



Memorandum

**TO: Police and Fire Department Retirement Plan
Board of Administration**

FROM: Roberto L. Peña

**SUBJECT: Administrative Budget vs Actual Expenses for
Fiscal Year-To-Date Quarter Ended December
31, 2023 (Accrual Basis)**

DATE: January 18, 2024

Attached is an itemized list of the Administrative and Professional Budget vs. Actual Expenses for the Police and Fire Department Retirement Plan for the fiscal year 2023-2024 quarter ending December 31, 2023. The Budget vs. Actual expenses represent all administrative and professional fees processed by the Plan, excluding benefit payments and investment related fees.

This budget vs. actual expense report ending December 31, 2023, highlights some notable variances. Personnel expenses exceeded the quarterly budget due to an extra pay period in December, while professional expenses went over the quarterly budget due to increased litigation costs and the higher audit fees charged by new auditors. Despite these variances in specific line items, overall expenses remain within the approved annual budget for each category. The approved budget is based on categories and not line items.

Certification

All Budgetary, Actual and Accrued expenditures for the fiscal year quarter ending December 31, 2023 were either approved by the Board or directly authorized by prior Board actions or policies.

Recommendation

Staff recommends acceptance of the Police and Fire Department Retirement Plan Administrative and Professional Budget vs. Actual & Accrued Expenses report for the fiscal year 2023-2024 quarter ending December 31, 2023.

Roberto L. Peña
Chief Executive Officer
Office of Retirement Services

**POLICE AND FIRE DEPARTMENT PLAN
BUDGET TO ACTUALS (ACCRUAL BASIS)
AS OF DECEMBER (Q2) FY 23-24**

MAJOR BUDGET CATEGORY										
Minor Budget Category	Q2 ACTUALS & ACCRUAL 2023/2024	YTD ACTUALS & ACCRUAL 2023/2024	MODIFIED BUDGET BASED ON QUARTERLY PORTION 2023/2024	QUARTERLY (OVER) UNDER BUDGET	QUARTERLY PERCENT- AGE USED	ANNUAL MODIFIED BUDGET 2023/2024	ANNUAL (OVER) UNDER BUDGET	ANNUAL PERCENT- AGE USED	ANNUAL MODIFIED BUDGET TO BNYM MV OF PLAN ASSETS IN BPS	YTD ACTUALS TO BNYM MV OF PLAN ASSETS IN BPS
	(B)	(A)	(B1)	(B1) - (B)	(B) / (B1)	(A1)	(A1) - (A)	(A) / (A1)	as of 12/31/23 MV	\$ 5,172,168,556
PERSONNEL EXPENSES										
Permanent Staff Expense ₁	1,401,747	2,381,256	\$ 1,198,000	\$ (203,747)	117%	\$4,792,000	\$ 2,410,744	50%		
TOTAL PERSONNEL EXPENSES	1,401,747	2,381,256	1,198,000	(203,747)	117%	4,792,000	2,410,744	50%	9	5
NON-PERSONNEL / EQUIPMENT										
Rent	58,913	117,291	\$ 57,500	\$ (1,413)	102%	230,000	112,709	51%		
Insurance ₂	3,877	3,802	\$ 64,000	\$ 60,124	6%	256,000	252,199	1%		
IT Hardware/Software	26,782	38,862	\$ 32,500	\$ 5,718	82%	130,000	91,138	30%		
Postage and printing	12,917	17,935	\$ 16,250	\$ 3,333	79%	65,000	47,065	28%		
LRS - Annual Maintenance Fee	-	54,591	\$ 13,750	\$ 13,750	0%	55,000	409	99%		
Training and travel	10,040	12,964	\$ 7,500	\$ (2,540)	134%	30,000	17,036	43%		
Other non-personnel and equipment	15,450	22,650	\$ 23,250	\$ 7,800	66%	93,000	70,350	24%		
TOTAL NON-PERSONNEL / EQUIPMENT	127,979	268,095	214,750	86,771	60%	859,000	590,905	31%	2	1
PROFESSIONAL SERVICES										
Legal ₃	202,499	219,083	\$ 78,000	\$ (124,499)	260%	312,000	92,917	70%		
Actuary / actuarial audit ₄	153,813	153,813	\$ 72,500	\$ (81,313)	212%	290,000	136,187	53%		
External auditor ₅	60,106	90,606	\$ 21,250	\$ (38,856)	283%	85,000	(5,606)	107%		
Temporary staffing agencies	27,730	64,689	\$ 33,000	\$ 5,270	84%	132,000	67,311	49%		
Pension administration system	578	15,383	\$ 6,000	\$ 5,422	10%	24,000	8,617	64%		
Other professional services	1,875	3,775	\$ 15,000	\$ 13,125	13%	60,000	56,225	6%		
TOTAL PROFESSIONAL SERVICES	446,602	547,349	225,750	(220,852)	198%	903,000	355,651	61%	2	1
MEDICAL PROVIDERS / SERVICES										
Medical Director & Support ₆	59,132	131,582	\$ 90,000	\$ 30,868	66%	360,000	228,418	37%		
TOTAL MEDICAL PROVIDERS / SERVICES	59,132	131,582	90,000	30,868	66%	360,000	228,418	37%	1	0
GRAND TOTAL	2,035,459	3,328,282	\$ 1,728,500	(306,959)	118%	\$ 6,914,000	\$ 3,585,718	48%	13	6

Explanations are provided if the Quarterly variance is at least \$25,000 over/under budget and if the Annual variance is over compared to the annual budget.

₁ Permanent Staff Expense - Includes an extra pay period in December.

₂ Insurance - This fiduciary insurance is annual. The invoice has not been received yet.

₃ Legal - Services provided as needed. Annual amount is within budget.

₄ Actuary / actuarial audit - Services provided as needed. Annual amount is within budget.

₅ External auditor - Overage is due to the change in auditors. The budget was based on the fees of the previous auditors.

₆ Medical Director & Support - Lag in receipt of invoices.

**POLICE & FIRE PLAN ASSET BUDGET SUMMARY
THROUGH Q2 FY23-24**

DESCRIPTION	IMPLEMENTATION BUDGET (ENTIRE 5 YEARS) *	EXPENDED FY14-15	EXPENDED FY15-16	EXPENDED FY16-17	EXPENDED FY17-18	EXPENDED FY18-19	EXPENDED FY19-20	EXPENDED FY20-21	EXPENDED FY21-22	EXPENDED FY22-23	EXPENDED FY23-24 (TO-DATE)	EXPENDED PROJECT TO- DATE	% REMAINING IN BUDGET
LRS													
IMPLEMENTATION SERVICES	\$ 2,482,640	\$ -	\$ 542,259	\$ 429,073	\$ 4,735	\$ 1,195,713	\$ 663,880	\$ -	\$ -	\$ -	\$ -	\$ 2,835,661	-14%
PENSION ADMINISTRATION SYSTEM LICENSE FEE	180,000	-	132,927	-	-	-	-	-	-	-	-	132,927	26%
SOFTWARE (COMMODITY) AND INSTALLATION	9,896	-	-	-	-	-	-	-	-	-	-	-	100%
REPLACEMENT OF SYSTEM (INCLUDES 5 YEARS POST IMPLEMENTATION COSTS)	313,430	-	16,212	-	-	-	90,400	37,500	37,500	37,500	37,500	256,612	18%
LRWL													
COUNSELING & ADVISE ON PROJECT ISSUES	539,750	58,933	186,253	148,080	236,473	260,755	121,576	-	-	-	-	1,012,069	-88%
GRAND TOTAL	\$ 3,525,716	\$ 58,933	\$ 877,650	\$ 577,153	\$ 241,207	\$ 1,456,468	\$ 875,857	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 4,237,268	-20%
ACCUMULATED ARMOTIZATION						\$ (133,809)	\$ (408,727)	\$ (412,979)	\$ (422,869)	\$ (428,565)		\$ (1,806,948)	
GRAND TOTAL						\$ 1,322,660	\$ 467,130	\$ (375,479)	\$ (385,369)	\$ (391,065)	\$ 37,500	\$ 2,430,320	

*Please note some budgeted items cannot be capitalized due to the types of services being provided. These items include Software Support Services, Pension Administration System Maintenance Fee, and Disaster Recovery Plan for a total budgeted amount of \$1,115,903 (or \$557,952 per Plan).