



**ALAMEDA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

**2025
APPROVED
EXPENSE
BUDGET**

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Section I

Letter from the CEO to the Board of Retirement

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Section I

Letter from the CEO to the Board of Retirement

Members of the Board of Retirement,

I'm pleased to introduce the 2025 budget, a reflection of ACERA's ongoing mission to provide our members with prudent financial management and exceptional service. This budget underscores our commitment to transparency, accountability, and technological advancement, aligning with our strategic objectives to bolster funded status, navigate transitions, optimize operations, and amplify member services. Building on the strong investment performance of 2023 and our continued focus on innovation and sustainable growth, we are well-positioned to achieve our goals. With the Board's collaboration, we embark on a year poised for success and the fulfillment of our shared vision.

KEY 2024 ACCOMPLISHMENTS

Pension Administration System (PAS) Replacement

Utilizing considerable resources from all departments across the organization, ACERA continued its project to replace its pension administration system, Pension Gold Version 2, with Pension Gold Version 3 by the 4th quarter of 2024.

- Initiated parallel processing of member account and retiree benefits for go-live of Pension Gold Version 3 in October.
- Completed and activated MemberDirect rollout engagement and adoption plan.
- Completed EmployerDirect employer portal rollout and training for all employer staff members to facilitate management of transmittal exceptions.
- Developed a benefits training library of Version 3 job aids and process documents in SharePoint for go live readiness and cross-training purposes.
- Initiated optimization efforts for OnBase Case Manager and document import technology solutions using MemberDirect.
- Developed robust internal controls through collaboration with the Internal Audit Department, enhancing oversight and compliance.

Benefits Initiatives

- Increased the Monthly Medical Allowance (MMA) for the 2025 plan year by 4.25%.
- Continued launching member forms in DocuSign.
- Conducted an RFP for Benefits Consultant and selected incumbent firm Segal.
- Completed an optimization of new member onboarding and communications to enhance new employees' understanding of their benefits.
- Conducted an email wellness campaign for retirees, distributing timed wellness messages provided by ACERA's insurance carriers.
- Promoted the Kaiser Permanente Silver&Fit free-gym membership program to Medicare participants.
- Completed revisions to all notices and documents associated with the new age limits which are applicable to the Required Minimum Distribution requirements.

- Spearheaded by the Legal Department, ACERA implemented the revised Death Benefit Equity Policy, which established the ability for active members to make an Advance Death Benefit Election. This allows a member to potentially provide greater benefits for their beneficiaries if the member dies before retirement. ACERA completed revision of the Beneficiary Designation Form and ACERA Welcome Form to add the new Advance Death Benefit Election. ACERA completed a communications campaign to advertise the new election.

Administration Initiatives

- Successfully defended against the Alameda Health System v. ACERA lawsuit, securing a favorable final judgment that confirms the Board's authority over the actuarial process that assures the funding of the benefits owed to our members.
- Received Certificate of Achievement for Excellence in Financial Reporting for 2022 Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) from Government Financial Officers Association (GFOA).
- Received an unmodified opinion on the 2023 Annual Financial Statements from the external auditors.
- Completed a triennial experience study with Segal.
- Completed a Benefit Certification Audit.
- Adopted BoardEffect board-management software to simplify storage and maintenance of Board agenda and packet materials, increase efficiency of Board and staff access to materials, and provide electronic annotation.
- Implemented the Expensify mobile app to ease electronic submission of Board expense reimbursements.
- Conducted an analysis of ACERA's Board election administration and retained MK Election Services LLC as ACERA's new Board Election Services vendor.
- Rebalanced the Supplemental Retiree Benefit Reserve (SRBR) to equalize sufficiency periods to pay Other Post Employment Benefit (OPEB) and non-OPEB Benefits.
- Conducted a study of ACERA's Workforce Excellence (WFE) processes and tools.
- Initiated development of SharePoint as an ACERA intranet tool.
- Initiated research on a new general ledger system for Fiscal Services.
- Implemented the provisions of GASB Statement 96 which changed reporting of certain subscription-based information technology.

Investment Initiatives

- Board selected NEPC, LLC as ACERA's General Investment Consultant – September 2023
- Completed onboarding and integrated NEPC's expertise into ACERA's operations as our General Investment Consultant, driving forward our investment strategies and aligning on key objectives. – February 2024
- Board approved negotiation of an extension of the custody contract with State Street Bank and Trust Company for up to two (2) years. – June 2024
- Adopted a new asset allocation mix. – July 2024
- Board approved the Minimum Qualifications (revised) for the Emerging Markets (EM) Equity Manager Search – August 2024
- Year-to-date in 2024 (September 2023 to August 2024), ACERA expanded the Total Fund's investment in 3 privately placed funds worth \$130 million.

Portfolio Performance

- As of June 30, 2024, ACERA's Total Fund returned 5.79% (gross) YTD. The value of the Total Fund was \$11.8 billion (per NEPC performance report as of 06/30/2024).

BUSINESS INITIATIVES

ACERA's strategic plan focuses on four key goals: bolstering funded status, navigating transitions, optimizing operations, and amplifying member services:

- Goal 1: Improve funded status while maintaining an appropriate risk posture in the area of investments.
- Goal 2: Manage internal and external people transitions at all levels.
- Goal 3: Modernize technology and optimize processes and operations.
- Goal 4: Implement cost-effective member service improvements and expanded communications.

ACERA's leadership team executes a business plan to work toward meeting the strategic plan goals through key projects. Highlights of ongoing projects are:

- Comprehensive Pension Administration System training as a foundational model of all organization training
- Completion of Pension Administration System upgrade to Pension Gold Version 3
- Exploration of investment license services for private market and subscription
- Work Force Excellence Phase 2, implementing OnBase as the platform for evaluations and tracking coaching
- Implementation of SharePoint as an agency intranet solution for internal document management, knowledge base, internal information storage, and retrieval
- Expense submission software training
- Product analysis for upgrading accounting and ledger software

BASELINE AND Approved 2025 OPERATING EXPENSE BUDGET (OEB)

The starting point for the 2025 OEB is a "baseline" that reflects the anticipated costs of carrying out the same level of services approved by the ACERA Board in the 2024 Budget. Staff was required to request and justify additional funds with a formal Budget Change Proposal (BCP) for any item affecting the 2025 baseline and approved 2025 budget. Additional staff positions or changes in salaries for 2025 were requested and justified using a Personnel Change Request (PCR) form. Approvals for changes did not take place without careful review of cost impacts and on-going organizational needs. Reviews were conducted by the Chief Executive Officer, Assistant Chief Executive Officer-Operations, and Fiscal Services Officer before approvals were granted. With the addition of those items, the approved 2025 budget is \$25.3 million. This is \$2.9 million or 12.9% more than the 2024 approved budget of \$22.4 million. It is also \$1.6 million or 6.5% more than the 2025 baseline budget of \$23.8 million.

The reasons for the budget differences will be explained below.

Approved 2025 BUDGET HIGHLIGHTS

This section highlights the approved adjustments to the 2025 approved budget from the 2024 approved budget. A complete review of the differences can be found in Section III.

Staffing

The primary changes in Staffing costs for 2025 are as follows:

We continued the assumption to fill and fund the remaining vacant positions filled by temporary staff in 2024; cost-of-living adjustments, step increases, and an average of 4% percent performance-driven merit increase for eligible/selected deep-class positions, but then applied an across the board decrease of 5% to reflect unanticipated staff

vacancies throughout the year. The total 2025 increase for staffing from the 2024 approved budget is \$1.8 million, or a net increase of 10.3%. This increased amount includes the 5% Cost of Living Adjustments granted by the County, the 5% step increases for eligible employees, and the implementation of the County granted Longevity pay.

Staff Development

The primary change in Staff Development costs is a 17.4% decrease compared to the 2024 budget. The decrease is due to budgeting closer to what we anticipate spending in 2024. In the 2025 Budget we removed regularly budgeted Staff Development costs and put them in the Contingency Fund in case there is a need for additional training during the year.

Professional Fees

The change in Professional Fees for 2025 is an increase of \$0.1 million, or a net increase of 9.5%. This increase is due primarily to consultant fees the new projects in 2025.

Depreciation

This section increased the most of any budget area, by over 800%, or \$900,000. As we have completed our Pension Administration System replacement project, the costs of that project that had been capitalized during the course of the implementation will now be showed as depreciated costs per standard accounting rules. The project costs will be depreciated over the next seven budget cycles.

The senior managers and I look forward to presenting our approved 2025 operating expense budget to the committee and to the Board of Retirement.

Respectfully submitted,



Dave Nelsen
Chief Executive Officer

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Section II

Budget Policies and Process

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Section II

Budget Policies and Process

Budget Policies

ACERA's budget policy, practices, and guidelines are based on the County Employees Retirement Law of 1937 and the ACERA Board of Retirement's Charter.

Legal Requirements

The California Constitution and Statute Section 31580.2(a) of the 1937 Act specifies that the Board of Retirement "shall annually adopt a budget covering the entire expense of administration of the retirement system which expense shall be charged against the earning of the retirement fund..."

As applied to ACERA, § 31580.2(a) also imposes a cap on administrative expenses. Administrative expenses incorporate the limits of § 31580.2(a) (1) of the County Employees Act of 1937; whereby, administrative expenses are capped at "Twenty-one hundredths of one percent (0.21%) of accrued actuarial liabilities of the retirement system". Pursuant to the applicable code sections, certain costs are excluded from the expense cap. Excluded costs include those associated with Business Continuity Planning (BCP), the Supplemental Retiree Benefits Reserve (SRBR) used to pay Other Postretirement Benefits (OPEB and non-OPEB), technology, actuarial, legal related expenses, and investment-related expenses. Excludable expenses also include the pro rata portion of overhead expense attributable to excludable activities.

ACERA prepares the budget on an accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP), a methodology consistent with ACERA's audited financial statements.

Budget Amendments

Budget line item amounts may be amended, i.e., reallocated from one department to another or moved between categories at the discretion of the Chief Executive Officer, if such action does not increase the overall approved budget. Conversely, increases to the overall approved budget are only permitted with the approval of the Board of Retirement (the Board). There are two ways in which the budget can be increased: The first way is through committee action and board approval. And the second way is with a contingency budget that is accepted when the budget is put forth for approval during the annual budget cycle. A contingency budget is useful for current unknown expenses that arise from an event such as legislation, natural disasters, an action by the Board of Supervisors, or a release of new project; where the event may or will occur but the timing is in question.

Budget Process

ACERA's budget is developed with Adaptive Insights budget software. This budgeting software is a cloud-based program that enables department management and staff to access organizational expense forecasts from any location. It also enables users to view current year actuals, as well as expense forecasts; moreover, users can input and change expense forecast variables to easily prepare "what if" scenarios. These user-friendly features reduce, and in

some cases eliminates, time previously spent converting department provided information into the budget format and circulating the information for review and approval.

While the Fiscal Services Department Budget Team (budget team) is responsible for the preparation of the budget timeline, ACERA's Senior Leadership Team (SLT) is responsible for establishing business plan initiatives, in detail as to time and cost before the budget process begins, and is responsible for setting budget assumptions for the various expense categories.

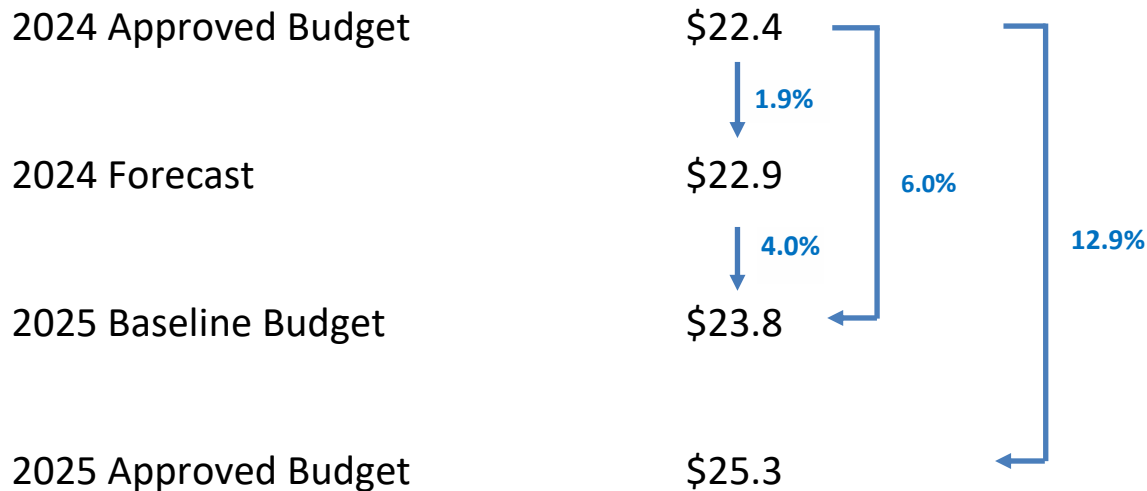
It is the responsibility of the budget team to develop the baseline budget once the forecast has been completed. Upon completion of the baseline, department staff and management begin entering information into the budget worksheets. When that step is completed, the budget team prepares the administrative budget based upon SLT prepared time allocations. Throughout the budget preparation process, the budget team now has the ability to monitor the budget progress by using the process tracker and workflows developed in Adaptive Insights. Nevertheless, the budget team continues to be available to meet with department staff and management to answer questions or to strategize the best way to present budget items or develop costs.

Once the proposed budget and the administrative budget are complete, the budget team pulls the information from Adaptive through Office Connect software into InDesign (the budget publishing software). The budget team is responsible for preparing the variance analyses, updating changes to the budget, and for reviewing the budget document for submission to the Board of Retirement.

The Chief Executive Officer present the proposed budget to committee and at a future date to the Board. If committee members request changes to the budget, those changes are made and re-presented at the discretion of the committee. The Board's feedback is incorporated into the budget for final approval.



2025 Budget Process¹



1. The starting point for the 2025 approved expenses budget was to develop a “baseline” budget that reflected the anticipated costs of maintaining the same level of services approved by ACERA’s Board of Retirement in the 2024 budget. To that end, the 2025 baseline budget is \$23.8 million, an increase of 6.0% from the approved 2024 budget.
2. Key to developing the 2025 approved budget was more accurately estimating the forecast by including only incremental expenditures needed to achieve business objectives. But more importantly, it was setting assumptions that guided and prioritized expenditures yet achieved the following objectives: a) allowed the necessary vacant staff positions to be filled; b) funded projects that directly support strategic goals and business plan initiatives; and c) funded new programs or projects mandated by state legislation, the Board of Retirement, or management. Following the agreed criteria resulted in a 2025 Approved Budget of \$25.3 million which is \$2.9 million or 12.9% increase from the approved 2024 budget.

¹ Rounding to tenths of millions may impact percentages. Percentages in this document are based on rounding to nearest dollar, as is done in the budget document.

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Section III

Operating Expense Budget

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Section III

Operating Expense Budget

The purpose of the annual Operating Expense Budget (OEB) is to forecast and document the necessary resources required to meet ACERA's operating expenses. The OEB provides detailed estimates of anticipated annual expenditures for staffing, staff development, professional fees, office expenses, insurance, member services, systems, board of retirement expenses, uncollectible benefit payments, and capital costs and is contingent on approval by ACERA's Board of Retirement. The OEB does not include estimated expenditures for payment of portfolio management investment expenses reported in Section VIII or payment of member benefits such as Pension and Other Post-Employment Benefits (OPEB). Lastly, the OEB functions as a tool for decision making and is a means to monitor business performance.

The annual approved OEB is derived from a baseline budgeting methodology; whereby, current spending levels are rolled into a "baseline". The overarching assumption of baseline budgeting is that it uses current spending levels as the baseline for establishing future funding requirements. Further, it assumes the future budget will equal the current budget—plus established growth, inflation, increase adjustments, and new expenditures.

The following is a review of the 2025 budget assumptions for each major expense category and the corresponding results:

Staffing and Salary Assumptions

- Merit increase average of 4% per department, for eligible/selected deep class employees;
- Cost of living adjustment and associated fringe benefit increase of 5%;
- 5% adjustment for unexpected vacancies;
- Filling all current vacancies with:
 - Hire deep-class employees at 80% of the top salary range; and,
 - Hire step-class employees at an average salary of Step 3.

Result: Staffing expenses realized a 10.3% net increase compared to the 2024 budget; and an 8.5% net increase compared to the 2024 forecast.

Staff Development Assumptions

- Training, conferences and certifications would experience a (23.0%) decrease over the 2024 budget;
- Professional dues and subscriptions would experience a 1.2% increase over the 2024 budget.

Result: Staff development realized a (17.4%) net decrease compared to the 2024 budget; and a (2.0%) net decrease compared to the 2024 forecast.

Professional Fees Assumptions

- Actuarial Fees—Actuarial valuations, SRBR valuations, GASB 67/68 and GASB 74/75, and reporting requirement for ASOP #51 were calculated using the actual contracts price, and other actuarial consulting services were estimated at contracted hourly rate;
- Auditor Fees—Annual audit, GASB 67/68 and GASB 74/75 schedules were calculated using the actual contracts price, other auditing services were estimated at contracted hourly rate;

- Other Consultant Fees—Consultant services were calculated using the actual contract price or estimated cost.

Result: *Professional fees realized a 9.5% net increase compared to the 2024 budget; and a 15.8% net increase compared to the 2024 forecast.*

Office Expenses Assumptions

- Banking expenses experience a (8.9%) decrease over the 2024 budget;
- Miscellaneous Administrative expenses experience a (16.7%) decrease over the 2024 budget;
- Building Operation expenses experience a 52.6% increase over the 2024 budget;
- Communication expenses experience a (54.7%) decrease over the 2024 budget;
- Equipment Lease and Maintenance expenses experience a (23.2%) decrease over the 2024 budget;
- Minor Furniture and Equipment expenses experience an 84.6% increase over the 2024 budget;
- Office Supplies and Maintenance expenses experience a 5.6% increase over the 2024 budget;
- Printing and Postage expenses would experience a (8.7%) decrease over the 2024 budget.

Result: *Office expenses realized a (15.4%) net decrease compared to the 2024 budget; and an (6.6%) net decrease compared to the 2024 forecast.*

Insurance Assumption

- The commercial insurance expense experience a 4.3% increase over the 2024 budget;
- The cyber liability insurance expense experience a (4.7%) decrease over the 2024 budget;
- The County risk management and worker's compensation insurance expense experience a 4.9% increase over the 2024 budget.

Result: *Insurance expenses realized a 2.8% net increase compared to the 2024 budget; and a 3.8% net increase compared to the 2024 forecast.*

Member Services Assumptions

- Benefit Verification expense experience a 16.7% increase over the 2024 budget;
- Disability Arbitration and Transcript expenses experience a 18.8% increase over the 2024 budget;
- Disability Medical expenses experience a 90% increase over the 2024 budget;
- Health Reimbursement Accounts (HRA) expense experience a 35.7% increase over the 2024 budget;
- Printing and Postage expense experience a 19.6% increase over the 2024 budget.

Result: *Member Services expenses realized a 37.8% net increase compared to the 2024 budget; and a 8.3% net increase compared to the 2024 forecast.*

Systems Assumptions

- Business Continuity expense experience a 6.0% increase over the 2024 budget;
- County Data Processing expense experience no change over the 2024 budget;
- Minor Computer Hardware expenses experience a (14.3%) decrease over the 2024 budget;
- Software License and Maintenance expenses experience a (1.9%) decrease over the 2024 budget.

Result: *Systems expenses realized a (0.5%) net decrease compared to the 2024 budget; and a (13.3%) net decrease compared to the 2024 forecast.*

Board of Retirement Assumptions

- Training and conferences expenses changed as outlined in the Board's policy;
- Voluntary Employer Reimbursement changed as outlined in the Board's policy;
- Trustee stipend is \$100 /meeting based on committee and board meetings.

Result: Board of Retirement expenses realized no change compared to the 2024 budget; and an 8.4% net increase compared to the 2024 forecast.

Uncollectible Benefit Payments Assumption

- Uncollectible Benefit Payments expenses were based on the accounts receivable write-off.

Result: Uncollectible Benefit Payments expenses realized no change compared to the 2024 budget; and a (10.3%) decrease compared to the 2024 forecast.

Depreciation Assumption

- Depreciation expenses are based on the current capitalized assets.

Result: Depreciation expense realized an 823.2% net increase compared to the 2024 budget; and an 807.0% increase compared to the 2024 forecast from PAS project capitalization in 2025.

Approved 2025 BUDGET SUMMARY AND COMPARISON

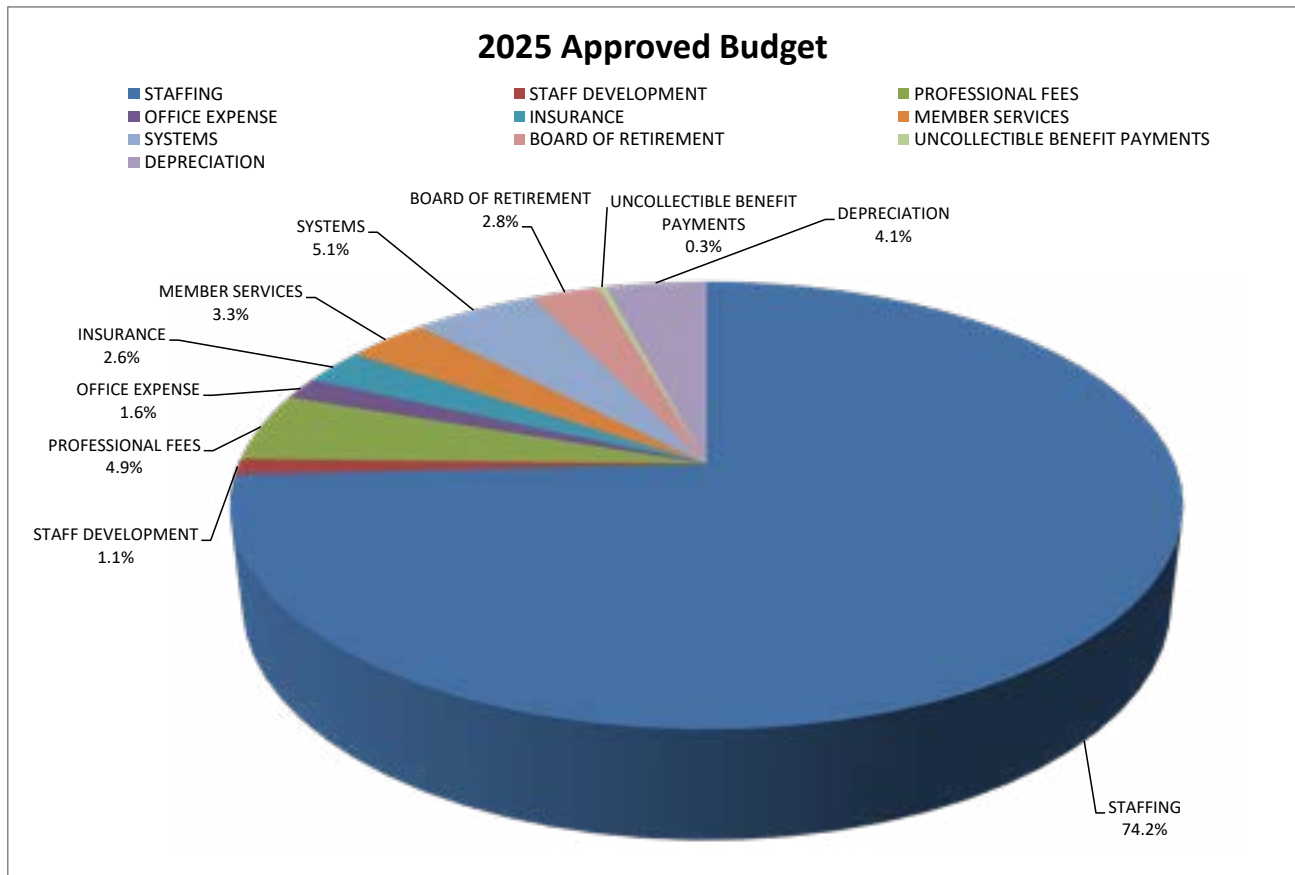
Staff recommends a approved 2025 budget of \$25.3 million which is:

- \$2.90 million or 12.9% greater than the approved 2024 budget of \$22.4 million;
- \$1.55 million or 6.5% greater than the 2025 baseline budget of \$23.8 million; and,
- \$2.47 million or 10.8% greater than the 2024 forecast of \$22.9 million.

The 2025 administrative budget of \$14.7 million is \$12.8 million under the administrative cap of \$27.5 million. A year-over-year comparison reveals that the 2025 administrative budget is \$1.3 million higher than the 2024 administrative budget of \$13.4 million. Approximately \$10.6 million was excluded from the annual operating expense budget of \$25.3 million (see Section VI for administrative budget and allocation schedules).

2025 Approved Operating Expense Budget (\$ in thousands)

| | 2024 Forecast | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change | Category % of Total Operating Expenses |
|---------------------------------|------------------|----------------------|---|--------------|--|
| Staffing | \$ 17,320 | \$ 18,794 | \$ 1,474 | 8.5% | 74.2% |
| Staff Development | 296 | 290 | (6) | -2.0% | 1.1% |
| Professional Fees | 1,079 | 1,249 | 170 | 15.8% | 4.9% |
| Office Expense | 424 | 396 | (28) | -6.6% | 1.6% |
| Insurance | 631 | 655 | 24 | 3.8% | 2.6% |
| Member Services | 774 | 838 | 64 | 8.3% | 3.3% |
| Systems | 1,477 | 1,281 | (196) | -13.3% | 5.1% |
| Board Of Retirement | 652 | 707 | 55 | 8.4% | 2.8% |
| Uncollectible Benefit Payments | 87 | 78 | (9) | -10.3% | 0.3% |
| Depreciation | 114 | 1,034 | 920 | 807.0% | 4.1% |
| OPERATING EXPENSES Total | \$ 22,854 | \$ 25,322 | \$ 2,468 | 10.8% | 100.0% |



| Operating Expense Budget ¹ | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|---|-------------------|-------------------|--|----------------------|---|---------------|
| STAFFING (p#23) | | | | | | |
| Salaries | \$ 11,727,000 | \$ 11,638,000 | \$ (89,000) | \$ 12,930,000 | \$ 1,292,000 | 11.1% |
| Fringe Benefits | 5,987,000 | 6,094,000 | 107,000 | 6,811,000 | 717,000 | 11.8% |
| Temporary Staff | 200,000 | 470,000 | 270,000 | 36,000 | (434,000) | -92.3% |
| 5% Adjustment for unexpected vacancies | (882,000) | (882,000) | - | (983,000) | (101,000) | 11.5% |
| Staffing Total | 17,032,000 | 17,320,000 | 288,000 | 18,794,000 | 1,474,000 | 8.5% |
| STAFF DEVELOPMENT (p#24) | | | | | | |
| | 351,000 | 296,000 | (55,000) | 290,000 | (6,000) | -2.0% |
| PROFESSIONAL FEES (p#28) | | | | | | |
| Actuarial Fees | 490,000 | 454,000 | (36,000) | 496,000 | 42,000 | 9.3% |
| Audit Fees | 145,000 | 145,000 | - | 145,000 | - | 0.0% |
| Consultant Fees | 356,000 | 365,000 | 9,000 | 483,000 | 118,000 | 32.3% |
| Legal Fees | 150,000 | 115,000 | (35,000) | 125,000 | 10,000 | 8.7% |
| Professional Fees Total | 1,141,000 | 1,079,000 | (62,000) | 1,249,000 | 170,000 | 15.8% |
| OFFICE EXPENSE (p#30) | | | | | | |
| Bank Charges | 79,000 | 76,000 | (3,000) | 72,000 | (4,000) | -5.3% |
| Misc. Administrative Expenses | 6,000 | 5,000 | (1,000) | 5,000 | - | 0.0% |
| Building Expenses | 38,000 | 32,000 | (6,000) | 58,000 | 26,000 | 81.3% |
| Communications | 117,000 | 117,000 | - | 53,000 | (64,000) | -54.7% |
| Equipment Lease & Maint. | 138,000 | 109,000 | (29,000) | 106,000 | (3,000) | -2.8% |
| Minor Furniture & Equip. | 13,000 | 13,000 | - | 24,000 | 11,000 | 84.6% |
| Office Supplies & Maint. | 54,000 | 54,000 | - | 57,000 | 3,000 | 5.6% |
| Printing & Postage | 23,000 | 18,000 | (5,000) | 21,000 | 3,000 | 16.7% |
| Office Expense Total | 468,000 | 424,000 | (44,000) | 396,000 | (28,000) | -6.6% |
| INSURANCE (p#31) | | | | | | |
| | 637,000 | 631,000 | (6,000) | 655,000 | 24,000 | 3.8% |
| MEMBER SERVICES (p#32) | | | | | | |
| Benefit Verification | 6,000 | 7,000 | 1,000 | 7,000 | - | 0.0% |
| Disability - Arbitration & Transcripts | 80,000 | 82,000 | 2,000 | 95,000 | 13,000 | 15.9% |
| Disability - Medical Expense | 180,000 | 346,000 | 166,000 | 342,000 | (4,000) | -1.2% |
| Disability Claims Management | 47,000 | 46,000 | (1,000) | 46,000 | - | 0.0% |
| Health Reimbursement Account | 70,000 | 71,000 | 1,000 | 95,000 | 24,000 | 33.8% |
| Member Training & Education | 16,000 | 14,000 | (2,000) | 16,000 | 2,000 | 14.3% |
| Printing & Postage - Members | 143,000 | 142,000 | (1,000) | 171,000 | 29,000 | 20.4% |
| Virtual Call Center | 66,000 | 66,000 | - | 66,000 | - | 0.0% |
| Member Services Total | 608,000 | 774,000 | 166,000 | 838,000 | 64,000 | 8.3% |
| SYSTEMS (p#33) | | | | | | |
| Business Continuity Expenses | 248,000 | 259,000 | 11,000 | 263,000 | 4,000 | 1.5% |
| County Data Processing | 139,000 | 138,000 | (1,000) | 139,000 | 1,000 | 0.7% |
| Minor Computer Hardware | 42,000 | 42,000 | - | 36,000 | (6,000) | -14.3% |
| Software License & Maintenance | 859,000 | 1,038,000 | 179,000 | 843,000 | (195,000) | -18.8% |
| Systems Total | 1,288,000 | 1,477,000 | 189,000 | 1,281,000 | (196,000) | -13.3% |
| BOARD OF RETIREMENT (p#34) | | | | | | |
| Board Conferences & Misc. Activities | 707,000 | 652,000 | (55,000) | 707,000 | 55,000 | 8.4% |
| UNCOLLECTIBLE BENEFITS | | | | | | |
| PAYMENTS (p#36) | 78,000 | 87,000 | 9,000 | 78,000 | (9,000) | -10.3% |
| Total Operating Expenses Before Depreciation | 22,310,000 | 22,740,000 | 430,000 | 24,288,000 | 1,548,000 | 6.8% |
| DEPRECIATION (p#35) | 112,000 | 114,000 | 2,000 | 1,034,000 | 920,000 | 807.0% |
| TOTAL OPERATING EXPENSE | 22,422,000 | 22,854,000 | 432,000 | 25,322,000 | 2,468,000 | 10.8% |
| TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE | 57,875,000 | 66,884,000 | 9,009,000 | 70,594,000 | 3,710,000 | 5.5% |
| TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES | 80,297,000 | 89,738,000 | 9,441,000 | 95,916,000 | 6,178,000 | 6.9% |

¹ Budget schedules amounts are rounded to the nearest thousand.

| | | | | | | |
|-------------------------|------------|---|--------------|------------|------------|--------|
| CONTINGENCY FUND | \$ 114,000 | - | \$ (114,000) | \$ 473,000 | \$ 473,000 | 100.0% |
|-------------------------|------------|---|--------------|------------|------------|--------|

Section III: Operating Expense Budget

(TOC p.# III)

| Operating Expense Budget 2025 Baseline vs. 2025 Increments (\$ in thousands) | | | 2025 | 2025 | | | 2025 Approved Budget | | | |
|---|------------------|------------------|-----------------|---------------|-----------------|------------------|----------------------|---------------|-------------|--------|
| | 2024 | 2025 | Baseline | Forecast | Forecast | 2025 | 2025 | (Baseline + | (Baseline + | % |
| | Forecast | Baseline | (Under) | Over/ | % Of | Approved | Approved | Forecast | Forecast | Change |
| | | | | | Change | Increments | Increments) | Over/ | Over/ | |
| | | | | | | | | (Under) | (Under) | Change |
| STAFFING | | | | | | | | | | |
| Salaries | \$ 11,638 | \$ 12,638 | \$ 1,000 | 8.6% | \$ 292 | \$ 12,930 | \$ 1,292 | 11.1% | | |
| Fringe Benefits | 6,094 | 6,434 | 340 | 5.6% | 377 | 6,811 | 717 | 11.8% | | |
| Temporary Staff | 470 | 36 | (434) | -92.3% | - | 36 | (434) | -92.3% | | |
| 5% Adjustment for unexpected vacancies | (882) | (954) | (72) | 8.2% | (29) | (983) | (101) | 11.5% | | |
| Staffing Total | 17,320 | 18,154 | 834 | 4.8% | 640 | 18,794 | 1,474 | 8.5% | | |
| STAFF DEVELOPMENT | 296 | 424 | 128 | 43.2% | (134) | 290 | (6) | -2.0% | | |
| PROFESSIONAL FEES | | | | | | | | | | |
| Actuarial Fees | 454 | 496 | 42 | 9.3% | - | 496 | 42 | 9.3% | | |
| Audit Fees | 145 | 145 | - | 0.0% | - | 145 | - | 0.0% | | |
| Consultant Fees | 365 | 398 | 33 | 9.0% | 85 | 483 | 118 | 32.3% | | |
| Legal Fees | 115 | 125 | 10 | 8.7% | - | 125 | 10 | 8.7% | | |
| Professional Fees Total | 1,079 | 1,164 | 85 | 7.9% | 85 | 1,249 | 170 | 15.8% | | |
| OFFICE EXPENSE | | | | | | | | | | |
| Bank Charges | 76 | 72 | (4) | -5.3% | - | 72 | (4) | -5.3% | | |
| Miscellaneous Administrative Expenses | 5 | 5 | - | 0.0% | - | 5 | - | 0.0% | | |
| Building Expenses | 32 | 34 | 2 | 6.3% | 24 | 58 | 26 | 81.3% | | |
| Communications | 117 | 151 | 34 | 29.1% | (98) | 53 | (64) | -54.7% | | |
| Equipment Lease & Maint. | 109 | 106 | (3) | -2.8% | - | 106 | (3) | -2.8% | | |
| Minor Furniture & Equipment | 13 | 24 | 11 | 84.6% | - | 24 | 11 | 84.6% | | |
| Office Supplies & Maint. | 54 | 57 | 3 | 5.6% | - | 57 | 3 | 5.6% | | |
| Printing & Postage | 18 | 21 | 3 | 16.7% | - | 21 | 3 | 16.7% | | |
| Office Expense Total | 424 | 470 | 46 | 10.8% | (74) | 396 | (28) | -6.6% | | |
| INSURANCE | 631 | 655 | 24 | 3.8% | - | 655 | 24 | 3.8% | | |
| MEMBER SERVICES | | | | | | | | | | |
| Benefit Verification | 7 | 7 | - | 0.0% | - | 7 | - | 0.0% | | |
| Disability Arbitr. & Transcripts | 82 | 95 | 13 | 15.9% | - | 95 | 13 | 15.9% | | |
| Disability - Medical Expense | 346 | 342 | (4) | -1.2% | - | 342 | (4) | -1.2% | | |
| Disability - Managed Medical Review Organization (MMRO) | 46 | 46 | - | 0.0% | - | 46 | - | 0.0% | | |
| Health Reimb. Account (HRA) | 71 | 95 | 24 | 33.8% | - | 95 | 24 | 33.8% | | |
| Member Training & Education | 14 | 16 | 2 | 14.3% | - | 16 | 2 | 14.3% | | |
| Printing & Postage - Members | 142 | 171 | 29 | 20.4% | - | 171 | 29 | 20.4% | | |
| Virtual Call Center | 66 | 66 | - | 0.0% | - | 66 | - | 0.0% | | |
| Member Services Total | 774 | 838 | 64 | 8.3% | - | 838 | 64 | 8.3% | | |
| SYSTEMS | | | | | | | | | | |
| Business Continuity Expenses | 259 | 253 | (6) | -2.3% | 10 | 263 | 4 | 1.5% | | |
| County Data Processing | 138 | 139 | 1 | 0.7% | - | 139 | 1 | 0.7% | | |
| Minor Computer Hardware | 42 | 36 | (6) | -14.3% | - | 36 | (6) | -14.3% | | |
| Software License & Maint. | 1,038 | 799 | (239) | -23.0% | 44 | 843 | (195) | -18.8% | | |
| Systems Total | 1,477 | 1,227 | (250) | -16.9% | 54 | 1,281 | (196) | -13.3% | | |
| BOARD OF RETIREMENT | | | | | | | | | | |
| Board Conferences & Misc. Activities | 652 | 658 | 6 | 0.9% | 49 | 707 | 55 | 8.4% | | |
| UNCOLLECTIBLE BENEFIT PAYMENTS | | | | | | | | | | |
| Total Operating Expenses Before Depreciation | 22,740 | 23,668 | 928 | 4.1% | 620 | 24,288 | 1,548 | 6.8% | | |
| DEPRECIATION | 114 | 103 | (11) | -9.6% | 931 | 1,034 | 920 | 807.0% | | |
| TOTAL OPERATING EXPENSE | 22,854 | 23,771 | 917 | 4.0% | 1,551 | 25,322 | 2,468 | 10.8% | | |
| TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE | 66,884 | 70,579 | 3,695 | 5.5% | 15 | 70,594 | 3,710 | 5.5% | | |
| TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES | \$ 89,738 | \$ 94,350 | \$ 4,612 | 5.1% | \$ 1,566 | \$ 95,916 | \$ 6,178 | 6.9% | | |

STAFFING

Staffing expense includes salaries, fringe benefits, and temporary services¹.

| Headcount by Department | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) |
|-------------------------|-------------|---------------|--|----------------------|---|
| Administration | 6 | 5 | - | 6 | 1 |
| Benefits | 42 | 42 | - | 42 | - |
| Fiscal Services | 12 | 12 | - | 12 | - |
| Human Resources | 3 | 3 | - | 3 | - |
| Internal Audit | 3 | 3 | - | 3 | - |
| Investments | 9 | 9 | - | 9 | - |
| Legal | 4 | 4 | - | 4 | - |
| PRISM | 8 | 8 | - | 8 | - |
| HEADCOUNT TOTAL | 87 | 86 | - | 87 | 1 |

¹ Headcount does not include temporary Retirement Technician to cover fluctuations in headcount.

| Staffing | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|---|----------------------|----------------------|--|----------------------|---|---------------|
| Administration | \$ 980,000 | \$ 958,000 | \$ (22,000) | \$ 1,218,000 | \$ 260,000 | 27.1% |
| Benefits | 4,783,000 | 4,576,000 | (207,000) | 5,124,000 | 548,000 | 12.0% |
| Fiscal Services | 1,460,000 | 1,462,000 | 2,000 | 1,580,000 | 118,000 | 8.1% |
| Human Resources | 446,000 | 449,000 | 3,000 | 476,000 | 27,000 | 6.0% |
| Internal Audit | 507,000 | 519,000 | 12,000 | 547,000 | 28,000 | 5.4% |
| Investments | 1,501,000 | 1,519,000 | 18,000 | 1,730,000 | 211,000 | 13.9% |
| Legal | 750,000 | 820,000 | 70,000 | 857,000 | 37,000 | 4.5% |
| PRISM | 1,220,000 | 1,235,000 | 15,000 | 1,318,000 | 83,000 | 6.7% |
| Total Salaries | 11,647,000 | 11,538,000 | (109,000) | 12,850,000 | 1,312,000 | 11.4% |
| Health and Dental | 1,812,000 | 1,875,000 | 63,000 | 2,118,000 | 243,000 | 13.0% |
| Retirement Contributions | 2,908,000 | 2,954,000 | 46,000 | 3,288,000 | 334,000 | 11.3% |
| Medicare and SDI | 245,000 | 247,000 | 2,000 | 267,000 | 20,000 | 8.1% |
| Social Security | 707,000 | 701,000 | (6,000) | 811,000 | 110,000 | 15.7% |
| Other Benefits (Cafeteria Benefit, Life Insurance, Def. Comp. and Auto Allowance) | 315,000 | 317,000 | 2,000 | 327,000 | 10,000 | 3.2% |
| Total Fringe Benefits | 5,987,000 | 6,094,000 | 107,000 | 6,811,000 | 717,000 | 11.8% |
| Overtime | 80,000 | 100,000 | 20,000 | 80,000 | (20,000) | -20.0% |
| Temporary Staffing | 200,000 | 470,000 | 270,000 | 36,000 | (434,000) | -92.3% |
| 5% Adjustment for unexpected vacancies | (882,000) | (882,000) | - | (983,000) | (101,000) | 11.5% |
| STAFFING EXPENSES Total | \$ 17,032,000 | \$ 17,320,000 | \$ 288,000 | \$ 18,794,000 | \$ 1,474,000 | 8.5% |

Staffing - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|---|-----------------------|
| • Increase in salaries from 2024 filled staff positions, COLA, merit and step increases, and vacation sellbacks | \$ 1,312,000 |
| • 5% adjustment for unexpected staff vacancies | (101,000) |
| • Increase in 2025 fringe benefits from higher health and contributions cost | 717,000 |
| • Decrease in 2025 overtime expense | (20,000) |
| • Temporary cost allocated to contingency fund | (434,000) |
| Total Over/(Under) | \$ 1,474,000 |

Staffing - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|---|-----------------------|
| • Decrease from unfilled staff positions | \$ (109,000) |
| • Increase in fringe benefits from higher health and contributions cost | 107,000 |
| • Increase in overtime expense | 20,000 |
| • Increase in temporary costs | 270,000 |
| Total Over/(Under) | \$ 288,000 |

STAFF DEVELOPMENT

Staff Development includes education, training, professional dues, recruitment, and subscription expenses.

| Staff Development | 2024 Forecast | | 2025 Approved Budget | | 2025 Approved Budget vs. 2024 Forecast | | % Change |
|---|-------------------|-------------------|--|----------------------|--|----------------|----------|
| | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2024 Forecast Over/(Under) | | |
| CONFERENCES/TRAININGS | | | | | | | |
| Adaptive | \$ 3,000 | \$ 4,000 | \$ 1,000 | \$ 4,000 | \$ - | 0.0% | |
| American Management Association (AMA) | - | 2,000 | 2,000 | 4,000 | 2,000 | 100.0% | |
| CALAPRS (Roundtable, Mgmt. Academy, General Assembly) | 49,000 | 23,000 | (26,000) | 33,000 | 10,000 | 43.5% | |
| CALPERLA | 5,000 | 5,000 | - | 4,000 | (1,000) | -20.0% | |
| Cyber-Security | 5,000 | 3,000 | (2,000) | 6,000 | 3,000 | 100.0% | |
| GFOA | 14,000 | 13,000 | (1,000) | 13,000 | - | 0.0% | |
| IFEBP | 17,000 | 7,000 | (10,000) | 3,000 | (4,000) | -57.1% | |
| ILPA | 6,000 | 6,000 | - | 6,000 | - | 0.0% | |
| NAPPA | 4,000 | 3,000 | (1,000) | 7,000 | 4,000 | 133.3% | |
| PG User and Onbase Conference | 22,000 | 28,000 | 6,000 | 25,000 | (3,000) | -10.7% | |
| SACRS | 34,000 | 33,000 | (1,000) | 36,000 | 3,000 | 9.1% | |
| Technology Related Trainings | 2,000 | 2,000 | - | 3,000 | 1,000 | 50.0% | |
| Miscellaneous | 108,000 | 77,000 | (31,000) | 63,000 | (14,000) | -18.2% | |
| Sub-Total | 269,000 | 206,000 | (63,000) | 207,000 | 1,000 | 0.5% | |
| PROFESSIONAL DUES & SUBSCRIPTIONS | 82,000 | 87,000 | 5,000 | 83,000 | (4,000) | -4.6% | |
| RECRUITMENT EXPENSES | - | 3,000 | 3,000 | - | (3,000) | -100.0% | |
| STAFF DEVELOPMENT EXPENSES TOTAL | \$ 351,000 | \$ 296,000 | \$ (55,000) | \$ 290,000 | \$ (6,000) | -2.0% | |

Staff Development - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|---|-----------------------|
| CONFERENCE/TRAINING | |
| • Increase in training costs | \$ 1,000 |
| Subtotal | 1,000 |
| PROFESSIONAL FEES & SUBSCRIPTIONS | |
| • Decrease in professional dues and subscriptions | (4,000) |
| Subtotal | (4,000) |
| RECRUITMENT | |
| • Decrease in recruitment expenses | (3,000) |
| Subtotal | (3,000) |
| Total Over/(Under) \$ | (6,000) |

Staff Development - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|---|-----------------------|
| CONFERENCE/TRAINING | |
| • Decrease in conference and training expense | \$ (63,000) |
| Subtotal | (63,000) |
| PROFESSIONAL FEES & SUBSCRIPTIONS | |
| • Increase in professional dues and subscriptions | 5,000 |
| Subtotal | 5,000 |
| RECRUITMENT | |
| • Increase in recruitment expense | 3,000 |
| Subtotal | 3,000 |
| Total Over/(Under) \$ | (55,000) |

2025 Approved Budget: Breakdowns for Miscellaneous Trainings/Conferences

| | Administration | Benefits | Fiscal Services | Human Resources | Internal Audit |
|--|------------------|------------------|------------------|------------------|------------------|
| American Institute of Certified Public Accountants (AICPA) | \$ - | \$ - | \$ - | \$ - | 3,000 |
| Association of Certified Fraud Examiners (ACFE) | - | - | - | - | 3,000 |
| Association OF Public Pension Fund Auditors (APPFA) | - | - | - | - | 5,000 |
| Computer Training/County | - | 2,000 | 1,000 | - | 1,000 |
| CSDA Conference | 2,000 | - | - | - | - |
| IDEA Training | - | - | - | - | 5,000 |
| Investment Related | - | - | - | - | - |
| LMS (Alameda County HRS) | - | - | - | 2,000 | - |
| NASRA Winter & Annual Conference | 2,000 | - | - | - | - |
| Miscellaneous Trainings/Conferences | 1,000 | 13,000 | 1,000 | 6,000 | 3,000 |
| Total Other Trainings/Conferences | 5,000 | 15,000 | 2,000 | 8,000 | 20,000 |
| Adaptive | - | - | 4,000 | - | - |
| American Management Association (AMA) | 4,000 | - | - | - | - |
| CALAPRS (Roundtable, Mgmt. Academy, General Assembly) | 7,000 | 21,000 | 2,000 | - | - |
| CALPERLA | - | - | - | 4,000 | - |
| Cybersecurity | - | - | - | - | - |
| GFOA | - | - | 12,000 | - | 1,000 |
| IFEBP | - | 3,000 | - | - | - |
| ILPA | - | - | - | - | - |
| NAPPA | - | - | - | - | - |
| PG User and Onbase Conference | - | 8,000 | 3,000 | - | - |
| SACRS | 9,000 | 5,000 | 3,000 | 2,000 | 3,000 |
| Technology Related Trainings | - | - | - | - | - |
| Other Trainings/Conferences (from above) | 5,000 | 15,000 | 2,000 | 8,000 | 20,000 |
| Total Trainings/Conferences | 25,000 | 52,000 | 26,000 | 14,000 | 24,000 |
| Professional Dues & Subscriptions | 28,000 | 3,000 | 3,000 | 2,000 | 7,000 |
| TOTAL | \$ 53,000 | \$ 55,000 | \$ 29,000 | \$ 16,000 | \$ 31,000 |

2025 Approved Budget: Breakdowns for Miscellaneous Trainings/Conferences

| | Investments | Legal | PRISM | Total |
|--|------------------|------------------|------------------|-------------------|
| American Institute of Certified Public Accountants (AICPA) | \$ - | \$ - | \$ - | 3,000 |
| Association of Certified Fraud Examiners (ACFE) | - | - | - | 3,000 |
| Association OF Public Pension Fund Auditors (APPFA) | - | - | - | 5,000 |
| Computer Training/County | - | - | - | 4,000 |
| CSDA Conference | 2,000 | - | - | 4,000 |
| IDEA Training | - | - | - | 5,000 |
| Investment Related | - | 2,000 | - | 2,000 |
| LMS (Alameda County HRS) | - | - | - | 2,000 |
| NASRA Winter & Annual Conference | - | - | - | 2,000 |
| Miscellaneous Trainings/Conferences | 3,000 | 4,000 | 2,000 | 33,000 |
| Total Other Trainings/Conferences | 5,000 | 6,000 | 2,000 | 63,000 |
| Adaptive | - | - | - | 4,000 |
| American Management Association (AMA) | - | - | - | 4,000 |
| CALAPRS (Roundtable, Mgmt. Academy, General Assembly) | 1,000 | 1,000 | 1,000 | 33,000 |
| CALPERLA | - | - | - | 4,000 |
| Cybersecurity | - | - | 6,000 | 6,000 |
| GFOA | - | - | - | 13,000 |
| IFEBP | - | - | - | 3,000 |
| ILPA | 3,000 | 3,000 | - | 6,000 |
| NAPPA | - | 7,000 | - | 7,000 |
| PG User and Onbase Conference | - | - | 14,000 | 25,000 |
| SACRS | 6,000 | 5,000 | 3,000 | 36,000 |
| Technology Related Trainings | - | - | 3,000 | 3,000 |
| Other Trainings/Conferences (from above) | 5,000 | 6,000 | 2,000 | 63,000 |
| Total Trainings/Conferences | 15,000 | 22,000 | 29,000 | 207,000 |
| Professional Dues & Subscriptions | 18,000 | 22,000 | - | 83,000 |
| TOTAL | \$ 33,000 | \$ 44,000 | \$ 29,000 | \$ 290,000 |

PROFESSIONAL FEES

This category excludes investment professional consultant and advisor expenses.

| Professional Fees | | | 2024 Forecast | | | 2025 Approved | 2025 Approved | % Change |
|-----------------------------------|-------------------|-------------------|----------------------|----------------------|--|-------------------|--|---------------|
| | 2024 Budget | 2024 Forecast | Budget Over/ (Under) | 2025 Approved Budget | Budget vs. 2024 Forecast Over/ (Under) | Budget | Budget vs. 2024 Forecast Over/ (Under) | |
| Actuarial Fees | \$ 490,000 | \$ 454,000 | \$ (36,000) | \$ 496,000 | \$ 42,000 | \$ 496,000 | \$ 42,000 | 9.3% |
| Audit Fees | 145,000 | 145,000 | - | 145,000 | - | 145,000 | - | 0.0% |
| Consultant Fees | 356,000 | 365,000 | 9,000 | 483,000 | 118,000 | 483,000 | 118,000 | 32.3% |
| Legal Fees | 150,000 | 115,000 | (35,000) | 125,000 | 10,000 | 125,000 | 10,000 | 8.7% |
| Total Professional Fees | 1,141,000 | 1,079,000 | (62,000) | 1,249,000 | 170,000 | 1,249,000 | 170,000 | 15.8% |
| Actuarial Fees | | | | | | | | |
| Actuarial Valuation | 87,500 | 88,000 | 500 | 90,000 | 2,000 | 90,000 | 2,000 | 2.3% |
| ASOP #51, Risk Report | 30,000 | 30,000 | - | 30,000 | - | 30,000 | - | 0.0% |
| GASB 67 & 68 | 53,500 | 48,000 | (5,500) | 55,000 | 7,000 | 55,000 | 7,000 | 14.6% |
| GASB 74 & 75 | 16,000 | 16,000 | - | 17,000 | 1,000 | 17,000 | 1,000 | 6.3% |
| SRBR Valuation | 45,000 | 45,000 | - | 46,000 | 1,000 | 46,000 | 1,000 | 2.2% |
| Supplemental Consulting | 258,000 | 227,000 | (31,000) | 258,000 | 31,000 | 258,000 | 31,000 | 13.7% |
| Total Actuarial Fees | 490,000 | 454,000 | (36,000) | 496,000 | 42,000 | 496,000 | 42,000 | 9.3% |
| Audit Fees | | | | | | | | |
| Audit Fees | 122,000 | 122,000 | - | 121,000 | (1,000) | 121,000 | (1,000) | -0.8% |
| GASB 67 & 68 | 11,000 | 11,000 | - | 12,000 | 1,000 | 12,000 | 1,000 | 9.1% |
| GASB 74 & 75 | 12,000 | 12,000 | - | 12,000 | - | 12,000 | - | 0.0% |
| Total Audit Fees | 145,000 | 145,000 | - | 145,000 | - | 145,000 | - | 0.0% |
| Consultant Fees | | | | | | | | |
| Benefits | | | | | | | | |
| Benefit Cons./Open Enroll. | 133,000 | 133,000 | - | 137,000 | 4,000 | 137,000 | 4,000 | 3.0% |
| County Retirees Medical | 126,000 | 126,000 | - | 126,000 | - | 126,000 | - | 0.0% |
| Dental and Vision RFP | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 100.0% |
| Total Benefits | 259,000 | 259,000 | - | 313,000 | 54,000 | 313,000 | 54,000 | 20.8% |
| Fiscal Services | | | | | | | | |
| Cashlog/Accounting System | 20,000 | - | (20,000) | 20,000 | 20,000 | 20,000 | 20,000 | 100.0% |
| Total Fiscal Services | 20,000 | - | (20,000) | 20,000 | 20,000 | 20,000 | 20,000 | 100.0% |
| Human Resources | | | | | | | | |
| Lakeside Group (County Personnel) | 77,000 | 106,000 | 29,000 | 135,000 | 29,000 | 135,000 | 29,000 | 27.4% |
| Total Human Resources | 77,000 | 106,000 | 29,000 | 135,000 | 29,000 | 135,000 | 29,000 | 27.4% |
| PRISM | | | | | | | | |
| OnBase Upgrade | - | - | - | 15,000 | 15,000 | 15,000 | 15,000 | 100.0% |
| Total PRISM | - | - | - | 15,000 | 15,000 | 15,000 | 15,000 | 100.0% |
| Total Consultant Fees | 356,000 | 365,000 | 9,000 | 483,000 | 118,000 | 483,000 | 118,000 | 32.3% |
| Legal Fees | | | | | | | | |
| Fiduciary | 60,000 | 55,000 | (5,000) | 50,000 | (5,000) | 50,000 | (5,000) | -9.1% |
| Miscellaneous Legal Advice | 65,000 | 41,000 | (24,000) | 50,000 | 9,000 | 50,000 | 9,000 | 22.0% |
| Tax and Benefit Issues | 25,000 | 19,000 | (6,000) | 25,000 | 6,000 | 25,000 | 6,000 | 31.6% |
| Total Legal Fees | \$ 150,000 | \$ 115,000 | \$ (35,000) | \$ 125,000 | \$ 10,000 | \$ 125,000 | \$ 10,000 | 8.7% |

Professional Fees - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|---|-----------------------|
| ACTUARIAL | |
| • Increase in actuarial valuation, GASB, and SRBR valuation costs | \$ 11,000 |
| • Increase in supplemental consulting fees | 31,000 |
| Subtotal | 42,000 |
| CONSULTANTS | |
| • Increase in benefit consulting fees for the dental and vision RFP | 54,000 |
| • OnBase upgrade and accounting system projects for 2025 | 35,000 |
| • Increase in contract fees | 29,000 |
| Subtotal | 118,000 |
| LEGAL | |
| • Increase in legal consulting expenses | 10,000 |
| Subtotal | 10,000 |
| Total Over/(Under) \$ | 170,000 |

Professional Fees - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|---|-----------------------|
| ACTUARIAL | |
| • Decrease in actuarial expenses | \$ (36,000) |
| Subtotal | (36,000) |
| CONSULTANTS | |
| • Increase in consultant fees | 9,000 |
| Subtotal | 9,000 |
| LEGAL | |
| • Decrease in legal consulting expenses | (35,000) |
| Subtotal | (35,000) |
| Total Over/(Under) \$ | (62,000) |

OFFICE EXPENSE

This category covers expenses such as building expenses, banking fees, telecommunications, and office equipment.

| Office Expense | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|-------------------------------|-------------------|-------------------|--|----------------------|---|--------------|
| Bank Charges | \$ 79,000 | \$ 76,000 | \$ (3,000) | \$ 72,000 | \$ (4,000) | -5.3% |
| Misc. Administrative Expenses | 6,000 | 5,000 | (1,000) | 5,000 | - | 0.0% |
| Building Expenses | 38,000 | 32,000 | (6,000) | 58,000 | 26,000 | 81.3% |
| Communications | 117,000 | 117,000 | - | 53,000 | (64,000) | -54.7% |
| Equip. Leasing & Maint. | 138,000 | 109,000 | (29,000) | 106,000 | (3,000) | -2.8% |
| Minor Furniture & Equipment | 13,000 | 13,000 | - | 24,000 | 11,000 | 84.6% |
| Office Supplies & Maint. | 54,000 | 54,000 | - | 57,000 | 3,000 | 5.6% |
| Printing & Postage | 23,000 | 18,000 | (5,000) | 21,000 | 3,000 | 16.7% |
| OFFICE EXPENSE Total | \$ 468,000 | \$ 424,000 | \$ (44,000) | \$ 396,000 | \$ (28,000) | -6.6% |

Office Expense - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

Variance Over/(Under)

EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

- Increase in minor furniture & equipment costs

\$ 11,000
Subtotal 11,000

PRINTING & POSTAGE

- Increase in printing & postage costs

3,000
Subtotal 3,000

BUILDING, BANK CHARGES AND COMMUNICATIONS

- Decrease in communication expense from switching to new service provider in 2025
- Increase in building expenses
- Decrease in bank fees

(64,000)
26,000
(4,000)
Subtotal (42,000)

Total Over/(Under) \$ (28,000)

Office Expense - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE

- Decrease in equipment lease expenses

\$ (29,000)
Subtotal (29,000)

MISCELLANEOUS ADMINISTRATIVE EXPENSES

- Decrease in miscellaneous administrative expenses

(1,000)
Subtotal (1,000)

PRINTING & POSTAGE

- Decrease in printing costs

(5,000)
Subtotal (5,000)

BUILDING AND BANK CHARGES

- Decrease in escalation fees for building expenses
- Decrease in bank fees

(6,000)
(3,000)
Subtotal (9,000)

Total Over/(Under) \$ (44,000)

INSURANCE

This category includes insurance premiums for business automobile, commercial, earthquake, fiduciary, criminal and cyber liability, employer liability, umbrella, and workers' compensation.

| Insurance | 2024 Budget | | 2024 Forecast | | 2024 Forecast vs. 2024 Budget Over/(Under) | | 2025 Approved Budget | | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | | % Change |
|------------------------|-------------|----------------|---------------|----------------|--|----------------|----------------------|----------------|---|---------------|-------------|
| | | | | | | | | | | | |
| Commercial Package | \$ | 92,000 | \$ | 93,000 | \$ | 1,000 | \$ | 96,000 | \$ | 3,000 | 4.8% |
| Cyber Liability | | 43,000 | | 40,000 | | (3,000) | | 41,000 | | 1,000 | 3.7% |
| Fiduciary Liability | | 175,000 | | 171,000 | | (4,000) | | 175,000 | | 4,000 | 3.5% |
| Risk Management | | 152,000 | | 160,000 | | 8,000 | | 159,000 | | (1,000) | -1.0% |
| Worker's Compensation | | 175,000 | | 167,000 | | (8,000) | | 184,000 | | 17,000 | 14.4% |
| INSURANCE Total | \$ | 637,000 | \$ | 631,000 | \$ | (6,000) | \$ | 655,000 | \$ | 24,000 | 3.8% |

Insurance - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|---|-----------------------|
| • Increase in fiduciary liability insurance premiums | \$ 4,000 |
| • Increase in cyber liability and commercial package insurance premiums | 4,000 |
| • Increase in Alameda County worker's compensation and risk management insurance premiums | 16,000 |
| Total Over/(Under) | \$ 24,000 |

Insurance - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|--|-----------------------|
| • Savings in fiduciary liability insurance premiums | \$ (4,000) |
| • Savings in premiums for cyber liability and commercial package | (2,000) |
| Total Over/(Under) | \$ (6,000) |

MEMBER SERVICES

This category includes expenses for services provided to members, including healthcare plans, enrollments, wellness seminars, communications, disability hearings and evaluations.

| Member Services | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|--|-------------------|-------------------|--|----------------------|---|-------------|
| Benefit Verification | \$ 6,000 | \$ 7,000 | \$ 1,000 | \$ 7,000 | \$ - | 0.0% |
| Disability - Legal Arbitration & Transcripts | 80,000 | 82,000 | 2,000 | 95,000 | 13,000 | 15.9% |
| Disability - Medical | 180,000 | 346,000 | 166,000 | 342,000 | (4,000) | -1.2% |
| Disability Claims Management | 47,000 | 46,000 | (1,000) | 46,000 | - | 0.0% |
| Health Reimbursement Account (HRA) | 70,000 | 71,000 | 1,000 | 95,000 | 24,000 | 33.8% |
| Member Training & Education | 16,000 | 14,000 | (2,000) | 16,000 | 2,000 | 14.3% |
| Printing and Postage - Members | 143,000 | 142,000 | (1,000) | 171,000 | 29,000 | 20.4% |
| Virtual Call Center | 66,000 | 66,000 | - | 66,000 | - | 0.0% |
| MEMBER SERVICES Total | \$ 608,000 | \$ 774,000 | \$ 166,000 | \$ 838,000 | \$ 64,000 | 8.3% |

| Member Services - Variance Narrative 2025 Approved Budget vs. 2024 Forecast | Variance Over/(Under) |
|--|-----------------------|
| DISABILITY | |
| • Increase in disability legal arbitration and transcripts | \$ 9,000 |
| Subtotal | 9,000 |
| PRINTING AND POSTAGE BENEFITS | |
| • Increase in members printing and postage for open enrollment | 29,000 |
| Subtotal | 29,000 |
| MEMBER TRAINING AND EDUCATION | |
| • Increase in member training and education | 2,000 |
| Subtotal | 2,000 |
| HEALTH REIMBURSEMENT ACCOUNT | |
| • Rate increase in health reimbursement account for 2025 | 24,000 |
| Subtotal | 24,000 |
| Total Over/(Under) \$ | 64,000 |

| Member Services - Variance Narrative 2024 Forecast vs. 2024 Budget | Variance Over/(Under) |
|---|-----------------------|
| DISABILITY | |
| • Increase in disability medical expenses | \$ 167,000 |
| Subtotal | 167,000 |
| PRINTING AND POSTAGE BENEFITS | |
| • Decrease in printing & postage costs | (1,000) |
| Subtotal | (1,000) |
| MEMBER TRAINING AND EDUCATION | |
| • Decrease in member training and education | (2,000) |
| Subtotal | (2,000) |
| HEALTH REIMBURSEMENT ACCOUNT AND BENEFIT VERIFICATION | |
| • Increase in health reimbursement account and benefit verification | 2,000 |
| Subtotal | 2,000 |
| Total Over/(Under) \$ | 166,000 |

SYSTEMS

This category includes the costs of business continuity planning, county data processing, software maintenance and support, and uncapitalized computer hardware and software.

| System Expenses | | | 2024 Forecast | | | 2025 Approved | | |
|--------------------------------|---------------------|---------------------|------------------------------|----------------------|----------------------------|---------------------------------------|----------|--|
| | 2024 Budget | 2024 Forecast | vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2024 Forecast Over/(Under) | Budget vs. 2024 Forecast Over/(Under) | % Change | |
| Business Continuity Expenses | \$ 248,000 | \$ 259,000 | \$ 11,000 | \$ 263,000 | \$ 4,000 | 1.5% | | |
| County Data Processing | 139,000 | 138,000 | (1,000) | 139,000 | 1,000 | 0.7% | | |
| Minor Computer Hardware | 42,000 | 42,000 | - | 36,000 | (6,000) | -14.3% | | |
| Software License & Maintenance | 859,000 | 1,038,000 | 179,000 | 843,000 | (195,000) | -18.8% | | |
| SYSTEMS Total | \$ 1,288,000 | \$ 1,477,000 | \$ 189,000 | \$ 1,281,000 | \$ (196,000) | -13.3% | | |

Systems - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|--|-----------------------|
| SOFTWARE, MAINTENANCE & SUPPORT | |
| • Reduction in software cost for PensionGold version 3 | \$ (195,000) |
| Subtotal | (195,000) |
| COMPUTER HARDWARE & COUNTY DATA PROCESSING | |
| • Reduction in minor computer hardware costs | (6,000) |
| • Increase in county data processing expenses | 1,000 |
| Subtotal | (5,000) |
| BUSINESS CONTINUITY EXPENSES | |
| • Increase in business continuity expenses | 4,000 |
| Subtotal | 4,000 |
| Total Over/(Under) | \$ (196,000) |

Systems - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|---|-----------------------|
| SOFTWARE, MAINTENANCE & SUPPORT | |
| • Increase in software licenses & maintenance | \$ 179,000 |
| Subtotal | 179,000 |
| BUSINESS CONTINUITY & COUNTY DATA PROCESSING | |
| • Increase in business continuity expenses | 11,000 |
| • Decrease in county data processing expenses | (1,000) |
| Subtotal | 10,000 |
| Total Over/(Under) | \$ 189,000 |

BOARD OF RETIREMENT

This category covers Board compensation and expenses for meetings, conferences and trainings, employer reimbursement (elected members only), and election expenses.

| Board of Retirement | 2024 | | 2024 Forecast | | 2024 Forecast vs. 2024 Budget Over/(Under) | | 2025 Approved Budget | | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | | % Change |
|----------------------------------|-----------|----------------|---------------|----------------|--|-----------------|----------------------|----------------|---|---------------|-------------|
| | Budget | | Forecast | | Budget Over/(Under) | | 2025 Approved Budget | | 2024 Forecast Over/(Under) | | |
| Board Compensation | \$ | 28,000 | \$ | 24,000 | \$ | (4,000) | \$ | 28,000 | \$ | 4,000 | 16.7% |
| Board Conference and Training | | 209,000 | | 167,000 | | (42,000) | | 202,000 | | 35,000 | 21.0% |
| Board Elections | | 43,000 | | 43,000 | | - | | 49,000 | | 6,000 | 14.0% |
| Board Employer Reimbursement | | 379,000 | | 379,000 | | - | | 391,000 | | 12,000 | 3.2% |
| Board Miscellaneous Activities | | 22,000 | | 14,000 | | (8,000) | | 13,000 | | (1,000) | -7.1% |
| Board Software Maint. & Support | | 18,000 | | 17,000 | | (1,000) | | 16,000 | | (1,000) | -5.9% |
| Board Strategic Planning | | 8,000 | | 8,000 | | - | | 8,000 | | - | 0.0% |
| BOARD OF RETIREMENT Total | \$ | 707,000 | \$ | 652,000 | \$ | (55,000) | \$ | 707,000 | \$ | 55,000 | 8.4% |

Board of Retirement - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|--|-----------------------|
| • Increase in board compensation expense | \$ 4,000 |
| • Increase in board conference and training expense | 35,000 |
| • Increase in board election expense | 6,000 |
| • Increase in employer reimbursements | 12,000 |
| • Decrease in board miscellaneous and software maintenance & support costs | (2,000) |
| Total Over/(Under) \$ | 55,000 |

Board of Retirement - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|--|-----------------------|
| • Decrease in board compensation expense | \$ (4,000) |
| • Decrease in board conference and training expense | (42,000) |
| • Decrease in board miscellaneous activities expense | (8,000) |
| • Decrease in software maintenance & support | (1,000) |
| Total Over/(Under) \$ | (55,000) |

DEPRECIATION

Depreciation expense is the allocation of a capital asset cost over the asset's useful life.

| Depreciation | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|---------------------------|-------------------|-------------------|--|----------------------|---|---------------|
| Computer Hardware | \$ - | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ - | 0.0% |
| EDMS Admin. Share | 2,000 | 2,000 | - | 1,000 | (1,000) | -50.0% |
| Equipment | 10,000 | 9,000 | (1,000) | 4,000 | (5,000) | -55.6% |
| Information system | 5,000 | 5,000 | - | 931,000 | 926,000 | 18520.0% |
| Leasehold Improvements | 95,000 | 95,000 | - | 95,000 | - | 0.0% |
| Total Depreciation | \$ 112,000 | \$ 114,000 | \$ 2,000 | \$ 1,034,000 | \$ 920,000 | 807.0% |

Depreciation is computed using the straight-line method for most assets over the following estimated useful lives:

- Computer Hardware 5 years
- Computer Software 3 years
- Equipment 5 years
- Furniture 7 years
- Information System-Retirement 7 years
- Information System-Accounting 5 years
- Disaster Recovery 5 years
- Leasehold Improvements 27.5 years
- EDMS 5 years

Depreciation - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|--------------------------------------|-----------------------|
| • PAS Project capitalization in 2025 | \$ 920,000 |
| Total Over/(Under) | \$ 920,000 |

Depreciation - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|---------------------------------|-----------------------|
| COMPUTER HARDWARE AND EQUIPMENT | |
| • Purchase of new equipment | \$ 2,000 |
| Total Over/(Under) | \$ 2,000 |

UNCOLLECTIBLE BENEFIT PAYMENTS

After the adoption of the discharge of uncollectible accounts receivable policy and Board of Retirement authorization, the annual uncollectible accounts receivable balance to be discharged is approximately \$78,000. This balance is comprised of benefit overpayments, healthcare premium, payroll deductions, and taxes. Discharges of uncollectible balances normally include one year’s worth of transactions, after passage of a one-year period from which collection efforts have been exhausted and the receivable has been declared uncollectible.

| Uncollectible Benefit Payments | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|---------------------------------------|--------------------|----------------------|---|-----------------------------|--|-----------------|
| Uncollectible Benefit Payments | \$ 78,000 | \$ 87,000 | \$ 9,000 | \$ 78,000 | \$ (9,000) | -10.3% |
| Total | \$ 78,000 | \$ 87,000 | \$ 9,000 | \$ 78,000 | \$ (9,000) | -10.3% |

| Uncollectible Benefit Payments - Variance Narrative | | Variance Over/(Under) |
|--|--|------------------------------|
| 2025 Approved Budget vs. 2024 Forecast | | |
| • Decrease in uncollectible benefit payments | | \$ (9,000) |
| Total Over/(Under) | | \$ (9,000) |

| Uncollectible Benefit Payments - Variance Narrative | | Variance Over/(Under) |
|--|--|------------------------------|
| 2024 Forecast vs. 2024 Budget | | |
| • Increase in uncollectible benefit payments | | \$ 9,000 |
| Total Over/(Under) | | \$ 9,000 |

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Section IV

Departmental Operating Expense Budgets

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Section IV

Departmental Operating Expense Budgets

ACERA operations are organized into eight departments: Administration, Benefits, Fiscal Services, Human Resources, Internal Audit, Investments, Legal, and Project and Information Services Management (PRISM).

| Departments | 2024 Budget | | 2024 Forecast | | 2024 Forecast vs. 2024 Budget Over/(Under) | | 2025 Approved Budget | | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | | % Change | |
|--|-------------|-------------------|---------------|-------------------|--|-----------------|----------------------|-------------------|---|------------------|----------|----------------|
| | | | | | | | | | | | | |
| Administration (p#42) | \$ | 4,003,000 | \$ | 3,836,000 | \$ | (167,000) | \$ | 5,245,000 | \$ | 1,409,000 | \$ | 36.7% |
| Benefits (p#46) | | 8,084,000 | | 8,219,000 | | 135,000 | | 8,755,000 | | 536,000 | | 6.5% |
| Fiscal Services (p#48) | | 2,470,000 | | 2,486,000 | | 16,000 | | 2,640,000 | | 154,000 | | 6.2% |
| Human Resources (p#50) | | 766,000 | | 777,000 | | 11,000 | | 847,000 | | 70,000 | | 9.0% |
| Internal Audit (p#52) | | 767,000 | | 790,000 | | 23,000 | | 835,000 | | 45,000 | | 5.7% |
| Investment (p#54) | | 2,186,000 | | 2,279,000 | | 93,000 | | 2,540,000 | | 261,000 | | 11.5% |
| Legal (p#55) | | 1,319,000 | | 1,355,000 | | 36,000 | | 1,435,000 | | 80,000 | | 5.9% |
| PRISM (p#57) | | 2,787,000 | | 3,102,000 | | 315,000 | | 3,025,000 | | (77,000) | | -2.5% |
| Total Depart. Expenses | | 22,382,000 | | 22,844,000 | | 462,000 | | 25,322,000 | | 2,478,000 | | 10.8% |
| PROJECTS ¹ | | 40,000 | | 10,000 | | (30,000) | | - | | (10,000) | | -100.0% |
| Total Depart. Exp. + Projects | \$ | 22,422,000 | \$ | 22,854,000 | \$ | 432,000 | \$ | 25,322,000 | \$ | 2,468,000 | | 10.8% |

¹ See Section V

ADMINISTRATION DEPARTMENT

The Administration Department is led by the Chief Executive Officer who plans, manages, and administers the business of the retirement system and coordinates external outreach with legislators and member organizations.

| Administration Department | | | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|--|---------------------|----------------------|---|-----------------------------|--|-----------------|
| | 2024 Budget | 2024 Forecast | | | | |
| STAFFING | | | | | | |
| Salaries | \$ 980,000 | \$ 958,000 | \$ (22,000) | \$ 1,218,000 | \$ 260,000 | 27.1% |
| Fringe Benefits | 486,000 | 480,000 | (6,000) | 604,000 | 124,000 | 25.8% |
| Temporary Staff | - | - | - | 36,000 | 36,000 | 100.0% |
| 5% adjustment for unexpected vacancies | (73,000) | (73,000) | - | (91,000) | (18,000) | 24.7% |
| Staffing Total | 1,393,000 | 1,365,000 | (28,000) | 1,767,000 | 402,000 | 29.5% |
| STAFF DEVELOPMENT | 64,000 | 53,000 | (11,000) | 53,000 | - | 0.0% |
| PROFESSIONAL FEES | | | | | | |
| Actuarial Fees | 490,000 | 454,000 | (36,000) | 496,000 | 42,000 | 9.3% |
| Professional Fees Total | 490,000 | 454,000 | (36,000) | 496,000 | 42,000 | 9.3% |
| OFFICE EXPENSE | | | | | | |
| Miscellaneous Administrative | 6,000 | 5,000 | (1,000) | 5,000 | - | 0.0% |
| Building Expenses | 38,000 | 32,000 | (6,000) | 58,000 | 26,000 | 81.3% |
| Communications | 117,000 | 117,000 | - | 53,000 | (64,000) | -54.7% |
| Equipment Lease & Maintenance | 138,000 | 109,000 | (29,000) | 106,000 | (3,000) | -2.8% |
| Minor Furniture & Equipment | 3,000 | 3,000 | - | 12,000 | 9,000 | 300.0% |
| Office Supplies & Maintenance | 54,000 | 54,000 | - | 57,000 | 3,000 | 5.6% |
| Printing & Postage | 23,000 | 18,000 | (5,000) | 21,000 | 3,000 | 16.7% |
| Office Expense Total | 379,000 | 338,000 | (41,000) | 312,000 | (26,000) | -7.7% |
| INSURANCE | 637,000 | 631,000 | (6,000) | 655,000 | 24,000 | 3.8% |
| SYSTEMS | | | | | | |
| County Data Processing | 139,000 | 138,000 | (1,000) | 139,000 | 1,000 | 0.7% |
| Software Maintenance & Support | 4,000 | 4,000 | - | 4,000 | - | 0.0% |
| Systems Total | 143,000 | 142,000 | (1,000) | 143,000 | 1,000 | 0.7% |
| BOARD OF RETIREMENT | | | | | | |
| Board Conferences & Miscellaneous Activities | 707,000 | 652,000 | (55,000) | 707,000 | 55,000 | 8.4% |
| UNCOLLECTIBLE BENEFIT PAYMENTS | 78,000 | 87,000 | 9,000 | 78,000 | (9,000) | -10.3% |
| DEPRECIATION | | | | | | |
| Depreciation Expense | 112,000 | 114,000 | 2,000 | 1,034,000 | 920,000 | 807.0% |
| GRAND TOTAL | \$ 4,003,000 | \$ 3,836,000 | \$ (167,000) | \$ 5,245,000 | \$ 1,409,000 | 36.7% |

Administration Department - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

Variance Over/(Under)

STAFFING

| | |
|--|----------------|
| • Increase in salaries from COLA, merit increase, and vacation sellbacks | \$ 260,000 |
| • Increase in 2025 fringe benefits from higher health and contributions cost | 124,000 |
| • Increase in temporary staff expense | 36,000 |
| • 5% adjustment for unexpected staff vacancies | (18,000) |
| Subtotal | 402,000 |

PROFESSIONAL FEES

| | |
|------------------------------|---------------|
| • Increase in actuarial fees | 42,000 |
| Subtotal | 42,000 |

OFFICE EXPENSE

| | |
|--|-----------------|
| • Increase in building expenses | 26,000 |
| • Decrease in communication expense from switching to new service provider in 2025 | (64,000) |
| • Increase in minor furniture & equipment costs | 6,000 |
| • Increase in office supplies & maintenance, and printing & postage | 6,000 |
| Subtotal | (26,000) |

INSURANCE

| | |
|--|---------------|
| • Increase in insurance premiums for worker's compensation, cyber liability, and fiduciary liability | 24,000 |
| Subtotal | 24,000 |

SYSTEMS

| | |
|---|--------------|
| • Increase in county data processing expenses | 1,000 |
| Subtotal | 1,000 |

BOARD OF RETIREMENT

| | |
|---|---------------|
| • Increase in board elections, employer reimbursements, board compensation, and conferences & trainings | 55,000 |
| Subtotal | 55,000 |

UNCOLLECTIBLE BENEFIT PAYMENTS

| | |
|--|----------------|
| • Decrease in uncollectible benefit payments | (9,000) |
| Subtotal | (9,000) |

DEPRECIATION EXPENSE

| | |
|--------------------------------------|----------------|
| • PAS Project capitalization in 2025 | 920,000 |
| Subtotal | 920,000 |

Total Over/(Under) \$ 1,409,000

Administration Department - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|---|-----------------------|
| STAFFING | |
| • Decrease from unfilled staff position | \$ (22,000) |
| • Decrease in fringe benefits from unfilled staff position | (6,000) |
| Subtotal | (28,000) |
| STAFF DEVELOPMENT | |
| • Decrease in conference and training expense | (11,000) |
| Subtotal | (11,000) |
| PROFESSIONAL FEES | |
| • Decrease in actuarial expenses | (36,000) |
| Subtotal | (36,000) |
| OFFICE EXPENSE | |
| • Decrease in miscellaneous administrative expenses | (1,000) |
| • Decrease in escalation fees for building expenses | (6,000) |
| • Decrease in equipment lease expenses | (29,000) |
| • Decrease in printing costs | (5,000) |
| Subtotal | (41,000) |
| INSURANCE | |
| • Savings in insurance premiums | (6,000) |
| Subtotal | (6,000) |
| SYSTEMS | |
| • Decrease in county data processing expenses | (1,000) |
| Subtotal | (1,000) |
| BOARD OF RETIREMENT | |
| • Decrease in board compensation, conferences & trainings, board miscellaneous, and board software maint. & support | (55,000) |
| Subtotal | (55,000) |
| UNCOLLECTIBLE BENEFIT PAYMENTS | |
| • Increase in uncollectible benefit payments | 9,000 |
| Subtotal | 9,000 |
| DEPRECIATION | |
| • Purchase of new equipment | 2,000 |
| Subtotal | 2,000 |
| Total Over/(Under) | \$ (167,000) |

| Administration Department Professional Fees | 2024 | | 2024 | | 2025 | | % Change |
|--|-------------------|-------------------|---|--------------------|--------------------|--|-------------|
| | Budget | Forecast | Forecast vs. 2024 Budget Over/(Under) | Approved Budget | Approved Budget | Approved Budget vs. 2024 Forecast Over/ (Under) | |
| Actuarial Fees | | | | | | | |
| Actuarial Valuation | \$ 87,500 | \$ 88,000 | \$ 500 | \$ 90,000 | \$ 2,000 | 2.3% | |
| ASOP #51, Risk Report | 30,000 | 30,000 | - | 30,000 | - | 0.0% | |
| GASB 67 & 68 | 53,500 | 48,000 | (5,500) | 55,000 | 7,000 | 14.6% | |
| GASB 74 & 75 | 16,000 | 16,000 | - | 17,000 | 1,000 | 6.3% | |
| SRBR Valuation | 45,000 | 45,000 | - | 46,000 | 1,000 | 2.2% | |
| Supplemental Consulting | 258,000 | 227,000 | (31,000) | 258,000 | 31,000 | 13.7% | |
| Subtotal | 490,000 | 454,000 | (36,000) | 496,000 | 42,000 | 9.3% | |
| Administration Total | \$ 490,000 | \$ 454,000 | \$ (36,000) | \$ 496,000 | \$ 42,000 | 9.3% | |

BENEFITS DEPARTMENT

The Benefits Department administers all benefit programs and provides multiple services to active, deferred and retired ACERA members.

| Benefits Department | | | 2024 Forecast | | | 2025 Approved | | |
|---|---------------------|---------------------|-------------------------|---------------------|-------------------|---------------|---|---------------|
| | 2024 Budget | 2024 Forecast | Budget Over/ (Under) | 2025 Approved | Budget | 2024 Forecast | Budget vs. 2024 Forecast Over/(Under) | % Change |
| STAFFING | | | | | | | | |
| Salaries | \$ 4,844,000 | \$ 4,656,000 | \$ (188,000) | \$ 5,184,000 | \$ 528,000 | | | 11.3% |
| Fringe Benefits | 2,475,000 | 2,487,000 | 12,000 | 2,827,000 | 340,000 | | | 13.7% |
| Temporary Staff | 200,000 | 427,000 | 227,000 | - | (427,000) | | | -100.0% |
| 5% adjustment for unexpected vacancies | (363,000) | (363,000) | - | (397,000) | (34,000) | | | 9.4% |
| Staffing Total | 7,156,000 | 7,207,000 | 51,000 | 7,614,000 | 407,000 | | | 5.6% |
| STAFF DEVELOPMENT | 111,000 | 57,000 | (54,000) | 55,000 | (2,000) | | | -3.5% |
| PROFESSIONAL FEES | 259,000 | 259,000 | - | 313,000 | 54,000 | | | 20.8% |
| MEMBER SERVICES | | | | | | | | |
| Benefit Verification | 6,000 | 7,000 | 1,000 | 7,000 | - | | | 0.0% |
| Disability - Medical Expense | 180,000 | 346,000 | 166,000 | 342,000 | (4,000) | | | -1.2% |
| Disability - Managed Medical Review Organization (MMRO) | 47,000 | 46,000 | (1,000) | 46,000 | - | | | 0.0% |
| Health Reimbursement Account (HRA) | 70,000 | 71,000 | 1,000 | 95,000 | 24,000 | | | 33.8% |
| Member Training & Education | 16,000 | 14,000 | (2,000) | 16,000 | 2,000 | | | 14.3% |
| Printing & Postage - Members | 143,000 | 142,000 | (1,000) | 171,000 | 29,000 | | | 20.4% |
| Virtual Call Center | 66,000 | 66,000 | - | 66,000 | - | | | 0.0% |
| Member Services Total | 528,000 | 692,000 | 164,000 | 743,000 | 51,000 | | | 7.4% |
| SYSTEMS | | | | | | | | |
| Software Maintenance/Support | 30,000 | 4,000 | (26,000) | 30,000 | 26,000 | | | 650.0% |
| Systems Total | 30,000 | 4,000 | (26,000) | 30,000 | 26,000 | | | 650.0% |
| GRAND TOTAL | \$ 8,084,000 | \$ 8,219,000 | \$ 135,000 | \$ 8,755,000 | \$ 536,000 | | | 6.5% |

Benefits Department - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|--|-----------------------|
| STAFFING | |
| • Increase in salaries from filled staff positions, COLA, merit and step increases, and vacation sellbacks | \$ 528,000 |
| • Increase in fringe benefits attributed to filled staff positions, higher health and contributions cost | 340,000 |
| • Temporary cost allocated to contingency fund | (427,000) |
| • 5% adjustment for unexpected staff vacancies | (34,000) |
| Subtotal | 407,000 |
| STAFF DEVELOPMENT | |
| • Decrease in recruitment expenses | (2,000) |
| Subtotal | (2,000) |
| PROFESSIONAL FEES | |
| • Increase in benefit consulting fees for the dental and vision RFP | 54,000 |
| Subtotal | 54,000 |
| MEMBER SERVICES | |
| • Decrease in disability medical costs | (4,000) |
| • Rate increase in health reimbursement account for 2025 | 24,000 |
| • Increase in member training and education | 2,000 |
| • Increase in members printing and postage for open enrollment | 29,000 |
| Subtotal | 51,000 |
| SYSTEMS | |
| • Increase in software licenses & maintenance | 26,000 |
| Subtotal | 26,000 |
| Total Over/(Under) \$ | 536,000 |

Benefits Department - Variance Narrative 2024 Forecast vs. 2024 Budget

Variance Over/(Under)

STAFFING

| | | |
|---|-----------------|---------------|
| • Decrease in salaries from unfilled staff positions | \$ | (188,000) |
| • Increase in fringe benefits from higher health and contributions cost | | 12,000 |
| • Increase in 2024 temporary cost | | 227,000 |
| | Subtotal | 51,000 |

STAFF DEVELOPMENT

| | | |
|---|-----------------|-----------------|
| • Decrease in conference and training expense | | (54,000) |
| | Subtotal | (54,000) |

MEMBER SERVICES

| | | |
|---|-----------------|----------------|
| • Increase in disability medical expenses | | 166,000 |
| • Decrease in member training and education | | (2,000) |
| | Subtotal | 164,000 |

SYSTEMS

| | | |
|---|-----------------|-----------------|
| • Decrease in software licenses & maintenance | | (26,000) |
| | Subtotal | (26,000) |

| | |
|------------------------------|----------------|
| Total Over/(Under) \$ | 135,000 |
|------------------------------|----------------|

| Benefits Department Professional Fees | 2024 Forecast vs. 2024 Budget Over/ (Under) | | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | | % Change |
|---|--|-------------------|--|-------------------------------|--------------|
| | 2024 Budget | 2024 Forecast | 2025 Approved Budget | 2024 Forecast Over/(Under) | |
| Benefits Consultant/Open Enrollment | \$ 133,000 | \$ 133,000 | \$ - | \$ 4,000 | 3.0% |
| County Retirees Medical (Benefit Consultant) | 126,000 | 126,000 | - | - | 0.0% |
| Dental and Vision RFP | - | - | 50,000 | 50,000 | 100.0% |
| Benefits Total | \$ 259,000 | \$ 259,000 | - \$ 313,000 | \$ 54,000 | 20.8% |

FISCAL SERVICES DEPARTMENT

The Fiscal Services Department prepares Board reports, the Annual Comprehensive Financial Report (ACFR), and the annual budget. The Department accounts for cash management, retiree and vendor payrolls, capital assets, and operating expenditures.

| Fiscal Services Department | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|--|---------------------|---------------------|--|----------------------|---|--------------|
| STAFFING | | | | | | |
| Salaries | \$ 1,480,000 | \$ 1,482,000 | \$ 2,000 | \$ 1,600,000 | \$ 118,000 | 8.0% |
| Fringe Benefits | 756,000 | 758,000 | 2,000 | 828,000 | 70,000 | 9.2% |
| Temporary Staff | - | 43,000 | 43,000 | - | (43,000) | -100.0% |
| 5% adjustment for unexpected vacancies | (111,000) | (111,000) | - | (120,000) | (9,000) | 8.1% |
| Staffing Total | 2,125,000 | 2,172,000 | 47,000 | 2,308,000 | 136,000 | 6.3% |
| STAFF DEVELOPMENT | 29,000 | 29,000 | - | 29,000 | - | 0.0% |
| PROFESSIONAL FEES | | | | | | |
| Consultant Fees | 20,000 | - | (20,000) | 20,000 | 20,000 | 100.0% |
| External Audit | 145,000 | 145,000 | - | 145,000 | - | 0.0% |
| Professional Fees Total | 165,000 | 145,000 | (20,000) | 165,000 | 20,000 | 13.8% |
| OFFICE EXPENSE | | | | | | |
| Bank Charges | 79,000 | 76,000 | (3,000) | 72,000 | (4,000) | -5.3% |
| Office Expense Total | 79,000 | 76,000 | (3,000) | 72,000 | (4,000) | -5.3% |
| SYSTEMS | | | | | | |
| Software Maintenance/Support | 72,000 | 64,000 | (8,000) | 66,000 | 2,000 | 3.1% |
| Systems Total | 72,000 | 64,000 | (8,000) | 66,000 | 2,000 | 3.1% |
| GRAND TOTAL | \$ 2,470,000 | \$ 2,486,000 | \$ 16,000 | \$ 2,640,000 | \$ 154,000 | 6.2% |

| Fiscal Services Department - Variance Narrative | | 2025 Approved Budget vs. 2024 Forecast | Variance Over/(Under) |
|--|-----------------|--|-----------------------|
| STAFFING | | | |
| • Increase in salaries from COLA, merit and step increases, and vacation sellbacks | | \$ | 118,000 |
| • Increase in 2025 fringe benefits from higher health and contributions cost | | | 70,000 |
| • Decrease in temporary staff attributed to filled staff position | | | (43,000) |
| • 5% adjustment for unexpected staff vacancies | | | (9,000) |
| | Subtotal | | 136,000 |
| PROFESSIONAL FEES | | | |
| • Consultant fees for accounting system project in 2025 | | | 20,000 |
| | Subtotal | | 20,000 |
| OFFICE EXPENSE | | | |
| • Decrease in bank fees | | | (4,000) |
| | Subtotal | | (4,000) |
| SYSTEMS | | | |
| • Increase in software licenses & maintenance | | | 2,000 |
| | Subtotal | | 2,000 |
| | | Total Over/(Under) | \$ 154,000 |

Fiscal Services Department - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|---|-----------------------|
| STAFFING | |
| • Increase in salaries | \$ 2,000 |
| • Increase in temporary staff attributed to filled staff position | 43,000 |
| • Increase in fringe benefits from higher health and contributions cost | 2,000 |
| Subtotal | 47,000 |
| PROFESSIONAL FEES | |
| • Consultant fees for accounting system project delayed until 2025 | (20,000) |
| Subtotal | (20,000) |
| OFFICE EXPENSE | |
| • Decrease in bank fees | (3,000) |
| Subtotal | (3,000) |
| SYSTEMS | |
| • Decrease in software maintenance and support | (8,000) |
| Subtotal | (8,000) |
| Total Over/(Under) \$ | 16,000 |

| Fiscal Services Department Professional Fees | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|--|-------------------|-------------------|--|----------------------|---|---------------|
| Consultant Fees | | | | | | |
| Cashlog/Accounting System | \$ 20,000 | \$ - | \$ (20,000) | \$ 20,000 | \$ 20,000 | 100.0% |
| Subtotal | 20,000 | - | (20,000) | 20,000 | 20,000 | 100.0% |
| External Audit | | | | | | |
| External Audit | 122,000 | 122,000 | - | 121,000 | (1,000) | -0.8% |
| GASB 67 & 68 | 11,000 | 11,000 | - | 12,000 | 1,000 | 9.1% |
| GASB 74 & 75 | 12,000 | 12,000 | - | 12,000 | - | 0.0% |
| Subtotal | 145,000 | 145,000 | - | 145,000 | - | 0.0% |
| Fiscal Services Total | \$ 165,000 | \$ 145,000 | \$ (20,000) | \$ 165,000 | \$ 20,000 | 13.8% |

HUMAN RESOURCES DEPARTMENT

The Human Resource Department handles personnel issues, training programs and management consultation.

| Human Resources Department | | | 2024 Forecast | | | 2025 Approved | 2025 Approved | % Change |
|--|-------------------|-------------------|----------------------|----------------------|----------------------------|-------------------|---------------------------------------|--------------|
| | 2024 Budget | 2024 Forecast | Budget Over/ (Under) | 2025 Approved Budget | 2024 Forecast Over/(Under) | Budget | Budget vs. 2024 Forecast Over/(Under) | |
| STAFFING | | | | | | | | |
| Salaries | \$ 446,000 | \$ 450,000 | \$ 4,000 | \$ 476,000 | \$ 26,000 | \$ 476,000 | \$ 26,000 | 5.8% |
| Fringe Benefits | 239,000 | 229,000 | (10,000) | 244,000 | 15,000 | 244,000 | 15,000 | 6.6% |
| 5% adjustment for unexpected vacancies | (34,000) | (34,000) | - | (36,000) | (2,000) | (36,000) | (2,000) | 5.9% |
| Staffing Total | 651,000 | 645,000 | (6,000) | 684,000 | 39,000 | 684,000 | 39,000 | 6.0% |
| STAFF DEVELOPMENT | 16,000 | 16,000 | - | 16,000 | - | 16,000 | - | 0.0% |
| PROFESSIONAL FEES | 77,000 | 106,000 | 29,000 | 135,000 | 29,000 | 135,000 | 29,000 | 27.4% |
| OFFICE EXPENSE | | | | | | | | |
| Ergonomic Furniture & Equipment | 10,000 | 10,000 | - | 12,000 | 2,000 | 12,000 | 2,000 | 20.0% |
| Office Expense Total | 10,000 | 10,000 | - | 12,000 | 2,000 | 12,000 | 2,000 | 20.0% |
| SYSTEMS | | | | | | | | |
| Software Maintenance & Support | 12,000 | - | (12,000) | - | - | - | - | 0.0% |
| Systems Total | 12,000 | - | (12,000) | - | - | - | - | 0.0% |
| GRAND TOTAL | \$ 766,000 | \$ 777,000 | \$ 11,000 | \$ 847,000 | \$ 70,000 | \$ 847,000 | \$ 70,000 | 9.0% |

Human Resources Department - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|--|-----------------------|
| STAFFING | |
| • Increase in salaries from COLA and vacation sellbacks | \$ 26,000 |
| • Increase in 2025 fringe benefits from higher health and contributions cost | 15,000 |
| • 5% adjustment for unexpected staff vacancies | (2,000) |
| Subtotal | 39,000 |
| PROFESSIONAL FEES | |
| • Increase in contract fees | 29,000 |
| Subtotal | 29,000 |
| OFFICE EXPENSE | |
| • Increase in minor furniture & equipment costs | 2,000 |
| Subtotal | 2,000 |
| Total Over/(Under) | \$ 70,000 |

Human Resources Department - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|--|-----------------------|
| STAFFING | |
| • Increase in salaries from COLA, and vacation sellbacks | \$ 4,000 |
| • Decrease in fringe benefits | (10,000) |
| Subtotal | (6,000) |
| PROFESSIONAL FEES | |
| • Increase in consultant fees | 29,000 |
| Subtotal | 29,000 |
| SYSTEMS | |
| • Cancellation of software research project | (12,000) |
| Subtotal | (12,000) |
| Total Over/(Under) | \$ 11,000 |

| Human Resources Department Professional Fees | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/ (Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|---|------------------------|--------------------------|--|-------------------------------------|--|-----------------|
| Consultant Fees - Lakeside Group | \$ 77,000 | \$ 106,000 | \$ 29,000 | \$ 135,000 | \$ 29,000 | 27.4% |
| Human Resources Total | \$ 77,000 | \$ 106,000 | \$ 29,000 | \$ 135,000 | \$ 29,000 | 27.4% |

INTERNAL AUDIT DEPARTMENT

The Internal Audit Department prepares an annual internal audit plan, conducts internal operational audits and employer audits, and provides periodic reports to the Board of Retirement Audit Committee.

| Internal Audit Department | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/ (Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/ (Under) | % Change |
|--|-------------------|-------------------|---|----------------------|--|-------------|
| STAFFING | | | | | | |
| Salaries | \$ 507,000 | \$ 519,000 | \$ 12,000 | \$ 547,000 | \$ 28,000 | 5.4% |
| Fringe Benefits | 268,000 | 276,000 | 8,000 | 296,000 | 20,000 | 7.2% |
| 5% adjustment for unexpected vacancies | (39,000) | (39,000) | - | (42,000) | (3,000) | 7.7% |
| Staffing Total | 736,000 | 756,000 | 20,000 | 801,000 | 45,000 | 6.0% |
| STAFF DEVELOPMENT | 28,000 | 31,000 | 3,000 | 31,000 | - | 0.0% |
| SYSTEMS | 3,000 | 3,000 | - | 3,000 | - | 0.0% |
| GRAND TOTAL | \$ 767,000 | \$ 790,000 | \$ 23,000 | \$ 835,000 | \$ 45,000 | 5.7% |

| Internal Audit Department - Variance Narrative 2025 Approved Budget vs. 2024 Forecast | | Variance Over/(Under) |
|--|-----------------|-----------------------|
| STAFFING | | |
| • Increase in salaries from COLA and vacation sellbacks | \$ | 28,000 |
| • Increase in 2025 fringe benefits from higher health and contributions cost | | 20,000 |
| • 5% adjustment for unexpected staff vacancies | | (3,000) |
| | Subtotal | 45,000 |
| Total Over/(Under) \$ | | 45,000 |

| Internal Audit Department - Variance Narrative 2024 Forecast vs. 2024 Budget | | Variance Over/(Under) |
|---|-----------------|-----------------------|
| STAFFING | | |
| • Increase in salaries from COLA and vacation sellbacks | \$ | 12,000 |
| • Increase in fringe benefits from higher health and contributions cost | | 8,000 |
| | Subtotal | 20,000 |
| STAFF DEVELOPMENT | | |
| • Increase in conference and training expense | | 3,000 |
| | Subtotal | 3,000 |
| Total Over/(Under) \$ | | 23,000 |

INVESTMENT DEPARTMENT

The Investment Department oversees ACERA’s investment program, recommending and implementing Board of Retirement investment decisions.

| Investment Department | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|--|---------------------|----------------------|---|-----------------------------|--|-----------------|
| STAFFING | | | | | | |
| Salaries | \$ 1,501,000 | \$ 1,519,000 | \$ 18,000 | \$ 1,730,000 | \$ 211,000 | 13.9% |
| Fringe Benefits | 768,000 | 837,000 | 69,000 | 910,000 | 73,000 | 8.7% |
| 5% adjustment for unexpected vacancies | (114,000) | (114,000) | - | (133,000) | (19,000) | 16.7% |
| Staffing Total | 2,155,000 | 2,242,000 | 87,000 | 2,507,000 | 265,000 | 11.8% |
| STAFF DEVELOPMENT | 31,000 | 37,000 | 6,000 | 33,000 | (4,000) | -10.8% |
| GRAND TOTAL | \$ 2,186,000 | \$ 2,279,000 | \$ 93,000 | \$ 2,540,000 | \$ 261,000 | 11.5% |

| Investment Department - Variance Narrative | | Variance Over/(Under) |
|---|---------------------------|------------------------------|
| 2025 Approved Budget vs. 2024 Forecast | | |
| STAFFING | | |
| • Increase in salaries from 2024 filled staff positions, COLA, merit and step increases, and vacation sellbacks | | \$ 211,000 |
| • Increase in 2025 fringe benefits from higher health and contributions cost | | 73,000 |
| • 5% adjustment for unexpected staff vacancies | | (19,000) |
| | Subtotal | 265,000 |
| STAFF DEVELOPMENT | | |
| • Decrease in conference and training expense | | (4,000) |
| | Subtotal | (4,000) |
| | Total Over/(Under) | \$ 261,000 |

| Investment Department - Variance Narrative | | Variance Over/(Under) |
|---|---------------------------|------------------------------|
| 2024 Forecast vs. 2024 Budget | | |
| STAFFING | | |
| • Increase in salaries from COLA, merit increases, and vacation sellbacks | | \$ 18,000 |
| • Increase in fringe benefits from higher health and contributions cost | | 69,000 |
| | Subtotal | 87,000 |
| STAFF DEVELOPMENT | | |
| • Increase in conference and training expense | | 6,000 |
| | Subtotal | 6,000 |
| | Total Over/(Under) | \$ 93,000 |

LEGAL DEPARTMENT

The Legal Department provides legal advice and assistance to the ACERA Board of Retirement and staff.

| Legal Department | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|---|------------------|------------------|--|----------------------|---|--------------|
| STAFFING | | | | | | |
| Salaries | \$ 750,000 | \$ 820,000 | \$ 70,000 | \$ 857,000 | \$ 37,000 | 4.5% |
| Fringe Benefits | 347,000 | 349,000 | 2,000 | 376,000 | 27,000 | 7.7% |
| 5% adjustment for unexpected vacancies | (55,000) | (55,000) | - | (62,000) | (7,000) | 12.7% |
| Staffing Total | 1,042,000 | 1,114,000 | 72,000 | 1,171,000 | 57,000 | 5.1% |
| STAFF DEVELOPMENT | 47,000 | 44,000 | (3,000) | 44,000 | - | 0.0% |
| PROFESSIONAL FEES | 150,000 | 115,000 | (35,000) | 125,000 | 10,000 | 8.7% |
| DISABILITY-ARBITRATION & TRANSCRIPTS | 80,000 | 82,000 | 2,000 | 95,000 | 13,000 | 15.9% |
| GRAND TOTAL | 1,319,000 | 1,355,000 | 36,000 | 1,435,000 | 80,000 | 5.9% |

Legal Department - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|--|-----------------------|
| STAFFING | |
| • Increase in salaries from COLA and vacation sellbacks | \$ 37,000 |
| • Increase in 2025 fringe benefits from higher health and contributions cost | 27,000 |
| • 5% adjustment for unexpected staff vacancies | (7,000) |
| Subtotal | 57,000 |
| PROFESSIONAL FEES | |
| • Increase in legal consulting expenses | 10,000 |
| Subtotal | 10,000 |
| DISABILITY-LEGAL TRANSCRIPTS | |
| • Increase in disability legal arbitration and transcripts | 13,000 |
| Subtotal | 13,000 |
| Total Over/(Under) \$ | 80,000 |

**Legal Department - Variance Narrative
2024 Forecast vs. 2024 Budget**

Variance Over/(Under)

STAFFING

| | | |
|---|----|---------------|
| • Increase in salaries from COLA and vacation sellbacks | \$ | 70,000 |
| • Increase in fringe benefits from higher health and contributions cost | | 2,000 |
| Subtotal | | 72,000 |

STAFF DEVELOPMENT

| | | |
|---|--|----------------|
| • Decrease in conference and training expense | | (3,000) |
| Subtotal | | (3,000) |

PROFESSIONAL FEES

| | | |
|---|--|-----------------|
| • Decrease in legal consulting expenses | | (35,000) |
| Subtotal | | (35,000) |

DISABILITY-LEGAL TRANSCRIPTS

| | | |
|---|--|--------------|
| • Increase in legal arbitration and transcripts | | 2,000 |
| Subtotal | | 2,000 |

Total Over/(Under) \$ 36,000

| Legal Department Professional Fees | | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|------------------------------------|-----------|----------------|-------------------|--|----------------------|---|-------------|
| Fiduciary | \$ | 60,000 | \$ 55,000 | \$ (5,000) | \$ 50,000 | \$ (5,000) | -9.1% |
| Miscellaneous Legal Advice | | 65,000 | 41,000 | (24,000) | 50,000 | 9,000 | 22.0% |
| Tax and Benefit Issues | | 25,000 | 19,000 | (6,000) | 25,000 | 6,000 | 31.6% |
| Legal Total | \$ | 150,000 | \$ 115,000 | \$ (35,000) | \$ 125,000 | \$ 10,000 | 8.7% |

PRISM DEPARTMENT

The PRISM Department assesses and resolves operational problems in existing and new technology systems.

| PRISM Department | | | 2024 Forecast | | | 2025 Approved | | |
|--|---------------------|---------------------|-------------------------------------|----------------------------|--|---------------|--|--|
| | 2024 Budget | 2024 Forecast | vs. 2024 Budget Over/ (Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change | | |
| STAFFING | | | | | | | | |
| Salaries | \$ 1,219,000 | \$ 1,235,000 | \$ 16,000 | \$ 1,318,000 | \$ 83,000 | 6.7% | | |
| Fringe Benefits | 648,000 | 677,000 | 29,000 | 726,000 | 49,000 | 7.2% | | |
| 5% adjustment for unexpected vacancies | (93,000) | (93,000) | - | (102,000) | (9,000) | 9.7% | | |
| Staffing Total | 1,774,000 | 1,819,000 | 45,000 | 1,942,000 | 123,000 | 6.8% | | |
| STAFF DEVELOPMENT | 25,000 | 29,000 | 4,000 | 29,000 | - | 0.0% | | |
| PROFESSIONAL FEES | - | - | - | 15,000 | 15,000 | 100.0% | | |
| SYSTEMS | | | | | | | | |
| Business Continuity Expenses | 248,000 | 259,000 | 11,000 | 263,000 | 4,000 | 1.5% | | |
| Minor Computer Hardware | 42,000 | 42,000 | - | 36,000 | (6,000) | -14.3% | | |
| Software Maint. & Support | 698,000 | 953,000 | 255,000 | 740,000 | (213,000) | -22.4% | | |
| Systems Total | 988,000 | 1,254,000 | 266,000 | 1,039,000 | (215,000) | -17.1% | | |
| GRAND TOTAL | \$ 2,787,000 | \$ 3,102,000 | \$ 315,000 | \$ 3,025,000 | \$ (77,000) | -2.5% | | |

PRISM Department - Variance Narrative 2025 Approved Budget vs. 2024 Forecast

| | Variance Over/(Under) |
|---|--------------------------------|
| STAFFING | |
| <ul style="list-style-type: none"> Increase in salaries from COLA, merit increases, and vacation sellbacks Increase in 2025 fringe benefits from higher health and contributions cost 5% adjustment for unexpected staff vacancies | \$ 83,000 49,000 (9,000) |
| Subtotal | 123,000 |
| PROFESSIONAL FEES | |
| <ul style="list-style-type: none"> Increase in consultant fees from OnBase upgrade project | 15,000 |
| Subtotal | 15,000 |
| SYSTEMS | |
| <ul style="list-style-type: none"> Increase in business continuity expenses Decrease in minor computer hardware costs Reduction in software cost for PensionGold version 3 | 4,000 (6,000) (213,000) |
| Subtotal | (215,000) |
| Total Over/(Under) | \$ (77,000) |

**PRISM Department - Variance Narrative
2024 Forecast vs. 2024 Budget**

Variance Over/(Under)

STAFFING

| | | |
|---|-----------------|---------------|
| • Increase in salaries from COLA, merit increases, and vacation sellbacks | \$ | 16,000 |
| • Increase in fringe benefits from higher health and contributions cost | | 29,000 |
| | Subtotal | 45,000 |

STAFF DEVELOPMENT

| | | |
|---|-----------------|--------------|
| • Increase in conference and training expense | | 4,000 |
| | Subtotal | 4,000 |

SYSTEMS

| | | |
|---|-----------------|----------------|
| • Increase in business continuity expenses | | 11,000 |
| • Increase in software licenses & maintenance | | 255,000 |
| | Subtotal | 266,000 |

Total Over/(Under) \$ 315,000

| PRISM Department Professional Fees | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/ (Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|---|------------------------|--------------------------|--|-------------------------------------|--|-----------------|
| OnBase Upgrade | \$ - | \$ - | \$ - | 15,000 | \$ 15,000 | 100.0% |
| PRISM Total | \$ - | \$ - | \$ - | 15,000 | \$ 15,000 | 100.0% |

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Section V

Enterprise-wide Projects

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Section V

Enterprise-wide Projects

| PROJECTS | 2024 Budget | | 2024 Forecast | | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|--------------------|-------------|---------------|---------------|---------------|--|----------------------|---|----------------|
| | | | | | | | | |
| Systems | \$ | 40,000 | \$ | 10,000 | \$ (30,000) | \$ - | (10,000) | -100.0% |
| GRAND TOTAL | \$ | 40,000 | \$ | 10,000 | \$ (30,000) | \$ - | (10,000) | -100.0% |

| Projects System | 2024 Budget | | 2024 Forecast | | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|--------------------|-------------|---------------|---------------|---------------|--|----------------------|---|----------------|
| | | | | | | | | |
| Intranet | \$ | 40,000 | \$ | 10,000 | \$ (30,000) | \$ - | (10,000) | -100.0% |
| GRAND TOTAL | \$ | 40,000 | \$ | 10,000 | \$ (30,000) | \$ - | (10,000) | -100.0% |

PROJECT - Variance Narrative 2025 Approved vs. 2024 Forecast

| | Variance Over/(Under) |
|-----------------------------|-----------------------|
| SYSTEMS | |
| • Project completed in 2024 | \$ (10,000) |
| Subtotal | (10,000) |
| Total Over/(Under) | \$ (10,000) |

PROJECT - Variance Narrative 2024 Forecast vs. 2024 Budget

| | Variance Over/(Under) |
|--|-----------------------|
| SYSTEMS | |
| • Reduction in intranet project expenses | \$ (30,000) |
| Subtotal | (30,000) |
| Total Over/(Under) | \$ (30,000) |

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Section VI

Administrative Budget

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Section VI :

Administrative Budget

The Administrative Budget incorporates the limits of Section 31580.2 of the County Employees Act of 1937; whereby administrative expenses are “capped” at 0.21% of actuarially accrued liabilities. Pursuant to the relevant code sections, certain costs are excluded from the expense cap. Excluded costs include those associated with actuarial fees, business continuity planning (BCP), investments, legal, SRBR, and technology. Excludable expenses also include a pro rata portion of overhead expense attributable to excludable activities. The administrative cap is base on the actuarial accrued liabilities of \$13,095 million. In 2025, the administrative budget of \$14.7 million is \$12.8 million under the administrative cap of \$27.5 million. Approximately \$10.6 million was excluded from the annual operating expense budget of \$25.3 million.

| ADMINISTRATIVE EXPENSES BUDGET ALLOCATION | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/ (Under) |
|--|----------------------|----------------------|---|---------------------------------|---|
| STAFFING | \$ 11,359,000 | \$ 11,467,000 | \$ 108,000 | \$ 12,468,000 | \$ 1,001,000 |
| STAFF DEVELOPMENT | 210,000 | 165,000 | (45,000) | 163,000 | (2,000) |
| PROFESSIONAL FEES | | | | | |
| Consultant Fees - Operations | 75,000 | 81,000 | 6,000 | 130,000 | 49,000 |
| External Audit | 109,000 | 109,000 | - | 109,000 | - |
| Professional Fees Total | 184,000 | 190,000 | 6,000 | 239,000 | 49,000 |
| OFFICE EXPENSE | | | | | |
| Bank Charges & Miscellaneous Admin. | 65,000 | 62,000 | (3,000) | 59,000 | (3,000) |
| Building Expenses | 29,000 | 25,000 | (4,000) | 44,000 | 19,000 |
| Communications | 90,000 | 90,000 | - | 40,000 | (50,000) |
| Equipment Lease/Maintenance | 106,000 | 84,000 | (22,000) | 81,000 | (3,000) |
| Minor Furniture and Equipment | 10,000 | 10,000 | - | 18,000 | 8,000 |
| Office Supplies and Maint. | 42,000 | 42,000 | - | 44,000 | 2,000 |
| Printing & Postage | 18,000 | 14,000 | (4,000) | 16,000 | 2,000 |
| Office Expense Total | 360,000 | 327,000 | (33,000) | 302,000 | (25,000) |
| INSURANCE | 491,000 | 486,000 | (5,000) | 501,000 | 15,000 |
| MEMBER SERVICES | | | | | |
| Benefit Verification | 6,000 | 7,000 | 1,000 | 7,000 | - |
| Disability Claims Management | 47,000 | 46,000 | (1,000) | 46,000 | - |
| Disability Medical Expense | 180,000 | 346,000 | 166,000 | 342,000 | (4,000) |
| Member Training & Education | 16,000 | 14,000 | (2,000) | 16,000 | 2,000 |
| Printing & Postage - Members | 72,000 | 71,000 | (1,000) | 86,000 | 15,000 |
| Virtual Call Center | 66,000 | 66,000 | - | 66,000 | - |
| Member Services Total | 387,000 | 550,000 | 163,000 | 563,000 | 13,000 |
| DEPRECIATION | 81,000 | 80,000 | (1,000) | 76,000 | (4,000) |
| BOARD OF RETIREMENT | | | | | |
| Board Training & Miscellaneous Activities | 283,000 | 260,000 | (23,000) | 283,000 | 23,000 |
| UNCOLLECTIBLE BENEFIT PAYMENTS | 78,000 | 87,000 | 9,000 | 78,000 | (9,000) |
| GRAND TOTAL | \$ 13,433,000 | \$ 13,612,000 | \$ 179,000 | \$ 14,673,000 | \$ 1,061,000 |

Section VI: Administrative Budget

(TOC p.# III)

| BCP EXPENSES BUDGET ALLOCATION | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/ (Under) |
|---|--------------------|----------------------|---|---------------------------------|---|
| STAFFING | \$ 382,000 | \$ 389,000 | \$ 7,000 | \$ 410,000 | \$ 21,000 |
| STAFF DEVELOPMENT | 6,000 | 5,000 | (1,000) | 5,000 | - |
| PROFESSIONAL FEES | | | | | |
| Consultant Fees - Operations | 2,000 | 2,000 | - | 4,000 | 2,000 |
| OFFICE EXPENSE | | | | | |
| Bank Charges & Miscellaneous Admin. | 2,000 | 2,000 | - | 2,000 | - |
| Building Expenses | 1,000 | 1,000 | - | 1,000 | - |
| Communications | 2,000 | 3,000 | 1,000 | 1,000 | (2,000) |
| Equipment Lease/Maintenance | 3,000 | 3,000 | - | 2,000 | (1,000) |
| Minor Furniture and Equipment | - | - | - | 1,000 | 1,000 |
| Office Supplies and Maint. | 1,000 | 1,000 | - | 1,000 | - |
| Printing & Postage | - | - | - | - | - |
| Office Expense Total | 9,000 | 10,000 | 1,000 | 8,000 | (2,000) |
| INSURANCE | 14,000 | 14,000 | - | 14,000 | - |
| SYSTEMS | | | | | |
| Disaster Recovery & Business Continuity | 248,000 | 259,000 | 11,000 | 263,000 | 4,000 |
| DEPRECIATION | | | | | |
| Depreciation Expense - Other | 2,000 | 3,000 | 1,000 | 2,000 | (1,000) |
| Depreciation Total | 2,000 | 3,000 | 1,000 | 2,000 | (1,000) |
| GRAND TOTAL | \$ 663,000 | \$ 682,000 | \$ 19,000 | \$ 706,000 | \$ 24,000 |

| INVESTMENT EXPENSES BUDGET ALLOCATION | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/ (Under) |
|--|---------------------|----------------------|---|---------------------------------|---|
| STAFFING | | | | | |
| Staffing - Direct | \$ 2,101,000 | \$ 2,186,000 | \$ 85,000 | \$ 2,445,000 | \$ 259,000 |
| Staffing - Indirect | 885,000 | 921,000 | 36,000 | 936,000 | 15,000 |
| Staffing Total | 2,986,000 | 3,107,000 | 121,000 | 3,381,000 | 274,000 |
| STAFF DEVELOPMENT | 79,000 | 75,000 | (4,000) | 71,000 | (4,000) |
| PROFESSIONAL FEES | | | | | |
| Consultant Fees - Operations | 17,000 | 19,000 | 2,000 | 30,000 | 11,000 |
| External Audit | 36,000 | 36,000 | - | 36,000 | - |
| Professional Fees Total | 53,000 | 55,000 | 2,000 | 66,000 | 11,000 |
| OFFICE EXPENSE | | | | | |
| Bank Charges & Miscellaneous Admin. | 15,000 | 14,000 | (1,000) | 14,000 | - |
| Building Expenses | 7,000 | 5,000 | (2,000) | 11,000 | 6,000 |
| Communications | 21,000 | 20,000 | (1,000) | 10,000 | (10,000) |
| Equipment Lease & Maintenance | 24,000 | 19,000 | (5,000) | 19,000 | - |
| Minor Furniture and Equipment | 2,000 | 2,000 | - | 4,000 | 2,000 |
| Office Supplies & Maintenance | 9,000 | 9,000 | - | 10,000 | 1,000 |
| Printing & Postage | 4,000 | 3,000 | (1,000) | 4,000 | 1,000 |
| Office Expense Total | 82,000 | 72,000 | (10,000) | 72,000 | - |
| INSURANCE | 112,000 | 111,000 | (1,000) | 118,000 | 7,000 |
| DEPRECIATION | | | | | |
| Depreciation Expense - Other | 19,000 | 18,000 | (1,000) | 18,000 | - |
| Depreciation Total | 19,000 | 18,000 | (1,000) | 18,000 | - |
| BOARD OF RETIREMENT | | | | | |
| Board Training & Miscellaneous Activities | 177,000 | 163,000 | (14,000) | 177,000 | 14,000 |
| GRAND TOTAL | \$ 3,508,000 | \$ 3,601,000 | \$ 93,000 | \$ 3,903,000 | \$ 302,000 |

| LEGAL EXPENSES BUDGET ALLOCATION | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/ (Under) |
|--|--------------------|----------------------|---|---------------------------------|---|
| STAFFING | \$ 547,000 | \$ 584,000 | \$ 37,000 | \$ 633,000 | \$ 49,000 |
| STAFF DEVELOPMENT | 56,000 | 51,000 | (5,000) | 51,000 | - |
| PROFESSIONAL FEES | | | | | |
| Consultant Fees - Operations | 3,000 | 4,000 | 1,000 | 6,000 | 2,000 |
| Consultant Fees - Legal | 150,000 | 115,000 | (35,000) | 125,000 | 10,000 |
| Professional Fees Total | 153,000 | 119,000 | (34,000) | 131,000 | 12,000 |
| OFFICE EXPENSE | | | | | |
| Bank Charges & Miscellaneous Admin. | 3,000 | 3,000 | - | 2,000 | (1,000) |
| Building Expenses | 1,000 | 1,000 | - | 2,000 | 1,000 |
| Communications | 4,000 | 4,000 | - | 2,000 | (2,000) |
| Equipment Lease & Maintenance | 5,000 | 3,000 | (2,000) | 4,000 | 1,000 |
| Minor Furniture and Equipment | 1,000 | 1,000 | - | 1,000 | - |
| Office Supplies & Maintenance | 2,000 | 2,000 | - | 2,000 | - |
| Printing & Postage | 1,000 | 1,000 | - | 1,000 | - |
| Office Expense Total | 17,000 | 15,000 | (2,000) | 14,000 | (1,000) |
| INSURANCE | 20,000 | 20,000 | - | 22,000 | 2,000 |
| MEMBER SERVICES | | | | | |
| Disability - Legal Arbitration & Transcripts | 80,000 | 82,000 | 2,000 | 95,000 | 13,000 |
| DEPRECIATION | 3,000 | 3,000 | - | 3,000 | - |
| BOARD OF RETIREMENT | | | | | |
| Board Training & Miscellaneous Activities | 71,000 | 66,000 | (5,000) | 71,000 | 5,000 |
| GRAND TOTAL | \$ 947,000 | \$ 940,000 | \$ (7,000) | \$ 1,020,000 | \$ 80,000 |

| SRBR EXPENSES BUDGET ALLOCATION | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/ (Under) |
|--|---------------------|----------------------|---|---------------------------------|---|
| STAFFING | \$ 1,758,000 | \$ 1,773,000 | \$ 15,000 | \$ 1,902,000 | \$ 129,000 |
| PROFESSIONAL FEES | | | | | |
| Actuarial - SRBR Valuation | 45,000 | 45,000 | - | 46,000 | 1,000 |
| Consultant Fees - SRBR | 259,000 | 259,000 | - | 313,000 | 54,000 |
| Professional Fees Total | 304,000 | 304,000 | - | 359,000 | 55,000 |
| MEMBER SERVICES | | | | | |
| Health Reimbursement Account (HRA) | 70,000 | 71,000 | 1,000 | 95,000 | 24,000 |
| Printing & Postage - Members | 71,000 | 71,000 | - | 85,000 | 14,000 |
| Member Services Total | 141,000 | 142,000 | 1,000 | 180,000 | 38,000 |
| BOARD OF RETIREMENT | | | | | |
| Board Training & Miscellaneous Activities | 176,000 | 163,000 | (13,000) | 176,000 | 13,000 |
| GRAND TOTAL | \$ 2,379,000 | \$ 2,382,000 | \$ 3,000 | \$ 2,617,000 | \$ 235,000 |

| TECHNOLOGY EXPENSES BUDGET ALLOCATION | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/ (Under) |
|--|---------------------|----------------------|---|---------------------------------|---|
| SYSTEMS | | | | | |
| Computer Hardware & Maintenance | \$ 42,000 | \$ 42,000 | \$ - | \$ 36,000 | \$ (6,000) |
| County Data Processing | 139,000 | 138,000 | (1,000) | 139,000 | 1,000 |
| Software Maintenance & Support | 859,000 | 1,038,000 | 179,000 | 843,000 | (195,000) |
| Systems Total | 1,040,000 | 1,218,000 | 178,000 | 1,018,000 | (200,000) |
| DEPRECIATION | 7,000 | 10,000 | 3,000 | 935,000 | 925,000 |
| GRAND TOTAL | \$ 1,047,000 | \$ 1,228,000 | \$ 181,000 | \$ 1,953,000 | \$ 725,000 |

Section VI: Administrative Budget

(TOC p.# III)

| Administrative Expense Budget Overview ¹ (\$ in thousands) | 2025 Approved Budget | 2025 Actuarial Budget | 2025 Business Continuity Budget | 2025 Investment Budget | 2025 Legal Budget | 2025 SRBR Budget | 2025 Technology Budget | 2025 Administrative Budget |
|--|-----------------------------|------------------------------|--|-------------------------------|--------------------------|-------------------------|-------------------------------|-----------------------------------|
| STAFFING | \$ 18,794 | \$ - | \$ (410) | \$ (3,381) | \$ (633) | \$ (1,902) | \$ - | \$ 12,468 |
| STAFF DEVELOPMENT | 290 | - | (5) | (71) | (51) | - | - | 163 |
| PROFESSIONAL FEES | | | | | | | | |
| Actuarial Fees | 496 | (450) | - | - | - | (46) | - | - |
| Audit Fees | 145 | - | - | (36) | - | - | - | 109 |
| Consultant Fees | 483 | - | (4) | (30) | (6) | (313) | - | 130 |
| Legal Fees | 125 | - | - | - | (125) | - | - | - |
| Professional Fees Total | 1,249 | (450) | (4) | (66) | (131) | (359) | - | 239 |
| OFFICE EXPENSE | | | | | | | | |
| Bank Charges & Miscellaneous Admin | 77 | - | (2) | (14) | (2) | - | - | 59 |
| Building Expenses | 58 | - | (1) | (11) | (2) | - | - | 44 |
| Communications | 53 | - | (1) | (10) | (2) | - | - | 40 |
| Equipment Lease & Maint. | 106 | - | (2) | (19) | (4) | - | - | 81 |
| Minor Furniture & Equipment | 24 | - | (1) | (4) | (1) | - | - | 18 |
| Office Supplies & Maintenance | 57 | - | (1) | (10) | (2) | - | - | 44 |
| Printing & Postage | 21 | - | - | (4) | (1) | - | - | 16 |
| Office Expense Total | 396 | - | (8) | (72) | (14) | - | - | 302 |
| INSURANCE | 655 | - | (14) | (118) | (22) | - | - | 501 |
| MEMBER SERVICES | | | | | | | | |
| Benefit Verification | 7 | - | - | - | - | - | - | 7 |
| Disability - Legal Arbitration & Transcripts | 95 | - | - | - | (95) | - | - | - |
| Disability Claimed Management | 46 | - | - | - | - | - | - | 46 |
| Disability Medical Expense | 342 | - | - | - | - | - | - | 342 |
| Health Reimbursement Account (HRA) | 95 | - | - | - | - | (95) | - | - |
| Member Training & Education | 16 | - | - | - | - | - | - | 16 |
| Printing & Postage - Members | 171 | - | - | - | - | (85) | - | 86 |
| Virtual Call Center | 66 | - | - | - | - | - | - | 66 |
| Member Services Total | 838 | - | - | - | (95) | (180) | - | 563 |
| SYSTEMS | | | | | | | | |
| Business Continuity Expenses | 263 | - | (263) | - | - | - | - | - |
| County Data Processing | 139 | - | - | - | - | - | (139) | - |
| Computer Hardware & Maintenance | 36 | - | - | - | - | - | (36) | - |
| Software Maintenance & Support | 843 | - | - | - | - | - | (843) | - |
| Systems Total | 1,281 | - | (263) | - | - | - | (1,018) | - |
| BOARD OF RETIREMENT | 707 | - | - | (177) | (71) | (176) | - | 283 |
| UNCOLLECTIBLE BENEFIT PAYMENTS | 78 | - | - | - | - | - | - | 78 |
| DEPRECIATION | 1,034 | - | (2) | (18) | (3) | - | (935) | 76 |
| TOTAL OPERATING EXPENSE | \$ 25,322 | \$ (450) | \$ (706) | \$ (3,903) | \$ (1,020) | \$ (2,617) | \$ (1,953) | \$ 14,673 |

¹ All ACERA budget schedules with dollar amounts are rounded to the nearest thousand dollars. This may result in some rounding differences.

OPERATING AND ADMINISTRATIVE EXPENSES

| Operating Expenses (\$ in Thousands) | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/ (Under) |
|---|------------------|------------------|--|-------------------------|---|
| EXPENSE CATEGORY | | | | | |
| Staffing | \$ 17,032 | \$ 17,320 | \$ 288 | \$ 18,794 | \$ 1,474 |
| Staff Development | 351 | 296 | (55) | 290 | (6) |
| Professional Fees | 1,141 | 1,079 | (62) | 1,249 | 170 |
| Office Expense | 468 | 424 | (44) | 396 | (28) |
| Insurance | 637 | 631 | (6) | 655 | 24 |
| Member Services | 608 | 774 | 166 | 838 | 64 |
| Systems | 1,288 | 1,477 | 189 | 1,281 | (196) |
| Board of Retirement | 707 | 652 | (55) | 707 | 55 |
| Uncollectible Benefit Payments | 78 | 87 | 9 | 78 | (9) |
| Depreciation | 112 | 114 | 2 | 1,034 | 920 |
| Operating Expenses | \$ 22,422 | \$ 22,854 | \$ 432 | \$ 25,322 | \$ 2,468 |

| Administrative Expenses (\$ in Thousands) | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/ (Under) |
|--|------------------|------------------|--|-------------------------|---|
| EXCLUSIONS FROM OPERATING EXPENSE TO CALCULATE ADMINISTRATIVE EXPENSE | | | | | |
| Operating Expense (from above) | \$ 22,422 | \$ 22,854 | \$ 432 | \$ 25,322 | \$ 2,468 |
| Actuarial | (445) | (409) | 36 | (450) | (41) |
| Business Continuity ¹ | (663) | (682) | (19) | (706) | (24) |
| Investment- Related ² | (3,508) | (3,601) | (93) | (3,903) | (302) |
| Legal- Related ³ | (947) | (940) | 7 | (1,020) | (80) |
| SRBR ⁴ | (2,379) | (2,382) | (3) | (2,617) | (235) |
| Technology ⁵ | (1,047) | (1,228) | (181) | (1,953) | (725) |
| Administrative Expense | \$ 13,433 | \$ 13,612 | \$ 179 | \$ 14,673 | \$ 1,061 |

¹ Business Continuity – 2025 related costs include total direct costs (\$263K) for software support; 2.2% is added for both allocated staffing and other overhead expenses (\$443K).

² Investment – 2025 related expenses are composed of direct costs of Investment staff (\$2,445K), allocated staffing costs (\$936K), 25% of Board expenses (\$177K), 25% of audit expenses (\$36K) and 18.0% of other overhead costs (\$309K).

³ Legal – 2025 related expenses include direct costs of Staffing (\$633K), Professional Legal fees (\$125K), Disability Arbitration Expenses (\$95K), 10% of Board expenses (\$71K), and 3.4% of other overhead costs (\$96K).

⁴ SRBR – 2025 related expenses are composed of allocated staffing costs (\$1,902K), direct costs of Professional Fees (\$359K), Member Services (\$180K), and 25% of Board expenses (\$176K).

⁵ Technology – 2025 related expenses include computer hardware, computer software, computer depreciation, and computer technology consulting services in support of these computer products.

| Comparison of Administrative Expense to Limits (Section 31580.2) (\$ in thousands) | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/ (Under) |
|--|--------------------|--------------------|--|-------------------------|---|
| Total Actuarial Accrued Liabilities ⁶ | \$ 12,741,870 | \$ 12,741,870 | \$ - | \$ 13,095,428 | \$ 353,558 |
| Limit on Expense | 0.21% | 0.21% | - | 0.21% | - |
| Maximum Allowed | 26,758 | 26,758 | - | 27,500 | 742 |
| Administrative Expense | 13,433 | 13,612 | 179 | 14,673 | 1,061 |
| Over/(Under) Maximum | \$ (13,325) | \$ (13,146) | \$ 179 | \$ (12,827) | \$ 319 |

⁶ Based on total actuarial accrued liabilities for pension as of December 31, 2023; OPEB and non-OPEB as of December 31, 2022 for 2025 Budget.

2025 DEPARTMENT WEIGHTED AVERAGE

| 2025 Allocation Percentages | | | | | | | | |
|-------------------------------|-----------------|-----------------|-------------|-------------|--------------|-------------|----------------|--------|
| Expense Category | Department | Investment | Legal | BCP | SRBR | Technology | Administrative | |
| STAFFING | Administration | 8.7% | 0.0% | 2.9% | 0.0% | 0.0% | 88.4% | |
| | Benefits | 0.3% | 0.0% | 0.4% | 22.3% | 0.0% | 77.0% | |
| | SALARIES | Fiscal Services | 8.8% | 0.0% | 0.6% | 8.7% | 0.0% | 81.9% |
| | FRINGE BENEFITS | Human Resources | 0.0% | 0.0% | 1.5% | 0.0% | 0.0% | 98.5% |
| | TEMPS | Internal Audit | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| | | Investments | 97.5% | 0.0% | 2.5% | 0.0% | 0.0% | 0.0% |
| | | Legal | 45.9% | 54.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| | | PRISM | 1.0% | 0.0% | 12.3% | 0.0% | 0.0% | 86.7% |
| Total Staffing Factors | | 18.0% | 3.4% | 2.2% | 10.1% | 0.0% | 66.3% | |

2024 DEPARTMENT WEIGHTED AVERAGE

| 2024 Allocation Percentages | | | | | | | | |
|-------------------------------|-----------------|-----------------|-------------|-------------|--------------|-------------|----------------|--------|
| Expense Category | Department | Investment | Legal | BCP | SRBR | Technology | Administrative | |
| STAFFING | Administration | 9.9% | 0.0% | 3.3% | 0.0% | 0.0% | 86.8% | |
| | Benefits | 0.3% | 0.0% | 0.4% | 22.0% | 0.0% | 77.3% | |
| | SALARIES | Fiscal Services | 10.0% | 0.0% | 0.6% | 8.6% | 0.0% | 80.8% |
| | FRINGE BENEFITS | Human Resources | 0.0% | 0.0% | 1.5% | 0.0% | 0.0% | 98.5% |
| | TEMPS | Internal Audit | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| | | Investments | 97.5% | 0.0% | 2.5% | 0.0% | 0.0% | 0.0% |
| | | Legal | 47.5% | 52.5% | 0.0% | 0.0% | 0.0% | 0.0% |
| | | PRISM | 1.0% | 0.0% | 13.0% | 0.0% | 0.0% | 86.0% |
| Total Staffing Factors | | 17.5% | 3.2% | 2.3% | 10.3% | 0.0% | 66.7% | |

APPLIED FACTORS

| 2025 Applied Allocation Factors | | | | | | | |
|---------------------------------------|---|------------|--------|--------|--------|------------|----------------|
| Expense Category | Expense Line | Investment | Legal | BCP | SRBR | Technology | Administrative |
| STAFF DEVELOPMENT | Staff Development | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| PROFESSIONAL FEES | Actuarial - SRBR | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| | External Audit | 25.0% | 0.0% | 0.0% | 0.0% | 0.0% | 75.0% |
| | Legal | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Operations Consulting | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| | Operations Consulting - SRBR | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| OFFICE EXPENSE | Bank Charges & Miscellaneous Admin. | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| | Building Expenses | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| | Communications | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| | Equipment Lease & Maintenance | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| | Minor Furniture & Equipment | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| | Office Maintenance & Supplies | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| | Printing & Postage | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| INSURANCE | Insurance | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| MEMBER SERVICES | Benefit Verification | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| | Disability Arbitration and Transcripts | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Disability Medical Expense | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| | Health Reimbursement Account (HRA) | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| | Member Training & Education | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| | Printing & Postage - Members | 0.0% | 0.0% | 0.0% | 50.0% | 0.0% | 50.0% |
| | Virtual Call Center | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| SYSTEMS | Computer Hardware & Software | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |
| | County Data Processing | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |
| | Disaster Recovery | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% |
| | Software Maintenance & Support | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |
| UNCOLLECTIBLE BENEFIT PAYMENTS | Uncollectible Benefit Payments | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| BOARD OF RETIREMENT | Compensation | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| | Conferences & Training | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| | Election Expenses | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| | Employer Reimbursement | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| | Miscellaneous Activities | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| | Strategic Planning / Workshop | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| DEPRECIATION | Depreciation - Other | 18.0% | 3.4% | 2.2% | 0.0% | 0.0% | 76.4% |
| | Depreciation - BCP | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% |
| | Depreciation - Hardware & Software and EDMS | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |

Section VI: Administrative Budget

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| 2024 Applied Allocation Factors | | | | | | | |
|---------------------------------|---|------------|--------|--------|--------|------------|----------------|
| Expense Category | Expense Line | Investment | Legal | BCP | SRBR | Technology | Administrative |
| STAFF DEVELOPMENT | Staff Development | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| PROFESSIONAL FEES | Actuarial - SRBR | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| | External Audit | 25.0% | 0.0% | 0.0% | 0.0% | 0.0% | 75.0% |
| | Legal | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Operations Consulting | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| | Operations Consulting - SRBR | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| OFFICE EXPENSE | Bank Charges & Miscellaneous Admin. | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| | Building Expenses | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| | Communications | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| | Equipment Lease & Maintenance | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| | Minor Furniture & Equipment | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| | Office Maintenance & Supplies | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| | Printing & Postage | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| INSURANCE | Insurance | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| MEMBER SERVICES | Benefit Verification | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| | Disability Arbitration and Transcripts | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Disability Member Medical Expense | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| | Health Reimbursement Account (HRA) | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| | Member Training & Education | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| | Printing & Postage - Members | 0.0% | 0.0% | 0.0% | 50.0% | 0.0% | 50.0% |
| | Virtual Call Center | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| SYSTEMS | Computer Hardware & Software | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |
| | County Data Processing | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |
| | Disaster Recovery | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% |
| | Software Maintenance & Support | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |
| UNCOLLECTIBLE BENEFIT PAYMENTS | Uncollectible Benefit Payments | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| BOARD OF RETIREMENT | Compensation | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| | Conferences & Training | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| | Election Expenses | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| | Employer Reimbursement | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| | Miscellaneous Activities | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| | Strategic Planning / Workshop | 25.0% | 10.0% | 0.0% | 25.0% | 0.0% | 40.0% |
| DEPRECIATION | Depreciation - Other | 17.5% | 3.2% | 2.3% | 0.0% | 0.0% | 77.0% |
| | Depreciation - BCP | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% |
| | Depreciation - Hardware & Software and EDMS | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |

2025 Approved Staffing Allocation Matrix

| | INVESTMENTS | LEGAL | BCP | SRBR | ADMIN |
|--|-------------|-------|-----|------|-------|
| ADMINISTRATION | | | | | |
| CEO | 20% | - | 2% | - | 78% |
| Assistant CEO - Operations | 10% | - | 10% | - | 80% |
| BENEFITS | | | | | |
| Assistant CEO | 3% | - | 1% | 50% | 46% |
| Administrative Specialist II | - | - | 2% | - | 98% |
| Administrative Support Specialist | - | - | - | 50% | 50% |
| Communications Manager | 5% | - | - | 50% | 45% |
| Graphic Designer | - | - | - | 50% | 50% |
| Management Analyst | - | - | - | 50% | 50% |
| Retirement Benefits Assistant Manager | - | - | 2% | 50% | 48% |
| Retirement Benefits Assistant Manager | - | - | 2% | - | 98% |
| Retirement Benefits Manager | - | - | 2% | - | 98% |
| Retirement Benefits Manager | - | - | 2% | 70% | 28% |
| Retirement Benefits Specialist | - | - | - | 70% | 30% |
| Retirement Technician | - | - | - | 60% | 40% |
| Senior Retirement Technician | - | - | - | 60% | 40% |
| Senior Retirement Technician | - | - | - | 60% | 40% |
| Senior Retirement Technician | - | - | - | 60% | 40% |
| Senior Retirement Technician | - | - | - | 60% | 40% |
| Senior Retirement Technician | - | - | - | 60% | 40% |
| Senior Retirement Technician | - | - | - | 60% | 40% |
| FISCAL SERVICES | | | | | |
| Fiscal Services Officer | 5% | - | 1% | - | 94% |
| Finance Services Specialist II | - | - | - | 70% | 30% |
| Retirement Accountant II | 90% | - | - | - | 10% |
| Retirement Accountant III | - | - | 2% | 25% | 73% |
| Retirement Accountant III | 25% | - | 1% | - | 74% |
| Retirement Budget Analyst | - | - | 2% | - | 98% |
| HUMAN RESOURCES | | | | | |
| Human Resources Officer | - | - | 2% | - | 98% |
| Administrative Specialist II | - | - | 1% | - | 99% |
| Human Resources Specialist | - | - | 1% | - | 99% |
| INVESTMENTS | | | | | |
| Chief Investment Officer | 99% | - | 1% | - | - |
| Administrative Specialist II | 98% | - | 2% | - | - |
| Investment Operations Officer | 95% | - | 5% | - | - |
| Investment Officer | 99% | - | 1% | - | - |
| Senior Investment Officer | 99% | - | 1% | - | - |
| All Other Investment Staff | 95% | - | 5% | - | - |
| LEGAL | | | | | |
| Chief Counsel | 15% | 85% | - | - | - |
| Administrative Specialist II | 50% | 50% | - | - | - |
| Administrative Support Specialist | 15% | 85% | - | - | - |
| Associate Counsel | 95% | 5% | - | - | - |
| PRISM | | | | | |
| Retirement Tech Officer | - | - | 10% | - | 90% |
| Computer Network System Analyst | 5% | - | 20% | - | 75% |
| Computer and Network System Specialist | 1% | - | 10% | - | 89% |
| Computer and Network System Specialist | 2% | - | 15% | - | 83% |
| Security Analyst | - | - | 30% | - | 70% |
| All Other PRISM Staff | - | - | 5% | - | 95% |

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Section VII

Capital Assets Outlay Budget

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Section VII :

Capital Assets Outlay Budget

The Capital Assets Outlay Budget develops anticipated funding needs for items or projects that exceed a purchase cost of \$10,000.

Capital Assets Outlay 2024 - 2025

| Statement of Capital Assets Outlay - 2024 Forecast and 2025 Approved Budget | | | | | | | |
|---|---------------------|---------------------|--|----------------------|---|---------------|--|
| | 2024 Budget | 2024 Forecast | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change | |
| System | | | | | | | |
| Pension Gold System Upgrade | \$ 3,314,000 | \$ 3,491,000 | \$ 177,000 | \$ 980,000 | \$ (2,511,000) | -71.9% | |
| Post PAS Implementation Project | - | - | - | 495,000 | 495,000 | 100.0% | |
| Subtotal | 3,314,000 | 3,491,000 | 177,000 | 1,475,000 | (2,016,000) | -57.7% | |
| Capital Assets Outlay Total | \$ 3,314,000 | \$ 3,491,000 | \$ 177,000 | \$ 1,475,000 | \$ (2,016,000) | -57.7% | |

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Section VIII

Portfolio Management Investment Expenses

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Section VIII:

Portfolio Management Investment Expenses

Portfolio Management Investment Expenses include the cost of independent professionals whose contractual fees are negotiated based on the value of assets under management. Known contractual fees are listed and a 5% annual increase is assumed for all other terms.

| Portfolio Management Investment Expenses | 2024 Forecast | | 2024 Forecast vs. 2024 Budget Over/(Under) | 2025 Approved Budget | | 2025 Approved Budget vs. 2024 Forecast Over/(Under) | % Change |
|---|----------------------|----------------------|--|----------------------|----------------------|---|-------------|
| | 2024 Budget | 2024 Forecast | | 2025 Approved Budget | 2025 Approved Budget | | |
| Consultant Fees | \$ 1,620,000 | \$ 1,573,000 | \$ (47,000) | \$ 1,770,000 | \$ 1,770,000 | \$ 197,000 | 12.5% |
| Custodian Bank Fees | 645,000 | 616,000 | (29,000) | 648,000 | 648,000 | 32,000 | 5.2% |
| Investment Manager Fees | 54,977,000 | 64,225,000 | 9,248,000 | 67,525,000 | 67,525,000 | 3,300,000 | 5.1% |
| Other Investment Expenses | 633,000 | 470,000 | (163,000) | 651,000 | 651,000 | 181,000 | 38.5% |
| Total Portfolio Management Investment Expenses | \$ 57,875,000 | \$ 66,884,000 | \$ 9,009,000 | \$ 70,594,000 | \$ 70,594,000 | \$ 3,710,000 | 5.5% |

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Appendix

2025 Budget Change Proposals (BCP)

2025 Contingency Fund

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Appendix

2025 BUDGET CHANGE PROPOSALS (BCP)

| Expense Type | BCP Description | Totals |
|-------------------|--|---------------------|
| CAPITAL | Pension Gold System Upgrade | \$ 980,000 |
| CAPITAL | Post PAS Implementation Project | 495,000 |
| PROFESSIONAL FEES | Dental & Vision RFP | 50,000 |
| PROFESSIONAL FEES | General Ledger Project | 20,000 |
| PROFESSIONAL FEES | Disability Arbitration and Litigation Reserve Fund | 50,000 |
| STAFFING | Temporary Staff Reserve Fund | 239,000 |
| SYSTEM | Various Projects Reserve Fund | 50,000 |
| SYSTEM | OnBase Upgrade | 35,000 |
| BCP Total | | \$ 1,919,000 |

2025 CONTINGENCY FUND

| Expense Type | Description | Totals |
|-------------------------------|--|-------------------|
| PROFESSIONAL FEES | Disability Arbitration and Litigation Reserve Fund | \$ 50,000 |
| STAFF DEVELOPMENT | Trainings/Conferences Reserve Fund | 134,000 |
| STAFFING | Temporary Cost Reserve Fund | 239,000 |
| SYSTEM | Various IT Projects Reserve Fund | 50,000 |
| Contingency Fund Total | | \$ 473,000 |

2025 Approved Budget Contingency Fund

Contingency Reserve for Disability Arbitration and Litigation - \$50,000

This reserve fund is for anticipated disability arbitration and related legal advice expenses. If there is a need, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.

Contingency Reserve for Training and Conference Expenses - \$134,000

This reserve fund is associated with trainings and conference attendance. If there is a need, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.

Contingency Reserve for Temporary Employee Expenses - \$239,000

This reserve fund is for two anticipated temporary employees to work on various Benefits projects. If there is a need, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.

Contingency Reserve for Various IT Projects - \$50,000

This reserve fund is for anticipated new or ongoing system projects. If there is a need, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.