



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, 2022 (Accrual Basis)**

DATE: January 17, 2023

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 2022-2023 quarter ending December 31, 2022. 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, 2022 has some notable variances: personnel expenses are over the quarterly budget due to an extra pay period in December. Professional and medical services expenses are also over the quarterly budget due to an increase in litigation, medical cases, and temporary staff expenses. 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, 2022 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 2022-2023 quarter ending December 31, 2022.

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 22-23**

MAJOR BUDGET CATEGORY										
Minor Budget Category	Q2 ACTUALS & ACCRUAL 2022/2023	YTD ACTUALS & ACCRUAL 2022/2023	MODIFIED BUDGET BASED ON QUARTERLY PORTION 2022/2023	QUARTERLY (OVER) UNDER BUDGET	QUARTERLY PERCENT- AGE USED	ANNUAL MODIFIED BUDGET 2022/2023	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 12/31/22 MV	\$ 4,877,126,283
PERSONNEL EXPENSES										
Permanent Staff Expense ₁	1,249,198	2,176,585	\$ 1,115,750	\$ (133,448)	112%	\$ 4,463,000	\$ 2,286,415	49%		
TOTAL PERSONNEL EXPENSES	1,249,198	2,176,585	1,115,750	(133,448)	112%	4,463,000	2,286,415	49%	9	4
NON-PERSONNEL / EQUIPMENT										
Rent	55,172	110,860	\$ 55,500	\$ 328	99%	222,000	111,140	50%		
Insurance ₂	1,098	3,436	\$ 64,000	\$ 62,903	2%	256,000	252,565	1%		
IT Hardware/Software	16,453	27,271	\$ 27,250	\$ 10,797	60%	109,000	81,729	25%		
Postage and printing	23,787	31,701	\$ 15,000	\$ (8,787)	159%	60,000	28,299	53%		
LRS - Annual Maintenance Fee ₃	-	52,160	\$ 12,500	\$ 12,500	0%	50,000	(2,160)	104%		
Training and travel	6,738	11,420	\$ 6,250	\$ (488)	108%	25,000	13,580	46%		
Other non-personnel and equipment	10,845	17,300	\$ 18,250	\$ 7,405	59%	73,000	55,700	24%		
TOTAL NON-PERSONNEL / EQUIPMENT	114,093	254,147	198,750	84,657	57%	795,000	540,853	32%	2	1
PROFESSIONAL SERVICES										
Legal ₄	90,549	140,468	\$ 68,750	\$ (21,799)	132%	275,000	134,532	51%		
Actuary / actuarial audit ₅	35,346	35,346	\$ 65,500	\$ 30,154	54%	262,000	226,654	13%		
External auditor ₆	42,454	84,908	\$ 21,250	\$ (21,204)	200%	85,000	92	100%		
Temporary staffing agencies	32,192	56,805	\$ 23,000	\$ (9,192)	140%	92,000	35,195	62%		
Pension administration system	797	15,209	\$ 6,000	\$ 5,203	13%	24,000	8,791	63%		
Other professional services	2,550	12,583	\$ 15,000	\$ 12,450	17%	60,000	47,418	21%		
TOTAL PROFESSIONAL SERVICES	203,888	345,319	199,500	(4,388)	102%	798,000	452,681	43%	2	1
MEDICAL PROVIDERS / SERVICES										
Medical Director & Support	69,750	101,297	\$ 67,500	\$ (2,250)	103%	270,000	168,704	38%		
TOTAL MEDICAL PROVIDERS / SERVICES	69,750	101,297	67,500	(2,250)	103%	270,000	168,704	38%	1	0
GRAND TOTAL	1,636,928	2,877,347	\$ 1,581,500	(55,428)	104%	\$ 6,326,000	\$ 3,448,653	45%	13	6

Explanations are provided if the Quarterly variance is at least \$25,000 over budget or at least \$10,000 under budget and/or 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 and renews in April. The invoice has not been received yet.

₃ LRS - Annual Maintenance Fee - Overage is due to the annual fee increase, which was not budgeted for.

₄ Legal - Services provided as needed. Annual amount is within budget.

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

₆ External auditor - Annual amount is within budget.

**POLICE & FIRE PLAN ASSET BUDGET SUMMARY
THROUGH Q2 FY22-23**

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 (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	219,112	30%
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	\$ 4,199,768	-19%
ACCUMULATED ARMOTIZATION						\$ (133,809)	\$ (408,727)	\$ (412,979)	\$ (641,123)		\$ (1,596,637)	
GRAND TOTAL						\$ 1,322,660	\$ 467,130	\$ (375,479)	\$ (603,623)	\$ 37,500	\$ 2,603,131	

*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).