>450,000</b>	<b>4,000</b>	<b>476,000</b>	<b>26,000</b>
Fringe Benefits		239,000	229,000	(10,000)	244,000	15,000
5% adjustment for unexpected vacancies		(34,000)	(34,000)	-	(36,000)	(2,000)
<b>Human Resources Total</b>	<b>\$</b>	<b>651,000</b>	<b>\$ 645,000</b>	<b>\$ (6,000)</b>	<b>\$ 684,000</b>	<b>\$ 39,000</b>

<sup>1</sup>Subtotal salaries include base salary, work out of class, footnotes and vacation sellback.

## INTERNAL AUDIT DEPARTMENT

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		2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/ (Under)	% Change
STAFFING							
Salaries	\$	507,000	\$ 519,000	\$ 12,000	\$ 547,000	\$ 28,000	5.4%
Fringe Benefits		268,000	276,000	8,000	296,000	20,000	7.2%
5% adjustment for unexpected vacancies		(39,000)	(39,000)	-	(42,000)	(3,000)	7.7%
<b>Staffing Total</b>		<b>736,000</b>	<b>756,000</b>	<b>20,000</b>	<b>801,000</b>	<b>45,000</b>	<b>6.0%</b>
STAFF DEVELOPMENT		<b>28,000</b>	<b>31,000</b>	<b>3,000</b>	<b>31,000</b>	-	<b>0.0%</b>
SYSTEMS		<b>3,000</b>	<b>3,000</b>	-	<b>3,000</b>	-	<b>0.0%</b>
<b>GRAND TOTAL</b>	<b>\$</b>	<b>767,000</b>	<b>\$ 790,000</b>	<b>\$ 23,000</b>	<b>\$ 835,000</b>	<b>\$ 45,000</b>	<b>5.7%</b>

### Internal Audit Department - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

Variance Over/(Under)

#### STAFFING

- Increase in salaries from COLA and vacation sellbacks \$ 28,000
- Increase in 2025 fringe benefits from higher health and contributions cost 20,000
- 5% adjustment for unexpected staff vacancies (3,000)

**Subtotal 45,000**

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

### Internal Audit Department - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

#### STAFFING

- Increase in salaries from COLA and vacation sellbacks \$ 12,000
- Increase in fringe benefits from higher health and contributions cost 8,000

**Subtotal 20,000**

#### STAFF DEVELOPMENT

- Increase in conference and training expense 3,000

**Subtotal 3,000**

**Total Over/(Under) \$ 23,000**

Internal Audit Department Staffing			2024 Forecast vs. 2024 Budget Over/ (Under)		2025 Proposed Budget vs. 2024 Forecast Over/(Under)	
	2024 Budget	2024 Forecast				
Chief Internal Auditor	\$ 200,000	\$ 203,000	\$ 3,000	\$ 215,000	\$ 12,000	
Internal Auditor	137,000	140,000	3,000	148,000	8,000	
Retirement Assistant Accounting Manager	170,000	176,000	6,000	184,000	8,000	
<b>Subtotal Salaries<sup>1</sup></b>	<b>507,000</b>	<b>519,000</b>	<b>12,000</b>	<b>547,000</b>	<b>28,000</b>	
Fringe Benefits	268,000	276,000	8,000	296,000	20,000	
5% adjustment for unexpected vacancies	(39,000)	(39,000)	-	(42,000)	(3,000)	
<b>Internal Audit Total</b>	<b>\$ 736,000</b>	<b>\$ 756,000</b>	<b>\$ 20,000</b>	<b>\$ 801,000</b>	<b>\$ 45,000</b>	

<sup>1</sup>Subtotal salaries include base salary, work out of class, footnotes and vacation sellback.

## INVESTMENT DEPARTMENT

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

Investment Department			2024 Forecast vs. 2024 Budget Over/ (Under)		2025 Proposed Budget vs. 2024 Forecast Over/(Under)		% Change
	2024 Budget	2024 Forecast			2025 Proposed Budget		
STAFFING							
Salaries	\$ 1,501,000	\$ 1,519,000	\$ 18,000	\$ 1,730,000	\$ 211,000		13.9%
Fringe Benefits	768,000	837,000	69,000	910,000	73,000		8.7%
5% adjustment for unexpected vacancies	(114,000)	(114,000)	-	(133,000)	(19,000)		16.7%
Staffing Total	2,155,000	2,242,000	87,000	2,507,000	265,000		11.8%
STAFF DEVELOPMENT							
	31,000	37,000	6,000	33,000	(4,000)		-10.8%
GRAND TOTAL	\$ 2,186,000	\$ 2,279,000	\$ 93,000	\$ 2,540,000	\$ 261,000		11.5%

### Investment Department - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

Variance Over/(Under)

#### STAFFING

• Increase in salaries from 2024 filled staff positions, COLA, merit and step increases, and vacation sellbacks	\$ 211,000
• Increase in 2025 fringe benefits from higher health and contributions cost	73,000
• 5% adjustment for unexpected staff vacancies	(19,000)
<b>Subtotal</b>	<b>265,000</b>

#### STAFF DEVELOPMENT

• Decrease in conference and training expense	(4,000)
<b>Subtotal</b>	<b>(4,000)</b>

**Total Over/(Under) \$ 261,000**

### Investment Department - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

#### STAFFING

• Increase in salaries from COLA, merit increases, and vacation sellbacks	\$ 18,000
• Increase in fringe benefits from higher health and contributions cost	69,000
<b>Subtotal</b>	<b>87,000</b>

#### STAFF DEVELOPMENT

• Increase in conference and training expense	6,000
<b>Subtotal</b>	<b>6,000</b>

**Total Over/(Under) \$ 93,000**



## Section IV: Departmental Operating Expense Budgets

(TOC p.# III)

Investment Department Staffing			2024 Forecast vs. 2024 Budget Over/(Under)		2025 Proposed Budget		2025 Proposed Budget vs. 2024 Forecast Over/ (Under)
	2024 Budget	2024 Forecast					
Chief Investment Officer	\$ 378,000	\$ 384,000	\$ 6,000	\$	410,000	\$	26,000
Administrative Specialist II	109,000	111,000	2,000		118,000		7,000
Administrative Support Specialist	77,000	78,000	1,000		85,000		7,000
Investment Analyst	145,000	146,000	1,000		147,000		1,000
Investment Analyst	99,000	128,000	29,000		135,000		7,000
Investment Officer	128,000	85,000	(43,000)		187,000		102,000
Investment Operations Officer	206,000	207,000	1,000		220,000		13,000
Senior Investment Officer	178,000	190,000	12,000		212,000		22,000
Senior Investment Officer	181,000	190,000	9,000		216,000		26,000
<b>Subtotal Salaries<sup>1</sup></b>	<b>1,501,000</b>	<b>1,519,000</b>	<b>18,000</b>		<b>1,730,000</b>		<b>211,000</b>
Fringe Benefits	768,000	837,000	69,000		910,000		73,000
5% adjustment for unexpected vacancies	(114,000)	(114,000)	-		(133,000)		(19,000)
<b>Investment Total</b>	<b>\$ 2,155,000</b>	<b>\$ 2,242,000</b>	<b>\$ 87,000</b>	<b>\$</b>	<b>2,507,000</b>	<b>\$</b>	<b>265,000</b>

<sup>1</sup>Subtotal salaries include base salary, work out of class, footnotes and vacation sellback.

## LEGAL DEPARTMENT

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

Legal Department	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change
<b>STAFFING</b>						
Salaries	\$ 750,000	\$ 820,000	\$ 70,000	\$ 857,000	\$ 37,000	4.5%
Fringe Benefits	347,000	349,000	2,000	376,000	27,000	7.7%
5% adjustment for unexpected vacancies	(55,000)	(55,000)	-	(62,000)	(7,000)	12.7%
<b>Staffing Total</b>	<b>1,042,000</b>	<b>1,114,000</b>	<b>72,000</b>	<b>1,171,000</b>	<b>57,000</b>	<b>5.1%</b>
<b>STAFF DEVELOPMENT</b>	<b>47,000</b>	<b>44,000</b>	<b>(3,000)</b>	<b>44,000</b>	<b>-</b>	<b>0.0%</b>
<b>PROFESSIONAL FEES</b>	<b>150,000</b>	<b>115,000</b>	<b>(35,000)</b>	<b>125,000</b>	<b>10,000</b>	<b>8.7%</b>
<b>DISABILITY-ARBITRATION &amp; TRANSCRIPTS</b>	<b>80,000</b>	<b>82,000</b>	<b>2,000</b>	<b>95,000</b>	<b>13,000</b>	<b>15.9%</b>
<b>GRAND TOTAL</b>	<b>1,319,000</b>	<b>1,355,000</b>	<b>36,000</b>	<b>1,435,000</b>	<b>80,000</b>	<b>5.9%</b>

Legal Department - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast		Variance Over/(Under)
<b>STAFFING</b>		
• Increase in salaries from COLA and vacation sellbacks	\$	37,000
• Increase in 2025 fringe benefits from higher health and contributions cost		27,000
• 5% adjustment for unexpected staff vacancies		(7,000)
<b>Subtotal</b>		<b>57,000</b>
<b>PROFESSIONAL FEES</b>		
• Increase in legal consulting expenses		10,000
<b>Subtotal</b>		<b>10,000</b>
<b>DISABILITY-LEGAL TRANSCRIPTS</b>		
• Increase in disability legal arbitration and transcripts		13,000
<b>Subtotal</b>		<b>13,000</b>
<b>Total Over/(Under) \$</b>		<b>80,000</b>

## Legal Department - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

### STAFFING

• Increase in salaries from COLA and vacation sellbacks	\$	70,000
• Increase in fringe benefits from higher health and contributions cost		2,000
<b>Subtotal</b>		<b>72,000</b>

### STAFF DEVELOPMENT

• Decrease in conference and training expense		(3,000)
<b>Subtotal</b>		<b>(3,000)</b>

### PROFESSIONAL FEES

• Decrease in legal consulting expenses		(35,000)
<b>Subtotal</b>		<b>(35,000)</b>

### DISABILITY-LEGAL TRANSCRIPTS

• Increase in legal arbitration and transcripts		2,000
<b>Subtotal</b>		<b>2,000</b>

**Total Over/(Under) \$ 36,000**

Legal Department Professional Fees		2024 Forecast vs. 2024 Budget Over/(Under)		2025 Proposed Budget vs. 2024 Forecast Over/(Under)		% Change
	2024 Budget	2024 Forecast		2025 Proposed Budget		
Fiduciary	\$ 60,000	\$ 55,000	\$ (5,000)	\$ 50,000	\$ (5,000)	-9.1%
Miscellaneous Legal Advice	65,000	41,000	(24,000)	50,000	9,000	22.0%
Tax and Benefit Issues	25,000	19,000	(6,000)	25,000	6,000	31.6%
<b>Legal Total</b>	<b>\$ 150,000</b>	<b>\$ 115,000</b>	<b>\$ (35,000)</b>	<b>\$ 125,000</b>	<b>\$ 10,000</b>	<b>8.7%</b>

Legal Department Staffing		2024 Forecast vs. 2024 Budget Over/(Under)		2025 Proposed Budget vs. 2024 Forecast Over/(Under)	
	2024 Budget	2024 Forecast		2025 Proposed Budget	
Chief Counsel	\$ 301,000	\$ 336,000	\$ 35,000	\$ 348,000	\$ 12,000
Administrative Specialist II	105,000	106,000	1,000	113,000	7,000
Administrative Support Specialist	85,000	87,000	2,000	92,000	5,000
Associate Counsel	259,000	291,000	32,000	304,000	13,000
<b>Subtotal Salaries<sup>1</sup></b>	<b>750,000</b>	<b>820,000</b>	<b>70,000</b>	<b>857,000</b>	<b>37,000</b>
Fringe Benefits	347,000	349,000	2,000	376,000	27,000
5% adjustment for unexpected vacancies	(55,000)	(55,000)	-	(62,000)	(7,000)
<b>Legal Total</b>	<b>\$ 1,042,000</b>	<b>\$ 1,114,000</b>	<b>\$ 72,000</b>	<b>\$ 1,171,000</b>	<b>\$ 57,000</b>

<sup>1</sup>Subtotal salaries include base salary, work out of class, footnotes and vacation sellback.

## PRISM DEPARTMENT

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

PRISM Department			2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)			2025 Proposed	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change		
	2024 Budget	2024 Forecast	2025 Proposed Budget								
STAFFING											
Salaries	\$	1,219,000	\$	1,235,000	\$	16,000	\$	1,318,000	\$	83,000	6.7%
Fringe Benefits		648,000		677,000		29,000		726,000		49,000	7.2%
5% adjustment for unexpected vacancies		(93,000)		(93,000)		-		(102,000)		(9,000)	9.7%
Staffing Total		1,774,000		1,819,000		45,000		1,942,000		123,000	6.8%
STAFF DEVELOPMENT		25,000		29,000		4,000		29,000		-	0.0%
PROFESSIONAL FEES		-		-		-		15,000		15,000	100.0%
SYSTEMS											
Business Continuity Expenses		248,000		259,000		11,000		263,000		4,000	1.5%
Minor Computer Hardware		42,000		42,000		-		36,000		(6,000)	-14.3%
Software Maint. & Support		698,000		953,000		255,000		740,000		(213,000)	-22.4%
Systems Total		988,000		1,254,000		266,000		1,039,000		(215,000)	-17.1%
GRAND TOTAL	\$	2,787,000	\$	3,102,000	\$	315,000	\$	3,025,000	\$	(77,000)	-2.5%

### PRISM Department - Variance Narrative 2025 Proposed Budget vs. 2024 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
• Increase in salaries from COLA, merit increases, and vacation sellbacks	\$ 83,000
• Increase in 2025 fringe benefits from higher health and contributions cost	49,000
• 5% adjustment for unexpected staff vacancies	(9,000)
<b>Subtotal</b>	<b>123,000</b>
<b>PROFESSIONAL FEES</b>	
• Increase in consultant fees from OnBase upgrade project	15,000
<b>Subtotal</b>	<b>15,000</b>
<b>SYSTEMS</b>	
• Increase in business continuity expenses	4,000
• Decrease in minor computer hardware costs	(6,000)
• Reduction in software cost for PensionGold version 3	(213,000)
<b>Subtotal</b>	<b>(215,000)</b>
<b>Total Over/(Under)</b>	<b>\$ (77,000)</b>

## PRISM Department - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

### STAFFING

• Increase in salaries from COLA, merit increases, and vacation sellbacks	\$	16,000
• Increase in fringe benefits from higher health and contributions cost		29,000
<b>Subtotal</b>		<b>45,000</b>

### STAFF DEVELOPMENT

• Increase in conference and training expense		4,000
<b>Subtotal</b>		<b>4,000</b>

### SYSTEMS

• Increase in business continuity expenses		11,000
• Increase in software licenses & maintenance		255,000
<b>Subtotal</b>		<b>266,000</b>

**Total Over/(Under) \$ 315,000**

## PRISM Department Professional Fees

	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change
OnBase Upgrade	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	100.0%
<b>PRISM Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>100.0%</b>

## PRISM Department Staffing

	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/ (Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)
Retirement Tech Officer	\$ 209,000	\$ 216,000	\$ 7,000	\$ 229,000	\$ 13,000
Computer and Network System Specialist	129,000	131,000	2,000	139,000	8,000
Computer and Network System Specialist	101,000	95,000	(6,000)	100,000	5,000
Computer and Network System Analyst	175,000	177,000	2,000	193,000	16,000
Computer and Network System Analyst	166,000	169,000	3,000	182,000	13,000
Retirement System Program Analyst	153,000	155,000	2,000	165,000	10,000
Retirement System Program Analyst	147,000	150,000	3,000	160,000	10,000
Security Analyst	139,000	142,000	3,000	150,000	8,000
<b>Subtotal Salaries<sup>1</sup></b>	<b>1,219,000</b>	<b>1,235,000</b>	<b>16,000</b>	<b>1,318,000</b>	<b>83,000</b>
Fringe Benefits	648,000	677,000	29,000	726,000	49,000
5% adjustment for unexpected vacancies	(93,000)	(93,000)	-	(102,000)	(9,000)
<b>PRISM Total</b>	<b>\$ 1,774,000</b>	<b>\$ 1,819,000</b>	<b>\$ 45,000</b>	<b>\$ 1,942,000</b>	<b>\$ 123,000</b>

<sup>1</sup>Subtotal salaries include base salary, work out of class, footnotes and vacation sellback.

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## **Section V**

### **Enterprise-wide Projects**



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## Section V

### Enterprise-wide Projects

PROJECTS			2024 Forecast vs. 2024 Budget Over/ (Under)		2025 Proposed Budget 2024 Forecast Over/(Under)		% Change
	2024 Budget	2024 Forecast					
Systems	\$ 40,000	\$ 10,000	\$ (30,000)	\$ -	\$ (10,000)		-100.0%
<b>GRAND TOTAL</b>	<b>\$ 40,000</b>	<b>\$ 10,000</b>	<b>\$ (30,000)</b>	<b>\$ -</b>	<b>\$ (10,000)</b>		<b>-100.0%</b>

Projects System			2024 Forecast vs. 2024 Budget Over/ (Under)		2025 Proposed Budget vs. 2024 Forecast Over/(Under)		% Change
	2024 Budget	2024 Forecast					
Intranet	\$ 40,000	\$ 10,000	\$ (30,000)	\$ -	\$ (10,000)		-100.0%
<b>GRAND TOTAL</b>	<b>\$ 40,000</b>	<b>\$ 10,000</b>	<b>\$ (30,000)</b>	<b>\$ -</b>	<b>\$ (10,000)</b>		<b>-100.0%</b>

#### PROJECT - Variance Narrative 2025 Proposed vs. 2024 Forecast

Variance Over/(Under)

## SYSTEMS

- Project completed in 2024

\$ (10,000)

**Subtotal** (10,000)**Total Over/(Under)** \$ (10,000)

#### PROJECT - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

## SYSTEMS

- Reduction in intranet project expenses

\$ (30,000)

**Subtotal** (30,000)**Total Over/(Under)** \$ \$(30,000)

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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. The administrative cap is base on the actuarial accrued liabilities of \$13,095 million. In 2025, the administrative budget of \$14.7 million is \$12.8 million under the administrative cap of \$27.5 million. Approximately \$10.6 million was excluded from the annual operating expense budget of \$25.3 million.

<b>ADMINISTRATIVE EXPENSES BUDGET ALLOCATION</b>	<b>2024 Budget</b>	<b>2024 Forecast</b>	<b>2024 Forecast vs. 2024 Budget Over/(Under)</b>	<b>2025 Proposed Budget</b>	<b>2025 Proposed Budget vs. 2024 Forecast Over/ (Under)</b>
<b>STAFFING</b>	<b>\$ 11,359,000</b>	<b>\$ 11,467,000</b>	<b>\$ 108,000</b>	<b>\$ 12,468,000</b>	<b>\$ 1,001,000</b>
<b>STAFF DEVELOPMENT</b>	<b>210,000</b>	<b>165,000</b>	<b>(45,000)</b>	<b>163,000</b>	<b>(2,000)</b>
<b>PROFESSIONAL FEES</b>					
Consultant Fees - Operations	75,000	81,000	6,000	130,000	49,000
External Audit	109,000	109,000	-	109,000	-
<b>Professional Fees Total</b>	<b>184,000</b>	<b>190,000</b>	<b>6,000</b>	<b>239,000</b>	<b>49,000</b>
<b>OFFICE EXPENSE</b>					
Bank Charges & Miscellaneous Admin.	65,000	62,000	(3,000)	59,000	(3,000)
Building Expenses	29,000	25,000	(4,000)	44,000	19,000
Communications	90,000	90,000	-	40,000	(50,000)
Equipment Lease/Maintenance	106,000	84,000	(22,000)	81,000	(3,000)
Minor Furniture and Equipment	10,000	10,000	-	18,000	8,000
Office Supplies and Maint.	42,000	42,000	-	44,000	2,000
Printing & Postage	18,000	14,000	(4,000)	16,000	2,000
<b>Office Expense Total</b>	<b>360,000</b>	<b>327,000</b>	<b>(33,000)</b>	<b>302,000</b>	<b>(25,000)</b>
<b>INSURANCE</b>	<b>491,000</b>	<b>486,000</b>	<b>(5,000)</b>	<b>501,000</b>	<b>15,000</b>
<b>MEMBER SERVICES</b>					
Benefit Verification	6,000	7,000	1,000	7,000	-
Disability Claims Management	47,000	46,000	(1,000)	46,000	-
Disability Medical Expense	180,000	346,000	166,000	342,000	(4,000)
Member Training & Education	16,000	14,000	(2,000)	16,000	2,000
Printing & Postage - Members	72,000	71,000	(1,000)	86,000	15,000
Virtual Call Center	66,000	66,000	-	66,000	-
<b>Member Services Total</b>	<b>387,000</b>	<b>550,000</b>	<b>163,000</b>	<b>563,000</b>	<b>13,000</b>
<b>DEPRECIATION</b>	<b>81,000</b>	<b>80,000</b>	<b>(1,000)</b>	<b>76,000</b>	<b>(4,000)</b>
<b>BOARD OF RETIREMENT</b>					
Board Training & Miscellaneous Activities	283,000	260,000	(23,000)	283,000	23,000
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>	<b>78,000</b>	<b>87,000</b>	<b>9,000</b>	<b>78,000</b>	<b>(9,000)</b>
<b>GRAND TOTAL</b>	<b>\$ 13,433,000</b>	<b>\$ 13,612,000</b>	<b>\$ 179,000</b>	<b>\$ 14,673,000</b>	<b>\$ 1,061,000</b>

## Section VI: Administrative Budget

(TOC p.# III)

<b>BCP EXPENSES BUDGET ALLOCATION</b>	<b>2024 Budget</b>	<b>2024 Forecast</b>	<b>2024 Forecast vs. 2024 Budget Over/(Under)</b>	<b>2025 Proposed Budget</b>	<b>2025 Proposed Budget vs. 2024 Forecast Over/ (Under)</b>
STAFFING	\$ 382,000	\$ 389,000	\$ 7,000	\$ 410,000	\$ 21,000
STAFF DEVELOPMENT	6,000	5,000	(1,000)	5,000	-
PROFESSIONAL FEES					
Consultant Fees - Operations	2,000	2,000	-	4,000	2,000
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	2,000	2,000	-	2,000	-
Building Expenses	1,000	1,000	-	1,000	-
Communications	2,000	3,000	1,000	1,000	(2,000)
Equipment Lease/Maintenance	3,000	3,000	-	2,000	(1,000)
Minor Furniture and Equipment	-	-	-	1,000	1,000
Office Supplies and Maint.	1,000	1,000	-	1,000	-
Printing & Postage	-	-	-	-	-
<b>Office Expense Total</b>	<b>9,000</b>	<b>10,000</b>	<b>1,000</b>	<b>8,000</b>	<b>(2,000)</b>
INSURANCE	14,000	14,000	-	14,000	-
SYSTEMS					
Disaster Recovery & Business Continuity	248,000	259,000	11,000	263,000	4,000
DEPRECIATION					
Depreciation Expense - Other	2,000	3,000	1,000	2,000	(1,000)
<b>Depreciation Total</b>	<b>2,000</b>	<b>3,000</b>	<b>1,000</b>	<b>2,000</b>	<b>(1,000)</b>
<b>GRAND TOTAL</b>	<b>\$ 663,000</b>	<b>\$ 682,000</b>	<b>\$ 19,000</b>	<b>\$ 706,000</b>	<b>\$ 24,000</b>

<b>INVESTMENT EXPENSES BUDGET ALLOCATION</b>	<b>2024 Budget</b>	<b>2024 Forecast</b>	<b>2024 Forecast vs. 2024 Budget Over/(Under)</b>	<b>2025 Proposed Budget</b>	<b>2025 Proposed Budget vs. 2024 Forecast Over/ (Under)</b>
STAFFING					
Staffing - Direct	\$ 2,101,000	\$ 2,186,000	\$ 85,000	\$ 2,445,000	\$ 259,000
Staffing - Indirect	885,000	921,000	36,000	936,000	15,000
<b>Staffing Total</b>	<b>2,986,000</b>	<b>3,107,000</b>	<b>121,000</b>	<b>3,381,000</b>	<b>274,000</b>
STAFF DEVELOPMENT	79,000	75,000	(4,000)	71,000	(4,000)
PROFESSIONAL FEES					
Consultant Fees - Operations	17,000	19,000	2,000	30,000	11,000
External Audit	36,000	36,000	-	36,000	-
<b>Professional Fees Total</b>	<b>53,000</b>	<b>55,000</b>	<b>2,000</b>	<b>66,000</b>	<b>11,000</b>
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	15,000	14,000	(1,000)	14,000	-
Building Expenses	7,000	5,000	(2,000)	11,000	6,000
Communications	21,000	20,000	(1,000)	10,000	(10,000)
Equipment Lease & Maintenance	24,000	19,000	(5,000)	19,000	-
Minor Furniture and Equipment	2,000	2,000	-	4,000	2,000
Office Supplies & Maintenance	9,000	9,000	-	10,000	1,000
Printing & Postage	4,000	3,000	(1,000)	4,000	1,000
<b>Office Expense Total</b>	<b>82,000</b>	<b>72,000</b>	<b>(10,000)</b>	<b>72,000</b>	<b>-</b>
INSURANCE	112,000	111,000	(1,000)	118,000	7,000
DEPRECIATION					
Depreciation Expense - Other	19,000	18,000	(1,000)	18,000	-
<b>Depreciation Total</b>	<b>19,000</b>	<b>18,000</b>	<b>(1,000)</b>	<b>18,000</b>	<b>-</b>
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	177,000	163,000	(14,000)	177,000	14,000
<b>GRAND TOTAL</b>	<b>\$ 3,508,000</b>	<b>\$ 3,601,000</b>	<b>\$ 93,000</b>	<b>\$ 3,903,000</b>	<b>\$ 302,000</b>

<b>LEGAL EXPENSES BUDGET ALLOCATION</b>	<b>2024 Budget</b>	<b>2024 Forecast</b>	<b>2024 Forecast vs. 2024 Budget Over/(Under)</b>	<b>2025 Proposed Budget</b>	<b>2025 Proposed Budget vs. 2024 Forecast Over/ (Under)</b>
STAFFING	\$ 547,000	\$ 584,000	\$ 37,000	\$ 633,000	\$ 49,000
STAFF DEVELOPMENT	56,000	51,000	(5,000)	51,000	-
PROFESSIONAL FEES					
Consultant Fees - Operations	3,000	4,000	1,000	6,000	2,000
Consultant Fees - Legal	150,000	115,000	(35,000)	125,000	10,000
<b>Professional Fees Total</b>	<b>153,000</b>	<b>119,000</b>	<b>(34,000)</b>	<b>131,000</b>	<b>12,000</b>
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	3,000	3,000	-	2,000	(1,000)
Building Expenses	1,000	1,000	-	2,000	1,000
Communications	4,000	4,000	-	2,000	(2,000)
Equipment Lease & Maintenance	5,000	3,000	(2,000)	4,000	1,000
Minor Furniture and Equipment	1,000	1,000	-	1,000	-
Office Supplies & Maintenance	2,000	2,000	-	2,000	-
Printing & Postage	1,000	1,000	-	1,000	-
<b>Office Expense Total</b>	<b>17,000</b>	<b>15,000</b>	<b>(2,000)</b>	<b>14,000</b>	<b>(1,000)</b>
INSURANCE	20,000	20,000	-	22,000	2,000
MEMBER SERVICES					
Disability - Legal Arbitration & Transcripts	80,000	82,000	2,000	95,000	13,000
DEPRECIATION	3,000	3,000	-	3,000	-
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	71,000	66,000	(5,000)	71,000	5,000
<b>GRAND TOTAL</b>	<b>\$ 947,000</b>	<b>\$ 940,000</b>	<b>\$ (7,000)</b>	<b>\$ 1,020,000</b>	<b>\$ 80,000</b>

<b>SRBR EXPENSES BUDGET ALLOCATION</b>	<b>2024 Budget</b>	<b>2024 Forecast</b>	<b>2024 Forecast vs. 2024 Budget Over/(Under)</b>	<b>2025 Proposed Budget</b>	<b>2025 Proposed Budget vs. 2024 Forecast Over/ (Under)</b>
STAFFING	\$ 1,758,000	\$ 1,773,000	\$ 15,000	\$ 1,902,000	\$ 129,000
PROFESSIONAL FEES					
Actuarial - SRBR Valuation	45,000	45,000	-	46,000	1,000
Consultant Fees - SRBR	259,000	259,000	-	313,000	54,000
<b>Professional Fees Total</b>	<b>304,000</b>	<b>304,000</b>	<b>-</b>	<b>359,000</b>	<b>55,000</b>
MEMBER SERVICES					
Health Reimbursement Account (HRA)	70,000	71,000	1,000	95,000	24,000
Printing & Postage - Members	71,000	71,000	-	85,000	14,000
<b>Member Services Total</b>	<b>141,000</b>	<b>142,000</b>	<b>1,000</b>	<b>180,000</b>	<b>38,000</b>
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	176,000	163,000	(13,000)	176,000	13,000
<b>GRAND TOTAL</b>	<b>\$ 2,379,000</b>	<b>\$ 2,382,000</b>	<b>\$ 3,000</b>	<b>\$ 2,617,000</b>	<b>\$ 235,000</b>

<b>TECHNOLOGY EXPENSES BUDGET ALLOCATION</b>	<b>2024 Budget</b>	<b>2024 Forecast</b>	<b>2024 Forecast vs. 2024 Budget Over/(Under)</b>	<b>2025 Proposed Budget</b>	<b>2025 Proposed Budget vs. 2024 Forecast Over/ (Under)</b>
SYSTEMS					
Computer Hardware & Maintenance	\$ 42,000	\$ 42,000	\$ -	\$ 36,000	\$ (6,000)
County Data Processing	139,000	138,000	(1,000)	139,000	1,000
Software Maintenance & Support	859,000	1,038,000	179,000	843,000	(195,000)
<b>Systems Total</b>	<b>1,040,000</b>	<b>1,218,000</b>	<b>178,000</b>	<b>1,018,000</b>	<b>(200,000)</b>
DEPRECIATION	7,000	10,000	3,000	935,000	925,000
<b>GRAND TOTAL</b>	<b>\$ 1,047,000</b>	<b>\$ 1,228,000</b>	<b>\$ 181,000</b>	<b>\$ 1,953,000</b>	<b>\$ 725,000</b>



<b>Administrative Expense Budget Overview <sup>1</sup> (\$ in thousands)</b>	<b>2025 Proposed Budget</b>	<b>2025 Actuarial Budget</b>	<b>2025 Business Continuity Budget</b>	<b>2025 Investment Budget</b>	<b>2025 Legal Budget</b>	<b>2025 SRBR Budget</b>	<b>2025 Technology Budget</b>	<b>2025 Administrative Budget</b>
<b>STAFFING</b>	\$ 18,794	\$ -	\$ (410)	\$ (3,381)	\$ (633)	\$ (1,902)	\$ -	\$ 12,468
<b>STAFF DEVELOPMENT</b>	290	-	(5)	(71)	(51)	-	-	163
<b>PROFESSIONAL FEES</b>								
Actuarial Fees	496	(450)	-	-	-	(46)	-	-
Audit Fees	145	-	-	(36)	-	-	-	109
Consultant Fees	483	-	(4)	(30)	(6)	(313)	-	130
Legal Fees	125	-	-	-	(125)	-	-	-
<b>Professional Fees Total</b>	<b>1,249</b>	<b>(450)</b>	<b>(4)</b>	<b>(66)</b>	<b>(131)</b>	<b>(359)</b>	<b>-</b>	<b>239</b>
<b>OFFICE EXPENSE</b>								
Bank Charges & Miscellaneous Admin	77	-	(2)	(14)	(2)	-	-	59
Building Expenses	58	-	(1)	(11)	(2)	-	-	44
Communications	53	-	(1)	(10)	(2)	-	-	40
Equipment Lease & Maint.	106	-	(2)	(19)	(4)	-	-	81
Minor Furniture & Equipment	24	-	(1)	(4)	(1)	-	-	18
Office Supplies & Maintenance	57	-	(1)	(10)	(2)	-	-	44
Printing & Postage	21	-	-	(4)	(1)	-	-	16
<b>Office Expense Total</b>	<b>396</b>	<b>-</b>	<b>(8)</b>	<b>(72)</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>302</b>
<b>INSURANCE</b>	<b>655</b>	<b>-</b>	<b>(14)</b>	<b>(118)</b>	<b>(22)</b>	<b>-</b>	<b>-</b>	<b>501</b>
<b>MEMBER SERVICES</b>								
Benefit Verification	7	-	-	-	-	-	-	7
Disability - Legal Arbitration & Transcripts	95	-	-	-	(95)	-	-	-
Disability Claimed Management	46	-	-	-	-	-	-	46
Disability Medical Expense	342	-	-	-	-	-	-	342
Health Reimbursement Account (HRA)	95	-	-	-	-	(95)	-	-
Member Training & Education	16	-	-	-	-	-	-	16
Printing & Postage - Members	171	-	-	-	-	(85)	-	86
Virtual Call Center	66	-	-	-	-	-	-	66
<b>Member Services Total</b>	<b>838</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(95)</b>	<b>(180)</b>	<b>-</b>	<b>563</b>
<b>SYSTEMS</b>								
Business Continuity Expenses	263	-	(263)	-	-	-	-	-
County Data Processing	139	-	-	-	-	-	(139)	-
Computer Hardware & Maintenance	36	-	-	-	-	-	(36)	-
Software Maintenance & Support	843	-	-	-	-	-	(843)	-
<b>Systems Total</b>	<b>1,281</b>	<b>-</b>	<b>(263)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,018)</b>	<b>-</b>
<b>BOARD OF RETIREMENT</b>	<b>707</b>	<b>-</b>	<b>-</b>	<b>(177)</b>	<b>(71)</b>	<b>(176)</b>	<b>-</b>	<b>283</b>
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78</b>
<b>DEPRECIATION</b>	<b>1,034</b>	<b>-</b>	<b>(2)</b>	<b>(18)</b>	<b>(3)</b>	<b>-</b>	<b>(935)</b>	<b>76</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 25,322</b>	<b>\$ (450)</b>	<b>\$ (706)</b>	<b>\$ (3,903)</b>	<b>\$ (1,020)</b>	<b>\$ (2,617)</b>	<b>\$ (1,953)</b>	<b>\$ 14,673</b>

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

## OPERATING AND ADMINISTRATIVE EXPENSES

Operating Expenses (\$ in Thousands)	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/ (Under)
EXPENSE CATEGORY					
Staffing	\$ 17,032	\$ 17,320	\$ 288	\$ 18,794	\$ 1,474
Staff Development	351	296	(55)	290	(6)
Professional Fees	1,141	1,079	(62)	1,249	170
Office Expense	468	424	(44)	396	(28)
Insurance	637	631	(6)	655	24
Member Services	608	774	166	838	64
Systems	1,288	1,477	189	1,281	(196)
Board of Retirement	707	652	(55)	707	55
Uncollectible Benefit Payments	78	87	9	78	(9)
Depreciation	112	114	2	1,034	920
<b>Operating Expenses</b>	<b>\$ 22,422</b>	<b>\$ 22,854</b>	<b>\$ 432</b>	<b>\$ 25,322</b>	<b>\$ 2,468</b>

Administrative Expenses (\$ in Thousands)	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/ (Under)
EXCLUSIONS FROM OPERATING EXPENSE TO CALCULATE ADMINISTRATIVE EXPENSE					
Operating Expense (from above)	\$ 22,422	\$ 22,854	\$ 432	\$ 25,322	\$ 2,468
Actuarial	(445)	(409)	36	(450)	(41)
Business Continuity <sup>1</sup>	(663)	(682)	(19)	(706)	(24)
Investment- Related <sup>2</sup>	(3,508)	(3,601)	(93)	(3,903)	(302)
Legal- Related <sup>3</sup>	(947)	(940)	7	(1,020)	(80)
SRBR <sup>4</sup>	(2,379)	(2,382)	(3)	(2,617)	(235)
Technology <sup>5</sup>	(1,047)	(1,228)	(181)	(1,953)	(725)
<b>Administrative Expense</b>	<b>\$ 13,433</b>	<b>\$ 13,612</b>	<b>\$ 179</b>	<b>\$ 14,673</b>	<b>\$ 1,061</b>

<sup>1</sup> Business Continuity – 2025 related costs include total direct costs (\$263K) for software support; 2.2% is added for both allocated staffing and other overhead expenses (\$443K).

<sup>2</sup> Investment – 2025 related expenses are composed of direct costs of Investment staff (\$2,445K), allocated staffing costs (\$936K), 25% of Board expenses (\$177K), 25% of audit expenses (\$36K) and 18.0% of other overhead costs (\$309K).

<sup>3</sup> Legal – 2025 related expenses include direct costs of Staffing (\$633K), Professional Legal fees (\$125K), Disability Arbitration Expenses (\$95K), 10% of Board expenses (\$71K), and 3.4% of other overhead costs (\$96K).

<sup>4</sup> SRBR – 2025 related expenses are composed of allocated staffing costs (\$1,902K), direct costs of Professional Fees (\$359K), Member Services (\$180K), and 25% of Board expenses (\$176K).

<sup>5</sup> Technology – 2025 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)	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/ (Under)
Total Actuarial Accrued Liabilities <sup>6</sup>	\$ 12,741,870	\$ 12,741,870	\$ -	\$ 13,095,428	\$ 353,558
Limit on Expense	0.21%	0.21%	-	0.21%	-
Maximum Allowed	26,758	26,758	-	27,500	742
Administrative Expense	13,433	13,612	179	14,673	1,061
<b>Over/(Under) Maximum</b>	<b>\$ (13,325)</b>	<b>\$ (13,146)</b>	<b>\$ 179</b>	<b>\$ (12,827)</b>	<b>\$ 319</b>

<sup>6</sup> Based on total actuarial accrued liabilities for pension as of December 31, 2023; OPEB and non-OPEB as of December 31, 2022 for 2025 Budget.

## 2025 DEPARTMENT WEIGHTED AVERAGE

2025 Allocation Percentages							
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFFING SALARIES FRINGE BENEFITS TEMPS	Administration	8.7%	0.0%	2.9%	0.0%	0.0%	88.4%
	Benefits	0.3%	0.0%	0.4%	22.3%	0.0%	77.0%
	Fiscal Services	8.8%	0.0%	0.6%	8.7%	0.0%	81.9%
	Human Resources	0.0%	0.0%	1.5%	0.0%	0.0%	98.5%
	Internal Audit	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Investments	97.5%	0.0%	2.5%	0.0%	0.0%	0.0%
	Legal	45.9%	54.1%	0.0%	0.0%	0.0%	0.0%
	PRISM	1.0%	0.0%	12.3%	0.0%	0.0%	86.7%
Total Staffing Factors		18.0%	3.4%	2.2%	10.1%	0.0%	66.3%

## 2024 DEPARTMENT WEIGHTED AVERAGE

2024 Allocation Percentages							
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFFING SALARIES FRINGE BENEFITS TEMPS	Administration	9.9%	0.0%	3.3%	0.0%	0.0%	86.8%
	Benefits	0.3%	0.0%	0.4%	22.0%	0.0%	77.3%
	Fiscal Services	10.0%	0.0%	0.6%	8.6%	0.0%	80.8%
	Human Resources	0.0%	0.0%	1.5%	0.0%	0.0%	98.5%
	Internal Audit	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Investments	97.5%	0.0%	2.5%	0.0%	0.0%	0.0%
	Legal	47.5%	52.5%	0.0%	0.0%	0.0%	0.0%
	PRISM	1.0%	0.0%	13.0%	0.0%	0.0%	86.0%
Total Staffing Factors		17.5%	3.2%	2.3%	10.3%	0.0%	66.7%

## APPLIED FACTORS

2025 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFF DEVELOPMENT	Staff Development	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
PROFESSIONAL FEES	Actuarial - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	External Audit	25.0%	0.0%	0.0%	0.0%	0.0%	75.0%
	Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Operations Consulting	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
	Operations Consulting - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
OFFICE EXPENSES	Bank Charges & Miscellaneous Admin.	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
	Building Expenses	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
	Communications	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
	Equipment Lease & Maintenance	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
	Minor Furniture & Equipment	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
	Office Maintenance & Supplies	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
	Printing & Postage	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
INSURANCE	Insurance	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
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 Medical Expense	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Health Reimbursement Account (HRA)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	Member Training & Education	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Printing & Postage - Members	0.0%	0.0%	0.0%	50.0%	0.0%	50.0%
	Virtual Call Center	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
SYSTEMS	Computer Hardware & Software	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	County Data Processing	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Disaster Recovery	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Software Maintenance & Support	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
UNCOLLECTIBLE BENEFIT PAYMENTS	Uncollectible Benefit Payments	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
BOARD OF RETIREMENT	Compensation	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Conferences & Training	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Election Expenses	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Employer Reimbursement	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Miscellaneous Activities	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Strategic Planning / Workshop	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
DEPRECIATION	Depreciation - Other	18.0%	3.4%	2.2%	0.0%	0.0%	76.4%
	Depreciation - BCP	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Depreciation - Hardware & Software and EDMS	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%

## Section VI: Administrative Budget

(TOC p.# III)

2024 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFF DEVELOPMENT	Staff Development	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
PROFESSIONAL FEES	Actuarial - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	External Audit	25.0%	0.0%	0.0%	0.0%	0.0%	75.0%
	Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Operations Consulting	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
	Operations Consulting - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
OFFICE EXPENSE	Bank Charges & Miscellaneous Admin.	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
	Building Expenses	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
	Communications	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
	Equipment Lease & Maintenance	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
	Minor Furniture & Equipment	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
	Office Maintenance & Supplies	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
	Printing & Postage	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
INSURANCE	Insurance	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
MEMBER SERVICES	Benefit Verification	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Disability Arbitration and Transcripts	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Disability Member Medical Expense	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Health Reimbursement Account (HRA)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	Member Training & Education	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Printing & Postage - Members	0.0%	0.0%	0.0%	50.0%	0.0%	50.0%
	Virtual Call Center	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
SYSTEMS	Computer Hardware & Software	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	County Data Processing	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Disaster Recovery	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Software Maintenance & Support	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
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	17.5%	3.2%	2.3%	0.0%	0.0%	77.0%
	Depreciation - BCP	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Depreciation - Hardware & Software and EDMS	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%

**2025 Proposed Staffing Allocation Matrix**

	INVESTMENTS	LEGAL	BCP	SRBR	ADMIN
<b>ADMINISTRATION</b>					
CEO	20%	-	2%	-	78%
Assistant CEO - Operations	10%	-	10%	-	80%
<b>BENEFITS</b>					
Assistant CEO	3%	-	1%	50%	46%
Administrative Specialist II	-	-	2%	-	98%
Administrative Support Specialist	-	-	-	50%	50%
Communications Manager	5%	-	-	50%	45%
Graphic Designer	-	-	-	50%	50%
Management Analyst	-	-	-	50%	50%
Retirement Benefits Assistant Manager	-	-	2%	50%	48%
Retirement Benefits Assistant Manager	-	-	2%	-	98%
Retirement Benefits Manager	-	-	2%	-	98%
Retirement Benefits Manager	-	-	2%	70%	28%
Retirement Benefits Specialist	-	-	-	70%	30%
Retirement Technician	-	-	-	60%	40%
Senior Retirement Technician	-	-	-	60%	40%
Senior Retirement Technician	-	-	-	60%	40%
Senior Retirement Technician	-	-	-	60%	40%
Senior Retirement Technician	-	-	-	60%	40%
Senior Retirement Technician	-	-	-	60%	40%
Senior Retirement Technician	-	-	-	60%	40%
<b>FISCAL SERVICES</b>					
Fiscal Services Officer	5%	-	1%	-	94%
Finance Services Specialist II	-	-	-	70%	30%
Retirement Accountant II	90%	-	-	-	10%
Retirement Accountant III	-	-	2%	25%	73%
Retirement Accountant III	25%	-	1%	-	74%
Retirement Budget Analyst	-	-	2%	-	98%
<b>HUMAN RESOURCES</b>					
Human Resources Officer	-	-	2%	-	98%
Administrative Specialist II	-	-	1%	-	99%
Human Resources Specialist	-	-	1%	-	99%
<b>INVESTMENTS</b>					
Chief Investment Officer	99%	-	1%	-	-
Administrative Specialist II	98%	-	2%	-	-
Investment Operations Officer	95%	-	5%	-	-
Investment Officer	99%	-	1%	-	-
Senior Investment Officer	99%	-	1%	-	-
All Other Investment Staff	95%	-	5%	-	-
<b>LEGAL</b>					
Chief Counsel	15%	85%	-	-	-
Administrative Specialist II	50%	50%	-	-	-
Administrative Support Specialist	15%	85%	-	-	-
Associate Counsel	95%	5%	-	-	-
<b>PRISM</b>					
Retirement Tech Officer	-	-	10%	-	90%
Computer Network System Analyst	5%	-	20%	-	75%
Computer and Network System Specialist	1%	-	10%	-	89%
Computer and Network System Specialist	2%	-	15%	-	83%
Security Analyst	-	-	30%	-	70%
All Other PRISM Staff	-	-	5%	-	95%

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## **Section VII**

### **Capital Assets Outlay Budget**



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## Section VII :

### Capital Assets Outlay Budget

The Capital Assets Outlay Budget develops anticipated funding needs for items or projects that exceed a purchase cost of \$10,000.

#### Capital Assets Outlay 2024 - 2025

Statement of Capital Assets Outlay - 2024 Forecast and 2025 Proposed Budget							
	2024 Budget	2024 Forecast	2024 Forecast vs. 2024 Budget Over/(Under)	2025 Proposed Budget	2025 Proposed Budget vs. 2024 Forecast Over/(Under)	% Change	
System							
Pension Gold System Upgrade	\$ 3,314,000	\$ 3,491,000	\$ 177,000	\$ 980,000	\$ (2,511,000)	-71.9%	
Post PAS Implementation Project	-	-	-	495,000	495,000	100.0%	
Subtotal	3,314,000	3,491,000	177,000	1,475,000	(2,016,000)	-57.7%	
Capital Assets Outlay Total	\$ 3,314,000	\$ 3,491,000	\$ 177,000	\$ 1,475,000	\$ (2,016,000)	-57.7%	

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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			2024 Forecast vs. 2024 Budget Over/ (Under)			2025 Proposed Budget vs. 2024 Forecast Over/ (Under)	% Change
	2024 Budget	2024 Forecast		2025 Proposed Budget			
Consultant Fees	\$ 1,620,000	\$ 1,573,000	\$ (47,000)	\$ 1,770,000	\$ 197,000		12.5%
Custodian Bank Fees	645,000	616,000	(29,000)	648,000	32,000		5.2%
Investment Manager Fees	54,977,000	64,225,000	9,248,000	67,525,000	3,300,000		5.1%
Other Investment Expenses	633,000	470,000	(163,000)	651,000	181,000		38.5%
<b>Total Portfolio Management Investment Expenses</b>	<b>\$ 57,875,000</b>	<b>\$ 66,884,000</b>	<b>\$ 9,009,000</b>	<b>\$ 70,594,000</b>	<b>\$ 3,710,000</b>		<b>5.5%</b>

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## **Appendix**

### **2025 Budget Change Proposals (BCP)**

### **2025 Contingency Fund**



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# Appendix

## 2025 BUDGET CHANGE PROPOSALS (BCP)

Expense Type	BCP Description	Totals
CAPITAL	Pension Gold System Upgrade	\$ 980,000
CAPITAL	Post PAS Implementation Project	495,000
PROFESSIONAL FEES	Dental & Vision RFP	50,000
PROFESSIONAL FEES	General Ledger Project	20,000
PROFESSIONAL FEES	Disability Arbitration and Litigation Reserve Fund	50,000
STAFFING	Temporary Staff Reserve Fund	239,000
SYSTEM	Various Projects Reserve Fund	50,000
SYSTEM	OnBase Upgrade	35,000
<b>BCP Total</b>		<b>\$ 1,919,000</b>

## 2025 CONTINGENCY FUND

Expense Type	Description	Totals
PROFESSIONAL FEES	Disability Arbitration and Litigation Reserve Fund	\$ 50,000
STAFF DEVELOPMENT	Trainings/Conferences Reserve Fund	134,000
STAFFING	Temporary Cost Reserve Fund	239,000
SYSTEM	Various IT Projects Reserve Fund	50,000
<b>Contingency Fund Total</b>		<b>\$ 473,000</b>

## 2025 Proposed Budget Contingency Fund

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

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

### Contingency Reserve for Training and Conference Expenses - \$134,000

This reserve fund is associated with trainings and conference attendance. If there is a need, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.

### Contingency Reserve for Temporary Employee Expenses - \$239,000

This reserve fund is for two anticipated temporary employees to work on various Benefits projects. If there is a need, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.

### Contingency Reserve for Various IT Projects - \$50,000

This reserve fund is for anticipated new or ongoing system projects. If there is a need, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.