

Employees' Retirement System

2023 Budget Overview

Finance & Personnel Committee

October 5, 2022

Goals and Objectives

- Administer the plan consistent with fiduciary requirements and investment policy
 - Effectively manage pension funds
 - Determine strategic asset allocation and asset class strategies
 - Achieve assumed long-term return target (7.5%)
 - Provide fiduciary standard of care as required by State law to members and beneficiaries

Community Goals and Objectives

Key Performance Measures	2021 Actual	2022 Projected	2023 Planned
Annualized excess return above the blended benchmark index, gross of fees (over the past five years).	0.9%	0.5%	0.5%
Exceed 95% favorable rating on customer satisfaction survey.	99%	98%	98%

ERS Organization

- Overseen by Annuity and Pension Board
- Executive Director and Chief Investment Officer
- Functional sections
 - Administration
 - Investments
 - Financial Services
 - Information Systems
 - Membership Services
 - Disability

2023 Budget Summary

	2022 Adopted Budget	2023 Proposed Budget	Amount Change	Percent Change
FTEs – O&M	49.00	51.00	2.00	4.1%
FTEs - Other	0.00	0.00	0.00	0.0%
Total Positions Authorized	57.00	59.00	2.00	3.5%
Salaries & Wages	\$3,583,222	\$3,749,620	\$166,398	5%
Fringe Benefits	1,648,282	1,687,329	39,047	2.4%
Operating Expenditures	15,558,400	15,910,400	352,000	2.3%
Equipment	598,000	2,036,000	1,438,000	240.5%
TOTAL	\$21,387,904	\$23,383,349	\$1,995,445	9.3%

Special Purpose Accounts

Account	2022 Adopted Budget	2023 Proposed Budget	Amount Change	Percent Change
Group Life Insurance Premium	\$4,560,000	\$4,200,000	-\$360,000	-7.9%
TOTAL	\$4,560,000	\$4,200,000	-360,000	-7.9%

Budget & Service Changes

- Staffing increase
 - Pension Investment Analyst-Senior
 - Disability Specialist-Lead
- Equipment increase (+\$1,438,000)
 - Replacing three servers
 - Replacing document scanning software
 - Security enhancement
- Operating expenditure increase (+\$352,000)
 - Increase in premiums for fiduciary, cyber and liability insurance: \$329,000
 - Increase in facility rental: \$43,000