

## Memorandum

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**DATE:** December 11, 2023  
**TO:** Members of the Board of Retirement  
**FROM:** Steve Delaney, CEO  
**SUBJECT:** **OCERS' REVISED 2024 STAFFING PLAN AND BUDGET AMENDMENT FOR FISCAL YEAR 2024**

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### Recommendation

The Personnel Committee recommends the Board of Retirement approve the following revisions to the 2024 Staffing Plan:

1. Approve the addition of 7 new positions to the 2024 budgeted headcount:
  - a. Add three positions to the Investment Division
  - b. Add two positions to the Disability Department
  - c. Add one position to the Finance Department
  - d. Add one position to the Information Technology Department
2. Approve the creation of three career ladders:
  - a. Information Security Department:
    - i. Information Security Manager to Senior Information Security Manager
  - b. Disability Department
    - i. Two Office Specialists to Staff Assistants

The total cost for the above revisions to the 2024 Staffing Plan is \$859,203, increasing personnel costs from \$25,241,475 to \$26,100,690 and the total approved FY24 Administrative Budget from \$48,293,043 to \$49,152,246. Total budgeted headcount will increase from 125 to 132.

### Background/Discussion

On October 26, 2023, the Personnel Committee met to discuss the 2024 Staffing Plan. Due to the number of positions being requested, the members of the committee directed staff to bifurcate the approval of the additional 2024 staff positions from the proposed Administrative Budget for fiscal year 2024 (FY24).

On November 13, 2023, the Board of Retirement approved the FY24 Administrative Budget in the amount of \$48,293,043, excluding additional 2024 staff positions. The Personnel Committee met on November 15, 2023 to further discuss the 2024 Staffing Plan and as a result, recommended that the Board of Retirement approve revising the 2024 Staffing Plan to add 7 new positions and 3 career ladders. If approved, the 7 new positions will increase OCERS current budgeted headcount from 125 to 132.

The estimated 2024 budget impact for the revised 2024 Staffing Plan is \$859,203, increasing personnel costs from \$25,241,475 to \$26,100,690 and the total approved FY24 Administrative Budget from \$48,293,043 to \$49,152,246. The proposed amended budget will increase the 21 basis points test from 11.07 to 11.22.

**1. APPROVE THE ADDITION OF 7 POSITIONS TO THE 2024 BUDGETED HEADCOUNT:**

**1A. ADD THREE POSITIONS TO THE INVESTMENTS DIVISION**

As OCERS has expanded into more private markets strategies and added co-investments, the investment team workload has increased dramatically. As a result, a request to add three new Investments Division positions is essential to ensure that investment processes continue with the highest quality and efficiency.

These positions, one Investment Analyst and two Investment Officers, are consistent with the Investments Division’s 10-year staffing plan. Additionally, the position requests align with the current AUM and future AUM growth of plan assets.

Note: As these positions are related to the OCERS Board’s Investment Strategy, the Personnel Committee requested that OCERS CIO, Ms. Murphy, provide an overview of her Division’s ten-year Staffing Plan at the November 15, 2023, meeting of the OCERS Board’s Investment Committee (IC). After this meeting was held, the IC recommended approval of the three requested positions to the Personnel Committee, which met immediately after the IC meeting and agreed with the recommendation.

<b>Position Title</b>	<b>Division</b>	<b>Position Type</b>	<b>Proposed Budgeted Salary</b>	<b>Annual Budget Impact (Salary and Benefits)</b>	<b>2024 Budget Impact</b>
(2) Investment Officer	Investments	Direct	\$172,807	\$568,768	\$284,384
Investment Analyst	Investments	Direct	\$102,580	\$160,895	\$160,895

**1B. ADD TWO POSITIONS TO THE DISABILITY DIVISION**

The request of additional staff for the Disability Department will meet the growing demand for application evaluations, which has seen more than a 30% increase over the past five years. The current team is struggling to maintain the quality and efficiency of work under this increased workload. Additional staff will enable the disability team to conduct more thorough reviews, expedite processing, enhance the intake process, and reduce the risk of errors.

Furthermore, a new review process was recently introduced that is essential to the quality of evaluations, which streamlines cases and lowers costs by reducing the need for multiple repeat Independent Medical Examiner (IME) reviews. For that reason, this strategic investment in additional staff not only promises to elevate service quality but also ensures long-term cost savings.

<b>Position Title</b>	<b>Department</b>	<b>Position Type</b>	<b>Proposed Budgeted Salary</b>	<b>Annual Budget Impact (Salary and Benefits)</b>	<b>2024 Budget Impact</b>
Disability Retirement Investigator	Disability	County	\$74,347	\$122,341	\$122,341
Staff Assistant	Disability	County	\$65,319	\$109,695	\$109,695

**1C. ADD ONE POSITION TO THE FINANCE DEPARTMENT**

Based on previous experience with the implementation of our current Pension Administration System (PAS), Finance has identified a need to prepare for the cross-training of positions that will be heavily involved in the planning and testing of the new PAS, as well as other projects related to the Vision 2030 technological goals. We anticipate that ultimately, the three-person team that oversees and processes retiree payroll will need to be dedicated full-time to the implementation of the next PAS, including a Finance Manager, Staff Analyst, and Senior Accountant Auditor. To adequately prepare for the initial stage of preparing for the PAS project, as well as continue making progress on the Master Repository Project and keeping other Vision 2030 projects on schedule, it is necessary to hire an additional Finance Manager in mid-2024. This position is most impacted by special projects and will take longer to cross-train due to the various complex job duties this job entails, including the compilation of the annual report, acting as a liaison during the external audit, budgeting, financial reporting, and overseeing retiree payroll, investment accounting and accounts payable.

An additional Finance Manager will also allow a seamless transition in the event of turnover of long-term employees who are considered subject matter experts in various areas of OCERS operations, but highly likely to retire prior to the implementation of the new PAS. This request will result in an increase to the current headcount in the Finance Department by one.

<b>Position Title</b>	<b>Department</b>	<b>Position Type</b>	<b>Proposed Budgeted Salary</b>	<b>Annual Budget Impact (Salary and Benefits)</b>	<b>2024 Budget Impact</b>
Finance Manager	Finance	OCERS Direct	\$145,600	\$225,622	\$112,811

**1D. ADD ONE POSITION TO THE INFORMATION TECHNOLOGY DEPARTMENT**

The IT Programming Intern will participate in creating intelligent process automation. This includes evaluating intelligent automation opportunities and proposing their potential use at OCERS, working on the design and implementation of new intelligence automation solutions, and coordinating with Department team leads on the troubleshooting and remediation of existing automation. Their focus would be on ensuring data integrity in systems and adherence to internal and external standards and quality checks. This position may also provide support with automation modernization by learning, and adopting new tools, and technologies that help applications to scale up. The position will work as part of a programming team, communicating progress, technical issue reporting, resolution, and deployment to production of completed code. The internship is planned to be a summer part-time position for a current college student studying in a related field.

<b>Position Title</b>	<b>Department</b>	<b>Position Type</b>	<b>Proposed Budgeted Salary</b>	<b>Annual Budget Impact (Salary and Benefits)</b>	<b>2024 Budget Impact</b>
IT Programming Intern (Extra Help)	Information Technology	County	\$20,160	\$21,706	\$21,706

**2. APPROVE THE CREATION OF THREE CAREER LADDERS (NO CHANGE TO HEADCOUNT)**

**2A. ADD ONE CAREER LADDER POSITION TO THE INFORMATION SECURITY DEPARTMENT**

The creation of a career ladder position to promote the current Information Security Manager to the position of Senior Information Security Manager. Over the past five years, the Information Security Division has grown, and the Information Security program continues to mature. During this time, the existing Information Security Manager has taken on more responsibilities and the complexity of tasks assigned to the position has increased as well. The cost impact of the career ladder is the incremental difference in salary between the Manager level position and the Senior Manager level position. The addition of the career ladder supports OCERS strategic goal of developing and retaining talent and does not increase headcount.

<b>Current Position</b>	<b>Career Ladder Position (new/add classification)</b>	<b>Department</b>	<b>Position Type</b>	<b>Current Salary and Benefits</b>	<b>Proposed Salary and Benefits</b>	<b>Total Annual Budget Impact (Net)</b>
Information Security Manager	Senior Information Security Manager	Information Security	OCERS Direct	\$292,094	\$320,094	\$28,000

**2B. ADD TWO CAREER LADDER POSITIONS TO THE DISABILITY DEPARTMENT**

The creation of two career ladder positions is designed to provide incentives for team members to excel in their roles. These career ladder positions are an essential part of our strategy to address the increased workload and ensure the continued success of the Disability Department. This initiative will not only enhance customer service, ultimately improving overall service quality, but will also boost morale within the Disability Department.

<b>Current Position</b>	<b>Career Ladder Position (new/add classification)</b>	<b>Department</b>	<b>Position Type</b>	<b>Current Salary and Benefits</b>	<b>Proposed Salary and Benefits</b>	<b>Total Annual Budget Impact (Net)</b>
(2) Office Specialist	(2) Staff Assistant	Disability	County	\$103,748	\$113,748	\$20,000

**Conclusion:**

In summary, I am requesting to revise the 2024 Staffing Plan to include 7 new positions and the creation of three career ladders. The cost of each position is listed above with an estimated 2024 budget impact of \$859,203 and an annual budget impact of \$1,256,397. The revised 2024 Staffing Plan will increase personnel costs from \$25,241,475 to \$26,100,690 and the total approved FY24 Administrative Budget from \$48,293,043 to \$49,152,246. Total budgeted headcount will increase from 125 to 132.

The proposed amended budget still meets the state mandated 21 basis points-test, but will result in an increase from 11.07 basis points of the projected actuarial accrued liability to 11.22 basis points.

Refer to Appendix A for a detailed summary of the proposed revisions to the 2024 Staffing Plan, Appendix B for the updated 2024 Personnel Cost Budget, and Appendix C for revised organizational charts.

**Submitted by:**



**SD - Approved**

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Steve Delaney  
Chief Executive Officer

**Appendix A  
2024 Staffing Changes**

7 New Positions:			2024 Proposed Budgeted Costs			Annualized		
Department	Title	Direct or County	Proposed Budget Salary	Fringe Benefits	Total Personnel Cost	Proposed Budget Salary	Fringe Benefits	Total Personnel Cost
Investments	Investment Officer (6 months)	Direct	86,404	55,789	142,193	172,807	111,577	284,384
Investments	Investment Officer (6 months)	Direct	86,404	55,789	142,193	172,807	111,577	284,384
Investments	Investment Analyst	Direct	102,850	58,045	160,895	102,850	58,045	160,895
Disability	Disability Investigator	County	74,347	47,994	122,341	74,347	47,994	122,341
Disability	Staff Assistant	County	65,319	44,376	109,695	65,319	44,376	109,695
Finance	Finance Manager (6 months)	Direct	72,800	40,011	112,811	145,600	80,022	225,622
Information Technology	Intern (Extra Help)	County	20,160	916	21,076	20,160	916	21,076
			<b>508,283</b>	<b>302,920</b>	<b>811,203</b>	<b>753,890</b>	<b>454,507</b>	<b>1,208,397</b>

3 New Career Ladders:						Current	2024 Proposed	Total Annual
Department	Title	Direct or County	Career Ladder (New Classification)	Direct or County	Salary and Benefits	Salary and Benefits	Budget Impact	
Disability	Office Specialist	County	Staff Assistant	County	107,446	117,446	10,000	
Disability	Office Specialist	County	Staff Assistant	County	103,748	113,748	10,000	
Information Security	Information Security Manager	Direct	Senior Info Sec Manager	Direct	292,094	320,094	28,000	
					<b>503,288</b>	<b>551,288</b>	<b>48,000</b>	

Total 2024 Budget Impact: **\$859,203**  
Total Annual Budget Impact: **\$1,256,397**

**Appendix B  
OCERS  
Personnel Cost Budget  
2024**

Department	Position	Employee Count	Regular Salary	Certification Pay	Fringe Benefits	Salary Adjustments	Overtime	Leave Accrual and Payout	Temporary Help	Grand Total
Board										
	Board Member	-	16,000	-	-					
<b>Board Total</b>			<b>\$ 16,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,000</b>
Internal Audit										
	Director of Internal Audit	1	206,627	11,364	120,097					
	Senior Internal Auditor	1	153,878	8,463	105,297					
	Internal Auditor	2	208,853	-	126,612					
<b>Internal Audit Total</b>		<b>4</b>	<b>\$ 569,358</b>	<b>\$ 19,828</b>	<b>\$ 352,006</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 961,192</b>
Executive										
	Chief Executive Officer	1	350,002	-	222,645					
	Assistant Chief Executive Officer	2	576,659	15,858	377,328					
	Director of Enterprise Project Management Office	1	190,008	-	111,955					
	Executive Secretary I	1	64,480	-	44,230					
	Executive Secretary II	1	82,430	-	54,120					
	Temporary Help	-	-	-	-				15,000	
<b>Executive Total</b>		<b>6</b>	<b>\$ 1,263,579</b>	<b>\$ 15,858</b>	<b>\$ 810,279</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 115,737</b>	<b>\$ 15,000</b>	<b>\$ 2,221,453</b>
Legal										
	General Counsel	1	255,299	-	155,411					
	Deputy General Counsel	1	228,800	-	116,289					
	Chief Compliance Officer	1	167,000	-	95,632					
	Staff Attorney	3	509,995	-	267,762					
	Executive Secretary I	1	58,282	-	43,101					
	Staff Analyst	1	85,779	-	66,284					
<b>Legal Total</b>		<b>8</b>	<b>\$ 1,305,155</b>	<b>\$ -</b>	<b>\$ 744,479</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 2,080,635</b>
Investments										
	Chief Investment Officer	1	478,358	26,310	265,898					
	Director of Investments	2	475,613	-	307,072					
	Senior Investment Officer	1	189,738	10,436	103,535					
	Investment Officer	5	642,783	17,104	378,500					
	Investment Analyst	5	519,822	12,327	308,488					
	Performance Incentive					425,000				
<b>Investments Total</b>		<b>14</b>	<b>\$ 2,306,313</b>	<b>\$ 66,176</b>	<b>\$ 1,363,492</b>	<b>\$ 425,000</b>	<b>\$ -</b>	<b>\$ 121,016</b>	<b>\$ -</b>	<b>\$ 4,281,997</b>
Communications										
	Director of Communications	1	144,997	-	83,168					
	Staff Specialist	1	65,957	-	46,389					
<b>Communications Total</b>		<b>2</b>	<b>\$ 210,954</b>	<b>\$ -</b>	<b>\$ 129,558</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 351,011</b>
Disability										
	Director of Disability	1	205,254	-	107,487					
	Disability Retirement Investigator	3	229,445	-	141,564					
	Office Specialist	2	116,563	-	92,228					
	Staff Assistant	1	65,312	-	45,142					
<b>Disability Total</b>		<b>7</b>	<b>\$ 616,574</b>	<b>\$ -</b>	<b>\$ 386,422</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 1,013,996</b>

**OCERS  
Personnel Cost Budget  
2024**

Department	Position	Employee Count	Regular Salary	Certification Pay	Fringe Benefits	Salary Adjustments	Overtime	Leave Accrual and Payout	Temporary Help	Grand Total
Member Services										
	Director of Member Services	2	353,779	-	190,372					
	Member Services Manager	3	349,461	-	245,836				-	
	Staff Analyst	2	189,987	-	117,297					
	Executive Secretary I	1	78,083	-	50,676					
	Retirement Benefits Program Supervisor	4	365,082	-	237,523					
	Sr. Retirement Program Specialist	4	320,507	-	182,154					
	Sr. Staff Development Specialist	2	181,272	-	129,382					
	Retirement Program Specialist	23	1,343,181	-	895,100				100,800	
	Retirement Benefits Technician	4	224,557	-	136,857					
	Accounting Technician	5	313,726	-	190,282					
	Office Specialist	1	58,240	-	36,797					
	Office Technician	3	141,877	-	106,204					
	Temporary Help (Employment Services)								50,000	
<b>Member Services Total</b>		<b>54</b>	<b>\$ 3,919,752</b>	<b>\$ -</b>	<b>\$ 2,518,480</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 56,610</b>	<b>\$ 150,800</b>	<b>\$ 6,695,642</b>
Finance										
	Director of Finance	1	214,531	11,799	138,333					
	Finance Manager	3	392,038	8,779	225,832					
	Sr. Accountant / Auditor I	1	99,237	-	54,522					
	Staff Analyst	2	222,747	6,208	158,122					
	Accountant/Auditor I	1	71,822	-	53,001					
	Accounting Technician	1	53,872	-	34,338					
<b>Finance Total</b>		<b>9</b>	<b>\$ 1,054,248</b>	<b>\$ 26,787</b>	<b>\$ 664,148</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 42,924</b>	<b>\$ -</b>	<b>\$ 1,789,107</b>
Human Resources										
	Director of Human Resources	1	204,984	11,274	124,408					
	Learning and Organization Development Manager	1	120,203	-	59,180					
	Staff Analyst	2	197,662	-	115,924					
	Staff Specialist	1	73,590	-	43,213					
	Staff Assistant	2	112,611	-	89,058					
	Salary Adjustments	-	-	-	-	964,378				
	Temporary Help	-	-	-	-				52,000	
	Tuition Reimbursements	-	-	-	100,000					
<b>Human Resources Total</b>		<b>7</b>	<b>\$ 709,051</b>	<b>\$ 11,274</b>	<b>\$ 531,784</b>	<b>\$ 964,378</b>	<b>\$ 500</b>	<b>\$ 38,385</b>	<b>\$ 52,000</b>	<b>\$ 2,307,373</b>
Information Security										
	Director of Information Security	1	199,888	10,994	121,040					
	Information Security Manager	1	173,784	9,558	100,833					
	Information Security Analyst	1	88,005	-	67,683					
<b>Information Security Total</b>		<b>3</b>	<b>\$ 461,677</b>	<b>\$ 20,552</b>	<b>\$ 289,556</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,026</b>	<b>\$ -</b>	<b>\$ 801,811</b>
Information Technology										
	Director of Information Technology	1	200,429	-	113,962					
	Information Technology Manager	3	452,774	-	264,866					
	IT Operations Supervisor	1	133,640	-	88,607					
	IT Supervisor	1	148,429	-	87,909					



**OCERS  
Personnel Cost Budget  
2024**

Department	Position	Employee Count	Regular Salary	Certification Pay	Fringe Benefits	Salary Adjustments	Overtime	Leave Accrual and Payout	Temporary Help	Grand Total
	Sr. IT Applications Developer	2	260,042	-	147,013					
	IT Automation Developer	1	150,000	-	83,456					
	IT Systems Technician I	1	69,826	-	33,613					
	IT Network Engineer II	1	113,568	-	78,959					
	IT Systems Engineer II	2	227,136	-	114,922					
	IT Intern	1	-	-	916				20,160	
<b>Information Technology Total</b>		<b>14</b>	<b>\$ 1,755,843</b>	<b>\$ -</b>	<b>\$ 1,014,223</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 30,418</b>	<b>\$ 20,160</b>	<b>\$ 2,870,645</b>
Operations Support Services										
	Senior Manager Operations Support Services	1	156,000	-	94,572					
	Contracts, Risk & Performance Administrator	1	155,272	-	89,837					
	Staff Specialist	1	61,090	-	44,304					
	Store Clerk	1	53,830	-	35,964					
<b>Operations Support Total</b>		<b>4</b>	<b>\$ 426,192</b>	<b>\$ -</b>	<b>\$ 264,678</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,958</b>	<b>\$ -</b>	<b>\$ 709,828</b>
<b>Grand Total</b>		<b>132</b>	<b>\$ 14,614,697</b>	<b>\$ 160,475</b>	<b>\$ 9,069,105</b>	<b>\$ 1,389,378</b>	<b>\$ 105,000</b>	<b>\$ 524,075</b>	<b>\$ 237,960</b>	<b>\$ 26,100,690</b>

Minor differences are due to rounding.

# Appendix C

## Updated Organization Charts

## Memorandum

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**DATE:** November 13, 2023  
**TO:** Members of the Board of Retirement  
**FROM:** Brenda Shott, Assistant CEO, Finance and Internal Operations  
**SUBJECT:** **OCERS' PROPOSED ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2024**

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### Recommendation

**Adopt the Proposed Administrative Budget for Fiscal Year 2024 in the amount of \$48,293,043 which includes:**

- a) Personnel costs in the amount of \$25,241,475 (excludes additional 2024 staff positions to be presented separately in a revised 2024 Staffing Plan at the December 11, 2023 Regular Board Meeting)
- b) Services and supplies in the amount of \$17,126,568
- c) Capital expenditures in the amount of \$5,925,000

### Background/Discussion

The proposed budget was developed based on the 2024 Business Plan approved by the Board of Retirement on October 16, 2023. The Business Plan is directly linked to the 2024-2026 Strategic Plan developed using OCERS' Mission Statement and Vision Statement and Values as its foundation. The goals and initiatives included in the approved Business Plan provided guidance for the proposed Fiscal Year 2024 (FY24) Administrative Budget.

On October 26, 2023, the Personnel Committee met to discuss the 2024 Staffing Plan. Due to the number of positions being requested, the members of the committee directed staff to bifurcate the approval of the additional 2024 staff positions from the proposed administrative budget for FY24. The Personnel Committee will meet on November 15, 2023 for further discussion of the 2024 Staffing Plan; based on the direction that staff receives at this meeting, a revised 2024 Staffing Plan and an amendment to the 2024 Administrative Budget for the related costs will be presented separately for approval at the Regular Board meeting to be held on December 11, 2023.

The proposed budget for personnel costs, excluding additional 2024 staff positions, was developed based on OCERS' Compensation Policy for direct employees; the most recent Memorandum of Understanding between the County of Orange and the Orange County Employees Association applicable to County employees working at OCERS; and the incentive compensation program for eligible investment team members as outlined in the Incentive Compensation Policy.

In accordance with the Compensation Policy, in each year in which salary ranges are not reviewed, the salary ranges will be automatically increased by the amount, if any, of the increase in the Employer Cost Index (ECI) for Salaries and Wages for the previous 12-month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics. OCERS direct salaries were not reviewed during 2023; therefore, salary ranges have been adjusted by the ECI index of 4.6% for the 12-month period ended September 30, 2023. See Appendix F – *OCERS' Direct Employees Salary Ranges* for the updated salary ranges.

## Memorandum

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Attached is the presentation that summarizes the FY24 Proposed Administrative Budget, excluding additional 2024 staff positions, as well as a detailed budget narrative and several detailed appendixes that provide further information about the proposed budget that staff is recommending for approval.

**Submitted by:**



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Tracy Bowman  
Director of Finance

**Approved by:**



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Brenda Shott  
Assistant CEO, Finance & Internal Operations

**Approved by:**



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Steve Delaney  
CEO



2024  
ADMINISTRATIVE BUDGET

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## SECTION I – INTRODUCTION

The 2024 Administrative Budget was developed based on the 2024 Business Plan which is directly linked to the 2024-2026 Strategic Plan. OCERS’ Mission Statement, Vision Statement, and Values are the foundation for all three documents:

### **Mission Statement:**

*“We provide secure retirement and disability benefits with the highest standards of excellence.”*

### **Vision Statement:**

*“To be a trusted partner providing premier pension administration, distinguished by consistent, quality member experiences and prudent financial stewardship.”*

### **Values:**

*Open and Transparent  
Commitment to Superior Service  
Engaged and Dedicated Workforce  
Reliable and Accurate  
Secure and Sustainable*

The 2024 Administrative Budget reflects OCERS’ continued commitment to:

- *Balance the costs of future pension payments with expected future investment risks and returns*
- *Deliver accurate benefits to our members and their beneficiaries ensuring payments are received on time every time*
- *Cultivate compliance and risk management functions throughout the enterprise*
- *Cultivate a collaborative, inclusive, and creative culture where employees are empowered and communicate freely while recruiting and retaining top talent*
- *Improve the effectiveness and efficiency of the Board and staff by clarifying roles and responsibilities, improving oversight, enhancing accountability, and improving decision making*

These strategic goals were outlined in the 2024-2026 Strategic Plan and 2024 Business Plan presented to the Board at the Strategic Planning Meeting held on September 13-14, 2023 and formally adopted by the Board at the Regular Board Meeting held on October 16, 2023.

On October 26, 2023, the Personnel Committee met to discuss the 2024 Staffing Plan. Due to the number of positions being requested, the members of the committee directed staff to bifurcate the approval of the additional 2024 staff positions from the proposed Administrative Budget for FY24. The Personnel Committee will meet on November 15, 2023 for further discussion of a revised 2024 Staffing Plan; based on the direction that staff receives at this meeting, a revised 2024 Staffing Plan and an amendment to the 2024 Administrative Budget for the related costs will be presented separately for approval at the Regular Board meeting to be held on December 11, 2023.

The proposed 2024 Administrative Budget being presented was developed to include the funding of business plan initiatives to help OCERS achieve its strategic goals. Many of the business plan initiatives focus on providing excellent service and support with the objective to continuously improve business processes and procedures to be efficient and effective. These initiatives align with the continuation of the long-term strategic goal of 100% benefit accuracy by using some form of intelligent automation such as Robotic Process Automation (RPA), Machine Learning (ML) and Artificial Intelligence (AI). As part of this long-term initiative (referred to as "Vision 2030"), the budget includes funding for the continuation of implementing RPA to streamline routine tasks for identified use cases; continuation of the master repository project to fully develop and document business processes that will lay a foundation for designing a new pension administration system; carry over of costs for procuring a new electronic content and document management system primarily for the purpose of retrieving and viewing stored member documents; and a consultant to assist with the procurement of the next generation pension administration system that will utilize technologies such as RPA, ML and AI.

The budget also includes funding for other business initiatives related to providing excellent service and support with the objective of providing world-class service and support to our employers, members, and payees. These initiatives include the continued implementation of the Alameda decision, as well as finalizing a dedicated call center.

Other business plan initiatives with a budget impact focus on risk management with the objective of providing a safe and secure workspace and public service facility, including designing and building a replacement OCERS headquarters facility. The budget also includes a talent management initiative with an emphasis on recruiting and retaining a diverse high-performing workforce to meet organizational priorities. This includes continuing the classification and compensation study of the County positions at OCERS, in partnership with the County of Orange.

## **2024 Administrative Budget Summary**

Staff recommends a 2024 Administrative Budget of \$48,293,043 which is:

- \$8.4 million or 21.1% greater than the 2023 Budget
- \$11.1 million or 29.9% greater than 2023 estimated actuals



## **SECTION II – BUDGET POLICIES AND PROCESS**

### ***Budget Policies***

OCERS budgeting policies are based on legal statutes required for 1937 Act Systems as well as policies set by OCERS Board of Retirement. Budgeted items are on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP).

OCERS budgeting authority is regulated by California Government Code Sections 31580.2 and 31596.1. A notable provision within the regulations is that OCERS' budget for administrative expenses (which excludes investment-related costs and expenditures for computer software, hardware, and related technology consulting services) is limited to twenty-one hundredths of one percent of the accrued actuarial liability of the retirement system (commonly referred to as the 21-basis point test). The FY24 Administrative Budget represents 11.07 basis points of the projected actuarial accrued liability. See *Appendix C* for the 21-basis point test calculation.

The OCERS' Budget Approval Policy provides the purpose, roles and guidelines related to approving the annual budget for covering the expenses of administering the retirement system including the authority of the Chief Executive Officer, or the Assistant CEO, Finance & Internal Operations, to transfer funds within the three broad categories of the budget: 1) Personnel Costs, 2) Services and Supplies, and 3) Capital Expenditures. Funds may not be moved from one category to another without approval from the Board of Retirement. In addition, any increases to the total approved budget resulting in a budget amendment must be approved by the Board of Retirement.

### ***Budget Process***

In August, each department head begins the process of completing their budget requests for the following fiscal year. The Director of Finance and Finance Manager-Budgeting compile the budget requests and draft the budgets for each department. The department heads then meet individually with the CEO, Assistant CEO of Finance & Internal Operations, and the Director of Finance to review, discuss and determine the necessity of each line item of their draft budget, which may go through several review cycles.

Once the CEO agrees upon the budget requests, any proposed business plan goals/initiatives with a budget impact are incorporated into the Business Plan for the upcoming fiscal year and presented to the Board at its annual Strategic Planning Meeting in September for discussion and feedback. The final version of the Business Plan is approved by the Board in October.

The Personnel Committee meets to consider changes to the OCERS Staffing Plan and compensation-related policies. The Board is provided the opportunity to discuss and take action on the Personnel Committee's recommendations at a regularly scheduled meeting. The Board's actions and any feedback is incorporated into the proposed final version of the administrative budget and submitted for final adoption at the regularly scheduled Board Meeting held in November. If additional time for discussion and consideration is needed, final adoption may be deferred until the regularly scheduled Board Meeting held in December.

## **SECTION III – EXECUTIVE SUMMARY - 2024 ADMINISTRATIVE BUDGET**

The overall administrative budget for 2024 in the amount of \$48,293,043 is summarized by the following categories of expenses:

- Personnel Costs - \$25,241,475
- Services and Supplies - \$17,126,568
- Capital Expenditures - \$5,925,000

The 2024 Administrative Budget is based on estimates of anticipated expenses for personnel costs, services and supplies, and capital expenditures. It includes the costs of carrying out the current level of services, activities, initiatives, and projects approved by OCERS' Board. At the request of the Personnel Committee during the October 26, 2023 Personnel Committee meeting, a revised 2024 Staffing Plan will be presented separately for approval and inclusion in the 2024 Administrative Budget at the December 11, 2023 Regular Board Meeting.

Notable components in the 2024 Administrative Budget include:

### **Personnel Costs:**

- Salaries are budgeted at \$14,111,000 based on current staffing levels consisting of 125 (123.5 FTE) budgeted positions.
  - If the Board approves a revised 2024 Staffing Plan that results in staffing changes, any budget impact will be added to the 2024 Administrative Budget through an amendment to also be approved by the Board. The approved changes will be added as an appendix to this document.
- An average fringe benefit rate of 55% of total salaries - \$8,770,000
- Performance based salary adjustments for OCERS' direct employees eligible to participate in the annual Performance Management Program based on the Board approved Compensation Policy:
  - A base salary increase of 4.6% equal to the increase in the Employer Cost Index for Salaries and Wages for the previous 12-month period ending September 30, 2023, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for employees whose performance meet expectations; a base increase of 4.6% plus a merit increase of 2.75% for employees whose performance exceeds expectations; and a base increase of 4.6% plus two merit increases totaling 5.50% (2.75% x2) for employees whose performance was exceptional. Merit increases are limited to the maximum approved salary range for each position. The estimated annual cost for these salary adjustments is \$668,000
- Estimated bonuses to be paid to eligible Investment Team Members under an incentive compensation program outlined in the Board approved Incentive Compensation Policy - \$425,000

- Step increases for approximately 29 County staff not at the top of the established salary range and across the board mid-year 4.25% salary increases for all County staff as dictated by County MOU - \$245,000
- Accrued Annual Leave - \$524,000
- Temporary Help - \$218,000
- Pay item of 5.5% of salary for employees obtaining the designations of Chartered Financial Analyst, Certified Professional Accountant, Certified Information Systems Security Professional, Certified Internal Auditor and SHRM-Senior Certified Professional - \$160,000
- Overtime - \$105,000
- Board Allowance - \$16,000

**Services and Supplies:**

- New recurring expenses include the following infrastructure expenses:
  - Intelligence Automation Tools - \$150,000
  - Enterprise Project Management Tool - \$50,000
  - Additional Dialpad licenses for AI add-ons for Member Services - \$32,000
  - Disability Case Management System - \$17,000
- Non-recurring expenses, including 2024 Business Plan Initiatives with an associated implementation cost:
  - Continue the development of RPA to streamline routine tasks for identified use cases - \$650,000
  - Master repository project to fully develop and document business processes that will lay a foundation for designing a new pension administration system - \$650,000
  - Alameda Calculation Consultant - \$441,000
  - Consulting for new pension administration system - \$250,000
  - Electronic content and document management system - \$250,000
  - Alameda Program Manager - \$100,000
  - Review and rewrite where appropriate classification specifications and compensation ranges of County level team members - \$45,000
  - DEI strategies - \$30,000
  - Create a dedicated call center - \$20,000
- Other non-recurring expenses includes the following software expense:
  - Test automation solution - \$150,000

## **Capital Expenditures:**

Business Plan initiatives that have costs that meet the criteria for being a capitalized expense:

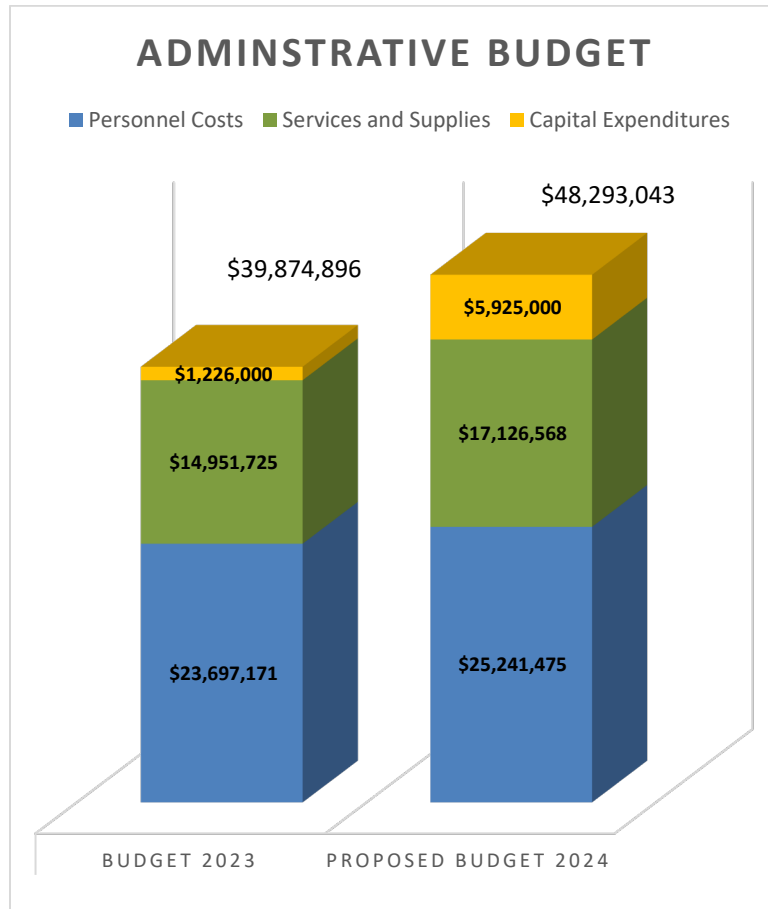
- Design and build a replacement OCERS headquarters facility (year 2 estimated cost) - \$5.1 million
- Scheduled existing building and property improvements - \$475,000
- Interior workspaces - \$300,000

Regularly scheduled data center upgrades meeting the criteria for being a capitalized expense include:

- Complete replacement of end-of-life server virtualization platform (year 2 cost) - \$50,000

## SECTION IV –2024 ADMINISTRATIVE BUDGET

### *Comparison to 2023 Administrative Budget*



The total administrative budget for 2024 is \$48.3 million, representing a total increase of \$8.4 million or 21.1% from the 2023 Budget of \$39.9 million. The increase can be attributed to an increase in personnel costs of \$1.5 million primarily due to an increase in salaries, employer pension contributions, health care costs and funding for FY24 salary adjustments. Additionally, services and supplies increased \$2.2 million primarily related to professional services and infrastructure maintenance. Capital expenditures increased by \$4.7 million due to costs budgeted for the current year towards the design and building of a new OCERS headquarters facility. A detailed comparison between the FY24 Proposed Administrative Budget and FY23 Administrative Budget, as well as FY23 estimated actuals, are discussed further in the following *Administrative Budget Summary*.

## Administrative Budget Summary

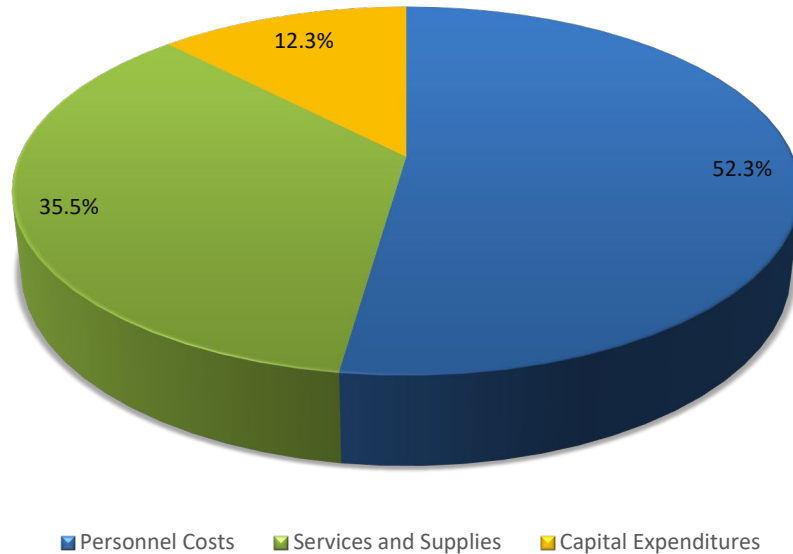
The Administrative Budget is prepared in accordance with the limits of Section 31580.2 of the County Employees Act of 1937 which limits the budget to twenty-one hundredths of one percent of the accrued actuarial liability of the retirement system (commonly referred to as the 21 basis point test), excluding from the FY24 Administrative Budget investment-related costs of \$8.4 million; expenditures for computer software, hardware and related technology consulting services totaling \$4.9 million; capital expenditures totaling \$5.9 million, and adding in depreciation for non-technology capital assets of \$228,000. The 2024 Administrative Budget, at 11.07 basis points, is \$26.3 million under the cap limit of \$55.6 million (see *Appendix C – 21 Basis Points for Budget Year 2024*).

A summary of the FY23 Administrative Budget compared to FY23 estimated actuals and the FY24 Proposed Administrative Budget compared to FY23 estimated actuals is provided below:

	Budget 2023	Estimated Actuals 2023	2023 (Over)/Under Budget	Proposed Budget 2024	2024 Proposed Budget vs. 2023 Estimated Actuals	
<b>Personnel Costs</b>	<b>\$23,697,171</b>	<b>\$22,647,238</b>	<b>\$1,049,933</b>	<b>\$25,241,475</b>	<b>\$2,594,237</b>	<b>11.5%</b>
<b>Services and Supplies</b>						
Building Prop Mgmt/Maint	975,000	975,000	0	1,150,000	175,000	17.9%
Due Diligence Meetings	130,000	41,357	88,643	100,000	58,643	141.8%
Equipment and Software	1,081,100	1,067,338	13,762	1,297,100	229,762	21.5%
Infrastructure Maintenance	1,957,140	1,722,749	234,391	2,758,926	1,036,177	60.1%
Legal Services	1,100,000	1,340,725	(240,725)	1,135,000	(205,725)	-15.3%
Meetings and Related Costs	54,300	49,891	4,409	74,300	24,409	48.9%
Miscellaneous Office Expense	916,745	888,307	28,438	1,040,625	152,318	17.1%
Professional Services	8,149,340	7,172,410	976,930	8,913,945	1,741,535	24.3%
Training	588,100	372,855	215,245	656,672	283,817	76.1%
<b>Services and Supplies</b>	<b>14,951,725</b>	<b>13,630,632</b>	<b>1,321,093</b>	<b>17,126,568</b>	<b>3,495,936</b>	<b>25.6%</b>
<b>Capital Expenditures*</b>	<b>1,226,000</b>	<b>892,794</b>	<b>333,206</b>	<b>5,925,000</b>	<b>5,032,206</b>	<b>563.6%</b>
<b>Administrative Expense Total</b>	<b>\$39,874,896</b>	<b>\$37,170,665</b>	<b>\$2,704,231</b>	<b>\$48,293,043</b>	<b>\$11,122,378</b>	<b>29.9%</b>

\*Capital expenditures represent purchases of assets to be amortized in future periods.

## 2024 Proposed Administrative Budget



### Personnel Costs

A summary of the FY23 budgeted personnel costs compared to FY23 estimated actuals and the FY24 proposed budgeted personnel costs compared to FY23 estimated actuals is provided below:

	Budget 2023	Estimated Actuals 2023	2023 (Over)/Under Budget	Proposed Budget 2024	2024 Proposed Budget vs. 2023 Estimated Actuals	
<b>Personnel Costs:</b>						
Annual Salary	\$13,330,235	\$12,634,483	\$695,752	\$14,110,567	\$1,476,084	11.7%
Fringe Benefits	8,439,028	7,854,424	584,604	8,769,823	915,399	11.7%
Salary Adjustments*	739,414	739,414	0	912,741	173,327	23.4%
Investment Incentive Pay	220,000	478,271	(258,271)	425,000	(53,271)	-11.1%
Leave Payout	379,914	323,674	56,240	524,074	200,400	61.9%
Temp Help	331,682	240,356	91,326	217,800	(22,556)	-9.4%
Overtime	106,000	226,642	(120,642)	105,000	(121,642)	-53.7%
Certification Pay	134,897	139,673	(4,776)	160,475	20,802	14.9%
Board Allowance	16,000	10,300	5,700	16,000	5,700	55.3%
<b>Total Personnel Costs</b>	<b>\$23,697,171</b>	<b>\$22,647,237</b>	<b>\$1,049,933</b>	<b>\$25,241,480</b>	<b>\$2,594,243</b>	<b>11.5%</b>

\*All salary adjustments (excluding Investment Team incentive bonuses) are budgeted in the Human Resources Department until awarded.

The proposed budget for personnel costs, excluding additional 2024 staff positions, was developed based on OCERS' Compensation Policy for direct employees; the most recent

Memorandum of Understanding between the County of Orange and the Orange County Employees Association applicable to County employees working at OCERS; and the incentive compensation program for eligible investment team members as outlined in the Incentive Compensation Policy.

Personnel Costs for 2024 are \$25.2 million and represent 52.3% of the total Administrative Budget. Personnel costs are detailed by department in *Appendix B - OCERS Personnel Cost Budget 2024* and include salaries, fringe benefits (e.g., health insurances, pension contributions, retiree medical plans, deferred compensation, and tuition reimbursement), salary adjustments, leave payout, temporary help costs, overtime, certification pay for Board approved certifications, and Board allowance for meeting attendance.

The total budget for personnel costs is \$2.6 million or 11.5% higher than the FY23 estimated actuals for personnel costs. The increase is attributed to performance and salary adjustments of \$739,000 that were granted in FY23 being included in annual salary in FY24. In addition, there were vacant positions that took longer to fill than anticipated or remained unfilled for most of FY23, including a Chief Compliance Officer, three Staff Attorneys, Cybersecurity Analyst, Director of Communications, and several positions in Member Services and IT. The increase in personnel costs is also due to higher fringe benefits which increased by \$915,000 primarily due to higher employer pension contribution rates and health care costs, as well as the impact of higher salaries. The increase in staff and higher salaries has also resulted in an increase of \$200,000 for anticipated leave payouts.

Investment incentive pay was over budget in FY23 by \$258,000 due to only the first-year portion of the FY23 incentive payout being budgeted in comparison to estimated actuals which reflects both the first-year payout and the accrual of the second-year payout for FY23, which was earned in 2023, but will be paid in 2024. The budget for this item in FY24 reflects both the estimated first-year and second-year payout for FY24 and is anticipated to be slightly lower than FY23 due to projected lower returns compared to benchmarks used in the incentive compensation calculation. Overtime was also over budget in FY23 by \$121,000 and is attributed to the vacant positions in Member Services.

The FY24 Administrative Budget for personnel costs includes the following components:

- Salaries are budgeted at \$14,111,000 based on current staffing levels consisting of 125 (123.5 FTE) budgeted positions.
  - If the Board approves a revised 2024 Staffing Plan that results in staffing changes, any budget impact will be added to the 2024 Administrative Budget through an amendment to also be approved by the Board. The approved changes will be added as an appendix to this document.
- An average fringe benefit rate of 55% of total salaries - \$8,770,000



- Performance based salary adjustments for OCERS' direct employees eligible to participate in the annual Performance Management Program based on the Board approved Compensation Policy:
  - A base salary increase of 4.6% equal to the increase in the Employer Cost Index for Salaries and Wages for the previous 12-month period ending September 30, 2023, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for employees whose performance meet expectations; a base increase of 4.6% plus a merit increase of 2.75% for employees whose performance exceeds expectations; and a base increase of 4.6% plus two merit increases totaling 5.50% (2.75% x2) for employees whose performance was exceptional. Merit increases are limited to the maximum approved salary range for each position. The estimated annual cost for these salary adjustments is \$668,000
- Estimated bonuses to be paid to eligible Investment Team Members under an incentive compensation program outlined in the Board approved Incentive Compensation Policy - \$425,000
- Step increases for approximately 29 County staff not at the top of the established salary range and across the board mid-year 4.25% salary increases for all County staff as dictated by County MOU - \$245,000
- Accrued Annual Leave - \$524,000
- Temporary Help - \$218,000
- Pay item of 5.5% of salary for employees obtaining the designations of Chartered Financial Analyst, Certified Professional Accountant, Certified Information Systems Security Professional, Certified Internal Auditor and SHRM-Senior Certified Professional - \$160,000
- Overtime - \$105,000
- Board Allowance - \$16,000

The full list of budgeted positions and the related budgeted costs can be found in *Appendix B - OCERS Personnel Cost Budget 2024*.

### ***Salary Ranges***

In accordance with OCERS' Compensation Policy, adopted October 21, 2013 and revised on June 21 2021, the CEO will be responsible for ensuring that the Board-approved salary ranges are reviewed at least every five years to ensure that they remain competitive, and will promptly inform the Board of the results of each such review. The CEO may retain a compensation consultant for purposes of undertaking this review. If the CEO believes adjustments to the salary ranges may be necessary, the CEO will promptly present his or her recommendations to the Board for the Board's approval of any adjustments to the salary ranges. In each year in which

salary ranges are not reviewed, the salary ranges will be automatically increased by the amount, if any, of the increase in the Employer Cost Index for Salaries and Wages for the previous 12-month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics. Salary adjustments are made through the Performance Management Program as previously discussed. For details of all OCERS' direct salary ranges please refer to *Appendix F – OCERS' Direct Employees Salary Ranges*

## ***Services and Supplies***

Services and Supplies costs for 2024 are \$17.1 million, which is 35.5% of the total Administrative Budget. Included in Services and Supplies are administrative and investment professional services, legal services, equipment expenses (other than those that are capitalized on OCERS' as assets that will be depreciated over time and budgeted as a capital expenditure), infrastructure maintenance costs, office expenses, training, and meetings and related costs. These expenses are broken down by department in *Appendix A – 2024 Administration Budget Detail by Department* and summarized below:

- **Building Management and Maintenance** budgeted at \$1,150,000 represents 2.4% of the overall Administrative Budget and is related to funds provided to the property manager of OCERS' Headquarters building to manage and maintain the building. Expenses include property management fees, security, utilities, property taxes, insurance, and maintenance contracts. The FY24 budget is \$175,000 higher than FY23 estimated actuals due to higher costs for utilities and building maintenance related to persistent high inflation and an increase in OCERS staff working in the headquarters building.
- **Due Diligence Meetings** budgeted at \$100,000 represent 0.2% of the total Administrative Budget and consist of travel expense for investment related meetings. The FY24 budget has increased \$59,000 or 141.8% from FY23 estimated actuals due to an increase in investment staff and in anticipation that more in-person meetings will continue to increase during 2024.
- **Equipment/Software Expenses** budgeted at \$1,297,000 represent 2.7% of the total Administrative Budget. The increase of \$230,000 from FY23 estimated actuals or 21.5% is primarily due to costs to procure an electronic content/document management system at an estimated cost of \$250,000. This system is part of the business initiative to provide excellent service and support with the objective to continuously improve business processes and procedures to be efficient and effective. This category also includes \$430,000 for investment related software; information security software/tools of \$186,000; test automation solutions at an estimated cost of \$150,000; and \$120,000 to procure additional equipment, including new laptops for employees and upgrading tablets for Board members.
- **Infrastructure Maintenance** budgeted at \$2,759,000 represents 5.7% of the total Administrative Budget and has increased from FY23 estimated actuals by approximately

\$1.0 million, or 60.1%. This increase can be attributed to cost increases and the number of licenses for current cloud subscriptions for various software, including subscriptions for Microsoft-related software licensing, accounting and financial management software, and vendor risk management software totaling \$417,000. This budget category also includes increased fees for pension administration system maintenance consisting of V3 licensing and support of \$523,000, other ongoing V3 related costs including support hours of \$298,000 related to additional hours needed for imaging migration, new end user license agreements (EULA) and enhancing options for member communications on the MSS portal, as well as Oracle consulting, licensing, and support of \$197,000. Other items include cloud subscriptions for various other software, including intelligent automation research and development at \$150,000, as well as hardware and mobile device licensing, maintenance, support, and security.

- **Legal Services** budgeted at \$1,135,000 are 2.4% of the total Administrative Budget and consist of fees paid to OCERS' external fiduciary counsel, labor attorney, litigation counsel, tax attorney, and investment related legal services. These fees are budgeted for use on an as-needed basis and in FY23 legal fees came in higher than expected due to various contract negotiations and disability claims, litigation preparation, as well as a negotiated settlement. The FY24 budget is -\$206,000 or -15.3% lower than FY23 estimated actuals due to an expected decrease in potential litigation costs.
- **Meetings and Related Costs** budgeted at \$74,000 represents 0.2% of the total Administrative Budget. The majority of this expenses relates to Board meeting costs. The budget has increased by \$24,000 or 48.9% compared to FY23 estimated actuals primarily due to the resumption of in-person meetings for all committee and board meetings, as well as employee meetings.
- **Miscellaneous Office Expense** budgeted at \$1.0 million represents 2.2% of the total Administrative Budget and consists of routine office expenses such as telephone, memberships, postage, printing costs, equipment leases, office supplies and periodicals. The FY24 budget is higher than the FY23 budget by \$124,000 and increased from FY23 estimated actuals by approximately \$152,000 or 17.1%, primarily due to budgeting for increases due to additional staffing which impacts office supplies, telephones, and memberships, as well as anticipated higher rates for telecom service plans and internet service costs. There is also an anticipated increase in printing costs for in-house printing of building plans related to the new headquarters building and in-house training programs.
- **Professional Services** budgeted at \$8.9 million represents the largest percentage of Services and Supplies and comprises 18.5% of the total Administrative Budget. This category includes investment-related consulting fees, actuarial and audit fees, medical panel reviews, pension administration system consultants, and other IT related consulting and professional services fees. The overall increase of approximately \$1.7 million or 24.3% from FY23 estimated actuals can be attributed to incurring less costs than anticipated for projects that are currently underway or carried over into FY24. The FY24

budget for this category also includes non-recurring costs that support OCERS' strategic goals, including the following implementation costs to enhance excellent service and support: \$650,000 for a consultant to continue with phase 2 of utilizing RPA to streamline routine tasks for identified use cases; \$650,000 for continuation of the master repository project to fully develop and document business processes that will lay a foundation for programming a new pension administration system; and \$250,000 for a consultant to assist with the procurement of a next generation pension administration system that will utilize intelligent automation technologies such as RPA, ML and AI. This category also includes non-recurring expenses that support other business initiatives related to providing excellent service and support with the objective of providing world-class service and support to our employers, members, and payees; \$441,000 for a consultant to assist with Alameda benefit recalculations, and \$100,000 for a program manager to oversee the Alameda project. The budget also includes \$45,000 to review and rewrite classification specifications and compensation ranges of County level team members in support of the talent management business initiative to have 100% of OCERS employees employed under one agency.

- **Training** budgeted at \$657,000 represents 1.4% of the total Administrative Budget and encompasses training and conferences attended by the Board and staff. The budget for this category is above the FY23 estimated actuals by approximately \$284,000 or 76.1%. During 2023, most conferences returned to in-person training, and this is expected to continue during FY24. The FY24 budget also includes costs to support talent management business initiatives including \$198,000 to continue implementing a comprehensive training program based on individual needs and career goals that embeds a talent management mindset and creates succession plans across the agency, as well as \$30,000 to continue implementing DEI strategies to reduce turnover and meet the objective of cultivating a collaborative, inclusive and creative culture.

### ***Capital Expenditures***

**Capital Expenditures** for 2024 are \$5.9 million and are 12.3% of the total Administrative Budget. The FY24 budget is higher than the FY23 budget by \$4.7 million and approximately \$5.0 million higher than FY23 estimated actuals. The FY24 budget includes \$5.1 million for estimated amount to be incurred in FY24 towards designing and building a new OCERS headquarters building in support of the business plan initiative related to risk management with the objective of providing a safe and secure workspace and public service facility. Another risk management initiative is \$50,000 for the completion of replacing the end-of life server virtualization platform that meets the objective of providing information systems that support the Agency's administration and operational needs. This category also includes \$475,000 to fund various building and property improvements including the replacement of end-of-life HVAC equipment and implementing water conservation measures in landscaping, as well as \$300,000 for interior workspaces.

# APPENDIX

## OCERS

## Five Year Budget - Department and Account

As of Date:

12/31/2023

Account No. & Name	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	December	December	December	December	December
	Budget 2020	Budget 2021	Amended Budget 2022	Budget 2023	Proposed Budget 2024
<b>Administrative Expenses</b>					
<b>D0001 Board</b>					
<b>Board Personnel Costs</b>	<b>\$ 18,900</b>	<b>\$ 18,900</b>	<b>\$ 18,000</b>	<b>\$ 16,000</b>	<b>\$ 16,000</b>
<b>Board Services and Supplies</b>					
61000 - Professional Services	15,120	92,000	100,120	10,000	77,000
66100 - Training and Related Costs	114,000	78,400	126,000	120,000	127,500
66150 - Meetings and Related Costs	24,500	17,500	20,000	20,000	25,000
66200 - Memberships	20,000	20,050	20,050	20,500	43,000
<b>Total Board Services and Supplies</b>	<b>173,620</b>	<b>207,950</b>	<b>266,170</b>	<b>170,500</b>	<b>272,500</b>
<b>Total Board</b>	<b>\$ 192,520</b>	<b>\$ 226,850</b>	<b>\$ 284,170</b>	<b>\$ 186,500</b>	<b>\$ 288,500</b>
<b>D0002 Internal Audit</b>					
<b>Internal Audit Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>283,434</b>	<b>312,789</b>	<b>340,816</b>	<b>548,563</b>	<b>609,186</b>
<b>Fringe Benefits</b>	<b>159,187</b>	<b>165,202</b>	<b>186,464</b>	<b>337,418</b>	<b>352,208</b>
<b>Total Internal Audit Personnel Costs</b>	<b>442,621</b>	<b>477,991</b>	<b>527,280</b>	<b>885,981</b>	<b>961,394</b>
<b>Internal Audit Services and Supplies</b>					
61000 - Professional Services	180,000	134,250	161,840	143,000	83,945
66100 - Training and Related Costs	16,400	10,440	13,900	21,280	19,510
66150 - Meetings and Related Costs	1,350	100	100	100	100
66200 - Memberships	1,500	1,295	1,345	2,495	2,304
66400 - Subscriptions and Periodicals	200	200	100	100	100
<b>Total Internal Audit Services and Supplies</b>	<b>199,450</b>	<b>146,285</b>	<b>177,285</b>	<b>166,975</b>	<b>105,959</b>
<b>Total Internal Audit</b>	<b>\$ 642,071</b>	<b>\$ 624,276</b>	<b>\$ 704,565</b>	<b>\$ 1,052,956</b>	<b>\$ 1,067,353</b>
<b>D0010 Executive</b>					
<b>Executive Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>876,529</b>	<b>971,053</b>	<b>1,060,302</b>	<b>1,261,866</b>	<b>1,411,174</b>
<b>Fringe Benefits</b>	<b>510,953</b>	<b>528,598</b>	<b>582,184</b>	<b>739,177</b>	<b>810,729</b>
<b>Total Executive Personnel Costs</b>	<b>1,387,482</b>	<b>1,499,651</b>	<b>1,642,486</b>	<b>2,001,043</b>	<b>2,221,903</b>
<b>Executive Services and Supplies</b>					
61000 - Professional Services	465,000	265,000	440,000	600,000	875,000
61301 - Actuarial Fees	435,000	400,000	375,000	450,000	400,000
66100 - Training and Related Costs	58,200	45,450	51,100	53,000	71,000
66150 - Meetings and Related Costs	15,000	10,500	14,750	12,000	25,000
66200 - Memberships	4,320	6,350	6,540	28,150	30,000
66400 - Subscriptions and Periodicals	1,450	1,750	800	1,200	1,450
<b>Total Executive Services and Supplies</b>	<b>978,970</b>	<b>729,050</b>	<b>888,190</b>	<b>1,144,350</b>	<b>1,402,450</b>
<b>Total Executive</b>	<b>\$ 2,366,452</b>	<b>\$ 2,228,701</b>	<b>\$ 2,530,676</b>	<b>\$ 3,145,393</b>	<b>\$ 3,624,353</b>
<b>D0020 Legal</b>					
<b>Legal Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>997,895</b>	<b>1,012,540</b>	<b>1,079,223</b>	<b>1,299,473</b>	<b>1,336,155</b>
<b>Fringe Benefits</b>	<b>495,246</b>	<b>517,764</b>	<b>580,518</b>	<b>767,489</b>	<b>744,942</b>
<b>Total Legal Personnel Costs</b>	<b>1,493,141</b>	<b>1,530,304</b>	<b>1,659,741</b>	<b>2,066,962</b>	<b>2,081,097</b>
<b>Legal Services and Supplies</b>					
61000 - Professional Services	202,000	202,000	202,000	250,000	150,000
62030 - Legal Services - Investment Related	600,000	600,000	600,000	500,000	500,000
62100 - Legal Services - Tax Advice and General Matters	50,000	35,000	35,000	150,000	185,000
62200 - Legal Services - Board and Fiduciary	125,000	125,000	125,000	0	0
62300 - Legal Services - Other Litigation	250,000	200,000	200,000	450,000	450,000
66100 - Training and Related Costs	29,300	20,000	20,000	20,000	20,000
66150 - Meetings and Related Costs	5,000	2,000	2,000	2,000	2,000
66200 - Memberships	4,200	5,000	5,000	4,000	5,000
66400 - Subscriptions and Periodicals	12,500	12,499	12,500	13,000	15,000
66500 - Postage and Delivery Costs - Regular Postage	0	0	0	0	100
<b>Total Legal Services and Supplies</b>	<b>1,277,999</b>	<b>1,201,500</b>	<b>1,201,500</b>	<b>1,389,000</b>	<b>1,327,100</b>
<b>Total Legal</b>	<b>\$ 2,771,140</b>	<b>\$ 2,731,804</b>	<b>\$ 2,861,241</b>	<b>\$ 3,455,962</b>	<b>\$ 3,408,197</b>
<b>D0030 Investments</b>					
<b>Investments Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>1,415,601</b>	<b>1,663,161</b>	<b>1,810,917</b>	<b>2,093,296</b>	<b>2,642,848</b>

## OCERS

## Five Year Budget - Department and Account

As of Date:

12/31/2023

Account No. & Name	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	December	December	December	December	December
	Budget 2020	Budget 2021	Amended Budget 2022	Budget 2023	Proposed Budget 2024
<b>Administrative Expenses</b>					
<b>Fringe Benefits</b>	<b>761,073</b>	<b>852,200</b>	<b>960,155</b>	<b>1,160,135</b>	<b>1,194,738</b>
<b>Total Investments Personnel Costs</b>	<b>2,176,674</b>	<b>2,515,361</b>	<b>2,771,072</b>	<b>3,253,431</b>	<b>3,837,586</b>
<b>Investments Services and Supplies</b>					
61300 - Professional Services - Admin. Non 21 Basis Points	135,000	99,999	0	0	0
61500 - Prof Services - Investment Related - Investment Consultant	2,558,000	2,618,502	3,275,000	965,650	981,000
61501 - Prof Services - Investment Related - Other Consultants	0	0	0	1,408,330	1,430,000
61502 - Prof Services - Investment Related - Custodian Services	0	0	0	585,000	580,000
61503 - Prof Services - Investment Related - Other Services	0	0	0	55,260	55,000
64000 - Equipment and Software	7,300	10,000	0	0	0
64030 - Equipment and Software - Investment Related	0	0	25,000	40,000	40,000
66100 - Training and Related Costs	0	8,000	8,000	10,000	0
66130 - Due Diligence Expenses	0	0	100,000	130,000	100,000
66150 - Meetings and Related Costs	16,000	16,000	16,000	10,000	10,000
66200 - Memberships	16,105	16,500	27,000	20,000	25,000
66400 - Subscriptions and Periodicals	3,375	35,000	35,000	40,500	35,000
<b>Total Investments Services and Supplies</b>	<b>2,735,780</b>	<b>2,804,001</b>	<b>3,486,000</b>	<b>3,264,740</b>	<b>3,256,000</b>
<b>Total Investments</b>	<b>\$ 4,912,454</b>	<b>\$ 5,319,362</b>	<b>\$ 6,257,072</b>	<b>\$ 6,518,171</b>	<b>\$ 7,093,586</b>
<b>D0041 Communications</b>					
<b>Communications Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>184,163</b>	<b>197,741</b>	<b>207,790</b>	<b>278,844</b>	<b>221,454</b>
<b>Fringe Benefits</b>	<b>105,811</b>	<b>110,477</b>	<b>123,767</b>	<b>170,258</b>	<b>129,631</b>
<b>Total Communications Personnel Costs</b>	<b>289,974</b>	<b>308,218</b>	<b>331,557</b>	<b>449,102</b>	<b>351,085</b>
<b>Communications Services and Supplies</b>					
61000 - Professional Services	50,000	50,000	25,000	45,000	10,000
64000 - Equipment and Software	1,200	2,500	1,000	0	1,000
66100 - Training and Related Costs	5,000	5,000	5,000	2,500	5,625
66150 - Meetings and Related Costs	300	150	150	150	0
66200 - Memberships	0	0	0	0	550
66300 - Office Supplies	10,000	10,000	10,000	10,000	21,500
66400 - Subscriptions and Periodicals	600	0	0	0	0
66501 - Postage and Delivery Costs - Quarterly Newsletters	60,000	65,000	35,000	76,000	99,000
66502 - Postage and Delivery Costs - Mass Mailings	40,000	40,000	40,000	20,000	20,000
66550 - Printing Costs - Other	0	0	0	0	5,000
66551 - Printing Costs - Quarterly Newsletters	40,000	40,000	25,000	50,000	70,000
66552 - Printing Costs - Brochures	10,000	10,000	17,000	5,000	20,000
66553 - Printing Costs - Annual Report	12,000	12,000	12,000	12,000	10,000
<b>Total Communications Services and Supplies</b>	<b>229,100</b>	<b>234,650</b>	<b>170,150</b>	<b>220,650</b>	<b>262,675</b>
<b>Total Communications</b>	<b>\$ 519,074</b>	<b>\$ 542,868</b>	<b>\$ 501,707</b>	<b>\$ 669,752</b>	<b>\$ 613,760</b>
<b>D0042 Disability</b>					
<b>Disability Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>345,977</b>	<b>368,445</b>	<b>386,192</b>	<b>426,878</b>	<b>487,902</b>
<b>Fringe Benefits</b>	<b>225,602</b>	<b>246,803</b>	<b>277,120</b>	<b>239,444</b>	<b>292,575</b>
<b>Total Disability Personnel Costs</b>	<b>571,579</b>	<b>615,248</b>	<b>663,312</b>	<b>666,322</b>	<b>780,477</b>
<b>Disability Services and Supplies</b>					
61000 - Professional Services	300,000	295,000	510,000	560,000	660,000
66100 - Training and Related Costs	8,255	3,600	7,870	36,320	12,000
66150 - Meetings and Related Costs	450	250	250	250	250
<b>Total Disability Services and Supplies</b>	<b>308,705</b>	<b>298,850</b>	<b>518,120</b>	<b>596,570</b>	<b>672,250</b>
<b>Total Disability</b>	<b>\$ 880,284</b>	<b>\$ 914,098</b>	<b>\$ 1,181,432</b>	<b>\$ 1,262,892</b>	<b>\$ 1,452,727</b>
<b>D0043 Member Services</b>					
<b>Member Services Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>2,610,467</b>	<b>2,901,456</b>	<b>3,790,259</b>	<b>3,969,264</b>	<b>4,177,161</b>
<b>Fringe Benefits</b>	<b>1,422,483</b>	<b>1,554,932</b>	<b>2,164,338</b>	<b>2,495,374</b>	<b>2,519,871</b>
<b>Total Member Services Personnel Costs</b>	<b>4,032,950</b>	<b>4,456,388</b>	<b>5,954,597</b>	<b>6,464,638</b>	<b>6,697,032</b>
<b>Member Services Services and Supplies</b>					
61000 - Professional Services	20,000	20,000	24,000	525,000	496,000
66100 - Training and Related Costs	19,800	18,800	17,000	10,000	10,750

OCERS  
 Five Year Budget - Department and Account  
 As of Date:

12/31/2023

Account No. & Name	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	December	December	December	December	December
	Budget 2020	Budget 2021	Amended Budget 2022	Budget 2023	Proposed Budget 2024
<b>Administrative Expenses</b>					
66150 - Meetings and Related Costs	250	250	250	250	2,500
66200 - Memberships	0	0	0	0	1,000
<b>Total Member Services Services and Supplies</b>	<b>40,050</b>	<b>39,050</b>	<b>41,250</b>	<b>535,250</b>	<b>510,250</b>
<b>Total Member Services</b>	<b>\$ 4,073,000</b>	<b>\$ 4,495,438</b>	<b>\$ 5,995,847</b>	<b>\$ 6,999,888</b>	<b>\$ 7,207,282</b>
<b>D0051 Finance</b>					
<b>Finance Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>939,911</b>	<b>958,248</b>	<b>1,009,068</b>	<b>992,345</b>	<b>1,052,159</b>
<b>Fringe Benefits</b>	<b>495,014</b>	<b>506,514</b>	<b>571,638</b>	<b>636,004</b>	<b>624,612</b>
<b>Total Finance Personnel Costs</b>	<b>1,434,925</b>	<b>1,464,762</b>	<b>1,580,706</b>	<b>1,628,349</b>	<b>1,676,771</b>
<b>Finance Services and Supplies</b>					
61000 - Professional Services	193,300	188,410	21,400	22,000	22,000
61010 - Professional Services - Bank Fees	0	0	30,000	36,000	38,000
61020 - Professional Services - External Audit Fees	0	0	129,000	117,300	118,500
61300 - Professional Services - Admin. Non 21 Basis Points	0	0	47,000	38,000	30,000
66100 - Training and Related Costs	13,600	9,000	10,500	10,500	21,000
66150 - Meetings and Related Costs	499	250	250	250	250
66200 - Memberships	3,955	4,300	4,800	4,800	5,200
66400 - Subscriptions and Periodicals	1,000	1,000	1,000	1,000	1,000
<b>Total Finance Services and Supplies</b>	<b>212,354</b>	<b>202,960</b>	<b>243,950</b>	<b>229,850</b>	<b>235,950</b>
<b>Total Finance</b>	<b>\$ 1,647,279</b>	<b>\$ 1,667,722</b>	<b>\$ 1,824,656</b>	<b>\$ 1,858,199</b>	<b>\$ 1,912,721</b>
<b>D0052 Human Resources</b>					
<b>Human Resources Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>1,283,644</b>	<b>643,552</b>	<b>607,155</b>	<b>1,784,754</b>	<b>1,723,950</b>
<b>Fringe Benefits</b>	<b>481,763</b>	<b>362,992</b>	<b>412,203</b>	<b>476,753</b>	<b>532,035</b>
<b>Total Human Resources Personnel Costs</b>	<b>1,765,407</b>	<b>1,006,544</b>	<b>1,019,358</b>	<b>2,261,507</b>	<b>2,255,985</b>
<b>Human Resources Services and Supplies</b>					
61000 - Professional Services	168,500	98,500	145,500	64,000	109,750
61052 - Professional Services - Recruitment Costs	0	0	0	71,300	60,000
65000 - Building Property Management and Maintenance	680,000	0	0	0	0
65100 - Equipment - Rent and Leases	13,500	0	0	0	0
66100 - Training and Related Costs	166,000	191,450	230,850	221,000	224,687
66150 - Meetings and Related Costs	10,500	10,000	10,000	5,600	5,500
66200 - Memberships	10,000	11,400	12,000	6,000	6,421
66300 - Office Supplies	55,000	0	0	0	0
66301 - Office Supplies - Furniture Costs	15,000	0	0	0	0
66302 - Office Supplies - Ergonomics	0	0	0	0	10,000
66500 - Postage and Delivery Costs - Regular Postage	65,000	0	0	0	0
66503 - Postage and Delivery Costs - Pony Mail	2,000	0	0	0	0
66550 - Printing Costs - Other	7,000	0	0	0	0
<b>Total Human Resources Services and Supplies</b>	<b>1,192,500</b>	<b>311,350</b>	<b>398,350</b>	<b>367,900</b>	<b>416,358</b>
<b>Human Resources Capital Expenditures</b>					
69040 - Capital Expenditures - All	450,000	0	0	0	0
<b>Total_Human Resources Capital Expenditures</b>	<b>450,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Human Resources</b>	<b>\$ 3,407,907</b>	<b>\$ 1,317,894</b>	<b>\$ 1,417,708</b>	<b>\$ 2,629,407</b>	<b>\$ 2,672,343</b>
<b>D0053 Information Security</b>					
<b>Information Security Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>288,143</b>	<b>335,917</b>	<b>363,011</b>	<b>461,058</b>	<b>512,255</b>
<b>Fringe Benefits</b>	<b>158,746</b>	<b>166,057</b>	<b>188,558</b>	<b>268,355</b>	<b>289,720</b>
<b>Total Information Security Personnel Costs</b>	<b>446,889</b>	<b>501,974</b>	<b>551,569</b>	<b>729,413</b>	<b>801,975</b>
<b>Information Security Services and Supplies</b>					
61000 - Professional Services	282,000	115,000	40,000	103,000	118,000
61300 - Professional Services - Admin. Non 21 Basis Points	0	180,000	205,000	128,000	113,000
64000 - Equipment and Software	90,000	196,000	321,000	401,100	186,000
66100 - Training and Related Costs	62,000	49,000	46,000	54,000	54,000
66150 - Meetings and Related Costs	500	500	500	500	500
66200 - Memberships	1,850	1,850	3,000	3,000	3,000
66400 - Subscriptions and Periodicals	500	500	500	500	500



## OCERS

## Five Year Budget - Department and Account

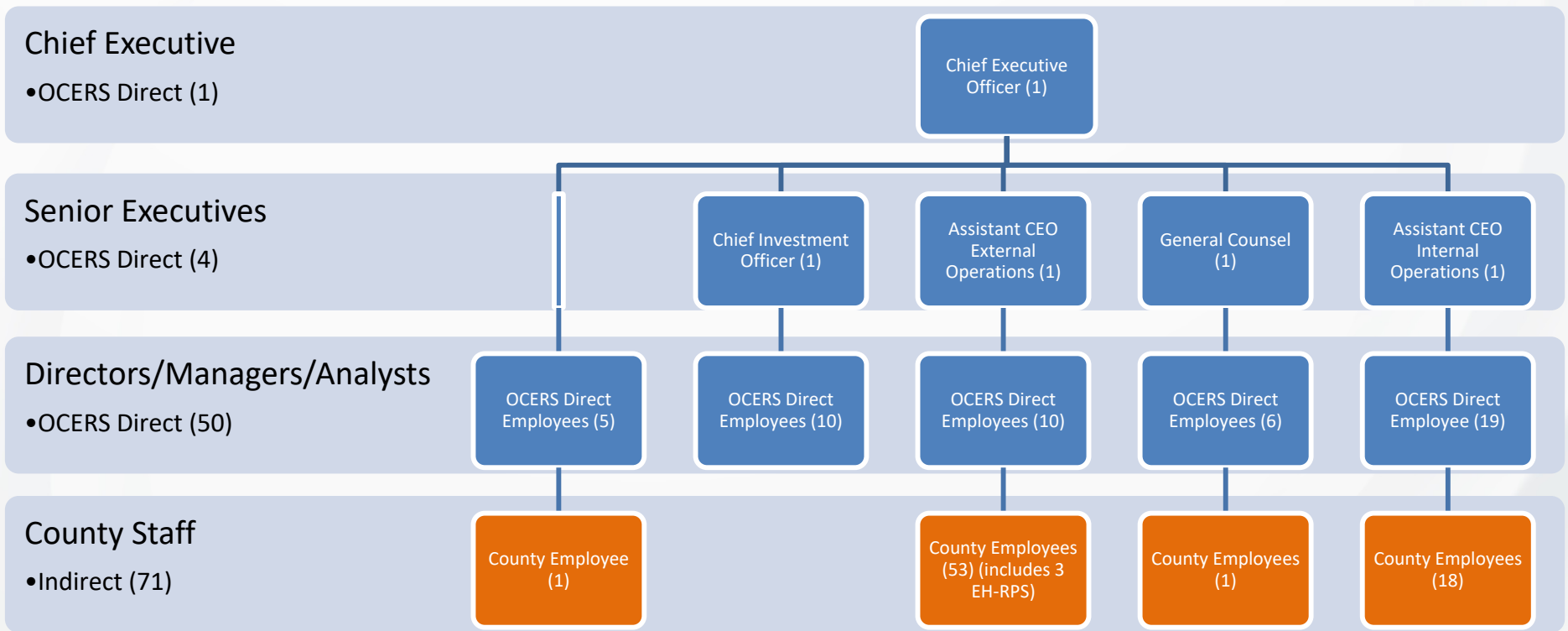
As of Date:

12/31/2023

Account No. & Name	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	December	December	December	December	December
	Budget 2020	Budget 2021	Amended Budget 2022	Budget 2023	Proposed Budget 2024
<b>Administrative Expenses</b>					
<b>Total Information Security Services and Supplies</b>	<b>436,849</b>	<b>542,850</b>	<b>616,000</b>	<b>690,100</b>	<b>475,000</b>
<b>Total Information Security</b>	<b>\$ 883,738</b>	<b>\$ 1,044,824</b>	<b>\$ 1,167,569</b>	<b>\$ 1,419,513</b>	<b>\$ 1,276,975</b>
<b>D0054 Information Technology</b>					
<b>Information Technology Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>990,645</b>	<b>1,065,748</b>	<b>1,359,189</b>	<b>1,732,159</b>	<b>1,836,260</b>
<b>Fringe Benefits</b>	<b>516,221</b>	<b>552,702</b>	<b>748,505</b>	<b>966,737</b>	<b>1,013,930</b>
<b>Total Information Technology Personnel Costs</b>	<b>1,506,866</b>	<b>1,618,450</b>	<b>2,107,694</b>	<b>2,698,896</b>	<b>2,850,190</b>
<b>Information Technology Services and Supplies</b>					
61000 - Professional Services	1,330,400	446,000	292,000	172,500	471,750
61300 - Professional Services - Admin. Non 21 Basis Points	0	1,167,400	1,410,000	1,265,000	1,575,000
63000 - Infrastructure Maintenance	835,100	854,700	1,196,300	309,750	436,250
63010 - InfraMte - Cloud Subscriptions	0	0	0	445,250	971,473
63020 - InfraMte - Equipment Maintenance	0	0	0	19,500	11,500
63030 - InfraMte - Software Maintenance	0	0	0	297,985	303,432
63040 - InfraMte - PAS Maintenance	0	0	0	884,655	1,036,271
64000 - Equipment and Software	759,000	878,000	845,000	358,000	640,100
64030 - Equipment and Software - Investment Related	0	0	0	282,000	430,000
65100 - Equipment - Rent and Leases	35,000	35,000	40,000	0	0
65201 - Telephone Expense - Telecom Services	35,000	25,000	32,000	63,600	63,600
65202 - Telephone Expense - Cellular/Mobile Services	45,000	55,000	45,000	60,600	71,400
65203 - Telephone Expense - Phone/VOIP	125,000	125,000	105,000	97,500	151,800
65300 - Internet Services	0	0	125,000	169,500	133,500
66100 - Training and Related Costs	61,000	43,000	38,000	25,500	86,600
66150 - Meetings and Related Costs	5,000	0	2,500	3,000	3,000
66200 - Memberships	1,500	1,500	1,500	1,800	2,500
<b>Total Information Technology Services and Supplies</b>	<b>3,231,999</b>	<b>3,630,600</b>	<b>4,132,300</b>	<b>4,456,140</b>	<b>6,388,176</b>
<b>Information Technology Capital Expenditures</b>					
69040 - Capital Expenditures - All	150,000	600,000	982,000	715,000	50,000
<b>Total Information Technology Capital Expenditures</b>	<b>150,000</b>	<b>600,000</b>	<b>982,000</b>	<b>715,000</b>	<b>50,000</b>
<b>Total Information Technology</b>	<b>\$ 4,888,865</b>	<b>\$ 5,849,050</b>	<b>\$ 7,221,994</b>	<b>\$ 7,870,036</b>	<b>\$ 9,288,366</b>
<b>D0055 Operations Support Services</b>					
<b>Operations Support Services Personnel Costs</b>					
<b>Salaries and Wages</b>	<b>0</b>	<b>227,429</b>	<b>304,738</b>	<b>373,680</b>	<b>445,150</b>
<b>Fringe Benefits</b>	<b>0</b>	<b>112,828</b>	<b>155,459</b>	<b>201,847</b>	<b>264,830</b>
<b>Total Operations Support Services Personnel Costs</b>	<b>0</b>	<b>340,257</b>	<b>460,197</b>	<b>575,527</b>	<b>709,980</b>
<b>Operations Support Services Services and Supplies</b>					
61000 - Professional Services	0	303,050	148,950	255,000	110,000
61001 - Professional Services - Insurance Services	0	0	280,000	280,000	350,000
65000 - Building Property Management and Maintenance	0	680,000	750,000	975,000	1,150,000
65100 - Equipment - Rent and Leases	0	14,500	14,500	50,000	50,000
66100 - Training and Related Costs	0	4,000	4,000	4,000	4,000
66150 - Meetings and Related Costs	0	0	200	200	200
66200 - Memberships	0	199	500	500	500
66300 - Office Supplies	0	55,000	60,000	50,000	55,000
66301 - Office Supplies - Furniture Costs	0	30,000	40,000	40,000	40,000
66500 - Postage and Delivery Costs - Regular Postage	0	75,000	55,000	55,000	25,000
66503 - Postage and Delivery Costs - Pony Mail	0	4,000	4,000	4,000	4,200
66504 - Postage and Delivery Costs - Delivery Services	0	0	0	6,000	3,000
66550 - Printing Costs - Other	0	15,000	7,000	0	10,000
<b>Total Operations Support Services Services and Supplies</b>	<b>0</b>	<b>1,180,749</b>	<b>1,364,150</b>	<b>1,719,700</b>	<b>1,801,900</b>
<b>Operations Support Services Capital Expenditures</b>					
69040 - Capital Expenditures - All	0	70,000	110,000	511,000	5,875,000
<b>Total Operations Support Services Capital Expenditures</b>	<b>0</b>	<b>70,000</b>	<b>110,000</b>	<b>511,000</b>	<b>5,875,000</b>
<b>Total Operations Support Services</b>	<b>\$ 0</b>	<b>\$ 1,591,006</b>	<b>\$ 1,934,347</b>	<b>\$ 2,806,227</b>	<b>\$ 8,386,880</b>
<b>Total Administrative Expenses</b>	<b>\$ 27,184,784</b>	<b>\$ 28,553,893</b>	<b>\$ 33,882,984</b>	<b>\$ 39,874,896</b>	<b>\$ 48,293,043</b>

# 2024 Organization Chart

(125 team members, 123.5 FTE)



**Staffing Plan**  
 125 Budgeted Positions  
 136 Approved Classifications  
 (includes 3 Part-time Extra Help in Member Services)

Appendix B

OCERS  
Personnel Cost Budget  
2024

Department	Position	Employee Count	Regular Salary	Certification Pay	Fringe Benefits	Salary Adjustments	Overtime	Leave Accrual and Payout	Temporary Help	Grand Total
Board										
	Board Member	-	16,000	-	-	-	-	-	-	-
<b>Board Total</b>			<b>\$ 16,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,000</b>
Internal Audit										
	Director of Internal Audit	1	206,627	11,364	120,170					
	Senior Internal Auditor	1	153,878	8,463	105,352					
	Internal Auditor	2	208,853	-	126,686					
<b>Internal Audit Total</b>		<b>4</b>	<b>\$ 569,358</b>	<b>\$ 19,828</b>	<b>\$ 352,208</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 961,394</b>
Executive										
	Chief Executive Officer	1	350,002	-	222,770					
	Assistant Chief Executive Officer	2	576,659	15,858	377,533					
	Director of Enterprise Project Management Office	1	190,008	-	112,023					
	Executive Secretary I	1	64,480	-	44,253					
	Executive Secretary II	1	82,430	-	54,150					
	Temporary Help	-	-	-	-				15,000	
<b>Executive Total</b>		<b>6</b>	<b>\$ 1,263,579</b>	<b>\$ 15,858</b>	<b>\$ 810,728</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 115,737</b>	<b>\$ 15,000</b>	<b>\$ 2,221,902</b>
Legal										
	General Counsel	1	255,299	-	155,502					
	Deputy General Counsel	1	228,800	-	116,370					
	Chief Compliance Officer	1	167,000	-	95,691					
	Staff Attorney	3	509,995	-	267,944					
	Executive Secretary I	1	58,282	-	43,122					
	Staff Analyst	1	85,779	-	66,314					
<b>Legal Total</b>		<b>8</b>	<b>\$ 1,305,155</b>	<b>\$ -</b>	<b>\$ 744,943</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 2,081,099</b>
Investments										
	Chief Investment Officer	1	478,358	26,310	266,068					
	Director of Investments	2	475,613	-	307,241					
	Senior Investment Officer	1	189,738	10,436	103,602					
	Investment Officer	3	469,976	17,104	267,301					
	Investment Analyst	4	416,972	12,327	250,526					
	Performance Incentive					425,000				
<b>Investments Total</b>		<b>11</b>	<b>\$ 2,030,656</b>	<b>\$ 66,176</b>	<b>\$ 1,194,738</b>	<b>\$ 425,000</b>	<b>\$ -</b>	<b>\$ 121,016</b>	<b>\$ -</b>	<b>\$ 3,837,587</b>
Communications										
	Director of Communications	1	144,997	-	83,220					
	Staff Specialist	1	65,957	-	46,413					
<b>Communications Total</b>		<b>2</b>	<b>\$ 210,954</b>	<b>\$ -</b>	<b>\$ 129,633</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 351,086</b>
Disability										
	Director of Disability	1	205,254	-	107,560					
	Disability Retirement Investigator	2	155,085	-	92,746					
	Office Specialist	2	116,563	-	92,269					
<b>Disability Total</b>		<b>5</b>	<b>\$ 476,902</b>	<b>\$ -</b>	<b>\$ 292,576</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 780,478</b>

Appendix B

OCERS  
Personnel Cost Budget  
2024

Department	Position	Employee Count	Regular Salary	Certification Pay	Fringe Benefits	Salary Adjustments	Overtime	Leave Accrual and Payout	Temporary Help	Grand Total
Member Services										
	Director of Member Services	2	353,779	-	190,497					
	Member Services Manager	3	349,461	-	245,960				-	
	Staff Analyst	2	189,987	-	117,365					
	Executive Secretary I	1	78,083	-	50,704					
	Retirement Benefits Program Supervisor	4	365,082	-	237,653					
	Sr. Retirement Program Specialist	4	320,507	-	182,268					
	Sr. Staff Development Specialist	2	181,272	-	129,446					
	Retirement Program Specialist	23	1,343,181	-	895,577				100,800	
	Retirement Benefits Technician	4	224,557	-	136,937					
	Accounting Technician	5	313,726	-	190,393					
	Office Specialist	1	58,240	-	36,818					
	Office Technician	3	141,877	-	106,255					
	Temporary Help (Employment Services)								50,000	
<b>Member Services Total</b>		<b>54</b>	<b>\$ 3,919,752</b>	<b>\$ -</b>	<b>\$ 2,519,873</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 56,610</b>	<b>\$ 150,800</b>	<b>\$ 6,697,035</b>
Finance										
	Director of Finance	1	214,531	11,799	138,410					
	Finance Manager	2	319,238	8,779	186,061					
	Sr. Accountant / Auditor I	1	99,237	-	54,557					
	Staff Analyst	2	222,747	6,208	158,201					
	Accountant/Auditor I	1	71,822	-	53,027					
	Accounting Technician	1	53,872	-	34,357					
<b>Finance Total</b>		<b>8</b>	<b>\$ 981,448</b>	<b>\$ 26,787</b>	<b>\$ 624,613</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 42,924</b>	<b>\$ -</b>	<b>\$ 1,676,772</b>
Human Resources										
	Director of Human Resources	1	204,984	11,274	124,481					
	Learning and Organization Development Manager	1	120,203	-	59,223					
	Staff Analyst	2	197,662	-	115,994					
	Staff Specialist	1	73,590	-	43,239					
	Staff Assistant	2	112,611	-	89,098					
	Salary Adjustments	-	-	-	-	912,740				
	Temporary Help	-	-	-	-				52,000	
	Tuition Reimbursements	-	-	-	100,000					
<b>Human Resources Total</b>		<b>7</b>	<b>\$ 709,051</b>	<b>\$ 11,274</b>	<b>\$ 532,036</b>	<b>\$ 912,740</b>	<b>\$ 500</b>	<b>\$ 38,385</b>	<b>\$ 52,000</b>	<b>\$ 2,255,987</b>
Information Security										
	Director of Information Security	1	199,888	10,994	121,111					
	Information Security Manager	1	173,784	9,558	100,895					
	Information Security Analyst	1	88,005	-	67,715					
<b>Information Security Total</b>		<b>3</b>	<b>\$ 461,677</b>	<b>\$ 20,552</b>	<b>\$ 289,720</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,026</b>	<b>\$ -</b>	<b>\$ 801,975</b>
Information Technology										
	Director of Information Technology	1	200,429	-	114,033					
	Information Technology Manager	3	452,774	-	265,027					
	IT Operations Supervisor	1	133,640	-	88,655					
	IT Supervisor	1	148,429	-	87,962					

Appendix B

OCERS  
Personnel Cost Budget  
2024

Department	Position	Employee Count	Regular Salary	Certification Pay	Fringe Benefits	Salary Adjustments	Overtime	Leave Accrual and Payout	Temporary Help	Grand Total
	Sr. IT Applications Developer	2	260,042	-	147,105					
	IT Automation Developer	1	150,000	-	83,509					
	IT Systems Technician I	1	69,826	-	33,638					
	IT Network Engineer II	1	113,568	-	79,000					
	IT Systems Engineer II	2	227,136	-	115,002					
<b>Information Technology Total</b>		<b>13</b>	<b>\$ 1,755,843</b>	<b>\$ -</b>	<b>\$ 1,013,931</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 30,418</b>	<b>\$ -</b>	<b>\$ 2,850,192</b>
Operations Support Services										
	Senior Manager Operations Support Services	1	156,000	-	94,628					
	Contracts, Risk & Performance Administrator	1	155,272	-	89,893					
	Staff Specialist	1	61,090	-	44,326					
	Store Clerk	1	53,830	-	35,983					
<b>Operations Support Total</b>		<b>4</b>	<b>\$ 426,192</b>	<b>\$ -</b>	<b>\$ 264,829</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,958</b>	<b>\$ -</b>	<b>\$ 709,979</b>
<b>Grand Total</b>		<b>125</b>	<b>\$ 14,126,568</b>	<b>\$ 160,475</b>	<b>\$ 8,769,829</b>	<b>\$ 1,337,740</b>	<b>\$ 105,000</b>	<b>\$ 524,075</b>	<b>\$ 217,800</b>	<b>\$ 25,241,487</b>

Minor differences are due to rounding.

## Appendix C

### Orange County Employees Retirement System

#### 21 Basis Points for Budget Year 2024

Projected actuarial accrued liability as of December 31, 2023	\$26,477,040,000
21 basis points of projected actuarial accrued liability	55,601,784
FY24 proposed budget amount subject to 21 basis points limitation <sup>1</sup>	29,305,535
Amount under 21 basis points	\$26,296,249
Budgeted amount expressed as basis points of projected actuarial accrued liability-FY24	11.07
Budgeted amount expressed as basis points of projected actuarial accrued liability-FY23	10.73

<sup>1</sup> Reconciliation of amount subject to 21 basis points limitation:

<b>Total FY24 Proposed Budget</b>	<b>\$ 48,293,043</b>
<b>Less: Investment Expenses</b>	(8,423,586)
<b>Total FY24 Proposed Administrative Budget</b>	<b>39,869,457</b>
Plus: Depreciation Expense:	227,854
Less: Information Technology and Information Security Expenses	(4,866,776)
Less: All Capital Expenditures :	(5,925,000)
FY24 proposed budget amount subject to 21 basis points limitation	<b>\$ 29,305,535</b>

<b><u>21 Basis Point History</u></b>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>
21 Basis Points	9.04	8.86	9.75	10.73	11.07

# Exhibit D

## 5 Year Budget Comparison



	Budget 2020	Amended Budget 2021	Amended Budget 2022	Budget 2023	Proposed Budget 2024	\$ Variance FY23-24	% Variance FY23-24
<b>Personnel Costs</b>	\$ 15,567,408	\$ 16,354,050	\$ 19,287,569	\$ 23,697,171	\$ 25,241,475	\$ 1,544,304	6.5%
<b>Services and Supplies</b>	\$ 11,017,376	\$ 11,529,843	\$ 13,503,415	\$ 14,951,725	\$ 17,126,568	\$ 2,174,843	14.5%
<b>Capital Expenditures</b>	\$ 600,000	\$ 670,000	\$ 1,092,000	\$ 1,226,000	\$ 5,925,000	\$ 4,699,000	383.3%
<b>Total</b>	\$ 27,184,784	\$ 28,553,893	\$ 33,882,984	\$ 39,874,896	\$ 48,293,043	\$ 8,418,147	21.1%



# Exhibit D

## Actuals Compared to Proposed Budget



	Actuals 2020	Actuals 2021	Actuals 2022	Estimated Actuals 2023	Proposed Budget 2024	\$ Variance FY23-24	% Variance FY23-24
<b>Personnel Costs:</b>	\$ 14,994,393	\$ 15,679,491	\$ 17,040,789	\$ 22,647,238	\$ 25,241,475	\$ 2,594,237	11.5%
<b>Total Services and Supplies:</b>	8,298,438	9,218,273	10,214,439	13,630,632	17,126,568	3,495,936	25.6%
<b>Total Capital Expenditures:</b>	186,359	-	647,257	892,794	5,925,000	5,032,206	563.6%
<b>Total</b>	<b>\$ 23,479,190</b>	<b>\$ 24,897,764</b>	<b>\$ 27,902,485</b>	<b>\$ 37,170,665</b>	<b>\$ 48,293,043</b>	<b>\$ 11,122,378</b>	<b>29.9%</b>





# Exhibit D

## 2024 Proposed Budget Compared to Actuals by Category

	Actuals 2020	Actuals 2021	Actuals 2022	Estimated Actuals 2023	Proposed Budget 2024	\$ Variance FY23-24	% Variance FY23-24
<b>Personnel Costs:</b>	<b>\$14,994,393</b>	<b>\$15,679,491</b>	<b>17,040,789</b>	<b>22,647,238</b>	<b>25,241,475</b>	<b>2,594,237</b>	<b>11.5%</b>
Services and Supplies:							
Building Property Mgmt. / Maintenance	602,075	651,173	690,763	975,000	1,150,000	175,000	17.9%
Equipment/ Software Expenses	462,965	707,308	907,910	1,112,353	1,297,100	184,747	16.6%
Infrastructure Maintenance	741,295	884,534	880,033	1,722,749	2,758,926	1,036,177	60.1%
Legal Services	261,551	848,173	878,228	1,340,725	1,135,000	(205,725)	-15.3%
Meeting & Mileage	39,363	11,152	42,198	91,248	174,300	83,052	91.0%
Miscellaneous Office Expenses	541,105	421,813	713,639	843,292	1,040,625	197,333	23.4%
Professional Services	5,523,002	5,500,007	5,843,066	7,172,410	8,913,945	1,741,535	24.3%
Training	127,082	194,113	258,602	372,855	656,672	283,817	76.1%
<b>Total Services and Supplies:</b>	<b>\$8,298,438</b>	<b>\$9,218,273</b>	<b>10,214,439</b>	<b>13,630,632</b>	<b>17,126,568</b>	<b>3,495,936</b>	<b>25.6%</b>
<b>Total Capital Expenditures:</b>	<b>186,359</b>	<b>-</b>	<b>647,257</b>	<b>892,794</b>	<b>5,925,000</b>	<b>5,032,206</b>	<b>563.6%</b>
<b>Total</b>	<b>\$23,479,190</b>	<b>\$24,897,764</b>	<b>\$27,902,485</b>	<b>\$37,170,665</b>	<b>\$48,293,043</b>	<b>\$11,122,378</b>	<b>29.9%</b>

# Appendix E

## Historical Statistics

	2019	2020	2021	2022	2023
Number of Full-Time Positions Budgeted	93	93	94.5	106.5	124.5
Number of Retirees - Beginning of Year	17,674	18,420	19,419	19,826	20,678
Number of Additional Retirements <sup>1</sup>	1,203	1,409	958	1,308	1,065
Number Removed from Payroll <sup>1</sup>	(457)	(410)	(551)	(456)	(555)
Payroll \$ (in thousands) * <sup>2</sup>	\$ 900,902	\$ 973,325	\$ 1,067,211	\$ 1,139,715	\$ 1,212,149
Number of Members ** <sup>1</sup>	47,197	47,796	49,075	50,633	52,482
Number of New Members ** <sup>1</sup>	1,450	767	1,228	1,451	1,849

<sup>1</sup> 2023 amounts are as of October 2023

<sup>2</sup> 2023 amounts are annualized estimates based on actuals through September 2023.

\* Payroll represents retirement payroll, withdrawals and death benefits

\*\* Number of members includes active, deferred and retired (including beneficiaries).

**Appendix F**  
**OCERS Direct Employees**  
**Salary Ranges Approved by Board, revised by ECI as of September 30, 2023**

<b>OCERS Employee Position</b>	<b>Current Annual Minimum</b>	<b>Revised Annual Minimum</b>	<b>Current Annual Midpoint</b>	<b>Revised Annual Midpoint</b>	<b>Current Annual Maximum</b>	<b>Revised Annual Maximum</b>
Chief Investment Officer	\$308,617	\$322,813	\$393,487	\$411,587	\$478,356	\$500,360
General Counsel	\$214,969	\$224,858	\$274,086	\$286,694	\$333,203	\$348,530
Managing Director of Investments	\$214,969	\$224,858	\$274,086	\$286,694	\$333,203	\$348,530
Assistant Chief Executive Officer	\$186,021	\$194,578	\$237,176	\$248,086	\$288,331	\$301,594
Director of Investments	\$173,042	\$181,002	\$220,629	\$230,777	\$268,215	\$280,553
Deputy Legal Counsel	\$149,739	\$156,627	\$190,917	\$199,699	\$232,095	\$242,771
Chief Compliance Officer	\$149,739	\$156,627	\$190,917	\$199,699	\$232,095	\$242,771
Senior Investment Officer	\$149,739	\$156,627	\$190,917	\$199,699	\$232,095	\$242,771
Director *	\$139,292	\$145,699	\$177,598	\$185,767	\$215,903	\$225,835
Investment Officer	\$129,574	\$135,534	\$165,207	\$172,807	\$200,840	\$210,079
Staff Attorney	\$129,574	\$135,534	\$165,207	\$172,807	\$200,840	\$210,079
Automation Developer	\$112,125	\$117,283	\$142,959	\$149,535	\$173,793	\$181,787
Finance Manager	\$112,125	\$117,283	\$142,959	\$149,535	\$173,793	\$181,787
Information Security Manager	\$112,125	\$117,283	\$142,959	\$149,535	\$173,793	\$181,787
Information Technology Manager	\$112,125	\$117,283	\$142,959	\$149,535	\$173,793	\$181,787
Retirement Analyst	\$112,125	\$117,283	\$142,959	\$149,535	\$173,793	\$181,787
Senior Internal Auditor	\$112,125	\$117,283	\$142,959	\$149,535	\$173,793	\$181,787
Senior Manager Operations Support Services	\$112,125	\$117,283	\$142,959	\$149,535	\$173,793	\$181,787
Testing Coordinator	\$112,125	\$117,283	\$142,959	\$149,535	\$173,793	\$181,787
Contracts, Risk & Performance Administrator	\$104,302	\$109,100	\$132,985	\$139,102	\$161,668	\$169,105
Learning and Organization Development Manager	\$104,302	\$109,100	\$132,985	\$139,102	\$161,668	\$169,105
Member Services Manager	\$104,302	\$109,100	\$132,985	\$139,102	\$161,668	\$169,105
Senior Investment Analyst	\$104,302	\$109,100	\$132,985	\$139,102	\$161,668	\$169,105
Internal Auditor	\$87,103	\$91,110	\$113,500	\$118,721	\$139,897	\$146,332
Staff Analyst**	\$83,959	\$87,821	\$102,850	\$107,581	\$121,740	\$127,340

\* Director position includes all director level positions, except the Investment Department.

\*\*Staff Analyst position is included in the Finance, Human Resources, Investment, Information Security, Legal and Member Services Departments.