



# 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 March  
31, 2021 (Accrual Basis)**

**DATE: April 13, 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 2021-2021 quarter ending March 31, 2021. 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 March 31, 2021 has some notable variances: personnel expenses are lower than the quarterly budget due to staff vacancies. Non-personnel services expenses are lower than the quarterly budget due to the lag in receipt of invoices for data processing and fiduciary insurance. Professional services expenses are also lower than the quarterly budget except for Cheiron, which exceeded the quarterly budget due to payments for the Annual Actuarial Report. Medical providers expenses are lower than the quarterly budget since these services are provided on an as needed basis. Overall, all expenses are within the approved annual budget for each category as of March 31, 2021.

## **Certification**

All Budgetary, Actual and Accrued expenditures for the fiscal year quarter ending March 31, 2021 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 2021-2021 quarter ending March 31, 2021.

Roberto L. Peña  
Chief Executive Officer  
Office of Retirement Services

**POLICE AND FIRE DEPARTMENT PLAN  
BUDGET TO ACTUALS (ACCRUAL BASIS)  
AS OF MARCH (Q3) FY 20-21**

MAJOR 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
Minor Budget Category										
	(B)	(A)	(B1)	(B1) - (B)	(B) / (B1)	(A1)	(A1) - (A)	(A) / (A1)	as of 02/28/21 MV	\$ 4,646,245,702
<b>PERSONNEL EXPENSES</b>										
Permanent Staff Expense <sub>1</sub>	842,327	2,642,936	\$ 947,500	\$ 105,173	89%	\$ 3,790,000	\$ 1,147,064	70%		
<b>TOTAL PERSONNEL EXPENSES</b>	<b>842,327</b>	<b>2,642,936</b>	<b>947,500</b>	<b>105,173</b>	<b>89%</b>	<b>3,790,000</b>	<b>1,147,064</b>	<b>70%</b>	<b>8</b>	<b>6</b>
<b>NON-PERSONNEL / EQUIPMENT</b>										
CAFR Design	-	402	\$ 250	\$ 250	0%	1,000	598	40%		
Communication	451	1,205	\$ 500	\$ 49	90%	2,000	795	60%		
Data Processing <sub>2</sub>	73,334	214,006	\$ 108,750	\$ 35,416	67%	435,000	220,994	49%		
Dues and Subscriptions <sub>3</sub>	1,322	1,626	\$ 1,250	\$ (72)	106%	5,000	3,374	33%		
Equipment / Furniture / Lease TI	-	-	\$ 4,750	\$ 4,750	0%	19,000	19,000	0%		
Insurance <sub>4</sub>	1,323	2,947	\$ 48,250	\$ 46,928	3%	193,000	190,053	2%		
IT Hardware/Software	29,291	103,035	\$ 30,750	\$ 1,459	95%	123,000	19,965	84%		
Lease / Miscellaneous	1,194	2,546	\$ 1,500	\$ 306	80%	6,000	3,454	42%		
LRS - Annual Maintenance Fee	-	47,640	\$ 12,000	\$ 12,000	0%	48,000	360	99%		
Mileage Reimbursement	-	-	\$ 1,000	\$ 1,000	0%	4,000	4,000	0%		
Non-Employee Board Stipend <sub>5</sub>	4,680	7,540	\$ 4,250	\$ (430)	110%	17,000	9,460	44%		
Postage	9,586	23,168	\$ 12,500	\$ 2,914	77%	50,000	26,832	46%		
Printing	8,120	12,385	\$ 10,000	\$ 1,880	81%	40,000	27,615	31%		
Rent	50,843	134,704	\$ 53,000	\$ 2,157	96%	212,000	77,296	64%		
Supplies	5,185	7,919	\$ 7,500	\$ 2,315	69%	30,000	22,081	26%		
Training	125	567	\$ 1,250	\$ 1,125	10%	5,000	4,433	11%		
Travel	597	2,460	\$ 8,750	\$ 8,153	7%	35,000	32,540	7%		
<b>TOTAL NON-PERSONNEL / EQUIPMENT</b>	<b>186,049</b>	<b>562,149</b>	<b>306,250</b>	<b>120,201</b>	<b>61%</b>	<b>1,225,000</b>	<b>662,851</b>	<b>46%</b>	<b>3</b>	<b>1</b>
<b>PROFESSIONAL SERVICES</b>										
Cheiron (Actuary) <sub>6</sub>	124,358	156,431	\$ 58,750	\$ (65,608)	212%	235,000	78,569	67%		
Cortex (Governance Services)	12,036	21,220	\$ 12,500	\$ 465	96%	50,000	28,780	42%		
Grant Thornton (Independent Auditors)	-	80,817	\$ 20,750	\$ 20,750	0%	83,000	2,183	97%		
Ice Miller (Legal - Tax)	-	468	\$ 6,250	\$ 6,250	0%	25,000	24,532	2%		
LRS (Business Continuanace 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)	514	1,481	\$ 1,250	\$ 736	41%	5,000	3,519	30%		
Other Consultant Services	2,900	8,325	\$ 6,250	\$ 3,350	46%	25,000	16,675	33%		
The Berwyn Group (replacing PBI)	-	-	\$ 750	\$ 750	0%	3,000	3,000	0%		
Reed Smith (Legal - Fiduciary)	32,670	79,335	\$ 50,000	\$ 17,330	65%	200,000	120,665	40%		
Saltzman & Johnson (Legal - DRO)	16,914	61,152	\$ 23,000	\$ 6,086	74%	92,000	30,848	66%		
Temp Agencies	8,358	13,868	\$ 19,250	\$ 10,892	43%	77,000	63,132	18%		
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>197,749</b>	<b>428,818</b>	<b>202,750</b>	<b>5,001</b>	<b>98%</b>	<b>811,000</b>	<b>382,182</b>	<b>53%</b>	<b>2</b>	<b>1</b>
<b>MEDICAL PROVIDERS / SERVICES</b>										
Dr. Kroll/Other Medical Support <sub>7</sub>	15,738	51,293	\$ 54,500	\$ 38,763	29%	218,000	166,708	24%		
<b>TOTAL MEDICAL PROVIDERS / SERVICES</b>	<b>15,738</b>	<b>51,293</b>	<b>54,500</b>	<b>38,763</b>	<b>29%</b>	<b>218,000</b>	<b>166,708</b>	<b>24%</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>1,241,863</b>	<b>3,685,196</b>	<b>\$ 1,511,000</b>	<b>269,137</b>	<b>82%</b>	<b>\$ 6,044,000</b>	<b>\$ 2,358,804</b>	<b>61%</b>	<b>13</b>	<b>8</b>

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

- <sup>1</sup> Permanent Staff Expense - Due to staff vacancies.
- <sup>2</sup> Data Processing - Lag in receipt of invoices.
- <sup>3</sup> Dues and Subscriptions - Annual amount is within budget.
- <sup>4</sup> Insurance - This fiduciary insurance is annual and renews in March. The invoice has not been received yet.
- <sup>5</sup> Non-Employee Board Stipend - Annual amount is within budget.
- <sup>6</sup> Cheiron (Actuary) - Includes payment for Annual Actuarial Report. Annual amount is within budget.
- <sup>7</sup> Dr. Kroll/Other Medical Support - Services provided as needed.

**POLICE & FIRE PLAN ASSET BUDGET SUMMARY  
THROUGH Q3 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
<b>LRS</b>										
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%
<b>LRWL</b>										
COUNSELING & ADVISE ON PROJECT ISSUES	539,750	58,933	186,253	148,080	236,473	260,755	121,576	-	1,012,069	-88%
<b>GRAND TOTAL</b>	<b>\$ 3,525,716</b>	<b>\$ 58,933</b>	<b>\$ 877,650</b>	<b>\$ 577,153</b>	<b>\$ 241,207</b>	<b>\$ 1,456,468</b>	<b>\$ 875,857</b>	<b>\$ 37,500</b>	<b>\$ 4,124,768</b>	<b>-17%</b>
<b>ACCUMULATED ARMOTIZATION</b>						<b>\$ (133,809)</b>	<b>\$ (408,727)</b>	<b>\$ -</b>	<b>\$ (542,536)</b>	
<b>GRAND TOTAL</b>						<b>\$ 1,322,660</b>	<b>\$ 467,130</b>	<b>\$ 37,500</b>	<b>\$ 3,582,232</b>	

\*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).