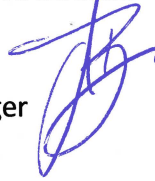




RETIREMENT BOARD CALENDAR SHEET
Retirement Board Meeting of May 8, 2019

To: Members of the Retirement Board

From: Jay Huish  Executive Director
Caryn Bortnick  Deputy Executive Director
Bill Coaker  Chief Investment Officer
Jim Burruel  Finance Manager

Date: May 8, 2019

Agenda Item:

Review and Approval of the Budget for Fiscal Year 2019-2020 for the San Francisco Employees' Retirement System – THIS ITEM WAS CONTINUED FROM THE APRIL 10, 2019 RETIREMENT BOARD MEETING

Background:

Attached is the proposed department budget for Fiscal Year 2019-2020. The proposed budget incorporates the resources required to fulfill the strategic initiatives that staff will be presenting to the Retirement Board at its June 12, 2019 Board meeting.

As you will note, many budget items are pending negotiation of standard inter-department work orders or an allocation from the Mayor's Budget Office for City-wide services as we proceed through the budget review process. These "pending" budget items are highlighted in yellow on the spreadsheets for each of the division budgets.

Adjustments to permanent employee salary and fringe benefits costs are determined by labor agreements and determined by the City Controller's Office.

Highlights:

Late last year, Mayor Breed issued budget instructions to all City departments which included a challenge for each department to submit a budget that would focus on maximizing accountability within the department. The Mayor's budget instructions also mandated that no new positions would be considered for the coming budget year.

With these two parameters in mind, this proposed budget includes a significant restructuring of the Retirement Services Division of SFERS; staffing for an Investment Operations Unit within the Accounting Division; and funding for a public relations officer for the Retirement System.

Restructuring of Retirement Services Division

The proposed restructuring of the Retirement Services Division will enhance management oversight and accountability for the core business of the department – administering mandated benefit programs and paying promised benefits. Approval of resources for this restructuring has been included in the past three annual budget proposals and with approval of the substituted positions proposed in the FY2019-20 budget, resources will be in place to move forward with the restructuring plan.

The organizational structure of Retirement Services, with only one manager for oversight, has remained constant for at least two decades, even while the System's responsibilities have grown substantially. For example, in 1999, SFERS administered 6 plans; today we administer 14. In 1999, SFERS served 45,000 active and retired members and beneficiaries; today the Retirement System serves over 73,000. The plans have become increasingly complex to administer both legally and functionally, and the membership's demand for services has grown. It has become untenable for one manager to retain oversight of the Divisions' myriad responsibilities. In addition, while SFERS is proud that its Retirement Services work force is long-tenured within the department, potential future leaders have moved on because of the lack of opportunity for growth.

Against this backdrop, SFERS is proposing a reorganization that is intended to enhance management oversight and accountability for the functions that support the core business of the department – administering mandated benefit programs and paying promised benefits. The Retirement Services Program will now have four divisions, Member Services, Retirement Operations, Operational Risk Management and Quality Assurance, and Business Process Improvement.

Member Services Division: All “outward facing” functions, including member counseling, education and outreach, disability administration, member death processing, and legal document review, among principal responsibilities, will be coordinated under the Member Services Division.

- The Member Counseling Unit is responsible for counseling active and retired members; planning and conducting retirement education seminars targeted at members within 5 years of retirement, mid-career members and new members; processing personnel transactions (e.g. promotions, transfers, and terminations); processing member information related to beneficiary, address, birth date, tax, withholding or personal status changes; processing and

monitoring buyback and redeposit contracts; verifying Retirement System information requests; and retirement counseling and intake and processing retirement applications. The Member Services unit staff also provides home and hospital counseling and retirement applications when illnesses prohibit the member from visiting the Retirement System offices.

- The Disability Applications Unit is responsible for processing applications for SFERS and CalPERS disability benefits, pension adjustments, workers' compensation offset recoveries, as well as death in line of duty survivor benefits. The Disability Applications Unit staff also oversees and coordinates the hearing process associated with disability applications. Under the City Charter, hearing officers under contract with SFERS hear and determine all applications for disability retirement and duty-related death benefits. This unit prepares and distributes all case materials, assists hearing officers in conducting the hearings and prepares a variety of correspondence and reports involving decisions and actions of the hearing officers.
- The Legal Unit is responsible for providing information and reviewing documents relating to powers of attorney, conservatorship, and separation of community property interests. The unit also provides information and processes documents for the payment of death benefits to beneficiaries of deceased members

Retirement Operations Division: Benefits processing/payment and managing employee data will be coordinated under the Retirement Operations Division.

- The Retired Member Services Unit is responsible for calculating and processing all benefits payable as a result of a member's retirement and COLA calculation and processing for retired members. Retirement analysts in this unit calculate retirement benefits based on various eligibility criteria and benefit formulas applicable to the different retirement plans administered by the Retirement System (e.g. Police, Fire and Miscellaneous).
- The Active Member Services Unit is responsible for initiating and maintaining retirement accounts for active members, posting payroll data for all active members, verifying plan service credit, and preparing written benefit estimates and annual Member Benefit Statements.

Operational Risk Management and Quality Assurance Division: The Operational Risk Management and Quality Assurance Division is responsible for designing, developing, implementing and overseeing a comprehensive operational risk management and quality assurance program for the Member Services, Retirement Operations and Business Process Improvement Divisions and prepare risk management and quality assurance reports for department management and the Retirement Board.

- The Division will conduct studies to identify and analyze risks and division controls, recommend improvements where applicable, and monitor compliance with controls.

- The Division will work strategically with staff to improve quality assurance, including counseling and training where appropriate.
- The Operational Risk Management and Quality Assurance Division will leverage its work and enhance staff training.

Business Process Improvement Division: The Business Process Improvement Division is responsible for planning and developing processes for Retirement System programs and projects, recommending changes to existing processes where appropriate, providing oversight to ensure that new business rules and procedures comply with applicable laws and Retirement Board policies and procedures, and providing project implementation oversight.

Management oversight for the new units will be decentralized. Each unit will have its own manager. For succession purposes, and to create opportunities for growth within the units, new management positions have been created. These new management positions will perform functions identified by the Board and Executive staff as essential, but currently not being performed on a full-time basis; Ombudsperson, Training and Development, and Database and Systems liaison.

Investment Operations Unit

The Investment Operations Unit will provide administrative support and oversight on investment operations (e.g. processing cash calls, setting up new manager accounts with the custody bank, processing payment of invoices, arranging investment staff travel).

Public Relations Officer

The new public relations officer position will be responsible for developing and implementing a Stakeholder Engagement Plan as previously approved by the Retirement Board.

Further descriptions of each functional and budget unit of the department are included in the attached draft budget proposal.

Overview of the Budget:

The proposed department operations (not including personnel costs) budget represents a 4.03% (\$3,825,193) increase from the current fiscal year budget for Fiscal Year 2018-19.

The majority of the proposed budget increases are in the following areas:

Professional Services (027)	\$1.3 million increase in Investment Division budget due to anticipated growth of investment management fees associated with growth of assets under management
City Attorney Work Order	\$1.25 million increase in City Attorney Work Order for engagement of outside legal counsel to negotiate investment management agreements/side letters for an increasing number of investments

The proposed budget does not include any new budgeted positions; however, we are requesting 15 upward and downward classification substitutions for existing budgeted positions. The net impact of these position substitutions is an increase of less than \$200,000 in base salaries. In the spirit of Mayor Breed's directive to not budget for any new positions in this year's budget cycle, Retirement staff has identified current and soon-to-be vacant positions across the department to redeploy as new positions to support the department's initiatives included in this proposed budget. Details of each proposed classification substitution are included in the attached draft budget proposal. The proposed position substitutions will align department skill-level and job duty needs to implement the restructuring of the Retirement Services Division and the addition of the Investment Operations Unit in the Accounting Division.

The proposed budget was presented to the Finance Committee on April 24, 2019. The Committee voted to forward the proposed FY2019-20 and 2020-21 department budget to the full Board with a recommendation to approve the proposed budget.

Retirement staff will provide a written and oral presentation to the Board on this item.

Recommendation:

Approve the proposed department budget for Fiscal Year 2019-20

Attachment: Draft *FY2019-20 and 2020-21 SFERS Budget*

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

MISSION STATEMENT

San Francisco City and County Employees' Retirement System is dedicated to securing, protecting and prudently investing the pension trust assets, administering mandated benefit programs, and providing promised benefits.

CORE SERVICES

Administration

- Administers sixteen separate retirement plans for active SFERS members as well as numerous additional retirement plans for retired members and beneficiaries, as defined in the City Charter and Administrative Code
- Provides centralized administrative support for the Retirement Board
- Implements legislative changes in SFERS benefits
- Oversees the San Francisco Deferred Compensation Plan (SFDCP) with approximately \$3.0 billion dollars in participant assets

Retirement Services

- Provides retirement counseling to active and retired employees and beneficiaries
- Processes benefit applications for service and disability retirements, survivor benefits, vesting allowances, refunds, reciprocity and purchase of service credit
- Maintains historical employment and payroll data for over 73,000 active and retired SFERS members and over 100,000 former or non-member City employees
- Processes approximately \$112 million in monthly benefit payments to over 29,000 retirees and beneficiaries

Investment Services

- Invests the SFERS Trust Fund assets in accordance with Retirement Board policy: over \$25 billion in market value as of February 2019
- Monitors the performance of external investment managers and maintains knowledge of capital markets and institutional investment opportunities

**SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
BUDGET REQUEST AND LINE ITEM EXPLANATIONS
FISCAL YEARS 2019-2020 AND 2020-2021**

BUDGET OVERVIEW

The SFERS department budget is allocated across the following six department programs:

- Administration, Information Systems and Business Services
- Member Services, Retirement Services and Accounting
- Investment Division – Regular Budget
- Investment Division – Recaptured Commission Budget
- Deferred Compensation Program
- Retiree Health Care Trust Fund – the Retiree Health Care Trust Fund budget is reviewed and approved separately by the Retiree Health Care Trust Fund Board and will not be presented in the budget materials for consideration and approval by the SFERS Board

SOURCES OF FUNDS

The department budget relies on no General Fund allocation. All expenses related to the administration of the Retirement System are funded from assets of the SFERS Trust. All expenses related to the administration of the Deferred Compensation Plan are separately funded through administrative fees paid by SFDCP participants through the Deferred Compensation Plan's third-party administrator (currently Prudential Retirement Insurance and Annuity Company, transitioning to Voya beginning in Fiscal Year 2019-2020).

**SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
BUDGET REQUEST AND LINE ITEM EXPLANATIONS
FISCAL YEARS 2019-2020 AND 2020-2021**

Department Summary

The SFERS department budget is allocated across the following department programs:

1. Administration, Information Systems and Business Services
2. Member Services, Retirement Services, and Accounting
3. Investments Division
Regular Budget
Recaptured Commissions Budget
4. Deferred Compensation

DEPARTMENT:	Employees' Retirement System
PROGRAM:	Administration, Information Systems and Business Services
CHARTFIELDS:	Dept. 232320 / Fund 31330 / Project 10026788 / Authority 10000 / Activity 0001
FISCAL YEAR:	2019-2020 and 2020-2021

Administration - Program Description

- The Administration Division funds the activities of the Office of the Executive Director and the Retirement Board related to the administration and direction of all functions carried out by the Retirement System. The Administration Division develops and implements Retirement Board policies and directives and acts as the Retirement System's chief liaison in its interaction with other City and County policy making bodies, including the Mayor's Office, Board of Supervisors, Civil Service Commission and Controller's Office.

The Administration Division provides administrative support to the Retirement Board, including preparing and posting all Retirement Board meeting agendas and materials, coordinating Retirement Board training and travel, and the department's responses to public records requests.

The Administration Division provides oversight to all actuarial activities of the Retirement System. The Actuarial Services Coordinator, hired by and reporting to the Retirement Board, coordinates and oversees the annual valuation processes and reports prepared by Cheiron, the Retirement Board's consulting actuarial firm.

The Administration Division also oversees and directs all activities related to member education and communications, including the Retirement System's website.

- The Information Systems Division provides department-wide training and support to users of the department's LAN and applications; coordinates City-provided technical services and support with the Department of Technology; manages the functional and technical teams assigned to develop and maintain the department's Pension Administration system and Enterprise Content Management (ECM) project; and leads the department's disaster recovery and business resumption planning and policy efforts.
- The Administrative Services Division provides department-wide services in the following functional areas: human resources, business services, records management and facilities management.
- The Administration Division also receives reimbursement from the Retiree Health Care Trust Fund Board related to SFERS resources providing administrative, operational and investment support for the Retiree Health Care Trust Fund activities.

SFERS BUDGET - FISCAL YEAR 2018-19, 2019-20 & 2020-21

ADMINISTRATION DIVISION

Object	Description	Appr. Base Budget 2018-19	Request 2019-20	Increase / (Decrease) 2018-19 to 2019-20	% Increase / (Decrease) 2018-19 to 2019-20	Request 2020-21	Increase / (Decrease) 2019-20 to 2020-21	% Increase / (Decrease) 2019-20 to 2020-21
5010 (001)	Permanent Salaries	2,997,421	2,997,421	0	0	2,997,421	0	0
5010 (005)	Temporary Pay	0	0	0	0	0	0	0
5090 (009)	Premium & Longevity Pay	0	0	0	0	0	0	0
5100 (010)	Incentive Pay-Retroactive Salaries	0	0	0	0	0	0	0
5110 (011)	Overtime	0	0	0	0	0	0	0
	Total Personal Services	2,997,421	2,997,421	0	0	2,997,421	0	0
5130 (013)	Mandatory Fringe Benefits	852,252	852,252	0	0	0	852,252	0
5150 (015)	Health Service - Adm Cost	327,975	327,975	-	0.00%	-	327,975	0.00%
	Total Fringe Benefits	1,180,227	1,180,227	-	0.00%	-	1,180,227	0.00%
5200 (020)	Overhead	-	-	-	0.00%	-	-	0.00%
	Total Overhead	-	-	-	0.00%	-	-	0.00%
5210 (021)	Travel	20,000	20,000	-	0.00%	20,000	-	0.00%
5220 (022)	Training	66,650	67,650	1,000	1.50%	67,650	-	0.00%
5230 (023)	Mileage / Local Field Exp	500	500	-	0.00%	500	-	0.00%
5240 (024)	Membership Fees	3,035	3,505	470	15.49%	3,505	-	0.00%
5270 (027)	Professional Services	1,290,600	1,215,600	(75,000)	-5.81%	1,215,600	-	0.00%
5290 (029)	Equipment Maintenance	75,000	15,000	(60,000)	-80.00%	15,000	-	0.00%
5300 (030)	Property Rent	80,000	80,000	-	0.00%	80,000	-	0.00%
5310 (031)	Office Machines Rent	70,000	25,000	(45,000)	-64.29%	25,000	-	0.00%
5350 (035)	Other Current Services	990,000	1,027,000	37,000	3.74%	1,027,000	-	0.00%
	Total Non-Personal Services	2,595,785	2,454,255	(141,530)	-5.45%	2,454,255	-	0.00%
5490 (049)	Total Materials and Supplies	150,000	160,000	10,000	6.67%	160,000	-	0.00%
5600 (060)	Total Equipment Purchases	90,491	103,222	12,731	14.07%	23,184	(80,038)	-77.54%
581170 (C B)	C A O - Insurance	7,748	7,748	-	0.00%	7,748	-	0.00%
581270 (C T)	City Attorney	-	-	-	0.00%	-	-	0.00%
581210 (C I)	TIS - ISD Services	279,074	279,074	-	0.00%	279,074	-	0.00%
581245 (CO)	Controller - Financial Systems	159,165	160,001	836	0.53%	160,001	-	0.00%
581120 (C 3)	GF - Financial Systems	57,879	54,596	(3,283)	-5.67%	56,411	1,815	3.32%
581130 (C 4)	GF - Audits	64,742	64,742	-	0.00%	64,742	-	0.00%
581140 (C 5)	DTIS Services	17,076	17,076	-	0.00%	17,076	-	0.00%
581430 (H 0)	HR - EEO	2,251	2,251	-	0.00%	2,251	-	0.00%
581360 (E T)	DTIS - Telecommunications	38,270	38,270	-	0.00%	38,270	-	0.00%
581620 (H Z)	HR Management System	-	-	-	0.00%	-	-	0.00%
581440 (H 1)	DHR - Examinations	-	-	-	0.00%	-	-	0.00%
581450 (H 2)	DHR - Management Training	3,300	3,300	-	0.00%	3,300	-	0.00%
581460 (H 3)	DHR - Workers' Comp	96,135	96,135	-	0.00%	96,135	-	0.00%
581470 (H 4)	DHR - LOF/ERP	6,317	6,317	-	0.00%	6,317	-	0.00%
581480 (H 7)	DHR - Employee Relations	9,036	9,036	-	0.00%	9,036	-	0.00%
581660 (M 2)	Mayor's Youth Works	4,536	4,536	-	0.00%	4,536	-	0.00%
581790 (P M)	Purchasing - Mail Services	-	-	-	0.00%	-	-	0.00%
581820 (P R)	Purchasing - Reproduction	-	-	-	0.00%	-	-	0.00%
581650 (L S)	Lease Paid to Real Estate	190,342	211,158	20,816	10.94%	211,158	-	0.00%
581910 (R V)	Department of Elections	70,000	70,000	-	0.00%	70,000	-	0.00%
581900 (R T)	Retirement Service	-	-	-	0.00%	-	-	0.00%
581280 (C W)	SFGOV Service	37,403	37,403	-	0.00%	37,403	-	0.00%
581325 (E A)	Enterprise Agreement	30,627	30,627	-	0.00%	30,627	-	0.00%
581067 (WB)	DPW Office Improvements	-	-	-	0.00%	-	-	0.00%
	Total Services of Other Depts.	1,073,901	1,092,270	18,369	1.71%	1,094,085	1,815	0.17%
486620 (RH)	Exp Rec Fr Retre Hlth Trst Brd	(50,000)	(100,000)	(50,000)	100.00%	(160,000)	(60,000)	60.00%
	Total Revenue Recoveries	(50,000)	(100,000)	(50,000)	100.00%	(160,000)	(60,000)	60.00%
	Total	8,037,825	7,887,395	(150,430)	-1.87%	6,568,945	1,042,004	13.21%
	Total FTE's	26	26	0		26	0	

DEPARTMENT: Employees' Retirement System
 PROGRAM: Administration, Information Systems and Business Services
 CHARTFIELDS: Dept. 232320 / Fund 31330 / Project 10026788 / Authority 10000 / Activity 0001
 FISCAL YEAR: 2019-2020 and 2020-2021

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5010 (001) Permanent Salaries	\$2,997,421	\$*	\$*	\$*

* Final budget amount will be determined by Controller's Office

Permanent Salaries

Summary of FTE Positions in the Administration Division:

ADMINISTRATION	FY 2018-2019	Variance	FY 2019-2020	Variance	FY 2020-2021
0922 Manager I – Actuarial Services Coordinator	1.00		1.00		1.00
0931 Manager III – Board Governance Manager ¹	1.00	(1.00)	0.00		0.00
0952 Deputy Director II - Deputy Director of Administrative Services ²	1.00	(1.00)	0.00		0.00
0953 Deputy Director III – Deputy Director of Administrative Services ²	0.00	1.00	1.00		1.00
0965 Department Head V	1.00		1.00		1.00
1110 Executive Assistant to Executive Director	1.00		1.00		1.00
1241 Personnel Analyst	1.00		1.00		1.00
1244 Senior Personnel Analyst	1.00		1.00		1.00
1404 Clerk ³	1.00	(1.00)	0.00		0.00
1842 Management Assistant ⁴	0.00	1.00	1.00		1.00
9252 Communications Specialist ³	0.00	1.00	1.00		1.00
FTE Totals:	8.00	0.00	8.00	0.00	8.00

¹Transfer to Retirement Services Division

²Upward substitution (0952 Deputy Director II to 0953 Deputy Director III) to reflect addition of business services and record management duties and responsibilities [base salary: \$191,308; salary differential: \$37,388]

³Substitution for new position to provide staff-level support services for stakeholder engagement/communications [base salary: \$111,202; salary differential: \$50,414]

⁴Transfer from Investment Division

INFORMATION SYSTEMS & TECHNOLOGY					
Position/Title	FY 2018- 2019	Variance	FY 2019-2020	Variance	FY 2020-2021
0922 Manager I – Administrative Services Manager ⁵	0.00	1.00	1.00		1.00
0941 Manager VI – IS Director	1.00		1.00		1.00
1043 IS Engineer - Senior	1.00		1.00		1.00
1053 IS Business Analyst – Senior	1.00		1.00		1.00
1054 IS Business Analyst – Principal	4.00		4.00		4.00
1064 Programmer Analyst – Principal	2.00		2.00		2.00
1070 Project Director	1.00		1.00		1.00
1093 IT Operations Support Administrator III	1.00		1.00		1.00
1094 IT Operations Support Administrator IV ⁶	0.00	1.00	1.00		1.00
1095 IT Operations Support Administrator V ⁶	1.00	(1.00)	0.00		0.00
1750 Imaging Technician	4.00		4.00		4.00
1752 Senior Imaging Technician	1.00		1.00		1.00
1764 Mail and Imaging Supervisor ⁵	1.00	(1.00)	0.00		0.00
FTE Totals:	18.00	0.00	18.00	0.00	18.00

⁵Upward substitution for reclassification of Mail and Imaging Supervisor position to reflect additional duties and responsibilities [base salary: \$132,990; salary differential: \$42,718]

⁶Downward substitution (1095 IT Operations Support Administrator V to 1094 IT Operations Support Administrator IV) to reflect change in department's need [salary differential: (\$9,308)]

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5130 (013) Fringe Benefits	\$852,252	\$*	\$*	\$*

* Final budget amount will be determined by Controller's Office

Mandatory Fringe Benefits: Fringe benefits associated with permanent salaries for the division.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5150 (015) HSS Admin OPEB	\$327,975	\$*	\$*	\$*

* Budget amount to be determined by Controller's Office

Health Service System – Administrative Cost Allocation including OPEB

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5210 (021) Travel Expenses	\$20,000	\$20,000	\$0	\$20,000

Travel Expenses: Funds for travel outside of the City by staff members related to seminars, conferences, and other training/educational meetings.
8 conferences @ \$2,500 per conference

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5220 (022) Training & Education	\$66,650	\$67,650	\$1,000	\$67,650

Training/Education Expenses: Funds for staff development, education and training expenses.

Training/Education Event	Registration Fees	Proposed Budget FY2019-2020	Proposed Budget FY2020-2021
CALAPRS Administrators Roundtable	4 attendees @ \$500 each	\$2,000	\$2,000
CALAPRS Administrative Assistant Roundtable	2 attendees @ \$350 each	700	700

CALAPRS Trustee Training	2 attendees @ \$2,500 each	5,000	5,000
CALAPRS Administrators Institute	1 attendee @ \$1000	1,000	1000
CALAPRS General Assembly	3 attendees @ \$500 each	1,500	1,500
CALAPRS IT Roundtable	2 attendees @ \$350 each	700	700
Actuarial Services Coordinator Conferences		5,000	5,000
PRISM Conference	1 attendee @ \$1,000	1,000	1,000
ECM Conference (Inspire) and webinars	4 attendees @ \$2,500 each	15,000	15,000
OracleWorld Users Conference	2 attendees @ \$1,500 each	3,000	3,000
Oracle/PeopleSoft Development Staff Training		26,750	26,750
IT Staff LAN Training		10,000	10,000
Human Resource Staff Training		1,000	1,000
Total:		\$67,650	\$67,650

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5230 (023) Mileage/Field Expense	\$500	\$500	\$0	\$500

Auto Mileage and Field Expenses: Reimbursement for the use of private cars, tolls, and parking fees and other fees for attendance of meetings and/or training.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5240 (024) Membership Fees	\$3,505	\$3,505	\$0	\$3,505

Professional Membership Fees:

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5270 (027) Professional Services	\$1,290,600	\$1,215,600	(\$75,000)	\$1,215,600

Professional Services:

Professional Services Provider	Proposed Budget FY2019-2020	Proposed Budget FY2020-2021
Consulting Actuarial Services – Cheiron	\$ 300,000	\$ 300,000
Financial Audit Services - Macias, Gini & O’Connell	108,600	108,600
Governance Consulting Services – Nossaman LLP	100,000	100,000
Systems Development (PeopleSoft) Consulting Services – Savvy Inc.	330,000	330,000
Website Development – 10 Up	230,000	230,000
Perceptive ImageNow ECM consulting	10,000	10,000
Disaster Recovery Check Processing – FIS Advantgard	7,000	7,000
Board Performance Evaluation Consulting – TBD	75,000	75,000
Leadership/Organizational Consulting – TBD	50,000	50,000
Communications – graphic design – TBD	<u>15,000</u>	<u>15,000</u>
Total:	\$1,215,600	\$1,215,600

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5290 (029) Equipment Maintenance	\$75,000	\$15,000	(\$60,000)	\$15,000

Equipment Maintenance: Maintenance of office machines, computers, air conditioning, electrical, network equipment, fax machines, microfilm readers/printers, scanners and other office equipment purchased by the department.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5300 (030) Property Rent	\$80,000	\$80,000	\$0	\$80,000

Property Rent: Public Storage, GRM and meeting room rental for Pre-Retirement Seminars

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5310 (031) Office Equip Lease	\$70,000	\$25,000	(\$45,000)	\$25,000

Office Equipment Leases: Copiers, postage meter, system printers increase usage requires increase to budget operations.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5350 (035) Other Services	\$990,000	\$1,027,000	\$37,000	\$1,027,000

Other Current Services: Software licensing fees, postage, subscriptions, check transport services, backup tape storage, document shredding and death search services

Licenser/Service Provider	Proposed Budget FY2019-2020	Proposed Budget FY2020-2021
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Software Licensing Fees:

Oracle/PeopleSoft application software support/maintenance:	\$670,000	\$670,000
Perceptive Electronic Content Management (ECM) software support/maintenance:	41,000	\$41,000
LAN software support/maintenance	32,000	32,000
Granicus – Peak Agenda Management	10,000	10,000
Hardware software/maintenance	65,000	150,000
Other Software licenses	79,000	50,000

Other Services:

Postage fees	35,000	40,000
Subscriptions to business and trade publications	1,500	1,500
Loomis security transport services	3,500	3,500
Iron Mountain offsite backup tape storage	30,000	30,000
LiquidWeb website hosting	10,000	10,000
Shred Works - document shredding	5,000	5,000
Board Retreat facilitator	25,000	25,000
Other service/maintenance	<u>20,000</u>	<u>20,000</u>
Other Current Services Contracts Total:	\$1,027,000	\$1,027,000

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5400 (049) Materials & Supplies	\$150,000	\$160,000	\$10,000	\$160,000

Materials and Supplies: Funds for office supplies, computer/printer supplies such as toner cartridges and repair parts, calculators, pre-printed forms, envelopes, etc. Computers and related supplies that have a unit cost of under \$5,000 and having a useful life of less than 3 years are budgeted in this category at \$110,000. Ergonomic/ADA office equipment is budgeted at \$25,000 and disaster preparedness supplies for Retirement staff are budgeted at \$10,000.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5600 (060) Equipment Purchases	\$90,491	\$103,222	\$12,731	\$23,184

Equipment Purchases: IT equipment with a unit cost of \$5,000 or more and having a useful life of 3 years or more

FY 2019-2020 Equipment Purchases				
Qty	Description	Unit Cost	Tax/COIT	Total
1	Dell PE R740-448GB Memory-23TB Hard Drives (N)	\$38,060	\$3,958	\$42,018
1	Raritan DKX3-464 (R)	9,499	988	10,487
1	Stonefly Dedupe Appliance 48TB (R)	8,997	936	9,933
1	Kodak Scanner – i4250 (N)	10,000	1,040	11,040
1	Raritan D2CIM-DVUSB-64PAC Bulk Pack (R)	9,466	984	10,450
1	Aberdeen Abernas N47W (R)	17,476	1,818	19,294
Equipment Purchase Total:				\$103,222

FY 2020-2021 Equipment Purchases				
Qty	Description	Unit Cost	Tax/COIT	Total
1	Dell PE R730 (R)	\$12,000	\$1,248	\$13,248
1	Stonefly Dedupe Appliance 48TB (R)	9,000	936	9,936
Equipment Purchase Total:				\$23,184

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581170 (081CB) Equipment Insurance	\$7,748	\$*	\$*	\$*

* Budget amount to be determined by work order with City Risk Management.

Insurance:

Annual insurance premium to the City to cover loss or damage to computers and other office equipment.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581210 (081CI) Citywide Infrastructure	\$279,074	\$*	\$*	\$*

* Budget amount to be determined by work order with DTIS

Department of Technology Infrastructure Fee for Citywide Services: Pro-rata allocation for DT Infrastructure Fee for Citywide Services.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581120 (081C3) Citywide Financial Syst	\$57,879	\$54,596	(\$3,283)	\$56,411

* Budget amount determined by the Controller's Office

Controller's Financial Systems

Pro-rata share of Citywide Financial Systems expenditures as determined by the Controller's Office.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581245 CON – Information System	\$159,165	\$160,001	\$836	\$160,001

* Budget amount to be determined by the Controller's Office

Controller's Information System

Pro-rata share of the Controller's Office information system expenditures for FY2019-2020.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581130 (081C4) Internal Audit Fees	\$64,742	\$*	\$*	\$*

* Budget amount to be determined by the Controller's Office

Controller's Internal Audit Fees

Pro-rata share of the Controller's Office internal audit expenditures for FY2019-2020.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581280 (081CW) TIS-SFGTV SERVICES	\$37,403	\$*	\$*	\$*

* Budget amount to be determined by work order with DT pending DT Rate Model

Department of Technology Communications Services: Work order for SFGOV.TV Audio visual and recording of SFERS Board Meetings.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581140 (081C5) IT Support Services	\$17,076	\$*	\$*	\$*

* Budget amount to be determined by work order with DT pending DT Rate Model

Department of Technology Support Services:

Work orders for the ongoing support of the Retirement System's database maintenance and benefits payment system: Pension Administration System (697PEN), Telecommunication Services (697MAC), and Citywide Services (697CWS)

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581360 (081ET) Communications Services	\$38,270	\$*	\$*	\$*

* Budget amount to be determined by work order with DT pending DT Rate Model

Department of Technology Communications Services: Work order for Project 697TEL – monthly telephone billing, telephone and switch equipment.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581430 (081H0) EEO Admin	\$2,251	\$*	\$*	\$*

* Budget amount to be determined by work order with Department of Human Resources

DHR – Equal Employment Opportunities

Human Resources Pro-rata allocation to department for administration of equal employment opportunity program.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581450 (081H2) DHR Training	\$3,300	\$*	\$*	\$*

* Budget amount to be determined by Department of Human Resources

DHR - Training Expenses:

The department's pro-rata allocation to support the Department of Human Resources' central management training fund.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581460 (081H3) Workers' Comp	\$96,135	\$*	\$*	\$*

* Budget amount developed jointly by DHR Worker's Comp Division and the Retirement System

DHR - Worker's Compensation:

Funds for Workers' Compensation benefits for Retirement System employees who are injured on the job.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581470 (081H4) DHR LOF/ERP	\$6,317	\$*	\$*	\$*

* Budget amount to be determined by Department of Human Resources

DHR - LOF/ERP:

The department's pro-rata allocation for DHR resources related to workforce changes and early retirement.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581480 (081H7) Employee Relations	\$9,036	\$*	\$*	\$*

* Budget amount to be determined by Department of Human Resources

DHR - Employee Relations:

The department's pro-rata allocation for Citywide DHR services related to MOU negotiations with various labor organizations.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581660 (081M2) Youth Work Prog	\$4,536	\$*	\$*	\$*

* Budget amount to be determined by work order with Children's Services Program

Mayor's Youth Work Program:

Funding for the Mayor's Summer Youth program.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581650 (081LS) Lease Paid thru Dept of Real Estate Work Order	\$190,342	\$211,158	\$20,816	\$211,158

* Budget amount determined by work order with Real Estate Division.

Office Lease paid through Real Estate Department: Office rental prorated on an FTE basis

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581910 (081RV) Department of Elections	\$70,000	\$70,000	\$0	\$70,000

Department of Elections: Work Order with Department of Elections to conduct Retirement Board Elections scheduled for Fiscal Years 2018-2019 and 2019-2020.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581325 (081EA) Enterprise Agreement	\$30,627	\$*	\$*	\$*

* Budget amount to be determined by work order with DT

Enterprise Agreement with Department of Technology

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
486620 Exp. Recovery from RHCTF	(\$ 50,000)	(\$100,000)	\$50,000	\$100,000

* Budget amount to be determined by work order with RHCTF

Retirees Health Care Trust: Expense Recovery from Retiree Health Care Trust for SFERS Administration Support

DEPARTMENT:	Employees' Retirement System
PROGRAM:	Member Services, Retirement Services, Communications and Accounting
CHARTFIELDS:	Dept. 232318 / Fund 31330 / Project 10026788 / Authority 10000 / Activity 0001
FISCAL YEAR:	2019-2020 and 2020-2021

Program Description

The Member Services, Retirement Operations, Business Process Improvement, Operational Risk Management, Communications and Accounting Divisions are responsible for the retirement operations and fiscal functions of the Retirement System.

The **Member Services Division** is comprised of the following two retirement operations units:

- The Member Counseling Unit is responsible for counseling active and retired members; planning and conducting retirement education seminars targeted at members within 5 years of retirement, mid-career members and new members; processing personnel transactions (e.g. promotions, transfers, and terminations); processing member information related to beneficiary, address, birth date, tax, withholding or personal status changes; processing and monitoring buyback and redeposit contracts; verifying Retirement System information requests; and retirement counseling and intake and processing retirement applications. The Member Services unit staff also provides home and hospital counseling and retirement applications when illnesses prohibit the member from visiting the Retirement System offices.
- The Disability Applications Unit is responsible for processing applications for SFERS and CalPERS disability benefits, pension adjustments, workers' compensation offset recoveries, as well as death in line of duty survivor benefits. The Disability Applications Unit staff also oversees and coordinates the hearing process associated with disability applications. Under the City Charter, hearing officers under contract with SFERS hear and determine all applications for disability retirement and duty-related death benefits. This unit prepares and distributes all case materials, assists hearing officers in conducting the hearings and prepares a variety of correspondence and reports involving decisions and actions of the hearing officers.
- The Legal Unit is responsible for providing information and reviewing documents relating to powers of attorney, conservatorship, and separation of community property interests. The unit also provides information and processes documents for the payment of death benefits to beneficiaries of deceased members.

The **Retirement Services Division** is comprised of the following two retirement operations units:

- The Retired Member Services Unit is responsible for calculating and processing all benefits payable as a result of a member's retirement and COLA calculation and processing for retired members. Retirement analysts in this unit calculate retirement benefits based on various eligibility criteria and benefit formulas applicable to the different retirement plans administered by the Retirement System (e.g. Police, Fire and Miscellaneous).

- The Active Member Services Unit is responsible for initiating and maintaining retirement accounts for active members, posting payroll data for all active members, verifying plan service credit, and preparing written benefit estimates and annual Member Benefit Statements.

The **Business Process Improvement Division** is responsible for planning and developing processes for Retirement System programs and projects, recommending changes to existing processes where appropriate, providing oversight to ensure that new business rules and procedures comply with applicable laws and Retirement Board policies and procedures, and providing project implementation oversight.

The **Operational Risk Management and Quality Assurance Division** is responsible for designing, developing, implementing and overseeing a comprehensive operational risk management and quality assurance program for the Member Services, Retirement Operations and Business Process Improvement Divisions and prepare risk management and quality assurance reports for department management and the Retirement Board. The Division will conduct studies to identify and analyze risks and division controls, recommend improvements where applicable, and monitor compliance with controls. The Division will work strategically with staff to improve quality assurance, including counseling and training where appropriate.

The **Communications Division** is responsible for developing and executing strategies to provide benefits information to SFERS members. The Division works closely with other Retirement Operations Units to provide cohesive solutions to the Division's communications issues. The Division manages the department's website and produces SFERS' Annual Report.

The **Accounting Division** provides department-wide accounting services:

- The Accounting Division is responsible for the full disclosure and fair presentation of financial and operating results in accordance with generally accepted accounting principles applicable to a trust fund and all applicable legal provisions. It provides accurate and timely financial information to management for planning, control and decision-making purposes. SFERS Accounting uses the Trust Custodian's (The Bank of New York -Mellon) mainframe-based system located in New York and Boston to keep track of the transactions occurring in the Trust Fund's portfolio. Acquisition and disposal of securities, capital changes, realized and unrealized gains or losses are analyzed to ensure they are properly recorded so that the resulting financial statements and reports filed with the federal, state and local agencies are accurate.
- Investment Operations unit has been created within the Accounting Division to oversee and manage the financial and administrative operations of the Investment Division.

SFERS BUDGET - FISCAL YEAR 2018-19, 2019-20 & 2020-21

RETIREMENT SERVICES, IS & ACCOUNTING DIVISION

Object	Description	Appr. Base Budget 2018-19	Request 2019-20	Increase / (Decrease) 2018-19 to 2019-20	% Increase / (Decrease) 2018-19 to 2019-20	Request 2020-21	Increase / (Decrease) 2019-20 to 2020-21	% Increase / (Decrease) 2019-20 to 2020-21
5010 (001)	Permanent Salaries	5,216,061	5,216,061	-	0.00%	5,216,061	-	0.00%
5010 (005)	Temporary Pay	502,424	517,500	15,076	3.00%	533,050	15,550	3.00%
5090 (009)	Premium & Longevity Pay	45,000	45,000	-	0.00%	45,000	-	0.00%
5100 (010)	Incentive Pay-Retroactive Salaries	-	-	-	0.00%	-	-	0.00%
5110 (011)	Overtime	10,000	10,000	-	0.00%	10,000	-	0.00%
	Total Personal Services	5,773,485	5,788,561	15,076	0.26%	5,804,111	15,550	0.27%
5130 (013)	Mandatory Fringe Benefits	2,804,677	2,804,677	-	0.00%	2,804,677	-	0.00%
5150 (015)	Health Service - Adm Cost	-	-	-	0.00%	-	-	0.00%
	Total Fringe Benefits	2,804,677	2,804,677	-	0.00%	2,804,677	-	0.00%
5200 (020)	Overhead	-	-	-	0.00%	-	-	0.00%
	Total Overhead	-	-	-	0.00%	-	-	0.00%
5210 (021)	Travel	20,000	20,000	-	0.00%	20,000	-	0.00%
5220 (022)	Training	19,350	21,050	1,700	8.79%	21,050	-	0.00%
5230 (023)	Mileage / Local Field Exp	2,000	2,000	-	0.00%	2,000	-	0.00%
5240 (024)	Membership Fees	3,400	3,815	415	12.21%	3,815	-	0.00%
5270 (027)	Professional Services	564,900	755,000	190,100	33.65%	755,000	-	0.00%
5290 (029)	Equipment Maintenance	100,000	100,000	-	0.00%	100,000	-	0.00%
5300 (030)	Property Rent	-	-	-	0.00%	-	-	0.00%
5310 (031)	Office Machines Rent	-	-	-	0.00%	-	-	0.00%
5350 (035)	Other Current Services	60,000	200,000	140,000	233.33%	200,000	-	0.00%
	Total Non-Personal Services	769,650	1,101,865	332,215	43.16%	1,101,865	-	0.00%
5490 (049)	Total Materials and Supplies	100,000	100,000	-	0.00%	100,000	-	0.00%
5600 (060)	Total Equipment Purchases	-	-	-	0.00%	-	-	0.00%
581170 (C B)	C A O - Insurance	-	-	-	0.00%	-	-	0.00%
581270 (C T)	City Attorney	1,825,000	1,825,000	-	0.00%	1,825,000	-	0.00%
581210(C I)	TIS - ISD Services	-	-	-	0.00%	-	-	0.00%
581245 (CO)	Controller - Financial Systems	-	-	-	0.00%	-	-	0.00%
581120 (C 3)	GF - Financial Systems	-	-	-	0.00%	-	-	0.00%
581130 (C 4)	GF - Audits	-	-	-	0.00%	-	-	0.00%
581140 (C 5)	DTIS Services	-	-	-	0.00%	-	-	0.00%
581430 (H 0)	HR - EEO	-	-	-	0.00%	-	-	0.00%
581360 (E T)	DTIS - Telecommunications	-	-	-	0.00%	-	-	0.00%
581620 (H Z)	HR Management System	-	-	-	0.00%	-	-	0.00%
581440 (H 1)	DHR - Examinations	-	-	-	0.00%	-	-	0.00%
581450 (H 2)	DHR - Management Training	-	-	-	0.00%	-	-	0.00%
581460 (H 3)	DHR - Workers' Comp	-	-	-	0.00%	-	-	0.00%
581470 (H 4)	DHR - LOF/ERP	-	-	-	0.00%	-	-	0.00%
581480 (H 7)	DHR - Employee Relations	-	-	-	0.00%	-	-	0.00%
581660 (M 2)	Mayor's Youth Works	-	-	-	0.00%	-	-	0.00%
581790 (P M)	Purchasing - Mail Services	280,000	280,000	-	0.00%	280,000	-	0.00%
581820 (P R)	Purchasing - Reproduction	100,000	100,000	-	0.00%	100,000	-	0.00%
581650 (L S)	Lease Paid to Real Estate	1,599,841	1,774,797	174,956	10.94%	1,774,797	-	0.00%
581910 (R V)	Department of Elections	-	-	-	0.00%	-	-	0.00%
581900 (R T)	Retirement Service	-	-	-	0.00%	-	-	0.00%
581280 (C W)	SFGOV Service	-	-	-	0.00%	-	-	0.00%
581325 (E A)	Enterprise Agreement	-	-	-	0.00%	-	-	0.00%
581067 (WB)	DPW Office Improvements	-	-	-	0.00%	-	-	0.00%
	Total Services of Other Depts.	3,804,841	3,979,797	174,956	4.60%	3,979,797	-	0.00%
486620 (RH)	Exp Rec Fr Retre Hlth Trst Brd	-	-	-	0.00%	-	-	0.00%
	Total Revenue Recoveries	-	-	-	0.00%	-	-	0.00%
	Total	13,252,653	13,774,900	522,247	3.94%	13,790,450	15,550	0.11%
	Total FTE's	57	59	2		59	-	

DEPARTMENT: Employees' Retirement System
PROGRAM: Retirement Services, Business Services, Information Systems and Accounting
CHARTFIELDS: Dept. 232318 / Fund 31330 / Project 10026788 / Authority 10000 / Activity 0001
FISCAL YEAR: 2019-2020 and 2020-2021

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5010 (001) Permanent Salaries	\$5,216,061	\$*	\$*	\$*

* Budget amount to be determined by Controller's Office (includes budget amount for both permanent and temporary salaries)

Summary of FTE Positions Member Services Division:

MEMBER SERVICES DIVISION					
Position/Title	FY 2018-2019	Variance	FY 2019-2020	Variance	FY 2020-2021
0922 Manager I – Member Services Ombudsperson ¹	0.00	1.00	1.00		1.00
0923 Manager II – Communications Manager	1.00		1.00		1.00
0923 Manager II – Member Services Manager ¹	1.00	(1.00)	0.00		0.00
0931 Manager III – Member Services Manager ²	0.00	1.00	1.00		1.00
0955 Deputy Director V – Deputy Executive Director	1.00		1.00		1.00
1209 Benefits Technician	5.00	2.00	7.00		7.00
1812 Assistant Retirement Analyst	8.00	2.00	10.00		10.00
1813 Senior Benefits Analyst	2.00		2.00		2.00
1814 Benefits Supervisor ³	0.00	3.00	3.00		3.00
1844 Senior Management Assistant	1.00		1.00		1.00
FTE Totals:	19.00	8.00	27.00	0.00	27.00

¹Position substitution to create new Member Services Ombudsperson position - 0923 Manager II to 0922 Manager I [salary differential: (\$9,776)]
²Position transferred from Administration Division
³includes one position substitution - 1812 Assistant Retirement Analyst to 1814 Benefits Supervisor [salary differential: \$32,474] and one position substitution – 1813 Senior Benefits Analyst to 1814 Benefits Supervisor [salary differential: \$20,254]

Summary of FTE Positions Retirement Services Division:

RETIREMENT SERVICES DIVISION					
Position/Title	FY 2018- 2019	Variance	FY 2019-2020	Variance	FY 2020-2021
0922 Manager I – Database and Systems Manager ⁴	0.00	1.00	1.00		1.00
0922 Manager I - Training Manager ⁴	0.00	1.00	1.00		1.00
0931 Manager III – Retirement Services Manager ⁵	0.00	1.00	1.00		1.00
0933 Manager V – Retirement Services Administrator ⁵	1.00	(1.00)	0.00		0.00
0941 Manager VI – Compliance Director	1.00		1.00		1.00
1209 Benefits Technician	7.00	(2.00)	5.00		5.00
1812 Assistant Retirement Analyst	12.00	(5.00)	7.00		7.00
1813 Senior Benefits Analyst	4.00	(1.00)	3.00		3.00
1814 Benefits Supervisor	4.00	(1.00)	3.00		3.00
FTE Totals:	29.00	(7.00)	22.00	0.00	22.00

⁴Two position substitutions - 1812 Assistant Retirement Analyst to 0922 Manager I [base salary: \$132,990; salary differential: \$42,484]

⁵Position substitution - 0933 – Manager V to 0931 – Manager III [base salary: \$153,920; salary differential: (\$24,310)]

ACCOUNTING DIVISION					
Position/Title	FY 2018- 2019	Variance	FY 2019-2020	Variance	FY 2020-2021
0931 Manager III – Investment Operations Manager	1.00		1.00		1.00
0932 Manager IV – Finance & Investment Operations Manager ⁶	0.00	1.00	1.00		1.00
1652 Accountant II ⁷	3.00	(1.00)	2.00		2.00
1654 Accountant III ⁷	2.00	1.00	3.00		3.00
1825 Principal Financial Administrative Analyst II	2.00		2.00		2.00
1842 Management Assistant	1.00		1.00		1.00
FTE Totals:	9.00	1.00	10.00	0.00	10.00

⁶Position transferred from Investment Division and substituted to create new Investment Operations Manager - 1114 Sr.Portfolio Manager to 0932 Manager IV [base salary: \$165,256; salary differential: (\$25,506)]

⁷Position substitution - 1652 Accountant II to 1654 Accountant III [base salary: \$112,580; salary differential: \$21,450]

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5050 (005) Temporary Salaries	\$502,424	\$517,500	\$15,076	\$533,050

Temporary Salaries: To provide funds for temporary help required by fluctuating workload and special projects, the following temporary funding is requested:

Department Projects	Temporary Positions	Proposed Budget FY2019-2020	Proposed Budget FY2020-2021
ECM Implementation Project	Three 1812 Asst. Retirement Analyst positions	\$271,550	\$279,700
Succession Planning	Two 1814 Benefits Supervisor positions	\$245,950	\$253,350
	Temporary Salaries Total:	\$502,424	\$533,050

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5090 (009) Premium Pay	\$45,000	\$45,000	\$0	\$45,000

Premium Pay: Word processing premium, bilingual, longevity and standby pay per MOU'S with various labor organizations.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5110 (011) Overtime Pay	\$10,000	\$10,000	\$0	\$10,000

Overtime Pay: Required due to fluctuating workload in retirement and service credit calculations, payroll updates and charter-mandated projects.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5130 (013) Fringe Benefits	\$2,804,677	\$*	\$*	\$*

* Budget amount to be determined by Controller's Office

Mandatory Fringe Benefits: Fringe benefits associated with permanent positions in the division.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5210 (021) Travel Expenses	\$20,000	\$20,000	\$0	\$20,000

Travel Expenses: Funds for travel outside of the City by Member Services, Retirement Services, and Accounting Division staff members related to seminars, conferences, and other training/educational meetings.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5220 (022) Training & Education	\$19,350	\$21,050	\$1,700	\$21,050

Training /Education Expenses: Funds for staff development and training.

Training/Education Event	Registration Fees	Proposed Budget FY2019-2020	Proposed Budget FY2020-2021
CALAPRS Benefits Roundtable	10 attendees @ \$350 each	\$3,500	\$3,500
CALAPRS Accountants Roundtable	4 attendees @ \$350 each	1,400	1,400
CALAPRS Disability Roundtable	4 attendees @ \$350 each	1,400	1,400
GFOA Conference	1 attendee @ \$750 each	750	750

CALAPRS Manager/Supervisor Institute	2 attendees @ \$2,500 each	5,000	5,000
National Association of Public Pension Attorneys	8 conferences @ \$500 each	4,000	4,000
Retirement Services Staff Training		<u>5,000</u>	<u>5,000</u>
Training/Education Expense Total:		\$21,050	\$21,050

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5230 (023) Mileage/ Field Expense	\$2,000	\$2,000	\$0	\$2,000

Auto Mileage and Field Expenses: Reimbursement for the use of private cars in connection with delivering mail, home/hospital retirement interviews, attendance of meetings and/or training.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5240 (024) Membership Fees	\$3,400	\$3,815	\$415	\$3,815

Professional Membership Fees:

Professional Organization	Proposed Budget FY2019-2020	Proposed Budget FY2020-2021
Governmental Finance Officers Association (GFOA)	1,250	1,205
Western Pension and Benefits	330	330
California State Bar	450	450
Public Pension Financial Forum (p2f2)	300	300
National Association of Public Pension Attorneys (NAPPA)	1,200	1,200
American Institute of Certified Public Accountants	<u>330</u>	<u>330</u>
Membership Fees Total:	\$3,815	\$3,815

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5270 (027) Professional Services	\$564,900	\$755,000	\$190,100	\$755,000

Professional Services Contracts:

Professional Services Provider	Proposed Budget FY2019-2020	Proposed Budget FY2020-2021
Administrative Hearing Officers (OAH)	\$300,000	\$300,000
Court Reporters	50,000	50,000
Medical Evaluations related to disability application processing	400,000	400,000
Legal Research/Public Records Search Services – Westlaw	5,000	5,000
Professional Services Contracts Total:	\$755,000	\$755,000

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5290 (029) Equipment Maintenance	\$100,000	\$100,000	\$0	\$100,000

Equipment Maintenance: Maintenance of office machines, computers, air conditioning, electrical, fax machines, microfilm readers/printers, scanners and other office equipment purchased by the department.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5350 (035) Other Services	\$60,000	\$200,000	\$140,000	\$200,000

Other Current Services: death search services

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5490 (049) Materials & Supplies	\$100,000	\$100,000	\$0	\$100,000

Materials and Supplies: Funds for office supplies, computer/printer supplies such as toner cartridges and repair parts, calculators, pre-printed forms, envelopes, etc. The cost of printing Retirement warrant stock is \$20,000.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581270 (081CT) City Atty Work Order	\$1,825,000	\$1,825,000	\$0	\$1,825,000

* Budget amount to be negotiated by work order with the Office of the City Attorney

City Attorney's Work Order:

Dedicated legal services provided by the City Attorney's office, including specialized outside legal counsel on retirement benefit related caseload.

	FY2019-2020	FY2020-2021
City Attorney Work Order (Retirement Services)	\$1,500,000	\$1,500,000
Outside Legal Counsel Work Order	325,000	325,000
City Attorney Work Order (Retirement Services) Total:	\$1,825,000	\$1,825,000

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581650 (081LS) Lease Paid to Real Estate	\$1,599,841	\$1,774,797	\$174,956	\$1,774,797

* Budget amount to be determined by work order with Real Estate Division.

Office Lease paid through Real Estate Department: Office rental prorated on an FTE basis

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581790 (081PM) Mail Processing	\$280,000	\$280,000	\$0	\$280,000

Mail Processing Services:

Processing monthly retiree payroll mailing, one time benefit warrants, annual statements, IRS forms 1099Rs, 109INT, W2, 1042S, newsletters, etc.
 [Includes contingency for possible postal rate increases through June 30, 2019]

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581820 (081PR) Repro & Printing	\$100,000	\$100,000	\$0	\$100,000

Reproduction Printing Services:

Costs associated with printing forms, retiree handbooks, annual report, newsletters, etc.

DEPARTMENT:	Employees' Retirement System
PROGRAM:	Investments (Regular Budget)
CHARTFIELDS:	Dept. 232319 / Fund 31330 / Project 10026788 / Authority 10000 / Activity 0001
FISCAL YEAR:	2019-2020 and 2020-2021

Investment (Regular Budget) - Program Description

The fiscal integrity and solvency of the System are largely dependent on the successful management of the System's investment portfolio by the Investment Division. The management of the fund also has a direct relationship to the overall credit rating of the City and County of San Francisco and helps to determine long-term funding costs and liabilities.

While the Retirement System's investment strategies and its portfolio composition have changed considerably over the System's 90+ year history, its essential goals have remained the same to meet all promised benefits when due; to obtain the maximum long-term rate of return on investments; and minimize risk to the pension trust. These goals continue to be met.

To assist the Retirement Board in the performance of its fiduciary responsibilities to the trust, the Investment Division professional staff serves as a resource to the Board regarding investment policies and practices. Staff investigates, analyzes and recommends asset allocation. It provides active internal management of investments not allocated to external management, and coordinates and monitors the activities of external investment managers. Staff actively maintains professional contact with the investment community.

Investment

SFERS BUDGET - FISCAL YEAR 2018-19, 2019-20 & 2020-21

INVESTMENT DIVISION

Object	Description	Appr. Base Budget 2018-19	Request 2019-20	Increase / (Decrease) 2018-19 to 2019-20	% Increase / (Decrease) 2018-19 to 2019-20	Request 2020-21	Increase / (Decrease) 2019-20 to 2020-21	% Increase / (Decrease) 2019-20 to 2020-21
5010 (001)	Permanent Salaries	4,439,768	4,439,768	-	0.00%	4,439,768	-	0.00%
5010 (005)	Temporary Pay	125,000	200,000	75,000	60.00%	200,000	-	0.00%
5090 (009)	Premium & Longevity Pay	1,500	1,500	-	0.00%	1,500	-	0.00%
5100 (010)	Incentive Pay-Retroactive Salaries	2,000,000	2,700,000	700,000	0.00%	2,900,000	200,000	7.41%
5110 (011)	Overtime	-	-	-	0.00%	-	-	0.00%
	Total Personal Services	6,566,268	7,341,268	775,000	11.80%	7,541,268	200,000	2.72%
5130 (013)	Mandatory Fringe Benefits	1,639,000	1,639,000	-	0.00%	1,639,000	-	0.00%
5150 (015)	Health Service - Adm Cost	-	-	-	0.00%	-	-	0.00%
	Total Fringe Benefits	1,639,000	1,639,000	-	0.00%	1,639,000	-	0.00%
5200 (020)	Overhead	-	-	-	0.00%	-	-	0.00%
	Total Overhead	-	-	-	0.00%	-	-	0.00%
5210 (021)	Travel	830,000	985,000	155,000	18.67%	985,000	-	0.00%
5220 (022)	Training	43,400	41,400	(2,000)	-4.61%	41,400	-	0.00%
5230 (023)	Mileage / Local Field Exp	5,000	5,000	-	0.00%	5,000	-	0.00%
5240 (024)	Membership Fees	9,000	9,000	-	0.00%	9,000	-	0.00%
5270 (027)	Professional Services	56,375,000	57,675,000	1,300,000	2.31%	58,375,000	700,000	1.21%
5290 (029)	Equipment Maintenance	-	-	-	0.00%	-	-	0.00%
5300 (030)	Property Rent	-	-	-	0.00%	-	-	0.00%
5310 (031)	Office Machines Rent	6,000	6,000	-	0.00%	6,000	-	0.00%
5350 (035)	Other Current Services	234,750	201,500	(33,250)	-14.16%	201,500	-	0.00%
	Total Non-Personal Services	57,503,150	58,922,900	1,419,750	2.47%	59,622,900	700,000	1.19%
5490 (049)	Total Materials and Supplies	30,000	30,000	-	0.00%	30,000	-	0.00%
5600 (060)	Total Equipment Purchases	150,000	150,000	-	0.00%	150,000	-	0.00%
581170 (C B)	C A O - Insurance	-	-	-	0.00%	-	-	0.00%
581270 (C T)	City Attorney	2,075,000	3,325,000	1,250,000	60.24%	3,325,000	-	0.00%
581210 (C I)	TIS - ISD Services	-	-	-	0.00%	-	-	0.00%
581245 (CO)	Controller - Financial Systems	-	-	-	0.00%	-	-	0.00%
581120 (C 3)	GF - Financial Systems	-	-	-	0.00%	-	-	0.00%
581130 (C 4)	GF - Audits	15,000	15,000	-	0.00%	15,000	-	0.00%
581140 (C 5)	DTIS Services	-	-	-	0.00%	-	-	0.00%
581430 (H 0)	HR - EEO	-	-	-	0.00%	-	-	0.00%
581360 (E T)	DTIS - Telecommunications	35,400	35,400	-	0.00%	35,400	-	0.00%
581620 (H Z)	HR Management System	-	-	-	0.00%	-	-	0.00%
581440 (H 1)	DHR - Examinations	-	-	-	0.00%	-	-	0.00%
581450 (H 2)	DHR - Management Training	-	-	-	0.00%	-	-	0.00%
581460 (H 3)	DHR - Workers' Comp	-	-	-	0.00%	-	-	0.00%
581470 (H 4)	DHR - LOF/ERP	-	-	-	0.00%	-	-	0.00%
581480 (H 7)	DHR - Employee Relations	-	-	-	0.00%	-	-	0.00%
581660 (M 2)	Mayor's Youth Works	-	-	-	0.00%	-	-	0.00%
581790 (P M)	Purchasing - Mail Services	-	-	-	0.00%	-	-	0.00%
581820 (P R)	Purchasing - Reproduction	-	-	-	0.00%	-	-	0.00%
581650 (L S)	Lease Paid to Real Estate	346,760	346,760	-	0.00%	346,760	-	0.00%
581910 (R V)	Department of Elections	-	-	-	0.00%	-	-	0.00%
581900 (R T)	Retirement Service	-	-	-	0.00%	-	-	0.00%
581280 (C W)	SFGOV Service	-	-	-	0.00%	-	-	0.00%
581325 (E A)	Enterprise Agreement	-	-	-	0.00%	-	-	0.00%
581067 (WB)	DPW Office Improvements	-	-	-	0.00%	-	-	0.00%
	Total Services of Other Depts.	2,472,160	3,722,160	1,250,000	50.56%	3,722,160	-	0.00%
486620 (RH)	Exp Rec Fr Retre Hlth Trst Brd	-	-	-	0.00%	-	-	0.00%
	Total Revenue Recoveries	-	-	-	0.00%	-	-	0.00%
	Total Investment (Regular)	68,360,578	71,805,328	3,444,750	5.04%	72,705,328	900,000	1.25%

Total FTE's

26

24

(2)

24

-

DEPARTMENT: Employees' Retirement System
 PROGRAM: Investments (Regular Budget)
 CHARTFIELDS: Dept. 232319 / Fund 31330 / Project 10026788 / Authority 10000 / Activity 0001
 FISCAL YEAR: 2019-2020 and 2020-2021

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5010 (001) Permanent Salaries	\$4,439,768	\$*	\$*	\$*

* Budget amount to be determined by Controller's Office

Permanent Salaries:

Summary of Positions in the Investment Division:

Position/Title	FY 2018- 2019	Variance	FY 2019-2020	Variance	FY 2020-2021
1114 Manager VI – SIO/SPM ¹	7.00	(1.00)	6.00	1.00	7.00
1115 Manager VII - Director of Portfolio Strategy ²	3.00	1.00	4.00	1.00	5.00
1116 Manager VIII – Managing Director ²	5.00	(1.00)	4.00		5.00
1119 Chief Investment Officer	1.00		1.00		1.00
4331 Security Analyst ³	8.00	(1.00)	7.00	(2.00)	5.00
1844 Sr Management Assistant ³	0.00	1.00	1.00		1.00
1842 Management Assistant ⁴	1.00	(1.00)	0.00		0.00
1404 Clerk	1.00		1.00		1.00
FTE Totals:	26.00	(2.00)	24.00	0.00	24.00

¹ Transfer to Retirement Services and substitution from 1114 Manager VI to 0932 Manager IV for new Investment Operations Manager position

² Substitution of 1116 Manager VIII for 1115 Manager VII [base salary: \$231,868; salary differential: (\$49,998)]

³ Substitute one 4331 Security Analyst position for 1844 Sr Management Assistant position [base salary: \$103,714; salary differential: (\$20,774)]

⁴ Transfer to Administration Division

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5050 (005) Temporary Salaries	\$125,000	\$200,000	\$75,000	\$200,000

Temporary Salaries: To fund Toigo Fellowship and Investment Internship

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5090 (009) Premium Pay	\$1,500	\$1,500	\$0	\$1,500

Premium Pay: Bilingual, longevity and standby pay per MOU'S with various labor organizations.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5100 (010) Incentive Pay	\$2,000,000	\$2,700,000	\$700,000	\$2,900,000

Incentive Pay: Performance-based incentive pay as part of pay structure for Chief Investment Officer, Managing Directors, Directors and Senior Portfolio Managers.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5130 (013) Fringe Benefits	\$1,639,000	\$*	\$*	\$*

* Budget amount to be determined by Controller's Office

Mandatory Fringe Benefits: Fringe benefits associated with permanent positions in the division.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5210 (021) Travel Expenses	\$830,000	\$985,000	\$155,000	\$985,000

Travel Expenses: Funds for significant increase in travel planned for outside of the City by investment staff members related to seminars, conferences, and other training/educational meetings. (Assumptions: Conference=\$2,500; Due Diligence=\$5,000)

Conference and Due Diligence Travel		Proposed Budget FY2019-2020	Proposed Budget FY2020-2021
Investment Division:			
Chief Investment Officer	10 due diligence trips/4 conferences	\$60,000	\$60,000
Private Markets:			
Managing Director	10 due diligence trips/4 conferences	60,000	60,000
Private Equity Staff	15 due diligence trips/4 conferences	100,000	100,000
Venture Capital Staff	15 due diligence trips/4 conferences	100,000	100,000
Real Assets Staff	15 due diligence trips/4 conferences	100,000	100,000
Private Debt Staff	10 due diligence trips/4 conferences	60,000	60,000
Public Markets:			
Managing Director	10 due diligence trips/4 conferences	60,000	60,000
Public Equity Staff	12 due diligence trips/4 conferences	80,000	80,000
Fixed Income Staff	4 due diligence trips/2 conferences	25,000	25,000
Absolute Return:			
Managing Director	10 due diligence trips/4 conferences	60,000	60,000
Absolute Return Staff	4 due diligence trips/2 conferences	40,000	40,000
Socially Responsible Investment (SRI):			
SRI Staff	10 due diligence trips/4 conferences	60,000	60,000
Asset Allocation/Risk:			
Managing Director	10 due diligence trips/4 conferences	60,000	60,000
Board Members			
	20 conferences	100,000	100,000
Legal Staff (Investments)			
	8 conferences	20,000	20,000
Travel Expense Total:		\$985,000	\$985,000

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5220 (022) Training & Education	\$43,400	\$41,400	(\$2,000)	\$41,400

Training/Education Expenses: Funds for staff development, education and training expenses.

Registration	Proposed Budget FY2019-2020	Proposed Budget FY2020-2021
4 attendees @ \$350 each	\$1,400	\$1,400
	<u>40,000</u>	<u>40,000</u>
Training/Education Expense Total:	\$41,400	\$41,400

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5230 (023) Mileage Field Expense	\$5,000	\$5,000	\$0	\$5,000

Auto Mileage and Field Expenses: Reimbursement for the use of private cars in connection with attendance of meetings and/or training.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5240 (024) Membership Fees	\$9,000	\$9,000	\$0	\$9,000

Professional Membership Fees:

California Association of Public Retirement Systems (CALAPRS)	\$2,000
National Conference of Public Employee Retirement Systems (NCPERS)	600
International Foundation of Employee Benefit Plans	2,000
Other	<u>4,400</u>
Professional Membership Total:	\$9,000

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5270 (027) Professional Services	\$56,375,000	\$57,675,000	\$1,300,000	\$58,375,000

Professional Services: Investment manager and consultant fees are budgeted based on existing fee schedules and managed assets as of June 30, 2018 returning 7.5% forward through FY2019-2020.

Investment Manager/Service Provider (Notes)	Baseline FY2018-2019	Proposed FY2019-2020	Variance	Proposed FY2020-2021	Assets as of 6/30/2018	Estimated Fee (Bps)
Advent	\$ 1,000,000	\$ 1,100,000	\$ 100,000	\$ 1,100,000	229,392,445	49.0
AQR	3,400,000	3,700,000	300,000	3,700,000	774,585,769	47.0
Arrowstreet	2,500,000	3,000,000	500,000	3,000,000	581,399,027	47.0
Mellon Capital (S&P Index Fund ex Tobacco)	230,000	200,000	(30,000)	200,000	1,266,800,397	1.4
Robert W Baird	1,000,000	500,000	(500,000)	500,000	749,620,543	9.0
Blackrock	500,000	500,000		500,000	2,208,514,327	2.0
Van Berkom & Associates	400,000	1,600,000	1,200,000	1,600,000	NA	
Capital Guardian Trust	1,300,000	1,000,000	(300,000)	1,000,000	271,481,131	44.0
Causeway Capital Management	1,800,000	1,900,000	100,000	1,900,000	562,688,411	34.1
Dimensional Fund Advisors (US Small Cap Value)	1,650,000	1,700,000	50,000	1,700,000	281,493,177	50.0
Income Research + Management	1,000,000	500,000	(500,000)	500,000	627,026,690	14.0
LSV Capital Management	2,300,000	2,500,000	200,000	2,500,000	571,260,675	44.8
Mondrian	1,600,000	1,000,000	(600,000)	1,000,000	212,699,643	60.0
Northern Trust – Index Funds	400,000	500,000	100,000	500,000	407,124,929	3.0
Oaktree Capital Management	1,800,000	700,000	(1,100,000)	700,000	172,965,893	49.0
Goldman Sachs	-	1,200,000	1,200,000	1,200,000	NA	7.0
PIMCO	900,000	1,000,000	100,000	1,000,000	178,593,801	59.0
Prima Capital Advisers	800,000	400,000	(400,000)	400,000	390,168,207	18.4
Fidelity (Fixed Income)	2,700,000	1,500,000	(1,200,000)	1,500,000	220,363,041	68.0

Fidelity (Int'l Small Cap)	2,300,000	2,500,000	200,000	2,500,000	278,839,169	76.0
Bain Capital Credit	900,000	800,000	(100,000)	800,000	168,584,216	50.0
Sands Capital Management	1,550,000	1,700,000	150,000	1,700,000	462,174,243	34.6
Wellington (Large Cap Growth)	2,000,000	1,500,000	(500,000)	1,500,000	553,535,001	44.7
Wellington (Emerging Market Equity)	1,200,000	900,000	(300,000)	900,000	142,504,862	80.0
William Blair	2,000,000	2,000,000		1,700,000	604,346,069	36.4
QMA	1,100,000	800,000	(300,000)	800,000	823,650,174	16.3
Cephei Capital Management	3,000,000	3,000,000		3,000,000	NA	
Blackstone Absolute Return	7,000,000	7,000,000		8,000,000	TBD	
Reserves/Manager Search in progress	8,000,000	8,000,000		8,000,000	N/A	
Subtotal Investment Manager Fees (1):	\$54,330,000	\$52,700,000	(\$1,630,000)	\$53,400,000		

(1) Total does not include investment managers with "net of fees" compensation arrangements

(2) Estimated Annual Fee is based on June 30, 2018 assets and proposed FY 2019-20 and 2020-21 fee budget for each manager and do not reflect changes to manager assets since June 30, 2018. For newly retained managers (Arrowstreet, Baird Advisors and Income Research + Management), estimated fee is based on actual/anticipated funding.

Investment Consultants/Service Provider	Baseline FY2018-2019	Proposed FY2019-2020	Variance	Proposed FY2020-2021
General Consultant - NEPC	\$900,000	\$900,000	0	\$900,000
Real Asset Consultant - Cambridge	500,000	500,000	0	500,000
Private Equity Consultant - Cambridge	1,800,000	1,800,000	0	1,800,000
Private Equity Consultant - Torrey Cove	450,000	450,000	0	450,000
Risk Consultant -	25,000	25,000	0	25,000
Private Debt Consultant - Cambridge	300,000	300,000	0	300,000
Reserves/Investment Service Provider Searches	1,000,000	1,000,000	0	1,000,000
Subtotal of Investment Consultant Fees:	\$4,975,000	\$4,975,000	0	\$4,975,000
			0	
Professional Services Total:	\$59,305,000	\$57,675,000	0	\$58,375,000

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5310 (031) Office Equip Lease	\$6,000	\$6,000	\$0	\$6,000

Office Equipment Leases: Pro-rata share of cost of copiers, printers, postage meter and other equipment

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5350 (035) Other Services	\$234,750	\$201,500	(\$33,250)	\$201,500

Other Current Services: Licensing fees, subscriptions, and office equipment maintenance

Licensor/Service Provider	Proposed Budget FY2019-2020	Proposed Budget FY2020-2021
LAN software support/maintenance	\$20,000	\$20,000
ECM software support/maintenance	80,000	80,000
Subscriptions to business and trade publications	1,500	1,500
Office Equipment maintenance	<u>100,000</u>	<u>100,000</u>
Other Current Services Contracts Total:	\$201,500	\$201,500

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5400 (049) Materials & Supplies	\$30,000	\$30,000	\$0	\$30,000

Materials and Supplies: Funds for office supplies, computer/printer supplies such as toner cartridges and repair parts, envelopes, etc.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5600 (060) Equipment Purchase	\$150,000	\$150,000	\$0	\$150,000

Equipment Purchases: Computer and communications equipment.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581270 (081CT) City Atty Work Order	\$2,075,000	\$3,325,000	\$1,250,000	\$3,325,000

City Attorney's Work Order:

Dedicated legal services provided by the City Attorney's office, including specialized outside legal counsel on investment related caseload. Outside Legal increased for new Hedge Fund / Absolute Return strategy FY2017-2018

	FY2019-2020	FY2020-2021
City Attorney Work Order (Investments)	\$ 825,000	\$ 825,000
Outside Legal Counsel Work Order	<u>2,500,000</u>	<u>2,500,000</u>
City Attorney Work Order (Investments) Total:	\$3,325,000	\$3,325,000

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581130 (081C4) Internal Audit Fees	\$15,000	\$*	\$	\$*

* Budget amount to be determined by the Controller's Office

Controller's Internal Audits:

Pro-rata share of the Controller's Office internal audit expenditures for FY2019-2020.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581360 (081ET) Communications Services	\$35,400	\$*	\$	\$*

* Budget amount to be determined by work order with DT

Department of Technology Communications Services: Work order for Project 697TEL – monthly telephone billing, telephone and switch equipment.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581650 (081LS) Lease Paid to Real Estate	\$346,760	\$346,760*	\$	\$*

* Budget amount to be determined by work order with Real Estate Division.

Office Lease paid through Real Estate Department: Office rental prorated on an FTE basis

SFERS BUDGET - FISCAL YEAR 2018-19, 2019-20 & 2020-21
INVESTMENT DIVISION (Recaptured Commissions Budget)

Object	Description	Appr. Base Budget 2018-19	Request 2019-20	Increase / (Decrease) 2018-19 to 2019-20	% Increase / (Decrease) 2018-19 to 2019-20	Request 2020-21	Increase / (Decrease) 2019-20 to 2020-21	% Increase / (Decrease) 2019-20 to 2020-21
5010 (001)	Permanent Salaries	-	-	-	0.00%	-	-	0.00%
5010 (005)	Temporary Pay	-	-	-	0.00%	-	-	0.00%
5090 (009)	Premium & Longevity Pay	-	-	-	0.00%	-	-	0.00%
5100 (010)	Incentive Pay-Retroactive Salaries	-	-	-	0.00%	-	-	0.00%
5110 (011)	Overtime	-	-	-	0.00%	-	-	0.00%
	Total Personal Services	-	-	-	0.00%	-	-	0.00%
5130 (013)	Mandatory Fringe Benefits	-	-	-	0.00%	-	-	0.00%
5150 (015)	Health Service - Adm Cost	-	-	-	0.00%	-	-	0.00%
	Total Fringe Benefits	-	-	-	0.00%	-	-	0.00%
5200 (020)	Overhead	-	-	-	0.00%	-	-	0.00%
	Total Overhead	-	-	-	0.00%	-	-	0.00%
5210 (021)	Travel	-	-	-	0.00%	-	-	0.00%
5220 (022)	Training	-	-	-	0.00%	-	-	0.00%
5230 (023)	Mileage / Local Field Exp	-	-	-	0.00%	-	-	0.00%
5240 (024)	Membership Fees	54,275	59,575	5,300	9.77%	59,575	-	0.00%
5270 (027)	Professional Services	1,441,825	1,183,825	(258,000)	-17.89%	1,183,825	-	0.00%
5290 (029)	Equipment Maintenance	-	-	-	0.00%	-	-	0.00%
5300 (030)	Property Rent	-	-	-	0.00%	-	-	0.00%
5310 (031)	Office Machines Rent	250,000	250,000	-	0.00%	250,000	-	0.00%
5350 (035)	Other Current Services	440,000	340,000	(100,000)	-22.73%	340,000	-	0.00%
	Total Non-Personal Services	2,186,100	1,833,400	(352,700)	-16.13%	1,833,400	-	0.00%
5490 (049)	Total Materials and Supplies	-	-	-	0.00%	-	-	0.00%
5600 (060)	Total Equipment Purchases	-	-	-	0.00%	-	-	0.00%
581170 (C B)	C A O - Insurance	-	-	-	0.00%	-	-	0.00%
581270 (C T)	City Attorney	-	-	-	0.00%	-	-	0.00%
581210(C I)	TIS - ISD Services	-	-	-	0.00%	-	-	0.00%
581245 (CO)	Controller - Financial Systems	-	-	-	0.00%	-	-	0.00%
581120 (C 3)	GF - Financial Systems	-	-	-	0.00%	-	-	0.00%
581130 (C 4)	GF - Audits	-	-	-	0.00%	-	-	0.00%
581140 (C 5)	DTIS Services	-	-	-	0.00%	-	-	0.00%
581430 (H 0)	HR - EEO	-	-	-	0.00%	-	-	0.00%
581360 (E T)	DTIS - Telecommunications	-	-	-	0.00%	-	-	0.00%
581620 (H Z)	HR Management System	-	-	-	0.00%	-	-	0.00%
581440 (H 1)	DHR - Examinations	-	-	-	0.00%	-	-	0.00%
581450 (H 2)	DHR - Management Training	-	-	-	0.00%	-	-	0.00%
581460 (H 3)	DHR - Workers' Comp	-	-	-	0.00%	-	-	0.00%
581470 (H 4)	DHR - LOF/ERP	-	-	-	0.00%	-	-	0.00%
581480 (H 7)	DHR - Employee Relations	-	-	-	0.00%	-	-	0.00%
581660 (M 2)	Mayor's Youth Works	-	-	-	0.00%	-	-	0.00%
581790 (P M)	Purchasing - Mail Services	-	-	-	0.00%	-	-	0.00%
581820 (P R)	Purchasing - Reproduction	-	-	-	0.00%	-	-	0.00%
581650 (L S)	Lease Paid to Real Estate	-	-	-	0.00%	-	-	0.00%
581910 (R V)	Department of Elections	-	-	-	0.00%	-	-	0.00%
581900 (R T)	Retirement Service	-	-	-	0.00%	-	-	0.00%
581280 (C W)	SFGOV Service	-	-	-	0.00%	-	-	0.00%
581325 (E A)	Enterprise Agreement	-	-	-	0.00%	-	-	0.00%
581067 (WB)	DPW Office Improvements	-	-	-	0.00%	-	-	0.00%
	Total Services of Other Depts.	-	-	-	0.00%	-	-	0.00%
486620 (RH)	Exp Rec Fr Retre Hlth Trst Brd	-	-	-	0.00%	-	-	0.00%
	Total Revenue Recoveries	-	-	-	0.00%	-	-	0.00%
	Total Investment (RCC)	2,186,100	1,833,400	(352,700)	-16.13%	1,833,400	-	0.00%
	Total FTE's	0.00	0.00	0.00		0.00	0.00	

DEPARTMENT: Employees' Retirement System
 PROGRAM: Investment (Recaptured Commissions Budget)
 CHARTFIELDS: N/A
 FISCAL YEAR: 2019-2020 and 2020-2021

The Recaptured Commission Expenditures Budget is designed to identify the payments that will be made from recaptured commission credits.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
024 Membership Fees	\$54,275	\$59,575	\$5,300	\$59,575

Professional Membership Fees:

Organization	Baseline FY2018-2019	Proposed FY2019-2020	Proposed FY2020-2021
CAIA Association	\$375	\$375	\$375
Council of Institutional Investors	20,000	20,000	20,000
CFA Institute	10,000	15,000	15,000
Pensions West	1,000	1,000	1,000
Security Analysts of - S.F.	1,200	1,500	1,500
Institutional Investor's Forum (Stanford)	12,000	12,000	12,000
Pacific Pension Institute	5,750	5,750	5,750
Pension Real Estate Association	500	500	500
National Association of Securities Professionals	300	300	300
Trusted Insight	150	150	150
Institutional Limited Partnership Association	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Total	\$54,275	\$59,575	\$59,575

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
027 Professional Services	\$1,441,825	\$1,183,825	(\$258,000)	\$1,183,825

Professional Services: Expenses related to purchase of investment research services, software applications, access to on-line databases, etc.

Professional Services	Baseline FY2018-2019	Proposed FY2019-2020	Proposed FY2020-2021
A.S.E. (access charge)	\$ 900	\$ 900	\$ 900
BDO Investigative Due Diligence Services	10,000	10,000	10,000
Bloomberg	180,000	45,000	45,000
IRRC database	2,000	2,000	2,000
ISI (economic research)	75,000	75,000	75,000
ISS/CDA (proxy service)	135,000	150,000	150,000
ISS/Sudan Service	9,000	9,000	9,000
NASDAQ (access charge)	750	750	750
New services/software	150,000	100,000	100,000
N.Y.S.E. (access charge)	3,000	3,000	3,000
Ned Davis (market research)	38,000	-	-
Lehman Business Index Subscription	10,000	10,000	10,000
MSCI Index Data	12,000	12,000	12,000
S&P Global Index Data	60,000	60,000	60,000
Strategic Economic Decisions (research)	10,000	-	-
The Deal.com	175	175	175
Zephyr Associates – Style Advisor	20,000	20,000	20,000
Albourne (hedge funds research)	400,000	400,000	400,000
Mercer (public equity manager research)	128,000	128,000	128,000
Willshire (public equity manager research)	40,000	-	-
Style Research (risk management/optimization)	<u>158,000</u>	<u>158,000</u>	<u>158,000</u>
Total Professional Services:	\$1,441,825	\$1,183,825	\$1,183,825

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
031 Office Equip Leases	\$250,000	\$250,000	\$0	\$250,000

Office Equipment Leases: Bloomberg equipment and accessories.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
035 Other Services	\$440,000	\$340,000	(\$100,000)	\$340,000

Other Current Services: Investment subscriptions

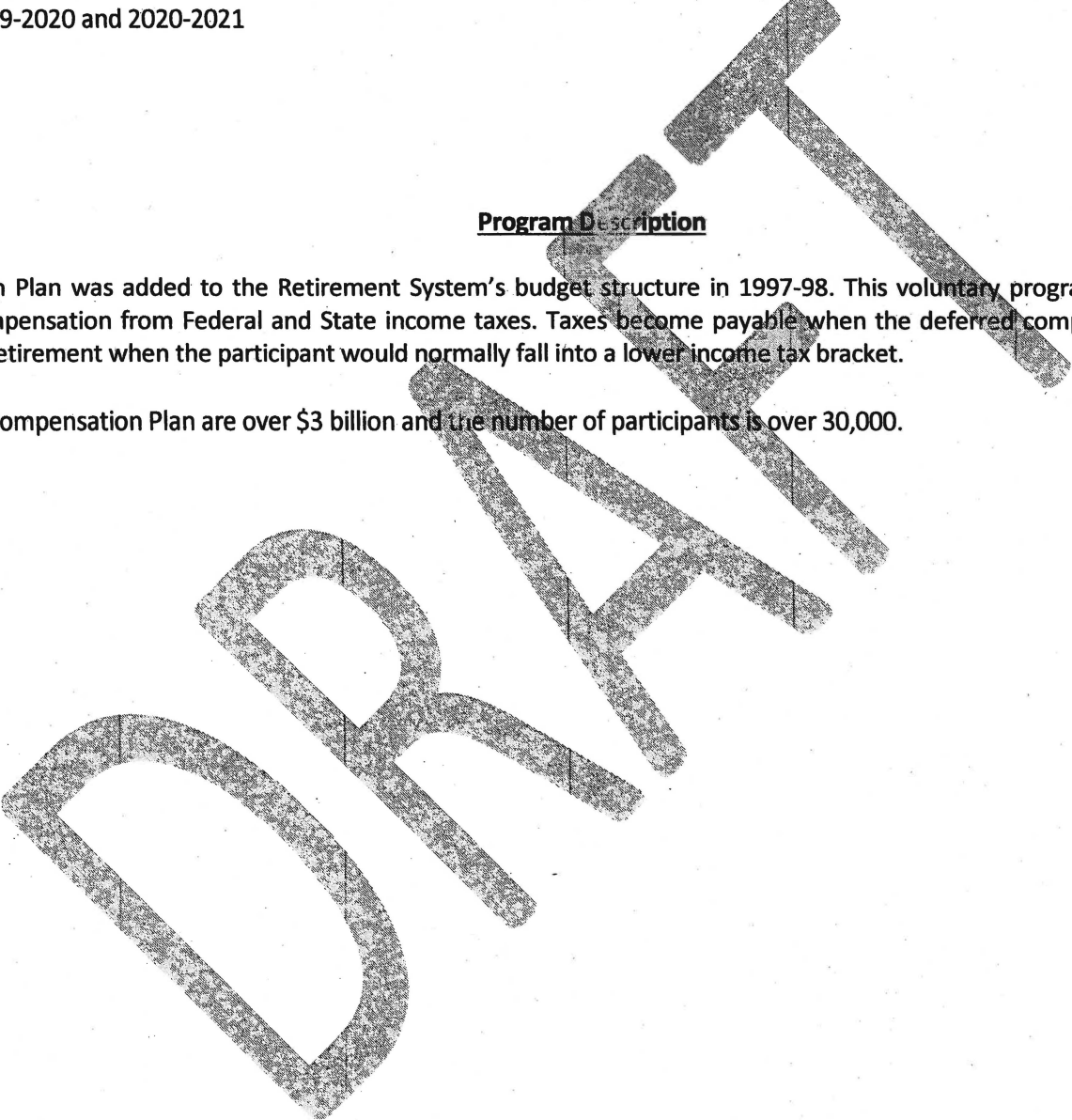
Crittenden's Pension Fund & Real Estate	\$ 1,100	Pension & Investment	\$1,500
Caissa LLC	135,000	Private Equity Analyst (Alternative Investors)	1,500
Code Red	97,000	Private Equity International	1,500
Economist	500	Pitchbook/Prequin	25,000
European Venture Capital	1,900	Russell Investments	500
Factivia Inc.,	6,000	San Francisco Business Times	200
Financial Times	600	San Francisco Chronicle	300
Hedge Fund Journal	2,500	Silicon Valley Bus. Journal	175
Ibbotson-SBBI Yearbook	125	Thomson Media	100
Insight Economics	1,400	Asian VC Journal	5,300
Institutional Investor	2,000	Venture Capital Journal	3,500
Journal of Portfolio Management	1,800	Venture Economics	1,600
Journal of Private Equity	775	Wall Street Journal	7,500
LBO Wire	1,400	Other including SRI	<u>25,000</u>
Minority & Woman Owned Investment Managers	100		
New Subscriptions	1,500		
		Subscriptions Total:	\$337,375

DEPARTMENT:	Employees' Retirement System
PROGRAM:	Deferred Compensation
CHARTFIELDS:	Dept. 207980 / Fund 10020 / Project 10024407 / Authority 17410 / Activity 0001
FISCAL YEAR:	2019-2020 and 2020-2021

Program Description

The Deferred Compensation Plan was added to the Retirement System's budget structure in 1997-98. This voluntary program permits City employees to defer a portion of their regular compensation from Federal and State income taxes. Taxes become payable when the deferred compensation plus investment income are distributed, presumably at retirement when the participant would normally fall into a lower income tax bracket.

The assets of the Deferred Compensation Plan are over \$3 billion and the number of participants is over 30,000.



SFERS BUDGET - FISCAL YEAR 2018-19, 2019-20 & 2020-21

DEFERRED COMPENSATION DIVISION

Object	Description	Appr. Base Budget 2018-19	Request 2019-20	Increase / (Decrease) 2018-19 to 2019-20	% Increase / (Decrease) 2018-19 to 2019-20	Request 2020-21	Increase / (Decrease) 2019-20 to 2020-21	% Increase / (Decrease) 2019-20 to 2020-21
5010 (001)	Permanent Salaries	501,176	501,176	-	0.00%	-	(501,176)	0.00%
5010 (005)	Temporary Pay	100,000	100,000	-	0.00%	100,000	-	0.00%
5090 (009)	Premium & Longevity Pay	-	-	-	0.00%	-	-	0.00%
5100 (010)	Incentive Pay-Retroactive Salaries	-	-	-	0.00%	-	-	0.00%
5110 (011)	Overtime	-	-	-	0.00%	-	-	0.00%
	Total Personal Services	601,176	601,176	-	0.00%	100,000	(501,176)	-83.37%
5130 (013)	Mandatory Fringe Benefits	272,310	272,310	-	0.00%	-	(272,310)	0.00%
5150 (015)	Health Service - Adm Cost	-	-	-	0.00%	-	-	0.00%
	Total Fringe Benefits	272,310	272,310	-	0.00%	-	(272,310)	0.00%
5200 (020)	Overhead	-	-	-	0.00%	-	-	0.00%
	Total Overhead	-	-	-	0.00%	-	-	0.00%
5210 (021)	Travel	4,000	5,000	1,000	25.00%	5,000	-	0.00%
5220 (022)	Training	2,000	2,000	-	0.00%	2,000	-	0.00%
5230 (023)	Mileage / Local Field Exp	500	500	-	0.00%	500	-	0.00%
5240 (024)	Membership Fees	1,050	1,500	450	42.86%	1,500	-	0.00%
5270 (027)	Professional Services	186,718	235,000	48,282	25.86%	235,000	-	0.00%
5290 (029)	Equipment Maintenance	-	-	-	0.00%	-	-	0.00%
5300 (030)	Property Rent	-	-	-	0.00%	-	-	0.00%
5310 (031)	Office Machines Rent	1,000	1,000	-	0.00%	1,000	-	0.00%
5350 (035)	Other Current Services	1,500	1,500	-	0.00%	1,500	-	0.00%
	Total Non-Personal Services	196,768	246,500	49,732	25.27%	246,500	-	0.00%
5490 (049)	Total Materials and Supplies	5,000	5,000	-	0.00%	5,000	-	0.00%
5600 (060)	Total Equipment Purchases	-	-	-	0.00%	-	-	0.00%
581170 (C B)	C A O - Insurance	-	-	-	0.00%	-	-	0.00%
581270 (C T)	City Attorney	500,000	500,000	-	0.00%	500,000	-	0.00%
581210(C I)	TIS - ISD Services	-	-	-	0.00%	-	-	0.00%
581245 (CO)	Controllor - Financial Systems	-	-	-	0.00%	-	-	0.00%
581120 (C 3)	GF - Financial Systems	-	-	-	0.00%	-	-	0.00%
581130 (C 4)	GF - Audits	-	-	-	0.00%	-	-	0.00%
581140 (C 5)	DTIS Services	-	-	-	0.00%	-	-	0.00%
581430 (H 0)	HR - EEO	-	-	-	0.00%	-	-	0.00%
581360 (E T)	DTIS - Telecommunications	-	-	-	0.00%	-	-	0.00%
581620 (H Z)	HR Management System	-	-	-	0.00%	-	-	0.00%
581440 (H 1)	DHR - Examinations	-	-	-	0.00%	-	-	0.00%
581450 (H 2)	DHR - Management Training	-	-	-	0.00%	-	-	0.00%
581460 (H 3)	DHR - Workers' Comp	-	-	-	0.00%	-	-	0.00%
581470 (H 4)	DHR - LOF/ERP	-	-	-	0.00%	-	-	0.00%
581480 (H 7)	DHR - Employee Relations	-	-	-	0.00%	-	-	0.00%
581660 (M 2)	Mayor's Youth Works	-	-	-	0.00%	-	-	0.00%
581790 (P M)	Purchasing - Mail Services	-	-	-	0.00%	-	-	0.00%
581820 (P R)	Purchasing - Reproduction	-	-	-	0.00%	-	-	0.00%
581650 (L S)	Lease Paid to Real Estate	106,013	117,607	11,594	10.94%	117,607	-	0.00%
581910 (R V)	Department of Elections	-	-	-	0.00%	-	-	0.00%
581900 (R T)	Retirement Service	-	-	-	0.00%	-	-	0.00%
581280 (C W)	SFGOV Service	-	-	-	0.00%	-	-	0.00%
581325 (E A)	Enterprise Agreement	-	-	-	0.00%	-	-	0.00%
581067 (WB)	DPW Office Improvements	-	-	-	0.00%	-	-	0.00%
	Total Services of Other Depts.	606,013	617,607	11,594	1.91%	617,607	-	0.00%
486620 (RH)	Exp Rec Fr Retre Hlth Trst Brd	-	-	-	0.00%	-	-	0.00%
	Total Revenue Recoveries	-	-	-	0.00%	-	-	0.00%
	Total	1,681,267	1,742,593	61,326	3.65%	969,107	(773,486)	-44.39%
	Total FTE's	5	5	-	-	5	-	-

DEPARTMENT: Employees' Retirement System
 PROGRAM: Deferred Compensation
 CHARTFIELDS: Dept. 207980 / Fund 10020 / Project 10024407 / Authority 17410 / Activity 0001
 FISCAL YEAR: 2019-2020 and 2020-2021

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5010 (001) Permanent Salaries	\$501,176	\$*	\$*	\$*

* Budget amount to be determined by Controller's Office (includes budget amount for permanent salaries)

Permanent Salaries:

Summary of Positions in the Deferred Comp Division:

Position/Title	FY 2018-2019	Variance	FY 2019-2020	Variance	FY 2020-2021
0922 Manager I – Loan Program Manager	1.00		1.00		1.00
0931 Manager III – Deferred Compensation Director	1.00	(1.00)	0.00		0.00
0932 Manager IV – Deferred Compensation Director ¹	0.00	1.00	1.00		1.00
1209 Benefits Technician	2.00		2.00		2.00
1813 Senior Benefits Analyst	1.00		1.00		1.00
FTE Totals:	5.00	0.00	5.00	0.00	5.00

¹Upward substitution for Deferred Compensation Director – 0931 Manager III to 0932 Manager IV [base salary: \$165,256; salary differential: \$11,336]

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5050 (005) Temporary Salaries	\$100,000	\$100,000	\$	\$100,000

Temporary Salaries:

To provide contingent funds for temporary professional level positions that may be approved by the Retirement Board.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5130 (013) Fringe Benefits	\$272,310	\$*	\$*	\$*

* Budget amount to be determined by Controller's Office

Mandatory Fringe Benefits: Fringe benefits associated with permanent positions in the division.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5210 (021) Travel Expenses	\$4,000	\$5,000	\$1,000	\$5,000

Travel Expenses: Funds for travel outside of the City by staff members related to seminars, conferences, and other training/educational meetings.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5220 (022) Training & Education	\$2,000	\$2,000	\$0	\$2,000

Training/Education Expenses: Funds for staff development, education and training expenses.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5230 (023) Mileage/ Field Expense	\$500	\$500	\$0	\$500

Auto Mileage and Field Expenses: Reimbursement for the use of private cars in connection attendance of meetings and/or training.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5240 (024) Membership Fees	\$1,050	\$1,500	\$450	\$1,500

Professional Membership Fees: NAGDCA, WP&BC, InFRE, ISCEBS, International Foundation, ASPPA and Pension West.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5270 (027) Professional Services	\$186,718	\$235,000	\$48,282	\$235,000

Professional Services: Plan performance assessment and consulting.

Professional Services	Proposed FY2019-2020	Proposed FY2020-2021
Investment Consultant – Callan Associates Advisors	\$235,000	\$235,000

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5310 (031) Office Equip Leases	\$1,000	\$1,000	\$0	\$1,000

Office Equipment Leases: Shared color copier prorated based on usage.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5350 (035) Other Services	\$1,500	\$1,500	\$0	\$1,500

Other Current Services: Shared use of postage meter, document shredding services and software licenses.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
5400 (049) Materials & Supplies	\$5,000	\$5,000	\$0	\$5,000

Materials and Supplies: Funds for office supplies, computer supplies such as toner cartridges and repair parts, calculators, computers and related supplies that have a unit cost of under \$5,000, ergonomic/ADA office equipment is budgeted at \$1,000 and disaster preparedness supplies for SFDCP staff are budgeted at \$500.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581270 (081CT) City Atty Work Order	\$500,000	\$500,000	\$0	\$500,000

City Attorney's Work Order:

Dedicated legal services provided by the City Attorney's office, including specialized outside legal counsel on deferred compensation plan-related caseload – new TPA contract negotiation.

Description Object	Approved Budget FY2018-2019	Proposed Budget FY2019-2020	Variance	Proposed Budget FY2020-2021
581650 (081LS) Lease Paid to Real Estate	\$106,013	\$117,607	\$11,594	\$117.607

* Budget amount to be determined by work order with Real Estate Division.

Office Lease paid through Real Estate Department: Office rental prorated on an FTE basis

Summary x RHCTF

SFERS BUDGET - FISCAL YEAR 2018-19, 2019-20 & 2020-21

SUMMARY - ALL FUNDS AND ALL DIVISIONS

Object	Description	Appr. Base Budget 2018-19	Request 2019-20	Increase / (Decrease) 2018-19 to 2019-20	% Increase / (Decrease) 2018-19 to 2019-20	Request 2020-21	Increase / (Decrease) 2019-20 to 2020-21	% Increase / (Decrease) 2019-20 to 2020-21
5010 (001)	Permanent Salaries	13,154,426	13,154,426	-	0.00%	13,154,426	-	0.00%
5010 (005)	Temporary Pay	727,424	817,500	90,076	12.38%	833,050	15,550	1.90%
5090 (009)	Premium & Longevity Pay	46,500	46,500	-	0.00%	46,500	-	0.00%
5100 (010)	Incentive Pay-Retroactive Salaries	2,000,000	2,700,000	700,000	35.00%	2,900,000	200,000	7.41%
5110 (011)	Overtime	10,000	10,000	-	0.00%	10,000	-	0.00%
	Total Personal Services	15,938,350	16,728,426	790,076	4.96%	16,442,800	(285,626)	-1.71%
5130 (013)	Mandatory Fringe Benefits	5,568,239	5,568,239	-	0.00%	4,443,677	579,942	0.00%
5150 (015)	Health Service - Adm Cost	327,975	327,975	-	0.00%	-	327,975	0.00%
	Total Fringe Benefits	5,896,214	5,896,214	-	0.00%	4,443,677	907,917	0.00%
5200 (020)	Overhead	-	-	-	0.00%	-	-	0.00%
	Total Overhead	-	-	-	0.00%	-	-	0.00%
5210 (021)	Travel	874,000	1,030,000	156,000	17.85%	1,030,000	-	0.00%
5220 (022)	Training	131,400	132,100	700	0.53%	132,100	-	0.00%
5230 (023)	Mileage / Local Field Exp	8,000	8,000	-	0.00%	8,000	-	0.00%
5240 (024)	Membership Fees	70,760	77,395	6,635	9.38%	77,395	-	0.00%
5270 (027)	Professional Services	59,859,043	61,064,425	1,205,382	2.01%	61,764,425	700,000	1.15%
5290 (029)	Equipment Maintenance	175,000	115,000	(60,000)	-34.29%	115,000	-	0.00%
5300 (030)	Property Rent	80,000	80,000	-	0.00%	80,000	-	0.00%
5310 (031)	Office Machines Rent	327,000	282,000	(45,000)	-13.76%	282,000	-	0.00%
5350 (035)	Other Current Services	1,726,250	1,770,000	43,750	2.53%	1,770,000	-	0.00%
	Total Non-Personal Services	63,251,453	64,558,920	1,307,467	2.07%	65,258,920	700,000	1.08%
5490 (049)	Total Materials and Supplies	285,000	295,000	10,000	3.51%	295,000	-	0.00%
5600 (060)	Total Equipment Purchases	240,491	253,222	12,731	5.29%	173,184	(80,038)	-31.61%
581170 (C B)	CA O - Insurance	7,748	7,748	-	0.00%	7,748	-	0.00%
581270 (C T)	City Attorney	4,400,000	5,650,000	1,250,000	28.41%	5,725,000	-	0.00%
581210 (C I)	TIS - ISD Services	279,074	279,074	-	0.00%	279,074	-	0.00%
581245 (CO)	Controller - Financial Systems	159,165	160,001	836	0.53%	160,001	-	0.00%
581120 (C 3)	GF - Financial Systems	57,879	54,596	(3,283)	-5.67%	56,411	1,815	3.32%
581130 (C 4)	GF - Audits	79,742	79,742	-	0.00%	79,742	-	0.00%
581140 (C 5)	DTIS Services	17,076	17,076	-	0.00%	17,076	-	0.00%
581430 (H 0)	HR - EEO	2,251	2,251	-	0.00%	2,251	-	0.00%
581360 (E T)	DTIS - Telecommunications	73,670	73,670	-	0.00%	73,670	-	0.00%
581620 (H Z)	HR Management System	-	-	-	0.00%	-	-	0.00%
581440 (H 1)	DHR - Examinations	-	-	-	0.00%	-	-	0.00%
581450 (H 2)	DHR - Management Training	3,300	3,300	-	0.00%	3,300	-	0.00%
581460 (H 3)	DHR - Workers' Comp	96,135	96,135	-	0.00%	96,135	-	0.00%
581470 (H 4)	DHR - LOF/ERP	6,317	6,317	-	0.00%	6,317	-	0.00%
581480 (H 7)	DHR - Employee Relations	9,036	9,036	-	0.00%	9,036	-	0.00%
581660 (M 2)	Mayor's Youth Works	4,536	4,536	-	0.00%	4,536	-	0.00%
581790 (P M)	Purchasing - Mail Services	280,000	280,000	-	0.00%	280,000	-	0.00%
581820 (P R)	Purchasing - Reproduction	100,000	100,000	-	0.00%	100,000	-	0.00%
581650 (L S)	Lease Paid to Real Estate	2,242,956	2,450,322	207,366	9.25%	2,450,322	-	0.00%
581910 (R V)	Department of Elections	70,000	70,000	-	0.00%	70,000	-	0.00%
581900 (R T)	Retirement Service	-	-	-	0.00%	-	-	0.00%
581280 (C W)	SFGOV Service	37,403	37,403	-	0.00%	37,403	-	0.00%
581325 (E A)	Enterprise Agreement	30,627	30,627	-	0.00%	30,627	-	0.00%
581067 (WB)	DPW Office Improvements	-	-	-	0.00%	-	-	0.00%
	Total Services of Other Depts.	7,956,915	9,411,834	1,454,919	18.28%	9,413,649	101,815	1.08%
486620 (RH)	Exp Rec Fr Retre Hlth Trst Brd	(50,000)	(100,000)	(50,000)	100.00%	(160,000)	(60,000)	60.00%
	Total Revenue Recoveries	(50,000)	(100,000)	(50,000)	100.00%	(160,000)	(60,000)	60.00%
	Total	94,920,923	99,746,116	3,825,193	4.03%	97,629,730	1,244,068	1.26%
	Total FTE's	114	114	-	-	114	-	-