CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

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

FROM: John Flynn

SUBJECT: **Administrative Budget vs Actual Expenses for Fiscal Year-To-Date Quarter Ended September 30, 2025 (Accrual Basis)**

DATE: October 21, 2025

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 2025-2026 quarter ending September 30, 2025. 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 September 30, 2025 has some notable variances: personnel expenses are lower than the quarterly budget due to staff vacancies. Non-personnel and professional services expenses are also lower than the quarterly budget due to the lag in receipt of invoices for fiduciary insurance, legal and actuarial services. Overall expenses are within the approved annual budget for each category, even though there are overages in some line items. The approved budget is based on categories and not line items.

Certification

All Budgetary, Actual and Accrued expenditures for the fiscal year quarter ending September 30, 2025 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 2025-2026 quarter ending September 30, 2025.

John Flynn
Chief Executive Officer
Office of Retirement Services

POLICE AND FIRE DEPARTMENT PLAN
BUDGET TO ACTUALS (ACCRUAL BASIS)
AS OF SEPTEMBER (Q1) FY 25-26

MAJOR BUDGET CATEGORY *Minor Budget Category*	*Q1 ACTUALS & ACCRUAL 2025/2026*	*YTD ACTUALS & ACCRUAL 2025/2026*	*MODIFIED BUDGET BASED ON QUARTERLY PORTION 2025/2026*	*QUARTERLY (OVER) UNDER BUDGET*	*QUARTERLY PERCENT-AGE USED*	*ANNUAL MODIFIED BUDGET 2025/2026*	*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 09/30/25 MV	$ 6,342,533,909
PERSONNEL EXPENSES										
Permanent Staff Expense [1]	1,118,507	1,118,507	$ 1,395,250	$ 276,743	80%	$5,581,000	$ 4,462,493	20%		
TOTAL PERSONNEL EXPENSES	***1,118,507***	***1,118,507***	***1,395,250***	***276,743***	***80%***	***5,581,000***	***4,462,493***	***20%***	***8.80***	***1.76***
NON-PERSONNEL / EQUIPMENT										
Rent	41,465	41,465	$ 62,500	$ 21,036	66%	250,000	208,536	17%		
Insurance [2]	3,946	3,946	$ 53,250	$ 49,304	7%	213,000	209,054	2%		
IT Hardware/Software	21,747	21,747	$ 26,500	$ 4,753	82%	106,000	84,253	21%		
Postage and printing	2,002	2,002	$ 11,250	$ 9,248	18%	45,000	42,998	4%		
Training and travel	3,831	3,831	$ 10,000	$ 6,169	38%	40,000	36,169	10%		
Office supplies and board meeting expense	4,771	4,771	$ 7,500	$ 2,729	64%	30,000	25,229	16%		
Other non-personnel and equipment [3]	7,180	7,180	$ 35,000	$ 27,820	21%	140,000	132,820	5%		
TOTAL NON-PERSONNEL / EQUIPMENT	***84,942***	***84,942***	***206,000***	***121,058***	***41%***	***824,000***	***739,058***	***10%***	***1.30***	***0.13***
PROFESSIONAL SERVICES										
Legal [4]	80,152	80,152	$ 210,250	$ 130,098	38%	841,000	760,848	10%		
Actuary / actuarial audit [5]	-	-	$ 72,500	$ 72,500	0%	290,000	290,000	0%		
External auditor	51,100	51,100	$ 46,250	$ (4,850)	110%	185,000	133,900	28%		
Temporary staffing agencies	10,805	10,805	$ 28,750	$ 17,945	38%	115,000	104,195	9%		
Governance services	-	-	$ 18,750	$ 18,750	0%	75,000	75,000	0%		
Pension administration system [6]	118,336	118,336	$ 32,875	$ (85,461)	360%	131,500	13,165	90%		
Other professional services [7]	2,117	2,117	$ 28,625	$ 26,508	7%	114,500	112,383	2%		
TOTAL PROFESSIONAL SERVICES	***262,510***	***262,510***	***438,000***	***175,490***	***60%***	***1,752,000***	***1,489,490***	***15%***	***2.76***	***0.41***
MEDICAL PROVIDERS / SERVICES										
Medical Director & Support [8]	6,372	6,372	$ 90,000	$ 83,628	7%	360,000	353,628	2%		
TOTAL MEDICAL PROVIDERS / SERVICES	***6,372***	***6,372***	***90,000***	***83,628***	***7%***	***360,000***	***353,628***	***2%***	***0.57***	***0.01***
GRAND TOTAL	***1,472,331***	***1,472,331***	***$ 2,129,250***	***656,920***	***69%***	***$ 8,517,000***	***$ 7,044,670***	***17%***	***13.43***	***2.32***

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 - Due to staff vacancies.***

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

[3] ***Other non-personnel and equipment - Lag in receipt of invoices.***

[4] ***Legal - Lag in receipt of invoices.***

[5] ***Actuary / actuarial audit - Lag in receipt of invoices.***

[6] ***Pension administration system - Annual payment for maintenane and hosting fees. Annual amount is within budget.***

[7] ***Other professional services - Lag in receipt of invoices.***

[8] ***Medical Director & Support - Services provided as needed.***

POLICE & FIRE PLAN ASSET BUDGET SUMMARY
THROUGH Q1 FY25-26

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	EXPENDED FY24-25	EXPENDED FY25-26 (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 POST IMPLEMENTATION COSTS)	313,430	-	16,212	-	-	-	90,400	37,500	37,500	37,500	75,000	77,500	-	371,612	-19%
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	$ 75,000	$ 77,500	$ -	$ 4,352,268	-23%
ACCUMULATED ARMOTIZATION						$ (133,809)	$ (408,727)	$ (412,979)	$ (422,869)	$ (428,565)	$ (439,957)	$ (459,352)	$ -	$ (2,706,257)	
GRAND TOTAL						$ 1,322,660	$ 467,130	$ (375,479)	$ (385,369)	$ (391,065)	$ (364,957)	$ (381,852)	$ -	$ 1,646,011	

*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).