

OFFICE OF RETIREMENT SERVICES

2018-2019 Proposed Operating Budget

OUTCOMES:

- Properly Administered Retirement Plans
- Investment of Assets to Satisfy Retirement Plans' Obligations

2017-2018 Accomplishments

- Completed implementation and adjustments related to the Fair Labor Standards Act portion of the pensionable earnings corrections for the Police and Fire plan
- Completed implementation of Measure F, including calculations of the contribution amounts for the VEBA
- Cooperated with City Auditor's office in completing their audit of ORS
- Completed hiring of new CIO
- Completed second annual Investment Fee Analysis reports
- Continued implementation process for a new pension administration system
- Conducted Board retreats to discuss investment strategies and ways to improve operations of the pension plans

2018-2019 Work Plan Highlights

- Work with retirement plan actuaries to adopt appropriate rates and assumptions
- Conduct and manage over 100 board and committee meetings
- Continue to provide quality customer service to members
- Publish annual financial reports and obtain GFOA award for both CAFRs and PAFRs
- Complete implementation of the new pension administration system
- Continue to properly manage retirement plan assets
- Complete implementation of pensionable pay earnings corrections for Federated members
- Continue enhancement of member information and communication through Annual Stakeholder meetings, quarterly newsletters and targeted presentations to specific member groups.

2018-2019 Personnel Budget Proposals

- Extend limited date position for Senior Analyst in the Benefits division for FY18-19
- Extend limited date position for Information Systems Analyst in the IT division for FY18-19
- Both positions are instrumental in the implementation of the new pension administration system

2018-2019 Comprehensive Budget Proposal

	2017-2018 Adopted	2017-2018 Forecast	2018-2019 Proposed
Source of Funds			
Beginning Balance – Claims Reserve	\$5,676,101,000	\$5,675,562,374	\$5,942,085,912
COLAs	50,000	42,078	40,842
City Contributions	367,314,213	372,536,009	376,197,533
Participant Income	75,204,758	74,734,900	72,685,382
Investment Income, net of expenses*	378,519,541	313,281,050	324,786,076
Total Source of Funds	\$6,497,189,512	\$6,436,156,411	\$6,715,795,745
Use of Funds			
COLAs	50,000	42,078	40,842
Benefits	408,239,266	399,819,088	422,117,120
Health Insurance	54,573,542	55,783,408	56,492,663
Personnel Service	7,405,600	6,190,134	7,118,000
Non-Personnel/ Equipment	2,734,100	2,079,155	2,599,000
Professional Fees	2,981,900	2,022,074	2,341,000
Ending Balance – Claims Reserve	\$6,021,205,104	\$5,970,220,474	\$6,225,087,120
Total Use of Funds	\$6,497,189,512	\$6,436,156,411	\$6,715,795,745

* Investment expenses are approximately 1% of asset size. See 2016 Annual Fee report for detail.

ORS Proposed Administrative Budget

Expenses	2017-2018 Adopted (A)	2017-2018 Forecast (B)	2018-2019 Proposed (C)	% Increase (Decrease) (A to C)	% Increase (Decrease) (B to C)
Personnel* Services	\$7,405,600	\$6,190,134	\$7,118,000	(3.9%)	15.0%
Non- Personnel / Equipment	\$2,734,100	\$2,079,155	\$2,599,000	(4.9%)	25.0%
Professional Services	\$2,052,900	\$1,718,594	\$1,903,000	(7.3%)	10.7%
Medical Services	\$929,000	\$303,480	\$438,000	(52.9%)	44.3%
Total	\$13,121,600	\$10,291,363	\$12,058,000	(8.1%)	17.2%

***The personal services costs reflected in the above table vary from the amount included in the 2018-2019 Proposed Budget due to revised salary, retirement, and benefit costs when compared to those that were approved by the Federated Retirement Board in March and the Police and Fire Retirement Board in April.**