

Office of Retirement Services

John Flynn, Chief Executive Officer

MISSION

Provide and maintain financially sound pension and healthcare plans

CITY SERVICE AREA

Strategic Support

CORE SERVICES

RETIREMENT PLAN ADMINISTRATION

Management and administration of the retirement trust funds, administration of retirement benefits, and supervision of investment assets.

Strategic Support: Retirement Boards' Support, Training, and Contract Administration

Office of Retirement Services

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Retirement Plan Administration Core Service</i>	
Benefits	Provides retirement planning and counseling services to plan members and administers health care and other benefits for retirees and beneficiaries.
Investments	Manages retirement plan assets in a manner which seeks to achieve long-term net returns in excess of the actuarial investment return assumption and adopted benchmarks while maintaining a reasonable level of investment risk.
<i>Strategic Support Core Service</i>	
Retirement Financial Management	Prepares annual comprehensive financial reports for the retirement plans; runs monthly payroll for retirees and beneficiaries; manages the budget and all other financial transactions for the department.
Retirement Human Resources	Manages personnel-related functions for the department, including hiring, employee development, employee discipline, and personnel transactions.
Retirement Information Technology	Manages the Pension Administration System which houses all retirement data and runs most of the retirement business transactions; provides other information technology services, planning, system development and maintenance for the department.
Retirement Management and Administration	Provides executive-level, analytical, and administrative support to the department and retirement boards.

Office of Retirement Services

Department Budget Summary

Expected 2025-2026 Service Delivery

- Manage Retirement Plans' assets and seek solutions to increase investment returns and reduce volatility and cost, while mitigating risk.
- Work with the Retirement Plans' actuaries to ensure the plans have adopted and implemented the most appropriate rates, assumptions, and methodologies to remove risk from the plans, and decrease volatility.
- Provide quality retirement planning, counseling, and financial reporting.

2025-2026 Key Budget Actions

- Adds 1.0 Program Manager position to address critical gaps in oversight, compliance, and operational efficiency and eliminates 1.0 Senior Auditor position, which is being transitioned to an external provider to enhance governance standards and independence. The Program Manager position will provide centralized oversight of policy compliance, governance, procurement, and administrative operations, and will lead the new benchmarking initiative for the Office of Retirement Services (ORS) to further position ORS as a data-driven and continuously improving organization.

Operating Funds Managed

- Federated Retiree Health Care Trust Fund
- Federated Retirement Fund
- Fire Retiree Health Care Trust Fund
- Police and Fire Retirement Fund
- Police Retiree Health Care Trust Fund

Office of Retirement Services

Department Budget Summary

	2023-2024 Actuals ***	2024-2025 Adopted ****	2025-2026 Forecast	2025-2026 Proposed
Dollars by Core Service				
Retirement Plan Administration	6,236,711	6,600,468	6,814,197	6,711,805
Strategic Support - City Council Appointees	3,184,500	3,262,573	3,250,278	3,344,796
Strategic Support - Other - Council Appointees	10,850	30,000	11,000	11,000
Total	\$9,432,061	\$9,893,041	\$10,075,475	\$10,067,601
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	9,366,000	9,778,041	10,014,475	10,006,601
Subtotal Personal Services	\$9,366,000	\$9,778,041	\$10,014,475	\$10,006,601
Total Personal Services & Non-Personal/Equipment	\$9,366,000	\$9,778,041	\$10,014,475	\$10,006,601
<i>Other Costs *</i>				
City-Wide Expenses	66,061	115,000	61,000	61,000
Housing Loans and Grants	0	0	0	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$66,061	\$115,000	\$61,000	\$61,000
Total	\$9,432,061	\$9,893,041	\$10,075,475	\$10,067,601

Note: The budget figures reflected in this summary account for a small portion of the total budget for the Office of Retirement Services, including the cost of the civil service positions in the Office of Retirement Services and General Fund City-Wide Expenses of \$61,000. Additional budget information on the Federated and Police and Fire Retirement Funds and the Office of Retirement Services can be found in this budget document as follows:

1. Source and Use of Funds: There are five Source and Use of Funds Statements included for display purposes, consisting of Federated Retirement Fund, Federated Retiree Health Care Trust Fund, Fire Retiree Health Care Trust Fund, Police and Fire Retirement Fund, and Police Retiree Health Care Trust Fund.
2. Summary Information: A summary of the City contributions to the Retirement Funds is included in the Summary Information section of this document.

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The position counts displayed in the 2023-2024 Actuals column reflect those included in the 2023-2024 Adopted Budget.

*** 2023-2024 Actuals may not subtotal due to rounding.

**** The amounts in the 2024-2025 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of Retirement Services

Department Budget Summary

	2023-2024 Actuals ***	2024-2025 Adopted ****	2025-2026 Forecast	2025-2026 Proposed
Dollars by Fund				
General Fund (001)	66,061	115,000	61,000	61,000
Federated Retirement Funds	4,407,000	4,891,224	4,711,998	4,708,062
Police and Fire Retirement Funds	4,959,000	4,886,817	5,302,477	5,298,539
Total	\$9,432,061	\$9,893,041	\$10,075,475	\$10,067,601
Positions by Core Service **				
Retirement Plan Administration	28.80	30.80	30.80	30.30
Strategic Support - City Council Appointees	14.20	14.20	14.20	14.70
Total	43.00	45.00	45.00	45.00

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Office of Retirement Services

Department Budget Summary

	2023-2024 Actuals **	2024-2025 Adopted	2025-2026 Forecast	2025-2026 Proposed	2025-2026 Proposed Positions
Dollars by Program*					
Retirement Plan Administration					
Retirement Benefits	3,426,911	3,760,772	3,810,707	3,759,511	19.30
Retirement Investments	2,809,800	2,839,696	3,003,490	2,952,294	11.00
Sub-Total	6,236,711	6,600,468	6,814,197	6,711,805	30.30
Strategic Support - City Council Appointees					
Retirement Services Financial Management	1,311,300	1,373,547	1,371,096	1,319,900	6.20
Retirement Services Information Technology	842,900	917,313	914,584	863,388	3.20
Retirement Services Management and Administration	1,030,300	971,713	964,598	1,161,508	5.30
Sub-Total	3,184,500	3,262,573	3,250,278	3,344,796	14.70
Strategic Support - Other - Council Appointees					
Retirement Services Other Departmental - City-Wide	10,850	30,000	11,000	11,000	0.00
Sub-Total	10,850	30,000	11,000	11,000	0.00
Total	\$9,432,061	\$9,893,041	\$10,075,475	\$10,067,601	45.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2023-2024 Actuals may not subtotal due to rounding.

Office of Retirement Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2024-2025 Adopted to 2025-2026 Proposed)

	Positions	All Funds (\$)
Prior Year Budget (2024-2025):	45.00	9,778,041
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• NONE		
One-time Prior Year Expenditures Subtotal:	0.00	0
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes		
Technical Adjustments Subtotal:	0.00	236,434
2025-2026 Forecast Base Budget:	45.00	10,014,475
Budget Proposals Recommended		
1. Administration Program Staffing	0.00	(7,874)
Total Budget Proposals Recommended	0.00	(7,874)
2025-2026 Proposed Budget Total	45.00	10,006,601

Office of Retirement Services




Budget Changes by Department

Personal Services and Non-Personal/Equipment

2025-2026 Proposed Budget Changes	Positions	All Funds (\$)
1. Administration Program Staffing	0.00	(7,874)
<i>Strategic Support – Council Appointees CSA Retirement Plan Administration Core Service Strategic Support – Council Appointees Core Service Core Service Retirement Benefits, Retirement Investments, Retirement Services Financial Management, Retirement Services Information Technology, and Retirement Services Management and Administration Programs</i>		
<p>This action adds 1.0 Program Manager position to address critical gaps in oversight, compliance, and operational efficiency and eliminates 1.0 vacant Senior Auditor position to transition the internal audit function to an external provider that will be managed by the Boards' audit committees to enhance governance standards and independence. The Program Manager position will act as a compliance, administrative, and policy manager and will provide centralized oversight of policy compliance, governance, procurement, and administrative operations within the Office of Retirement Services (ORS). The position will: lead policy development, implementation, and compliance monitoring across ORS to ensure alignment with citywide policies, pension board requirements, and best practices; oversee internal audit coordination by serving as the primary liaison between the Office of Retirement Services and external internal audit firms; act as the department's Human Resources and Employee Relations liaison, ensuring compliance with personnel policies, assisting with investigations, and supporting staff training; manage and improve procurement processes by reviewing purchases, contracts, and compliance with city procurement rules, working closely with the purchasing team and senior managers; oversee administrative governance and office operations, including office management, vendor coordination, and records management; oversee the Boards' agenda management desk; lead ORS's new benchmarking initiative to enhance performance reporting and integrate external comparisons for improved board oversight; and supervise the ORS administrative team, which includes an Executive Assistant and two administrative support staff. (Ongoing costs: \$4,817)</p>		
2025-2026 Proposed Budget Changes Total	0.00	(7,874)




Office of Retirement Services

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	Customer Satisfaction - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	Reliability and Responsiveness - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	Cost Effectiveness - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Retirement Plan Administration

Performance Measures

		2023-2024 Actual	2024-2025 Target	2024-2025 Estimate	2025-2026 Target
	PM 1 Actuarial Funded Status: - Federated Pension Plan - Police and Fire Pension Plan	61%	60%	63%	65%
	PM 2 Trailing 10-year history of annual performance vs. discount rate ¹	5.80%	6.63%	6.63%	6.63%
	PM 3 Percent of active working members to retired members	81%	83%	83%	84%

¹ Federated and Police and Fire are the same for all years.

Office of Retirement Services

Performance Summary

Retirement Plan Administration

Activity and Workload Highlights

		2023-2024 Actual	2024-2025 Forecast	2024-2025 Estimate	2025-2026 Forecast
	# of employees retired by pension plan type:				
<i>AWH 1</i>	- Tier 1	10,198	10,073	10,073	9,949
	- Tier 2	1,147	1,233	1,233	1,325
	- Tier 2B	4,447	4,999	4,999	5,619
	# of customer interactions received by type:				
<i>AWH 2</i>	- Main customer service desk via calls	10,169	N/A ¹	10,300	10,300
	- Email ²	3,716	N/A ¹	5,900	6,000
	- Walk-in	1,412	N/A ¹	1,200	1,300
	Total \$ amount in each plan type (\$ in thousands):				
	- Pensions				
<i>AWH 3</i>	- Federated	\$3,154,443	\$3,289,683	\$3,289,683	\$3,429,239
	- Police and Fire	\$5,096,459	\$5,308,113	\$5,308,113	\$5,512,275
	- Healthcare				
	- Federated	\$413,538	\$425,776	\$425,776	\$438,885
	- Police and Fire	\$344,205	\$376,182	\$376,182	\$417,574
<i>AWH 4</i>	# of pension benefit applications processed ³	329	N/A ¹	325	325

¹ New measure in 2025-2026.

² Measure includes email and the pension administration system messaging tool, "Member Direct." 2024-2025 increase is primarily due to improvements in manual data tracking.

³ Measure includes new pension benefits for service retirements, deferred vested retirements, approved disability retirements, survivorships, and alternate payee (ex-spouse) retirements.

Data Sources: Retirement Plan Administration

Number	Data Source
<i>PM 1</i>	Actuarial valuation reports as of June 30, 2024
<i>PM 2</i>	Quarter Performance Report - June 30, 2024, Actuarial Valuation Report - June 30, 2024
<i>PM 3</i>	2024 ACFRs - Note 1 - combined plans
<i>AWH 1</i>	2024 ACFRs - Note 1 - combined plans
<i>AWH 2</i>	Front desk customer contact logs
<i>AWH 3</i>	2024 ACFRs - Financial Statements
<i>AWH 4</i>	CEO metric spreadsheet

Office of Retirement Services

Department Position Detail

Position	2024-2025 Adopted	2025-2026 Proposed	Change
Accountant I/II	2.00	2.00	-
Account Clerk I/II	1.00	1.00	-
Analyst I/II	9.00	9.00	-
Assistant Director and Chief Investment Officer	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	1.00	1.00	-
Director of Retirement Services	1.00	1.00	-
Division Manager	2.00	2.00	-
Executive Assistant U	1.00	1.00	-
Financial Analyst	1.00	1.00	-
Information Systems Analyst	1.00	1.00	-
Network Technician I/II/III	1.00	1.00	-
Program Manager	0.00	1.00	1.00
Retirement Investment Analyst I/II	2.00	2.00	-
Retirement Investment Officer	3.00	3.00	-
Retirement Investment Operations Supervisor	1.00	1.00	-
Senior Accountant	2.00	2.00	-
Senior Analyst	3.00	3.00	-
Senior Auditor	1.00	0.00	(1.00)
Senior Office Specialist	2.00	2.00	-
Senior Retirement Investment Officer	2.00	2.00	-
Senior Supervisor, Administration	1.00	1.00	-
Staff Specialist	6.00	6.00	-
Total Positions	45.00	45.00	0.00

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