



Memorandum

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

**SUBJECT: Administrative Budget vs Actual Expenses for
Fiscal Year-To-Date Quarter Ended December
31, 2020 (Accrual Basis)**

FROM: Roberto L. Peña

DATE: January 12, 2021

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 2020-2021 quarter ending December 31, 2020. 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, 2020 has some notable variances: personnel expenses exceed the quarterly budget due to an extra pay period. Non-personnel and professional services expenses are lower than the quarterly budget due to the lag in receipt of invoices for data processing, fiduciary insurance, and actuarial services. IT Hardware/Software expenses exceed the quarterly budget due to the purchase of 38 new laptops for staff. LRS Annual Maintenance Fee is over the quarterly budget because the entire annual fee was paid in the quarter. Medical providers expenses are lower than the quarterly budget since these services are provided on an as-needed basis. 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 December 31, 2020 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 2020-2021 quarter ending December 31, 2020.

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 20-21**

MAJOR BUDGET CATEGORY											
Minor Budget Category	Q2 ACTUALS & ACCRUAL 2020/2021	YTD ACTUALS & ACCRUAL 2020/2021	MODIFIED BUDGET BASED ON QUARTERLY PORTION 2020/2021	QUARTERLY (OVER) UNDER BUDGET	QUARTERLY PERCENT- AGE USED	ANNUAL MODIFIED BUDGET 2020/2021	ANNUAL (OVER) UNDER BUDGET	ANNUAL PERCENT- AGE USED	ANNUAL MODIFIED BUDGET TO STATE STREET MV OF PLAN ASSETS IN BPS	YTD ACTUALS TO STATE STREET MV OF PLAN ASSETS IN BPS	
	(B)	(A)	(B1)	(B1) - (B)	(B) / (B1)	(A1)	(A1) - (A)	(A) / (A1)	as of 11/30/20 MV	\$ 4,295,314,952	
PERSONNEL EXPENSES											
Permanent Staff Expense ¹	993,780	1,800,609	\$ 947,500	\$ (46,280)	105%	\$ 3,790,000	\$ 1,989,391	48%			
TOTAL PERSONNEL EXPENSES	993,780	1,800,609	947,500	(46,280)	105%	3,790,000	1,989,391	48%	9	4	
NON-PERSONNEL / EQUIPMENT											
CAFR Design ²	402	402	\$ 250	\$ (152)	161%	1,000	598	40%			
Communication	413	754	\$ 500	\$ 87	83%	2,000	1,246	38%			
Data Processing ³	77,122	140,672	\$ 108,750	\$ 31,628	71%	435,000	294,328	32%			
Dues and Subscriptions	72	304	\$ 1,250	\$ 1,178	6%	5,000	4,696	6%			
Equipment / Furniture / Lease TI	-	-	\$ 4,750	\$ 4,750	0%	19,000	19,000	0%			
Insurance ⁴	1,625	1,625	\$ 48,250	\$ 46,626	3%	193,000	191,376	1%			
IT Hardware/Software ⁵	61,951	73,744	\$ 30,750	\$ (31,201)	201%	123,000	49,256	60%			
Lease / Miscellaneous	505	1,352	\$ 1,500	\$ 995	34%	6,000	4,648	23%			
LRS - Annual Maintenance Fee ⁶	47,640	47,640	\$ 12,000	\$ (35,640)	397%	48,000	360	99%			
Mileage Reimbursement	-	-	\$ 1,000	\$ 1,000	0%	4,000	4,000	0%			
Non-Employee Board Stipend	2,860	2,860	\$ 4,250	\$ 1,390	67%	17,000	14,140	17%			
Postage	3,958	13,582	\$ 12,500	\$ 8,542	32%	50,000	36,418	27%			
Printing	647	4,265	\$ 10,000	\$ 9,353	6%	40,000	35,735	11%			
Rent	50,317	83,861	\$ 53,000	\$ 2,683	95%	212,000	128,139	40%			
Supplies	2,624	2,734	\$ 7,500	\$ 4,876	35%	30,000	27,266	9%			
Training	442	442	\$ 1,250	\$ 808	35%	5,000	4,558	9%			
Travel	775	1,863	\$ 8,750	\$ 7,975	9%	35,000	33,138	5%			
TOTAL NON-PERSONNEL / EQUIPMENT	251,352	376,099	306,250	54,898	82%	1,225,000	848,901	31%	3	1	
PROFESSIONAL SERVICES											
Cheiron (Actuary) ⁷	32,074	32,074	\$ 58,750	\$ 26,677	55%	235,000	202,927	14%			
Cortex (Governance Services)	9,185	9,185	\$ 12,500	\$ 3,316	73%	50,000	40,816	18%			
Grant Thornton (Independent Auditors)	-	80,817	\$ 20,750	\$ 20,750	0%	83,000	2,183	97%			
Ice Miller (Legal - Tax)	468	468	\$ 6,250	\$ 5,782	7%	25,000	24,532	2%			
LRS (Business Continuation Plan)	-	5,721	\$ 1,500	\$ 1,500	0%	6,000	279	95%			
LRS (Change Requests)	-	-	\$ 2,500	\$ 2,500	0%	10,000	10,000	0%			
LRS (Web Hosting + Web Maintenance)	400	968	\$ 1,250	\$ 850	32%	5,000	4,033	19%			
Other Consultant Services	2,875	5,425	\$ 6,250	\$ 3,375	46%	25,000	19,575	22%			
The Berwyn Group (replacing PBI)	-	-	\$ 750	\$ 750	0%	3,000	3,000	0%			
Reed Smith (Legal - Fiduciary)	33,818	46,665	\$ 50,000	\$ 16,183	68%	200,000	153,335	23%			
Saltzman & Johnson (Legal - DRO) ⁸	41,502	44,238	\$ 23,000	\$ (18,502)	180%	92,000	47,762	48%			
Temp Agencies	5,510	5,510	\$ 19,250	\$ 13,740	29%	77,000	71,490	7%			
TOTAL PROFESSIONAL SERVICES	125,830	231,070	202,750	76,920	62%	811,000	579,930	28%	2	1	
MEDICAL PROVIDERS / SERVICES											
Dr. Kroll/Other Medical Support ⁹	15,980	35,555	\$ 54,500	\$ 38,520	29%	218,000	182,445	16%			
TOTAL MEDICAL PROVIDERS / SERVICES	15,980	35,555	54,500	38,520	29%	218,000	182,445	16%	1	0	
GRAND TOTAL	1,386,943	2,443,333	\$ 1,511,000	124,057	92%	\$ 6,044,000	\$ 3,600,667	40%	14	6	

Explanation for quarterly variances > \$25,000 and amounts over quarterly and yearly budget.

- ¹ Permanent Staff Expense - This quarter has an extra pay period. Annual amount is within budget.
- ² CAFR Design - One time payment. Annual amount is within budget.
- ³ Data Processing - Lag in receipt of invoices.
- ⁴ Insurance - This fiduciary insurance is annual and renews in March. The invoice has not been received yet.
- ⁵ IT Hardware/Software - Includes payment for 38 new laptops for staff. Annual amount is within budget.
- ⁶ LRS - Annual Maintenance Fee - This maintenance fee is renewed annually. Annual amount is within budget.
- ⁷ Cheiron (Actuary) - Due to lag in receipt of invoices.
- ⁸ Saltzman & Johnson (Legal - DRO) - Services provided as needed. Annual amount is within budget.
- ⁹ Dr. Kroll/Other Medical Support - Services provided as needed.

**POLICE & FIRE PLAN ASSET BUDGET SUMMARY
THROUGH Q2 FY20-21**

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 (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	144,112	54%
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	\$ 4,124,768	-17%
ACCUMULATED ARMOTIZATION						\$ (133,809)	\$ (408,727)	\$ -	\$ (542,536)	
GRAND TOTAL						\$ 1,322,660	\$ 467,130	\$ 37,500	\$ 3,582,232	

*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).