



Memorandum

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

FROM: Benjie Chua Foy

SUBJECT: Increase FY22-23 Budget for Professional Services

DATE: February 17, 2023

Approved

Date

02/17/23

RECOMMENDATION

Discussion and action regarding approval to increase the FY22-23 administrative budget for professional services by \$200,000 to a total of \$998,000.

BACKGROUND

The Board initially approved a budget of \$798,000 for professional services at their March 2022 Board meeting for fiscal year 2022-2023 (July 1, 2022 to June 30, 2023). The total approved administrative budget for all categories: personnel services, non-personnel services, professional services and medical services was \$6,326,000.

The Board approves the budget for each category, in this case “Professional Services”. The Board need only approve modifications when a category is close to exceeding the budget.

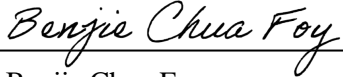
ANALYSIS

	Professional Services	Total Administrative Budget
Approved Original Budget	\$798,000	\$6,326,000
Projected Expenditures through June 30, 2023	958,000	
Deficit Mainly due to Additional Legal Services and Temporary Staffing Services	(160,000)	
Requested Increase in Budget for Professional Services	\$200,000	\$200,000
Modified Budget after Increase Requested	\$998,000	\$6,526,000

The estimated \$160,000 deficit is mainly due to higher than anticipated legal services costs for fiduciary counsel and more temporary staffing services being used to backfill vacancies and during peak periods. Due to several new cases arising during this year, as well as San Jose Municipal Code interpretation issues, additional hours have been incurred that are outside the budgeted amount.

CONCLUSION

Because of increased legal services due to unanticipated legal matters and temporary staffing services needed, expenditures for professional services have increased and are projected to exceed the budget. Staff is recommending the budget for the professional services category for FY22-23 be increased by \$200,000, modifying the budget for the professional services category to \$998,000. This will increase the total administrative budget from \$6,326,000 to \$6,526,000 for FY22-23.


Benjie Chua Foy
Accounting Division Manager

