



**ALAMEDA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**2021  
APPROVED  
EXPENSE  
BUDGET**

This page is intentionally left blank.

# Table of Contents

---

## Section I

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

## Section II

Budget Policies and Process .....	9
-----------------------------------	---

## Section III

Operating Expense Budget.....	15
Staffing.....	21
Staff Development .....	22
Professional Fees .....	26
Office Expense .....	28
Insurance .....	29
Member Services .....	30
Systems .....	31
Board of Retirement .....	32
Depreciation .....	33
Uncollectible Benefit Payments .....	34

## Section IV

Departmental Operating Expense Budgets .....	37
Administration Department .....	38
Benefits Department .....	41
Fiscal Services Department .....	43
Human Resources Department .....	45
Internal Audit Department .....	46
Investment Department .....	47
Legal Department .....	48
Prism Department .....	50

## Section V

Enterprise-wide Projects .....	53
--------------------------------	----

## Section VI

Administrative Budget .....	56
Operating and Administrative Expenses .....	60
2021 Department Weighted Average.....	61
2020 Department Weighted Average.....	61
Applied Factors .....	62

## Section VII

Capital Assets Outlay Budget .....	67
------------------------------------	----

## Section VIII

Portfolio Management Investment Expenses .....	71
--	----

## Appendix

Appendix .....	75
2021 Budget Change ProposalS (BCP).....	75
2021 Contingency Fund.....	75

This page is intentionally left blank.

## **Section I**

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

This page is intentionally left blank.

## Section I

# Letter from the CEO to the Board of Retirement

---

Members of the Board of Retirement,

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

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

The approved 2021 budget has been predicated on priorities determined as necessary to carry out ACERA's mission. These priorities are to continue developing a culture and infrastructure of accountability and cost effectiveness, to make for a more transparent organization moving forward. Additionally, we will leverage technology to introduce new service models and enhance service effectiveness that will continue building an organization focused on its core values and a vision of exceeding customer expectations, of engaging team members, and of developing supportive leadership. To that end, we look forward to finalizing this budget with the Board.

## KEY 2020 ACCOMPLISHMENTS

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

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

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

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

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

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

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

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

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

## **HIGHLIGHTS OF BUSINESS PLAN**

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

Highlights of upcoming business initiatives are:

For the Pension Administration System:

- OnBase Integration
- Benefits and Estimate Setups



- Benefit Payroll
- Employer Reporting Transmittal Design
- Forms and Correspondence Review

Additional projects include:

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

## **BASELINE AND Approved 2021 OPERATING EXPENSE BUDGET (OEB)**

The starting point for the 2021 OEB is a “baseline” that reflects the anticipated costs of carrying out the same level of services approved by the ACERA Board in the 2020 Budget. Staff was required to request and justify additional funds with a formal Budget Change Proposal (BCP) for any item affecting the 2021 baseline and approved 2021 budget. Additional staff positions or changes in salaries for 2021 were requested and justified using a Personnel Change Request (PCR) form. Approvals for changes did not take place without careful review of cost impacts and on-going organizational needs. Reviews were conducted by the Chief Executive Officer, Human Resource Officer (for PCRs), and Fiscal Services Officer before approvals were granted. With the addition of those items, the approved 2021 budget is \$21.4 million. This is \$0.027 million or 0.1% greater than the 2020 approved budget of \$21.4 million. It is also \$0.2 million or 1% greater than the 2021 baseline budget of \$21.2 million.

The reasons for the budget differences will be explained below.

## **Approved 2021 BUDGET HIGHLIGHTS**

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

### **Staffing**

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

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

## Staff Development

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

## Professional Fees

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

The senior managers and I look forward to presenting our approved 2021 operating expense budget to the committee and to the Board of Retirement.

Respectfully submitted,



Dave Nelsen  
Chief Executive Officer

## **Section II**

### **Budget Policies and Process**

This page is intentionally left blank.

## Section II

# Budget Policies and Process

---

### Budget Policies

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

#### Legal Requirements

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

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

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

#### Budget Amendments

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

### Budget Process

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

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

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

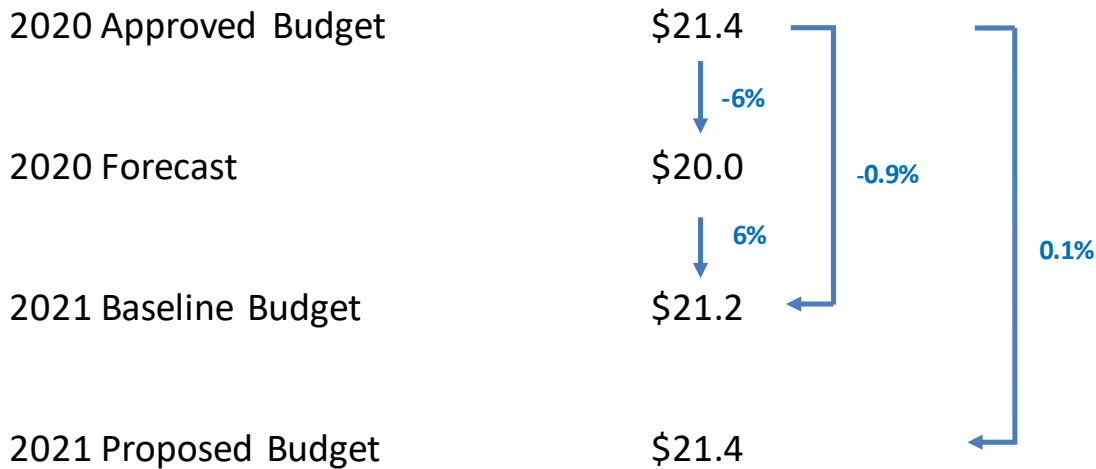
It is the responsibility of the budget team to develop the baseline budget once the forecast has been completed. Upon completion of the baseline, department staff and management begin entering information into the budget worksheets. When that step is completed, the budget team prepares the administrative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

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

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



## 2021 Budget Process<sup>1</sup>



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

<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.

This page is intentionally left blank.



## **Section III**

### **Operating Expense Budget**

This page is intentionally left blank.

## Section III

# Operating Expense Budget

---

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

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

The following is a review of the 2021 budget assumptions for each major expense category and the corresponding results:

### Staffing and Salary Assumptions

- Merit increase average of 4% per department, for eligible/selected deep class employees;
- Cost of living allowance and associated fringe benefit increase of 3.25%;
- Filling all current vacancies with:
  - Hire deep-class employees at 80% of the top range; and,
  - Hire step-class employees at an average Step 3.

*Result: Staffing expenses realized a 2.2% net increase compared to the 2020 Budget; and a 10.8% net increase compared to the 2020 forecast.*

### Staff Development Assumptions

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

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

### Professional Fees Assumptions

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

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

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

#### **Office Expenses Assumptions**

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

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

#### **Insurance Assumption**

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

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

#### **Member Services Assumptions**

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

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

#### **Systems Assumptions**

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

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

### Board of Retirement Assumptions

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

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

### Uncollectible Benefit Payments Assumption

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

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

### Depreciation Assumption

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

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

## APPROVED 2021 BUDGET SUMMARY AND COMPARISON

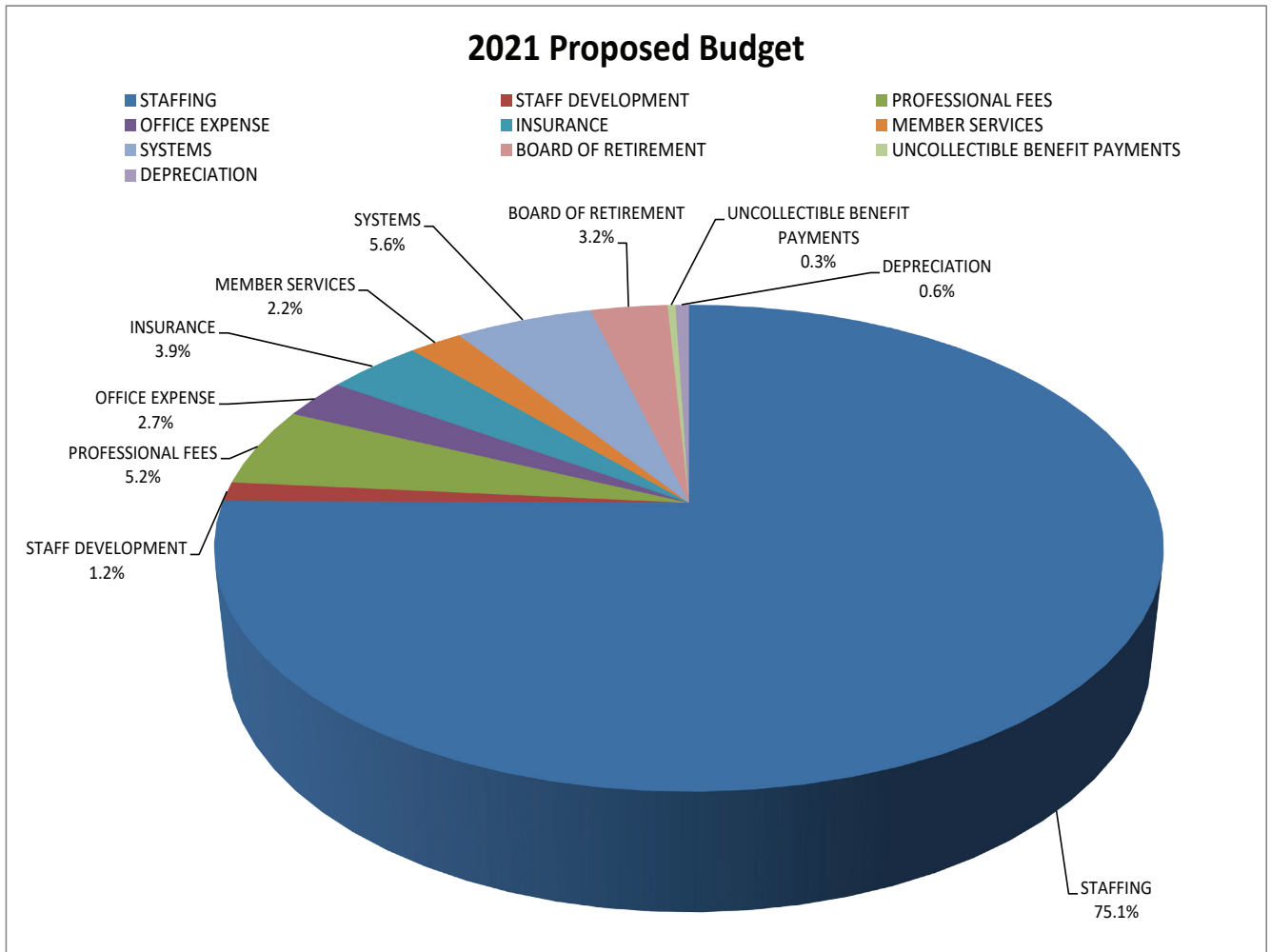
Staff recommends a approved 2021 budget of \$21.4 million which is:

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

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

**2021 Approved Operating Expense Budget (\$ in thousands)**

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



Operating Expense Budget <sup>1</sup>	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Approved Budget	2021 Approved Budget vs. 2020 Forecast Over/(Under)	% Change
<b>STAFFING</b> (p.#21)						
Salaries	\$ 9,737,000	\$ 9,364,000	\$ (373,000)	\$ 10,026,000	\$ 662,000	7.1%
Fringe Benefits	5,910,000	4,847,000	(1,063,000)	5,792,000	945,000	19.5%
Temporary Staff	98,000	319,000	221,000	281,000	(38,000)	-11.9%
<b>Staffing Total</b>	<b>15,745,000</b>	<b>14,530,000</b>	<b>(1,215,000)</b>	<b>16,099,000</b>	<b>1,569,000</b>	<b>10.8%</b>
<b>STAFF DEVELOPMENT</b> (p.#22)	<b>482,000</b>	<b>336,000</b>	<b>(146,000)</b>	<b>274,000</b>	<b>(62,000)</b>	<b>-18.5%</b>
<b>PROFESSIONAL FEES</b> (p.#26)						
Actuarial Fees	466,000	410,000	(56,000)	415,000	5,000	1.2%
Audit Fees	153,000	153,000	-	157,000	4,000	2.6%
Consultant Fees	366,000	369,000	3,000	333,000	(33,000)	-9.8%
Legal Fees	230,000	429,000	199,000	223,000	(206,000)	-48.0%
<b>Professional Fees Total</b>	<b>1,215,000</b>	<b>1,361,000</b>	<b>146,000</b>	<b>1,128,000</b>	<b>(233,000)</b>	<b>-17.1%</b>
<b>OFFICE EXPENSE</b> (p.#28)						
Bank Charges	120,000	118,000	(2,000)	120,000	2,000	1.7%
Misc. Administrative Expenses	16,000	14,000	(2,000)	15,000	1,000	7.1%
Building Expenses	80,000	81,000	1,000	84,000	3,000	3.7%
Communications	63,000	96,000	33,000	96,000	-	0.0%
Equipment Lease & Maint.	116,000	122,000	6,000	130,000	8,000	6.6%
Minor Furniture & Equip.	19,000	16,000	(3,000)	18,000	2,000	12.5%
Office Supplies & Maint.	89,000	74,000	(15,000)	83,000	9,000	12.2%
Printing & Postage	28,000	23,000	(5,000)	28,000	5,000	21.7%
<b>Office Expense Total</b>	<b>531,000</b>	<b>544,000</b>	<b>13,000</b>	<b>574,000</b>	<b>30,000</b>	<b>5.5%</b>
<b>INSURANCE</b> (p.#29)	<b>967,000</b>	<b>866,000</b>	<b>(101,000)</b>	<b>825,000</b>	<b>(41,000)</b>	<b>-4.7%</b>
<b>MEMBER SERVICES</b> (p.#30)						
Benefit Verification	5,000	5,000	-	6,000	1,000	20.0%
Disability - Arbitration & Transcripts	75,000	54,000	(21,000)	60,000	6,000	11.1%
Disability - Medical Expense	203,000	203,000	-	119,000	(84,000)	-41.4%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account	60,000	59,000	(1,000)	60,000	1,000	1.7%
Member Training & Education	16,000	18,000	2,000	16,000	(2,000)	-11.1%
Printing & Postage - Members	122,000	122,000	-	122,000	-	0.0%
Virtual Call Center	-	20,000	20,000	35,000	15,000	75.0%
<b>Member Services Total</b>	<b>527,000</b>	<b>527,000</b>	<b>-</b>	<b>464,000</b>	<b>(63,000)</b>	<b>-12.0%</b>
<b>SYSTEMS</b> (p.#31)						
Business Continuity Expenses	147,000	171,000	24,000	173,000	2,000	1.2%
County Data Processing	113,000	113,000	-	114,000	1,000	0.9%
Minor Computer Hardware	33,000	35,000	2,000	30,000	(5,000)	-14.3%
Software License & Maintenance	835,000	808,000	(27,000)	885,000	77,000	9.5%
<b>Systems Total</b>	<b>1,128,000</b>	<b>1,127,000</b>	<b>(1,000)</b>	<b>1,202,000</b>	<b>75,000</b>	<b>6.7%</b>
<b>BOARD OF RETIREMENT</b> (p.#32)	<b>660,000</b>	<b>584,000</b>	<b>(76,000)</b>	<b>675,000</b>	<b>91,000</b>	<b>15.6%</b>
<b>UNCOLLECTIBLE BENEFITS</b>						
<b>PAYMENTS</b> (p.#34)	<b>22,000</b>	<b>21,000</b>	<b>(1,000)</b>	<b>68,000</b>	<b>47,000</b>	<b>223.8%</b>
<b>Total Operating Expenses Before Depreciation</b>	<b>21,277,000</b>	<b>19,896,000</b>	<b>(1,381,000)</b>	<b>21,309,000</b>	<b>1,413,000</b>	<b>7.1%</b>
<b>DEPRECIATION</b> (p.#33)	<b>123,000</b>	<b>120,000</b>	<b>(3,000)</b>	<b>118,000</b>	<b>(2,000)</b>	<b>-1.7%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>21,400,000</b>	<b>20,016,000</b>	<b>(1,384,000)</b>	<b>21,427,000</b>	<b>1,411,000</b>	<b>7.0%</b>
<b>TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE</b>	<b>52,696,000</b>	<b>51,418,000</b>	<b>(1,278,000)</b>	<b>51,373,000</b>	<b>(45,000)</b>	<b>-0.1%</b>
<b>TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES</b>	<b>\$ 74,096,000</b>	<b>\$ 71,434,000</b>	<b>\$ (2,662,000)</b>	<b>\$ 72,800,000</b>	<b>\$ 1,366,000</b>	<b>1.9%</b>
<b>CONTINGENCY FUND</b> (p.#(p.#75))	<b>\$ 315,000</b>	<b>\$ 54,000</b>	<b>\$ (261,000)</b>	<b>\$ 258,000</b>	<b>\$ 204,000</b>	<b>377.8%</b>

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

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

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



## STAFFING (p.#19)

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

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

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

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

**Staffing - Variance Narrative  
2021 Approved Budget vs. 2020 Forecast**

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

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

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

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

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

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

**Staff Development - Variance Narrative  
2021 Approved Budget vs. 2020 Forecast**

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

**Staff Development - Variance Narrative  
2020 Forecast vs. 2020 Budget**

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

<b>2021 Approved Budget: Breakdowns for Miscellaneous Trainings/Conferences</b>						
	<b>Administration</b>	<b>Benefits</b>	<b>Fiscal Services</b>	<b>Human Resources</b>	<b>Internal Audit</b>	
American Institute of Certified Public Accountants (AICPA)	\$ -	\$ -	\$ -	\$ -	\$ -	2,000
Association of Certified Fraud Examiners (ACFE)	-	-	-	-	-	1,000
Association of Public Pension Fund Auditors (APPFA)	-	-	-	-	-	1,000
Computer Training/County	-	5,000	3,000	-	-	-
CSDA Conference	1,000	-	-	-	-	-
IDEA Training	-	-	-	-	-	3,000
Investment Related	-	-	-	-	-	-
ISCEBS Annual Conference	-	1,000	-	-	-	-
LMS (Alameda County HRS)	-	-	-	6,000	-	-
NAPPA	-	-	-	-	-	-
NCPERS Conference	-	1,000	-	-	-	-
NASRA Winter & Annual Conference	1,000	-	-	-	-	-
Project Management	-	-	-	-	-	-
PRISM Conference	-	-	-	-	-	-
Staff Development	-	9,000	-	-	-	-
Miscellaneous Trainings/Conferences	4,000	4,000	4,000	6,000	-	5,000
<b>Total Other Training/Conferences</b>	<b>6,000</b>	<b>20,000</b>	<b>7,000</b>	<b>12,000</b>	<b>12,000</b>	
Adaptive	-	-	2,000	-	-	-
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	3,000	11,000	4,000	-	-	-
CALPERLA	-	-	-	1,000	-	-
Cybersecurity	-	-	-	-	-	-
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	-	-	-	-
GFOA	-	-	4,000	-	-	1,000
IFEBP	-	8,000	-	-	-	-
ILPA	-	-	-	-	-	-
Institutional Investors	-	-	-	-	-	-
MILKEN	-	-	-	-	-	-
PG User and Onbase Conference	-	4,000	3,000	-	-	-
SACRS	2,000	4,000	-	-	-	1,000
Technology Related Trainings	-	-	-	-	-	-
Other Training/Conferences (from above)	6,000	20,000	7,000	12,000	-	12,000
<b>Total Training/Conferences</b>	<b>11,000</b>	<b>47,000</b>	<b>20,000</b>	<b>13,000</b>	<b>14,000</b>	
<b>Professional Dues &amp; Subscriptions</b>	<b>35,000</b>	<b>3,000</b>	<b>4,000</b>	<b>2,000</b>	<b>5,000</b>	
<b>Recruitment Expenses</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL</b>	<b>\$ 46,000</b>	<b>\$ 51,000</b>	<b>\$ 24,000</b>	<b>\$ 15,000</b>	<b>\$ 19,000</b>	

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

## PROFESSIONAL FEES (p.#19)

This category excludes investment professional consultant and advisor expenses.

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

### Professional Fees - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

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

### Professional Fees - Variance Narrative 2020 Forecast vs. 2020 Budget

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

## OFFICE EXPENSE (p.#19)

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

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

### Office Expense - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

Variance Over/(Under)

#### EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

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

\$ 19,000  
**Sub-total** **19,000**

#### MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Slight increase in miscellaneous administrative expenses

1,000  
**Sub-total** **1,000**

#### PRINTING & POSTAGE

- Increase in printing and postage expenses in 2021

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

#### BUILDING AND BANK CHARGES

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

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

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

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

Variance Over/(Under)

#### MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Slight decrease in miscellaneous administrative expenses

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

#### BUILDING, BANK CHARGES AND COMMUNICATIONS

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

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

#### EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

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

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

#### PRINTING & POSTAGE

- Decrease in printing and postage expense

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

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



## INSURANCE (p.#19)

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

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

### Insurance - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

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

### Insurance - Variance Narrative 2020 Forecast vs. 2020 Budget

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

## MEMBER SERVICES (p.#19)

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

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

### Member Services - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

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

### Member Services - Variance Narrative 2020 Forecast vs. 2020 Budget

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

## SYSTEMS (p.#19)

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

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

### Systems - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

Variance Over/(Under)

#### SOFTWARE, MAINTENANCE & SUPPORT

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

\$ 77,000  
**Sub Total** 77,000

#### BUSINESS CONTINUITY EXPENSES

- Slight increase in business continuity expenses

2,000  
**Sub Total** 2,000

#### COMPUTER HARDWARE & COUNTY DATA PROCESSING

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

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

**Total Over/(Under)** \$ 75,000

### Systems - Variance Narrative 2020 Forecast vs. 2020 Budget

Variance Over/(Under)

#### SOFTWARE, MAINTENANCE & SUPPORT

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

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

#### COMPUTER HARDWARE

- Slight increase in minor computer hardware expense

2,000  
**Sub Total** 2,000

#### BUSINESS CONTINUITY EXPENSES

- Increase due to COVID-19 related expenses

24,000  
**Sub Total** 24,000

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

## BOARD OF RETIREMENT (p.#19)

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

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

### Board of Retirement - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

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

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

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

## DEPRECIATION (p.#19)

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

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

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

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

### Depreciation - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

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

### Depreciation - Variance Narrative 2020 Forecast vs. 2020 Budget

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

## UNCOLLECTIBLE BENEFIT PAYMENTS (p.#19)

After the adoption of the discharge of uncollectible accounts receivable policy and Board of Retirement authorization, the annual uncollectible accounts receivable balance to be discharged is approximately \$68,000. This balance is comprised of benefit overpayments healthcare premium, payroll deductions, and taxes. Discharges of uncollectible balances normally include one year's worth of transactions, after passage of a four-year period from which collection efforts have been exhausted and the receivable has been declared uncollectible.

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

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

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

## **Section IV**

### **Departmental Operating Expense Budgets**

This page is intentionally left blank.



## Section IV

# Departmental Operating Expense Budgets

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

Departments	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Approved Budget	2021 Approved Budget vs. 2020 Forecast Over/(Under)	% Change
Administration <a href="#">(p.#38)</a>	\$ 4,342,000	\$ 4,028,000	\$ (314,000)	\$ 4,297,000	\$ 269,000	6.7%
Benefits <a href="#">(p.#41)</a>	6,918,000	6,456,000	(462,000)	6,854,000	398,000	6.2%
Fiscal Services <a href="#">(p.#43)</a>	2,293,000	2,206,000	(87,000)	2,338,000	132,000	6.0%
Human Resources <a href="#">(p.#45)</a>	728,000	689,000	(39,000)	738,000	49,000	7.1%
Internal Audit <a href="#">(p.#46)</a>	742,000	689,000	(53,000)	744,000	55,000	8.0%
Investment <a href="#">(p.#47)</a>	1,982,000	1,555,000	(427,000)	1,962,000	407,000	26.2%
Legal <a href="#">(p.#48)</a>	1,394,000	1,528,000	134,000	1,388,000	(140,000)	-9.2%
PRISM <a href="#">(p.#50)</a>	2,951,000	2,834,000	(117,000)	3,061,000	227,000	8.0%
<b>Total Depart. Expenses</b>	<b>21,350,000</b>	<b>19,985,000</b>	<b>(1,365,000)</b>	<b>21,382,000</b>	<b>1,397,000</b>	<b>7.0%</b>
<b>PROJECTS<sup>1</sup></b>	<b>50,000</b>	<b>31,000</b>	<b>(19,000)</b>	<b>45,000</b>	<b>14,000</b>	<b>45.2%</b>
<b>Total Depart. Exp. + Projects</b>	<b>\$ 21,400,000</b>	<b>\$ 20,016,000</b>	<b>\$ (1,384,000)</b>	<b>\$ 21,427,000</b>	<b>\$ 1,411,000</b>	<b>7.0%</b>

<sup>1</sup> See Section V

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

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

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

**Administration Department - Variance Narrative  
2021 Approved Budget vs. 2020 Forecast**

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

### Administration Department - Variance Narrative 2020 Forecast vs. 2020 Budget

	Variance Over/(Under)
<b>STAFFING</b>	
• Savings due to lower fringe benefits rate and slight decrease in salaries	\$ (86,000)
<b>Sub-Total</b>	<b>(86,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Decrease in attendance of trainings primarily due to COVID-19	(4,000)
<b>Sub-Total</b>	<b>(4,000)</b>
<b>PROFESSIONAL FEES</b>	
• Savings in actuarial fees	(56,000)
<b>Sub-Total</b>	<b>(56,000)</b>
<b>OFFICE EXPENSE</b>	
• Slight decrease in miscellaneous administrative expenses	(2,000)
• Increase in communication expense due to teleconference services during COVID-19	33,000
• Increase in escalation cost and equipment lease	7,000
• Decrease in office supplies & maintenance and minor equipment & furniture expenses; offset by increase in equipment leasing	(15,000)
• Decrease in printing and postage expense	(5,000)
<b>Sub-Total</b>	<b>18,000</b>
<b>INSURANCE</b>	
• Decrease in premium for worker's compensation and risk management	(101,000)
<b>Sub-Total</b>	<b>(101,000)</b>
<b>SYSTEMS</b>	
• Delay implementation of automated check-in system at front desk	(5,000)
<b>Sub-Total</b>	<b>(5,000)</b>
<b>BOARD OF RETIREMENT</b>	
• Decrease in board members attendance	(8,000)
• Decrease in board conferences and trainings	(51,000)
• Slight decrease in board employer reimbursements	(3,000)
• Decrease in board miscellaneous activities	(13,000)
• A slight decrease in board software maintenance and support	(1,000)
<b>Sub-Total</b>	<b>(76,000)</b>
<b>UNCOLLECTABLE BENEFIT PAYMENTS</b>	
• Slight decrease in uncollectible benefit payments	(1,000)
<b>Sub-Total</b>	<b>(1,000)</b>
<b>DEPRECIATION EXPENSE</b>	
• Decrease in purchase of office equipment	(3,000)
<b>Sub-Total</b>	<b>(3,000)</b>
<b>Total Over/(Under)</b>	<b>\$ (314,000)</b>

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

## BENEFITS DEPARTMENT (p.#37)

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

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

### Benefits Department - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

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

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

		Variance Over/(Under)
<b>STAFFING</b>		
• Savings from vacant positions	\$	(152,000)
• Savings due to lower fringe benefits rate and vacant positions		(439,000)
• Increase attributed to vacant positions filled by temporary staff		142,000
	<b>Sub-Total</b>	<b>(449,000)</b>
<b>STAFF DEVELOPMENT</b>		
• Decrease in attendance of trainings primarily due to COVID-19		(37,000)
	<b>Sub-Total</b>	<b>(37,000)</b>
<b>PROFESSIONAL FEES</b>		
• Increase in benefits consulting fees		3,000
	<b>Sub-Total</b>	<b>3,000</b>
<b>MEMBER SERVICES</b>		
• Slight decrease in health reimbursement account		(1,000)
• Slight increase in members training and education		2,000
• Increase due to virtual call center		20,000
	<b>Sub-Total</b>	<b>21,000</b>
<b>Total Over/(Under)</b>		<b>\$ (462,000)</b>

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

## FISCAL SERVICES DEPARTMENT (p.#37)

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

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

### Fiscal Services Department - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
• Increase in salaries due to step increases, COLA and vacation sellbacks	\$ 7,000
• Increase in fringe benefits due to inflation costs	99,000
• Decrease in temporary staff	(24,000)
<b>Sub-Total</b>	<b>82,000</b>

**Fiscal Services Department - Variance Narrative  
2021 Approved Budget vs. 2020 Forecast**

		Variance Over/(Under)
<b>STAFF DEVELOPMENT</b>		
• Increase in attendance of conferences and trainings		6,000
	<b>Sub-Total</b>	<b>6,000</b>
<b>PROFESSIONAL FEES</b>		
• Slight increase in audit fees		4,000
	<b>Sub-Total</b>	<b>4,000</b>
<b>OFFICE EXPENSE</b>		
• Slight increase in bank fees		2,000
	<b>Sub-Total</b>	<b>2,000</b>
<b>SYSTEMS</b>		
• Increase due to system upgrade and contract renewal		38,000
	<b>Sub-Total</b>	<b>38,000</b>
		<b>Total Over/(Under) \$ 132,000</b>

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

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

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



## HUMAN RESOURCES DEPARTMENT (p.#37)

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

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

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

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

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

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

Human Resources Department Professional Fees	2020 Budget	2020 Forecast	2020 Forecast vs. 2020 Budget Over/(Under)	2021 Approved Budget	2021 Approved Budget vs. 2020 Forecast Over/(Under)	% Change
Consultant Fees - Lakeside Group	\$ 77,000	\$ 77,000	\$ -	\$ 77,000	\$ -	0.0%
<b>Human Resources Total</b>	<b>\$ 77,000</b>	<b>\$ 77,000</b>	<b>\$ -</b>	<b>\$ 77,000</b>	<b>\$ -</b>	<b>0.0%</b>

## INTERNAL AUDIT DEPARTMENT (p.#37)

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

Internal Audit Department	2020		2020 Forecast	2021		2021 Approved		% Change
	Budget	Forecast	Budget Over/ (Under)	Approved Budget	Budget vs. 2020 Forecast Over/ (Under)	Budget vs. 2020 Forecast Over/ (Under)		
<b>STAFFING</b>								
Salaries	\$ 438,000	\$ 441,000	\$ 3,000	\$ 453,000	\$ 12,000	\$ 12,000		2.7%
Fringe Benefits	272,000	227,000	(45,000)	263,000	36,000	36,000		15.9%
Temporary Staff	4,000	-	(4,000)	6,000	6,000	6,000		100.0%
<b>Staffing Total</b>	<b>714,000</b>	<b>668,000</b>	<b>(46,000)</b>	<b>722,000</b>	<b>54,000</b>	<b>54,000</b>		<b>8.1%</b>
<b>STAFF DEVELOPMENT</b>	<b>26,000</b>	<b>19,000</b>	<b>(7,000)</b>	<b>19,000</b>	<b>-</b>	<b>-</b>		<b>0.0%</b>
<b>SYSTEMS</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>3,000</b>	<b>1,000</b>	<b>1,000</b>		<b>50.0%</b>
<b>GRAND TOTAL</b>	<b>\$ 742,000</b>	<b>\$ 689,000</b>	<b>\$ (53,000)</b>	<b>\$ 744,000</b>	<b>\$ 55,000</b>	<b>\$ 55,000</b>		<b>8.0%</b>

### Internal Audit Department - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
• Increase in salaries from COLA and vacation sellbacks	\$ 12,000
• Increase in fringe benefits due to inflation costs	36,000
• Increase due to hiring of a part-time intern	6,000
<b>Sub-Total</b>	<b>54,000</b>
<b>SOFTWARE MAINTENANCE AND SUPPORT</b>	
• Increase cost for audit software	1,000
<b>Sub-Total</b>	<b>1,000</b>
<b>Total Over/(Under)</b>	<b>\$ 55,000</b>

### Internal Audit Department - Variance Narrative 2020 Forecast vs. 2020 Budget

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

## INVESTMENT DEPARTMENT (p.#37)

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

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

### Investment Department - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

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

### Investment Department - Variance Narrative 2020 Forecast vs. 2020 Budget

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

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

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

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

Legal Department - Variance Narrative 2021 Approved Budget vs. 2020 Forecast		Variance Over/(Under)
<b>STAFFING</b>		
• Increase in fringe benefits plus slight increase in salaries		\$ 53,000
	<b>Sub-Total</b>	<b>53,000</b>
<b>STAFF DEVELOPMENT</b>		
• Increase in attendance of conferences and trainings		7,000
	<b>Sub-Total</b>	<b>7,000</b>
<b>PROFESSIONAL FEES</b>		
• Increase in fiduciary services		12,000
• Decrease in tax & benefits		(5,000)
• Decrease in projected litigation expenses in 2021 as compared to unexpected higher litigation expenses incurred in 2020		(213,000)
	<b>Sub-Total</b>	<b>(206,000)</b>
<b>DISABILITY-LEGAL TRANSCRIPTS</b>		
• Increase in disability legal arbitration and transcripts		6,000
	<b>Sub-Total</b>	<b>6,000</b>
<b>Total Over/(Under)</b>		<b>\$ (140,000)</b>

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

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

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

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

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

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

### PRISM Department - Variance Narrative 2021 Approved Budget vs. 2020 Forecast

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

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

	Variance Over/(Under)
<b>STAFFING</b>	
• Savings due to employee on leave	\$ (46,000)
• Savings due to lower fringe benefits rate	(129,000)
• Temporary staff hired to cover the permanent staff on leave in scanning unit	59,000
<b>Sub-Total</b>	<b>(116,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Decrease in attendance of trainings primarily due to COVID-19	(25,000)
<b>Sub-Total</b>	<b>(25,000)</b>
<b>SOFTWARE MAINTENANCE AND SUPPORT</b>	
• Increase due to COVID-19 related expenses	24,000
<b>Sub-Total</b>	<b>24,000</b>
<b>Total Over/(Under)</b>	<b>\$ (117,000)</b>

## **Section V**

### **Enterprise-wide Projects**

This page is intentionally left blank.



## Section V

### Enterprise-wide Projects

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

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

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

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

This page is intentionally left blank.

## **Section VI**

### **Administrative Budget**

## Section VI :

# Administrative Budget

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

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

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

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

Section VI: Administrative Budget  
(TOC p# III)

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

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

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

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

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

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

- <sup>1</sup> Business Continuity – 2021 related costs include total direct costs (\$177K) for software support and direct depreciation; 2.8% is added for both allocated staffing and other overhead expenses (\$498K).
- <sup>2</sup> Investment – 2021 related expenses are composed of direct costs of Investment staff (\$1,924K), allocated staffing costs (\$813K), 25% of Board expenses (\$169K), 25% of audit expenses (\$39K) and 17.0% of other overhead costs (\$328K).
- <sup>3</sup> Legal – 2021 related expenses include direct costs of Staffing (\$518K), Professional Legal fees (\$223K), Disability Arbitration Expenses (\$60K), Software Support - Legal (\$21K), 10% of Board expenses (\$67K), and 3.2% of other overhead costs (\$125K).
- <sup>4</sup> SRBR – 2021 related expenses are composed of allocated staffing costs (\$1,254K), direct costs of Professional Fees (\$298K), Member Services (\$121K), and 25% of Board expenses (\$169K).
- <sup>5</sup> Technology – 2021 related expenses include computer hardware, computer software, computer depreciation, and computer technology consulting services in support of these computer products.

<b>Comparison of Administrative Expense to Limits (Section 31580.2) (\$ in thousands)</b>	<b>2020 Budget</b>	<b>2020 Forecast</b>	<b>2020 Forecast vs. 2020 Budget Over/(Under)</b>	<b>2021 Approved Budget</b>	<b>2021 Approved Budget vs. 2020 Forecast Over/ (Under)</b>
Total Actuarial Accrued Liabilities <sup>6</sup>	\$ 10,527,660	\$ 10,527,660	\$ -	\$ 10,984,240	\$ 456,580
Limit on Expense	0.21%	0.21%	-	0.21%	-
Maximum Allowed	22,108	22,108	-	23,067	959
Administrative Expense	13,064	12,255	(809)	13,239	984
<b>Over/(Under) Maximum</b>	<b>\$ (9,044)</b>	<b>\$ (9,853)</b>	<b>\$ (809)</b>	<b>\$ (9,828)</b>	<b>\$ 25</b>

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



## 2021 DEPARTMENT WEIGHTED AVERAGE

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

## 2020 DEPARTMENT WEIGHTED AVERAGE

2020 Allocation Percentages								
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative	
STAFFING	Administration	8.0%	0.0%	2.4%	0.0%	0.0%	89.6%	
	Benefits	0.3%	0.0%	0.5%	19.4%	0.0%	79.8%	
	SALARIES	Fiscal Services	9.6%	0.0%	0.6%	8.6%	0.0%	81.2%
	FRINGE BENEFITS	Human Resources	0.0%	0.0%	1.5%	0.0%	0.0%	98.5%
	TEMPS	Internal Audit	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
		Investments	99.5%	0.0%	0.5%	0.0%	0.0%	0.0%
		Legal	47.5%	51.7%	0.8%	0.0%	0.0%	0.0%
		PRISM	0.8%	0.0%	15.2%	0.0%	0.0%	84.0%
<b>Total Staffing Factors</b>		<b>17.4%</b>	<b>3.3%</b>	<b>2.7%</b>	<b>8.4%</b>	<b>0.0%</b>	<b>68.2%</b>	

## APPLIED FACTORS

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

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

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

## **Section VII**

### **Capital Assets Outlay Budget**

This page is intentionally left blank.

## Section VII :

# Capital Assets Outlay Budget

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

## Capital Assets Outlay 2020 - 2021

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

<sup>1</sup> Pension Gold Upgrade is a five-year project. Listed below are the current estimated expenses for the 2021 approved budget:

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

This page is intentionally left blank.



## **Section VIII**

### **Portfolio Management Investment Expenses**

This page is intentionally left blank.

## Section VIII:

# Portfolio Management Investment Expenses

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

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

This page is intentionally left blank.

## **Appendix**

### **2021 Budget Change Proposals (BCP)**

### **2021 Contingency Fund**

This page is intentionally left blank.

## Appendix

### 2021 BUDGET CHANGE PROPOSALS (BCP)

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

### 2021 CONTINGENCY FUND

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

### 2021 Approved Budget Contingency Fund [\(p.#19\)](#)

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

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

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

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

