



2022
ADMINISTRATIVE BUDGET

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SECTION I – INTRODUCTION

The 2022 Administrative Budget was developed based on the 2022 Business Plan which is directly linked to the 2022-2024 Strategic Plan. OCERS' Mission Statement and 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 2022 Administrative Budget reflects OCERS' continued commitment to:

- *Strengthen the long-term stability of the pension fund*
- *Achieve excellence in the service and support we provide to our members and employers*
- *Cultivate a risk-intelligent organization*
- *Recruit, retain and inspire a high-performing workforce*
- *Improve the effectiveness and efficiency of the Board and staff by clarifying roles and responsibilities, improving oversight, clarifying accountability and improving decision making*

These strategic goals were outlined in the 2022 Business Plan presented to the Board at the Strategic Planning Meeting held on September 8-9, 2021 and formally adopted by the Board at the Regular Board Meeting held on October 18, 2021. In addition to the 2022 Business Plan, the

Board also adopted the 2022 Staffing Plan as recommended by the Personnel Committee. The Board also approved the Personnel Committee's recommendation to approve changes to OCERS Compensation Policy including a pay philosophy, new salary ranges, pay structure and pay adjustments as a result of the outcomes of the compensation study at the Regular Board Meeting held on June 21, 2021. The 2022 Staffing Plan and OCERS Compensation Policy were used as the basis for developing the personnel costs portion of the proposed Administrative Budget.

The 2022 Administrative Budget was prepared while the majority of operations continued to be performed in a telework environment due to the ongoing COVID-19 pandemic. Despite these challenges, the proposed 2022 Administrative Budget was developed to include the funding of business plan initiatives to help OCERS achieve its strategic goals without disruption. Many of the business plan initiatives focus on providing excellent service and support and align with the long-term strategic goal of 100% benefit accuracy by leveraging technology and using some form of Robotic Process Automation (RPA), Machine Learning (ML) and/or Artificial Intelligence (AI). As part of this long-term initiative (referred to as "Vision 2030"), the budget includes funding for a pilot project that will use RPA to streamline routine tasks; funding for a consultant to assist with the procurement of a next generation pension administration system that will utilize RPA, ML and AI; and an initiative to evaluate options for a new imaging system for storing member documents in support of providing accurate and timely benefits. The budget includes costs carried over from 2021 associated with the talent management goal and objective to develop and empower every member of the team by developing a comprehensive standardized library of business processes and procedure manuals across the organization. This will ensure consistent application of rules and procedures by OCERS staff, as well as lay a foundation for programming a new pension administration system that will support Vision 2030 and the goal of 100% benefit accuracy.

Other business plan initiatives with a budget impact include initiatives that focus on risk management, including replacement of web application firewalls to continue protecting personally identifiable information; phase 2 of the migration to the cloud-based platform Microsoft 365; and the completion of a data classification study. The budget also includes an initiative to continue implementing Diversity, Equity and Inclusion (DEI) strategies to reduce turnover and meet the objective of cultivating a collaborative, inclusive and creative culture.

2022 Administrative Budget Summary

Staff recommends a 2022 Administrative Budget of \$33,100,984 which is:

- \$4.5 million or 15.9% greater than the 2021 Budget
- \$7.2 million or 27.9% greater than 2021 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 FY22 Administrative Budget represents 9.75 basis points of the projected actuarial accrued liability. See *Appendix D* 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, 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 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 and the final version of the Business Plan is approved in October. The Personnel Committee meets to consider changes to the OCERS staffing plan, as well as to make recommendations to the Board regarding OCERS' direct employee salary and range adjustments. The Board is provided the opportunity to discuss the Personnel Committee's meeting outcomes at a regularly scheduled meeting. The Board's 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.

SECTION III – EXECUTIVE SUMMARY - 2022 ADMINISTRATIVE BUDGET

The overall administrative budget for 2022 is summarized by the following categories of expenses:

- Personnel Costs
- Services and Supplies
- Capital Expenditures

The 2022 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, as well as the Board approved 2022 Staffing Plan.

Notable components in the 2022 Administrative Budget include:

Personnel Costs:

- Salaries to support the Board approved 2022 Staffing Plan consisting of 108 budgeted positions. Staffing changes include adding two Information Technology Managers; two Benefit Analysts; two Retirement Supervisors; four Senior Retirement Program Specialists; and two Retirement Program Specialists - \$11,078,000
- An average fringe benefit rate of 59.4% of total salaries - \$6,951,000
- Performance based salary adjustments for OCERS' direct employees eligible to participate in the annual Performance Management Program based on OCERS Compensation Policy:
 - A base salary increase of 4.2%, equal to the increase in the Employer Cost Index for Salaries and Wages for the previous 12-month period ending September 30, 2021, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for employees whose performance meet expectations; a base increase of 4.2% plus a merit increase of 2.75% for employees whose performance exceeds expectations; and a base increase of 4.2% plus two merit increases totaling 5.50% (2.75% x2) for employees whose performance was exceptional. The estimated annual cost for these salary adjustments is \$461,000
- Step increases for approximately eight County staff not at the top of the established salary range and across the board salary increases for all County staff as dictated by County MOU - \$115,000
- Accrued Annual Leave - \$387,000
- Temporary help - \$117,000
- Pay item of 5.5% of salary for employees obtaining the designations of Chartered Financial Analyst, and Certified Professional Accountant- \$82,000
- Overtime - \$71,000

Services and Supplies:

- New recurring expenses include the following 2022 Business Plan Initiatives:
 - Design and develop a comprehensive training program based on individual needs and career goals that embeds a talent management mindset and creates succession plans across the agency - \$50,000
 - Equipment/software related to the implementation of an Information Security Governance, Risk & Compliance system - \$40,000
 - Postal Processing Service - \$25,000
 - Investigate options for an enhanced member survey platform - \$10,000
- Non-recurring expenses, including
 - 2022 Business Plan Initiatives with an associated implementation cost:
 - Execute a pilot project for the use of RPA to streamline routine tasks - \$350,000
 - Project manager and technical writer to develop a comprehensive standardized library of business processes and procedure manuals across the organization - \$330,000
 - Evaluate options for new Imaging System for member document repository and implement if appropriate - \$250,000
 - Issue a Request for Proposal for next generation pension administration system - \$200,000
 - Replace Web Application Firewalls to continue protecting Personally Identifiable Information - \$180,000
 - Continue Phase 2 implementation of Microsoft 365 - \$110,000
 - Complete Data Classification Study in support of the risk management objective to ensure compliance with industry frameworks and best practices - \$100,000
 - Procure and implement a new helpdesk solution for internal use - \$100,000
 - Continue to implement DEI strategies to reduce turnover and meet the objective of cultivating a collaborative, inclusive and creative culture - \$47,000
 - Complete implementation and post-implementation of new ERP/Accounting Software system - \$43,000
 - Review and rewrite where appropriate classification specifications and compensation ranges of County level team members - \$35,000
 - Create comprehensive overview of applicable Memorandum of Understandings (MOU) that documents, in a consistent format, OCERS interpretation of the employers MOUs - \$25,000
 - Continue creating videos and other online educational resources to enhance education to members and stakeholders about OCERS benefits, administrative operations and investments - \$25,000
 - Consultant to assist with implementation of an Information Security Governance, Risk & Compliance system - \$10,000

- Identify, develop and implement V3 Data Validation and Clean Up procedures - \$10,000
- Conduct LEAN process on the investment reporting function - \$10,000
- Other non-recurring professional services expenses including:
 - Internal Audit consultants to support IT related audit projects - \$162,000
 - Additional IT programming, report development and support consultant - \$135,000

Capital Expenditures:

Business Plan initiative that has costs that meet the criteria for being a capitalized expense:

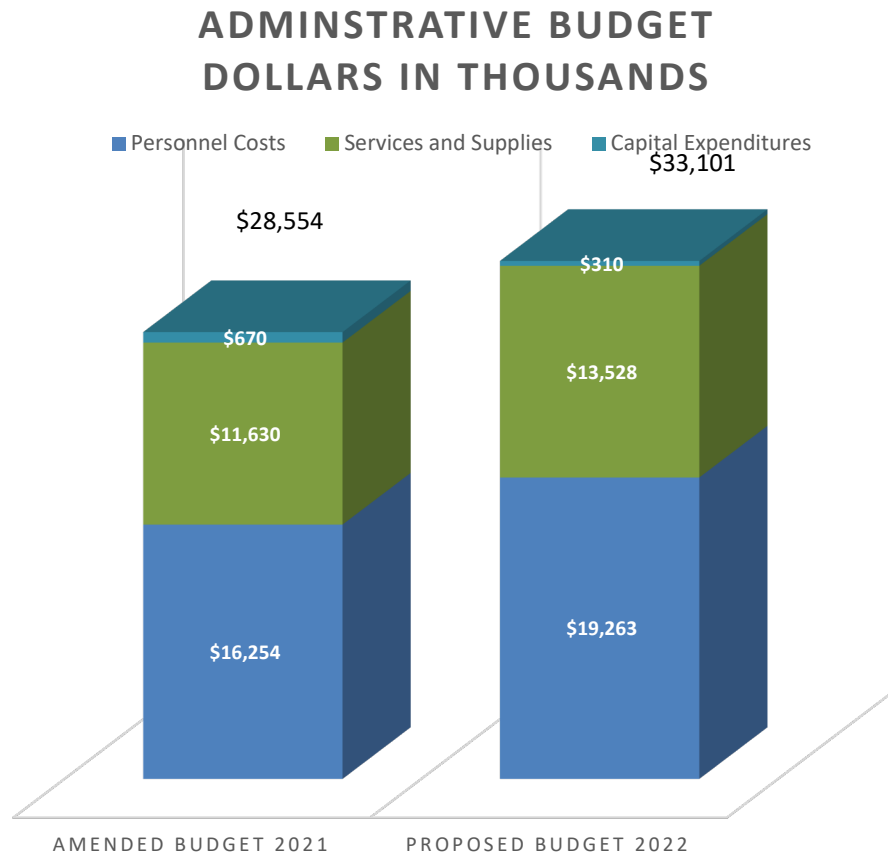
- Replace roof on existing OCERS Headquarters - \$110,000

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

- Data Center Storage Area Network (SAN) replacement -\$200,000

SECTION IV –2022 ADMINISTRATIVE BUDGET

Comparison to 2021 Administrative Budget



The total administrative budget for 2022 is \$33.1 million, representing a total increase of \$4.5 million or 15.9% from the 2021 Amended Budget of \$28.6 million. The increase can be attributed to an increase in personnel costs of \$3.0 million primarily due to the addition of 12 new positions approved as part of the 2022 Staffing Plan, as well as an increase in the retirement contribution rate and funding for FY22 salary adjustments. Additionally, services and supplies increased \$1.9 million primarily related to professional services and infrastructure maintenance. Capital expenditures decreased by \$0.4 million due to planned capital projects in FY22 costing less than capital projects completed in the prior year. A detailed comparison between the FY22 Proposed Administrative Budget and FY21 Administrative Budget, as well as FY21 estimated actuals, are discussed further in the following *Administrative Budget Summary*.

Administrative Budget Summary

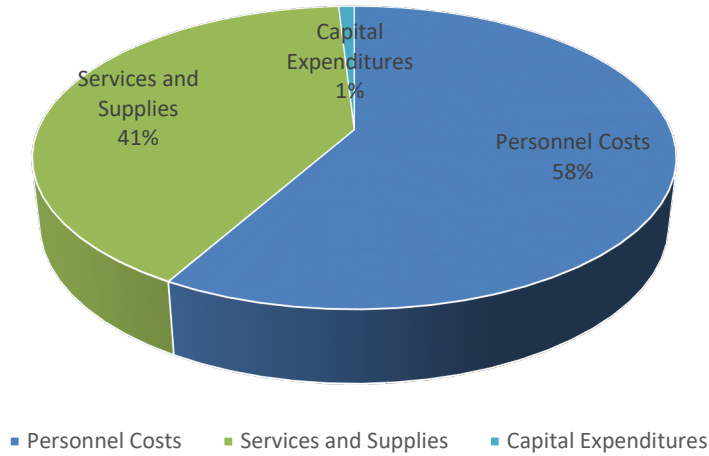
The Administrative Budget is prepared in accordance with the limits of Section 31580.2 of the County Employees Act of 1937 which limits the budget to twenty-one hundredths of one percent of the accrued actuarial liability of the retirement system (commonly referred to as the 21 basis point test), excluding investment-related costs of \$7.4 million and expenditures for computer software, hardware and related technology consulting services totaling \$2.3 million in the FY22 Administrative Budget. The 2022 Administrative Budget, at 9.75 basis points, is \$26.9 million under the cap limit of \$50.3 million (see *Appendix D – 21 Basis Points for Budget Year 2022*).

A summary of the FY21 Administrative Budget compared to FY21 estimated actuals and the FY22 Proposed Administrative Budget compared to FY21 estimated actuals is provided below:

	Budget 2021	Estimated Actuals 2021	2021 Over/(Under) Budget	Proposed Budget 2022	2022 Proposed Budget vs. 2021 Actuals Over/(Under)	
Personnel Costs	\$16,254,052	\$15,404,545	(\$849,507)	\$19,262,569	\$3,858,024	25.0%
Services and Supplies						
Building Prop Mgmt/Maint	680,000	673,790	(6,210)	750,000	76,210	11.3%
Equipment/Software Expenses	1,086,500	768,775	(317,725)	1,192,000	423,225	55.1%
Infrastructure Maintenance	854,700	887,261	32,561	1,196,300	309,039	34.8%
Legal Services	960,000	803,000	(157,000)	960,000	157,000	19.6%
Meetings & Mileage	157,500	39,704	(117,796)	166,950	127,246	320.5%
Miscellaneous Office Expense	729,895	456,391	(273,504)	673,135	216,744	47.5%
Professional Services	6,575,113	5,970,448	(604,665)	8,011,810	2,041,362	34.2%
Training	586,140	216,555	(369,585)	578,220	361,665	167.0%
Services and Supplies	11,629,848	9,815,924	(1,813,924)	13,528,415	3,712,491	37.8%
Capital Expenditures*	670,000	670,000	0	310,000	(360,000)	-53.7%
Administrative Expense Total	\$28,553,900	\$25,890,469	(\$2,663,431)	\$33,100,984	\$7,210,515	27.9%

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

2022 Proposed Administrative Budget



Personnel Costs

A summary of the FY21 budgeted personnel costs compared to FY21 estimated actuals and the FY22 proposed budgeted personnel costs compared to FY21 estimated actuals is provided below:

	Budget 2021	Estimated Actuals 2021	2021 Over/(Under) Budget	Proposed Budget 2022	2022 Proposed Budget vs. 2021 Actuals Over/(Under)	
Personnel Costs:						
Annual Salary	\$9,842,245	\$9,401,161	(\$441,084)	\$11,059,785	\$1,658,624	17.6%
Fringe Benefits	5,577,070	5,268,556	(308,514)	6,950,908	1,682,352	31.9%
Salary Adjustments*	108,129	108,129	0	576,482	468,353	433.1%
Leave Payout	410,001	422,010	12,009	387,327	(34,683)	-8.2%
Temp Help	134,482	8,430	(126,052)	116,728	108,298	1284.7%
Overtime	87,000	107,099	20,099	71,000	(36,099)	-33.7%
Certification Pay	76,225	74,910	(1,315)	82,339	7,429	9.9%
Board Allowance	18,900	14,250	(4,650)	18,000	3,750	26.3%
Total Personnel Costs	\$16,254,052	\$15,404,545	(\$849,507)	\$19,262,569	\$3,858,024	25.0%

*All salary adjustments are budgeted in Human Resources Department until awarded.

Personnel Costs for 2022 are \$19.3 million and represent 58% of the total Administrative Budget. Personnel costs are detailed by department in *Appendix C - OCERS Personnel Cost Budget 2022* and include salaries, fringe benefits (e.g., health insurances, pension, retiree medical plan, 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 \$3.9 million or 25.0% higher than the FY21 estimated actuals for personnel costs. The increase can be attributed to the addition of 12 new positions approved as part of the 2022 Staffing Plan, which increased the budget by \$1.7 million. The additional positions are in support of OCERS Vision 2030 and achieving and maintaining 100% benefit calculation accuracy. The increase in personnel costs can also be attributed to fringe benefits which increased by \$1.7 million primarily due to higher employer pension contribution rates and health care costs, as well as the impact of higher salaries and the added positions. In addition, there were vacant positions that remained unfilled for most of FY21, including a Senior Manager-Operations Support Services, an Accountant Auditor, and a Staff Assistant.

The FY22 Administrative Budget for personnel costs includes the following components:

- Salaries to support the Board approved 2022 Staffing Plan consisting of 108 budgeted positions. Staffing changes include adding two Information Technology Managers; two Benefit Analysts; two Retirement Supervisors; four Senior Retirement Program Specialists; and two Retirement Program Specialists - \$11,078,000
- An average fringe benefit rate of 59.4% of total salaries - \$6,951,000
- Performance based salary adjustments for OCERS' direct employees eligible to participate in the annual Performance Management Program based on OCERS Compensation Policy:
 - A base salary increase of 4.2%, equal to the increase in the Employer Cost Index for Salaries and Wages for the previous 12-month period ending September 30, 2021, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for employees whose performance meet expectations; a base increase of 4.2% plus a merit increase of 2.75% for employees whose performance exceeds expectations; and a base increase of 4.2% plus two merit increases totaling 5.50% (2.75% x2) for employees whose performance was exceptional. The estimated annual cost for these salary adjustments is \$461,000
- Step increases for approximately eight County staff not at the top of the established salary range and across the board salary increases for all County staff as dictated by County MOU - \$115,000
- Accrued Annual Leave - \$387,000
- Temporary help - \$117,000
- Pay item of 5.5% of salary for employees obtaining the designations of Chartered Financial Analyst, and Certified Professional Accountant- \$82,000
- Overtime - \$71,000

Current vacant positions have been budgeted on a prorated basis based on the planned timing of when the vacancy will be filled. The full list of budgeted positions and the related budgeted costs can be found in *Appendix C- OCERS Personnel Cost Budget 2022*.

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 discussed above. For details of all OCERS' direct salary ranges please refer to *Appendix G – OCERS' Direct Employees Salary Ranges (adopted June 21, 2021)*

Services and Supplies

Services and Supplies costs for 2022 are \$13.5 million, which is 41% 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' books as assets that will be depreciated over time and budgeted as a capital expenditure), infrastructure maintenance costs, office expenses, training, and meetings & mileage costs. The expenses that are included in these line items are detailed in *Appendix B – Administrative Budget Detail by Expense Category* and summarized below:

- **Building Management and Maintenance** budgeted at \$750,000 represents 2.3% 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. FY21 estimated costs were less than the budget by \$6,000. The FY22 budget is \$61,000 higher than FY21 estimated actuals due to expected higher costs for utilities and building maintenance related to the anticipated return of OCERS staff to the headquarters building in FY22. In addition, rental revenue, which helps offset building management and maintenance costs, has been reduced due to the recent vacancy of a tenant in office space that will be utilized for OCERS operations.
- **Equipment/Software Expenses** budgeted at \$1,192,000 represent 3.6% of the total Administrative Budget and consists of computers, laptops, monitors, Board meeting online portal expenses, IT Helpdesk, data and Cloud backup solutions, information security related software/tools and other miscellaneous hardware and software expenses. The increase of \$423,000 from FY21 estimated actuals or 55.1% is primarily due

to costs to support business plan initiatives related to excellent service and support and risk management, including \$250,000 for evaluating options for a new imaging system for member document repository, \$165,000 to replace web application firewalls, and \$100,000 to procure and implement a new IT Helpdesk solution for internal use.

- **Infrastructure Maintenance** budgeted at \$1,196,000 represents 3.6% of the total Administrative Budget and has increased from FY21 estimated actuals by approximately \$309,000 or 34.8%, primarily due to anticipated increases in maintenance renewals. This budget category includes: increased fees for V3 licensing and support of \$488,000 and other ongoing V3 related costs including Oracle maintenance of \$70,000; data center maintenance costs of \$135,000; Microsoft related software licensing of \$120,000; subscription fees of \$70,000 for the new ERP/accounting software; and several other smaller line items for various software, hardware and mobile device licensing, maintenance, support and security.
- **Legal Services** budgeted at \$960,000 are 2.9% 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 FY21 legal fees came in less than anticipated for general counsel and investment-related legal services. The FY22 budget has remained unchanged from the FY21 budget and is \$157,000 higher than FY21 estimated actuals.
- **Meetings and Mileage** budgeted at \$167,000 represents 0.5% of the total Administrative Budget. The majority of the expenses relates to Board meeting and due diligence costs. The budget has increased by \$127,000 or 320.5% compared to FY21 estimated actuals primarily due to the ongoing impact of the COVID-19 pandemic on all board-related meetings and investment due diligence meetings and the continuation of holding these meetings virtually. The FY22 budget assumes that in-person meetings will resume at the beginning of 2022. The amount budgeted is slightly higher than the amount budgeted for FY21 by approximately \$9,000.
- **Miscellaneous Office Expense** budgeted at \$673,000 represents 2.0% of the total Administrative Budget and consists of routine office expenses such as postage, printing costs, telephone, equipment leases, office supplies and periodicals. In FY21, telephone costs and postage came in less than anticipated. The FY22 budget is less than the FY21 budget by \$57,000 and increased from FY21 actuals by approximately \$217,000 or 47.5%, primarily due to budgeting for a planned increase in postage rates and contingency for unplanned mailings.
- **Professional Services** budgeted at \$8.0 million represents the largest percentage of Services and Supplies and comprises 24.2% 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 \$2.1 million or

35.7% from FY21 estimated actuals is due to anticipated increases in costs for recurring items such as insurance premiums and medical panel reviews, as well as private equity consultants due to growth in the private equity co-investments program. The increase can also be attributed to new non-recurring costs that support OCERS' strategic goals, including the following implementation costs to enhance excellent service and support: \$350,000 for a consultant to assist with a pilot project for the use of RPA to streamline routine tasks; \$200,000 for a consultant to assist with the procurement of a next generation pension administration system that will utilize RPA, ML and AI; \$43,000 to complete implementation and post-implementation of the new ERP/Accounting Software system; the continuation of a FY21 initiative to create videos that will provide education to members and stakeholders about OCERS' benefits on the website at an estimated cost of \$25,000; and \$25,000 to create a comprehensive overview of applicable Memorandum of Understandings (MOU) that documents, in a consistent format, OCERS interpretation of the employers MOUs. Other non-recurring expenses included in the budget consist of business initiatives related to both risk management and talent management, including \$110,000 for a consultant to complete phase 2 of the Office 365 migration project; \$100,000 for a consultant to assist with the completion of a data classification study; \$330,000 to develop a comprehensive standardized library of business processes and procedure manuals across the organization; and \$35,000 to review and rewrite classification specifications and compensation ranges of County level team members.

- **Training** budgeted at \$578,000 represents 1.7% of the total Administrative Budget and encompasses training and conferences attended by the Board and staff. The budget for this line is above the FY21 estimated actuals by approximately \$364,000 or 170.3%. During 2021, travel for work-related training continued to be limited due to the ongoing COVID-19 pandemic. Most conferences remained virtual, resulting in a significant reduction in costs. For FY22, training and conferences are assumed to resume after the first quarter. The FY22 budget also includes costs to support talent management business initiatives including: \$50,000 to design and develop a comprehensive training program based on individual needs and career goals that embeds a talent management mindset and creates succession plans across the agency; and \$47,000 to continue implementing DEI strategies to reduce turnover and meet the objective of cultivating a collaborative, inclusive and creative culture. In addition, \$100,000 has been budgeted for executive coaching for OCERS' senior executives as part of continued succession planning efforts.

Capital Expenditures

Capital Expenditures for 2022 are \$310,000 and are 0.9% of the total Administrative Budget. The 2022 Administrative Budget is approximately \$360,000 lower than FY21 estimated actuals primarily due the completion of the board room audio visual upgrades and enterprise back-up solutions budgeted in FY21. The FY22 budget includes \$200,000 for a scheduled data center SAN replacement, and carryover of funding for roof replacement on existing OCERS Headquarters at an estimated cost of \$110,000.

APPENDIX

Appendix A
2022 Budget Detail by Department

Department	Account Group	Description	Total
0001 - BOARD	Personnel Cost	Annual Salary	18,000
	Personnel Cost Total		\$ 18,000
	Professional Svcs	Board Election Security	85,000
	Professional Svcs Total		\$ 100,120
	Training	Board Approved Conferences	45,000
		CALAPRS	14,000
		NASRA	16,000
		SACRS	16,000
		Strategic Planning	35,000
	Training Total		\$ 126,000
		Miscellaneous Meetings	20,000
	Mtg/Mileage Total		\$ 20,000
	Membership	CALAPRS	2,500
		Coalition to Preserve Retirement Security	3,000
		NASRA	3,000
		NCPERS	2,050
		NIRS	3,500
		SACRS	6,000
	Membership Total		\$ 20,050
	0001 - BOARD Total		\$ 284,170
0010 - EXECUTIVE	Personnel Cost	Annual Salary	893,027
		Certification Pay	14,291
		Fringe Benefits	582,184
		Leave P/O	91,774
		Overtime	1,000
		Temp Help	15,000
	Personnel Cost Total		\$ 1,597,276
	Professional Svcs	CEM Benchmarking	25,000
		CEO Contingency	75,000
		Lean Process Consultant/Study	10,000
		Technical Writer-Procedures	330,000
	Professional Svcs Total		\$ 440,000
	Training	CALAPRS	6,400
		CEM Conference	6,000
		GFOA Conference	4,000
		IFEBP	4,800
		LCW Employment Law Conference	1,800
		Miscellaneous Conferences/Training	10,000
		NASRA/NIRS	4,500
		NCPERS - General & Safety	4,500
		Public Pension Financial Forum	2,800
		SACRS	6,300
	Training Total		\$ 51,100
	Mtg/Mileage	CEO Visit to Federal Legislature	1,500
		CEO Visit to State Legislature	750
		CEO/Manager visits to Cal Retirement Systems	7,500
		Membership Committee Meetings	1,000
		Miscellaneous Meetings	4,000
	Mtg/Mileage Total		\$ 14,750
	Membership	AICPA	600
		American Express	220
		CalCPA	535
		California Board of Accountancy	250
		GFOA	420
		International Foundation (IFEBP)	1,065
		Miscellaneous Memberships	1,500
		National Pension Education Assoc. (NPEA)	750
		Notary	1,000
		P2F2 - Public Pension Financial Forum	200
	Membership Total		\$ 6,540
	Periodicals	Miscellaneous periodicals	800
	Periodicals Total		\$ 800
	7670 - Actuarial Fees	Actuarial Fees	375,000
	Actuarial Fees Total		\$ 375,000
	0010 - EXECUTIVE Total		\$ 2,485,466
0011 - INVESTMENTS	Personnel Cost	Annual Salary	1,581,941
		Certification Pay	38,997
		Fringe Benefits	960,155
		Leave P/O	47,567
		Overtime	1,000
	Personnel Cost Total		\$ 2,629,660
	Professional Svcs	7650 Proxy Services	35,000
		7660 Consulting Fees-Investment Consultant	900,000
		7661 Consulting Fees-Private Equity and Real Assets	1,390,000
		7662 Consulting Fees-Real Estate	300,000
		Custodial Bank Fees	650,000
	Professional Svcs Total		\$ 3,275,000
	Due Diligence	Due Diligence	100,000
	Due Diligence Total		\$ 100,000

Appendix A
2022 Budget Detail by Department

Department	Account Group	Description	Total
	Training	Conferences	8,000
	Training Total		\$ 8,000
	Mtg/Mileage	Investment Committee Meetings	16,000
	Mtg/Mileage Total		\$ 16,000
	Membership	Other Memberships	27,000
	Membership Total		\$ 27,000
	Periodicals	Miscellaneous periodicals	35,000
	Periodicals Total		\$ 35,000
	Equipment / Software	Benchmark Subscriptions	25,000
	Equipment / Software Total		\$ 25,000
0011 - INVESTMENTS Total			\$ 6,115,660
0015 - COMMUNICATIONS	Personnel Cost	Annual Salary	191,256
		Fringe Benefits	123,767
		Leave P/O	9,847
		Overtime	500
		Personnel Cost Total	\$ 325,370
	Professional Svcs	White Board / Animated Videos	25,000
	Professional Svcs Total		\$ 25,000
	Training	CALAPRS	1,500
		Miscellaneous Conferences/Training	3,000
		SACRS	500
	Training Total		\$ 5,000
	Mtg/Mileage	Miscellaneous Meetings	150
	Mtg/Mileage Total		\$ 150
	Printing Svcs	Annual Financial Report	12,000
		Brochures	17,000
		Quarterly newsletters	25,000
	Printing Svcs Total		\$ 54,000
	Postage	Miscellaneous Mailing/Mass Mailing	40,000
		Quarterly Newsletters - All Members	35,000
	Postage Total		\$ 75,000
	Office Supplies	Public Relation Materials	10,000
	Office Supplies Total		\$ 10,000
	Equipment / Software	Video Camera / Video Equipment	1,000
	Equipment / Software Total		\$ 1,000
			\$ 495,520
0015 - COMMUNICATIONS Total			\$ 495,520
0020 - LEGAL	Personnel Cost	Annual Salary	975,042
		Fringe Benefits	580,518
		Leave P/O	47,796
		Overtime	1,000
		Personnel Cost Total	\$ 1,604,356
	Professional Svcs	Admin. Hearing Process Fees	175,000
		Court Filing Fees	1,000
		Court Reporter Fees	25,000
		Subpoena Fees	1,000
	Professional Svcs Total		\$ 202,000
	Legal Svcs	Board/Fiduciary	125,000
		Dept of Ed vs OCERS	50,000
		Other Litigation	150,000
		Tax Attorney/Outside Counsel	35,000
	Legal Svcs Total		\$ 360,000
	Training	CALAPRS	3,000
		MCLE and other training	5,000
		NAPPA Meetings	7,500
		SACRS	4,500
	Training Total		\$ 20,000
	Mtg/Mileage	Membership Committee Meetings	1,500
		Miscellaneous Meetings	500
	Mtg/Mileage Total		\$ 2,000
	Membership	Miscellaneous Memberships	5,000
	Membership Total		\$ 5,000
	Periodicals	Legal Publications, Daily Journal, Law Book Updates, Reference Books	12,500
	Periodicals Total		\$ 12,500
	7690 - Legal Svcs	Investment Legal Services	600,000
	7690 - Legal Svcs Total		\$ 600,000
			\$ 2,805,856
0020 - LEGAL Total			\$ 2,805,856
0030 - MEMBER SERVICES	Personnel Cost	Annual Salary	3,464,406
		Fringe Benefits	2,164,338
		Leave P/O	84,856
		Overtime	15,000
		Temp Help	91,728
		Personnel Cost Total	\$ 5,820,328
	Professional Svcs	Death Records Match	24,000
		Review of MOUs	25,000
	Professional Svcs Total		\$ 49,000
	Training	CALAPRS	2,500
		SACRS	2,500
		Staff Development Training	12,000
	Training Total		\$ 17,000
	Mtg/Mileage	Miscellaneous Meetings	250
	Mtg/Mileage Total		\$ 250

Appendix A
2022 Budget Detail by Department

Department	Account Group	Description	Total
0030 - MEMBER SERVICES Total			\$ 5,886,578
0040 - FINANCE	Personnel Cost	Annual Salary	899,590
		Certification Pay	22,343
		Fringe Benefits	571,638
		Leave P/O	22,590
		Overtime	1,000
	Personnel Cost Total		\$ 1,517,161
	Professional Svcs	Accounting Software Consulting	47,000
		Annual Report	20,000
		Bank Charges	30,000
		Certificate Application Fees	1,400
		Financial Audit Cost	129,000
	Professional Svcs Total		\$ 227,400
	Training	Conferences	6,000
		SACRS	500
		Staff Training/Continuing Education	4,000
	Training Total		\$ 10,500
	Mtg/Mileage	Miscellaneous Meetings	250
	Mtg/Mileage Total		\$ 250
	Membership	Miscellaneous Memberships	4,800
	Membership Total		\$ 4,800
	Periodicals	Miscellaneous periodicals	1,000
	Periodicals Total		\$ 1,000
0040 - FINANCE Total			\$ 1,761,111
0050 - DISABILITY	Personnel Cost	Annual Salary	362,419
		Fringe Benefits	277,120
		Leave P/O	11,012
		Overtime	1,000
	Personnel Cost Total		\$ 651,551
	Professional Svcs	Copy Service	20,000
		Medical Panel Reviews	490,000
	Professional Svcs Total		\$ 510,000
	Training	CALAPRS	1,770
		Miscellaneous Conferences/Training	5,300
		SACRS	800
	Training Total		\$ 7,870
	Mtg/Mileage	Miscellaneous Meetings	250
	Mtg/Mileage Total		\$ 250
0050 - DISABILITY Total			\$ 1,169,671
0060 - HUMAN RESOURCES	Personnel Cost	Annual Salary	535,330
		Fringe Benefits	412,203
		Leave P/O	20,152
		Overtime	500
		Salary Adjustments	576,483
		Temp Help	10,000
	Personnel Cost Total		1,554,668
	Professional Svcs	Compensation/Classification Study	35,000
		CWCAP(County Wide Cost Allocation Plan)	50,000
		HR Consulting Contingency	30,000
		Recruitment Costs	30,000
		Volunteer Program Costs	500
	Professional Svcs Total		145,500
	Training	CALAPRS	250
		DEI	47,000
		Executive Coaching	100,000
		HR Conferences and Training	8,000
		Learning and Development Program	75,000
		SACRS	600
	Training Total		230,850
	Mtg/Mileage	Civic Center Parking Cards	250
		EE Recognition/Educational Seminar/Qtrly Meetings	9,500
		Miscellaneous Meetings	250
	Mtg/Mileage Total		10,000
	Membership	Miscellaneous Memberships	12,000
	Membership Total		12,000
0060 - HUMAN RESOURCES Total			1,953,018
0065 - OPERATIONS SUPPORT SERVIC	Personnel Cost	Annual Salary	286,138
		Fringe Benefits	155,459
		Leave P/O	5,000
	Personnel Cost Total		446,597
	Professional Svcs	Architect/Design Consultant	40,000
		BC/DR Avalution Exercise Facilitation	25,500
		Credit Safe	350
		Cyber Security Vendor Monitoring Service	31,000
		Insurance Premiums	280,000
		Iron Mountain	19,500
		Plant Maintenance	3,600
		Postal Processing Service	25,000
		Universal Protection Security (UPS)	4,000
	Professional Svcs Total		428,950
	Training	Miscellaneous Conferences/Training	4,000
	Training Total		4,000
	Mtg/Mileage	Miscellaneous Meetings	200
	Mtg/Mileage Total		200
	Membership	Miscellaneous Memberships	500
	Membership Total		500
	Printing Svcs	Printing	7,000
	Printing Svcs Total		7,000
	Postage	Pony Mail Services	4,000
		Postage Expense	55,000
	Postage Total		59,000

Appendix A
2022 Budget Detail by Department

Department	Account Group	Description	Total
	Office Supplies	General Office Expense- Includes: Ergos, Safety items	60,000
		Office Furniture	40,000
	Office Supplies Total		100,000
	Capital Expenditures	Roof Replacement	110,000
	Capital Expenditures Total		110,000
	Equipment Lease	Postage Machine	14,500
	Equipment Lease Total		14,500
	Bldg. Prop. Mgmt./Maintenance	Property Management	750,000
	Bldg. Prop. Mgmt./Maintenance Total		750,000
0065 - OPERATIONS SUPPORT SERVICES Total			1,920,747
0070 - INFORMATION TECHNOLOGY	Personnel Cost	Annual Salary	1,255,494
		Fringe Benefits	748,505
		Leave P/O	21,068
		Overtime	50,000
	Personnel Cost Total		\$ 2,075,067
	Professional Svcs	Additional Consulting	135,000
		Colocation Facilities (monthly service)	80,000
		County VPN Access	170,000
		Data Classification Study	100,000
		External 1099 Printing	15,000
		External SOC2 Assessments	10,000
		Gartner Consulting	206,000
		Internet Access	125,000
		Office 365 Migration Consulting	110,000
		Online Data Storage	42,000
		Oracle Consulting	94,000
		PAS Consulting	200,000
		RPA Pilot Project	350,000
		Vitech Addl. Support - Cos	200,000
	Professional Svcs Total		\$ 1,837,000
	Training	CALAPRS	500
		Conferences	5,000
		Instructor Led Training - IT Staff (no travel)	5,000
		Miscellaneous Training Materials	2,500
		Online Training - IT Staff	25,000
	Training Total		\$ 38,000
	Mtg/Mileage	Miscellaneous Meetings	2,500
	Mtg/Mileage Total		\$ 2,500
	Membership	Miscellaneous Memberships	1,500
	Membership Total		\$ 1,500
	Equipment / Software	Asset Mangement Tool	30,000
		Azure Data Gateway	25,000
		Computers/Laptops/Monitors	50,000
		Imaging System	250,000
		IT Help Desk Solution	100,000
		Miscellaneous Hardware & Software Supplies	50,000
	Equipment / Software Total		\$ 505,000
	Equipment / Software (Investment Related)	Backstop	125,000
		Bloomberg	50,000
		Risk Management System	165,000
	Equipment / Software Total (Investment Related)		\$ 340,000
	Capital Expenditures	Data Center SANS replacement	200,000
	Capital Expenditures Total		\$ 200,000
	Equipment Lease	Copier/Printer Lease	40,000
	Equipment Lease Total		\$ 40,000
	Telephone	AT & T Telecom Services	32,000
		Cellular/Mobile Services	45,000
		Satellite Phone Minutes	5,000
		VOIP Services	100,000
	Telephone Total		\$ 182,000
	Infrastructure Maintenance	Accounting Software Maintenance	70,000
		Adobe License & Support	24,000
		Anti-Virus License & Support	12,000
		Audio Visual License and Support	15,000
		Board Portal Licensing and Support	55,000
		Catalyst-Bullhorn License & Support	5,500
		Computer Room AC/Humidifier Maintenance	5,000
		Computer Room UPS Battery Replacement2	5,000
		Computer Room UPS Maintenance	5,000
		Data Center Hardware/Software License and Support	135,000
		Database Access License and Support	5,000
		Digital Content Subscription	500
		Electronic Signatures and forms	10,000
		Email Security License & Support	10,500
		Enterprise Backup Solution License and Support	15,000
		Enterprise Remote Access License and Support	5,000
		Ethics and Fraud Reporting License and Support	1,800
		IBM DejaView One License and Support - V3	7,000
		Microsoft Software Assurance	120,000

Appendix A
2022 Budget Detail by Department

Department	Account Group	Description	Total
		MSDN License and Support	6,000
		NTIS Certification Fees	3,000
		Oracle License and Support - V3	70,000
		Patch Management Licensing and Support	8,000
		Pressure Sealer Maintenance and Support	1,500
		Printer & Microfiche Maintenance	2,500
		Server Hardware Support	10,000
		SmartBear License and Support	1,000
		Software Development Version Control License and Support	2,000
		SSL Certificates	15,000
		V3 License and Support	488,000
		Vendor Management System License	45,000
		Web Conferencing License and Support	4,000
		Website Hosting	24,000
		Work Station Hardware Support	10,000
	Infrastructure Maintenance Total		\$ 1,196,300
0070 - INFORMATION TECHNOLOGY Total			\$ 6,417,367
0080 - INTERNAL AUDIT	Personnel Cost	Annual Salary	296,650
		Certification Pay	6,708
		Fringe Benefits	186,464
		Leave P/O	12,037
	Personnel Cost Total		\$ 501,859
	Professional Svcs	Audit consultant / specialist / expert	161,840
	Professional Svcs Total		\$ 161,840
	Training	Assoc. Pension Fund Audit	3,000
		Miscellaneous Conferences/Training	9,700
		SACRS	1,200
	Training Total		\$ 13,900
	Mtg/Mileage	Miscellaneous Meetings	100
	Mtg/Mileage Total		\$ 100
	Membership	Miscellaneous Memberships	1,345
	Membership Total		\$ 1,345
	Periodicals	Reference books / research materials	100
	Periodicals Total		\$ 100
0080 - INTERNAL AUDIT Total			\$ 679,144
0090 - INFORMATION SECURITY	Personnel Cost	Annual Salary	318,490
		Certification Pay	-
		Fringe Benefits	188,558
		Leave P/O	13,628
	Personnel Cost Total		\$ 520,676
	Professional Svcs	DNS Security Implementation Services	5,000
		Governance, Risk and Compliance System Implementation Services	10,000
		Info Sec Implementation Services Contingency	25,000
		Information Security Policy Development Services	5,000
		Managed Security / Detection & Response Services	80,000
		Network/Server Monitoring Software Implementation	5,000
		Penetration Testing Services	75,000
		Privileged Account Management (PAM) System Implementation	5,000
		Security Awareness Training	5,000
		Single Sign-On (SSO) Implementation Services	5,000
		Web Application Firewall Implementation Services	15,000
	Professional Svcs Total		\$ 235,000
	Training	CALAPRS Conference	1,000
		Gartner Enterprise IT Leader Peer Forums	5,000
		Gartner Security & Risk Management Summit	6,000
		Information Security Conferences	4,000
		Information Security Training	25,000
		PRISM Conference	5,000
	Training Total		\$ 46,000
	Mtg/Mileage	Miscellaneous Meetings	500
	Mtg/Mileage Total		\$ 500
	Membership	Information Security Memberships	3,000
	Membership Total		\$ 3,000
	Periodicals	Miscellaneous periodicals	500
	Periodicals Total		\$ 500
	Equipment / Software	DNS Security Software	20,000
		Governance, Risk and Compliance System	40,000
		Network/Server Monitoring Software	10,000
		Privileged Account Management (PAM)	25,000
		Security Equipment / Software Contingency	25,000
		Single Sign-On (SSO) & Multi-Factor Authentication (MFA)	25,000
		Vulnerability Management System	11,000
		Web Application Firewalls	165,000
	Equipment / Software Total		\$ 321,000
0090 - INFORMATION SECURITY Total			\$ 1,126,676
	GRAND TOTAL		\$ 33,100,984

Appendix B
2022 Administrative Budget Detail by Expense Category

Account Group	Description	Total
Personnel Cost	Annual Salary	\$ 11,077,783
	Certification Pay	82,339
	Fringe Benefits	6,950,909
	Overtime	71,000
	Leave P/O	387,327
	Temp Help	116,728
	Salary Adjustments	576,483
Personnel Cost Total		\$ 19,262,569
Professional Svcs	Accounting Software Consulting	47,000
	Actuarial Fees	375,000
	Additional Consulting	135,000
	Admin. Hearing Process Fees	175,000
	Annual Report	20,000
	Architect/Design Consultant	40,000
	Audit consultant / specialist / expert	161,840
	Bank Charges	30,000
	BC/DR Avalution Exercise Facilitation	25,500
	Board Election	85,000
	CEM Benchmarking	25,000
	CEO Contingency	75,000
	Certificate Application Fees	1,400
	Colocation Facilities (monthly service)	80,000
	Compensation/Classification Study	35,000
	Consulting Fees-Investments	2,590,000
	Copy Service	20,000
	County VPN Access	170,000
	Court Filing Fees	1,000
	Court Reporter Fees	25,000
	Credit Safe	350
	Custodial Bank Fees	650,000
	CWCAP(County Wide Cost Allocation Plan)	50,000
	Cyber Security Vendor Monitoring Service	31,000
	Data Classification Study	100,000
	Death Records Match	24,000
	DNS Security Implementation Services	5,000
	External 1099 Printing	15,000
	External SOC2 Assessments	10,000
	Financial Audit Cost	129,000
	Gartner Consulting	206,000
	Governance, Risk and Compliance System Implementation Services	10,000
	HR Consulting Contingency	30,000
	Info Sec Implementation Services Contingency	25,000
	Information Security Policy Development Services	5,000
	Insurance Premiums	280,000
	Internet Access	125,000
	Iron Mountain	19,500
	Lean Process Consultant/Study	10,000
	Managed Security / Detection & Response Services	80,000
	Medical Panel Reviews	490,000
	Network/Server Monitoring Software Implementation	5,000
	Office 365 Migration Consulting	110,000
	Online Data Storage	42,000
	Oracle Consulting	94,000
	PAS Consulting	200,000
	Penetration Testing Services	75,000
	Plant Maintenance	3,600
	Postal Processing Service	25,000
	Privileged Account Management (PAM) System Implementation	5,000
	Proxy Services	35,000
	Recruitment Costs	30,000
	Review of MOUs	25,000
	RPA Pilot Project	350,000
	Security	15,120
	Security Awareness Training	5,000
	Single sign-on (SSO) Implementation Services	5,000

Appendix B
2022 Administrative Budget Detail by Expense Category

Account Group	Description	Total
	Subpoena Fees	1,000
	Technical Writer-Procedures	330,000
	Universal Protection Security (UPS)	4,000
	Vitech Addl. Support - Cos	200,000
	Volunteer Program Costs	500
	Web Application Firewall Implementation Services	15,000
	White Board / Animated Videos	25,000
Professional Svcs Total		\$ 8,011,810
Equipment / Software	Asset Management Tool	30,000
	Azure Data Gateway	25,000
	Backstop	125,000
	Bloomberg	50,000
	Benchmark Subscriptions	25,000
	Computers/Laptops/Monitors	50,000
	DNS Security Software	20,000
	Governance, Risk and Compliance System	40,000
	Imaging System	250,000
	IT Help Desk Solution	100,000
	Miscellaneous Hardware & Software Supplies	50,000
	Network/Server Monitoring Software	10,000
	Privileged Account Management (PAM)	25,000
	Risk Management System	165,000
	Security Equipment / Software Contingency	25,000
	Single Sign-On (SSO) & Multi-Factor Authentication (MFA)	25,000
	Video Camera / Video Equipment	1,000
	Vulnerability Management System	11,000
	Web Application Firewalls	165,000
Equipment / Software Total		\$ 1,192,000
Infrastructure Maintenance	Accounting Software Maintenance	70,000
	Adobe License & Support	24,000
	Anti-Virus License & Support	12,000
	Audio Visual License and Support	15,000
	Board Portal Licensing and Support	55,000
	Catalyst-Bullhorn License & Support	5,500
	Computer Room AC/Humidifier Maintenance	5,000
	Computer Room UPS Battery Replacement2	5,000
	Computer Room UPS Maintenance	5,000
	Data Center Hardware/Software License and Support	135,000
	Database Access License and Support	5,000
	Digital Content Subscription	500
	Electronic Signatures and forms	10,000
	Email Security License & Support	10,500
	Enterprise Backup Solution License and Support	15,000
	Enterprise Remote Access License and Support	5,000
	Ethics and Fraud Reporting License and Support	1,800
	IBM DejaView One License and Support - V3	7,000
	Microsoft Software Assurance	120,000
	MSDN License and Support	6,000
	NTIS Certification Fees	3,000
	Oracle License and Support - V3	70,000
	Patch Management Licensing and Support	8,000
	Pressure Sealer Maintenance and Support	1,500
	Printer & Microfiche Maintenance	2,500
	Server Hardware Support	10,000
	SmartBear License and Support	1,000
	Software Development Version Control License and Support	2,000
	SSL Certificates	15,000
	V3 License and Support	488,000
	Vendor Management System License	45,000
	Web Conferencing License and Support	4,000
	Website Hosting	24,000
	Work Station Hardware Support	10,000
Infrastructure Maintenance Total		\$ 1,196,300
Legal Svcs	Board/Fiduciary	125,000
	Dept of Ed vs OCERS	50,000

Appendix B
2022 Administrative Budget Detail by Expense Category

Account Group	Description	Total
	Investment Legal Services	600,000
	Other Litigation	150,000
	Tax Attorney/Outside Counsel	35,000
Legal Svcs Total		\$ 960,000
Bldg. Prop. Mgmt./Maintenance	Property Management	750,000
Bldg. Prop. Mgmt./Maintenance Total		\$ 750,000
Training	Assoc. Pension Fund Audit	3,000
	Board Approved Conferences	45,000
	CALAPRS	30,920
	CEM Conference	6,000
	Conferences	19,000
	DEI	47,000
	Executive Coaching	100,000
	Gartner Enterprise IT Leader Peer Forums	5,000
	Gartner Security & Risk Management Summit	6,000
	GFOA Conference	4,000
	HR Conferences and Training	8,000
	IFEBP	4,800
	Information Security Conferences	4,000
	Information Security Training	25,000
	Instructor Led Training - IT Staff (no travel)	5,000
	Learning and Development Program	75,000
	LCW Employment Law Conference	1,800
	MCLE and other training	5,000
	Miscellaneous Conferences/Training	32,000
	Miscellaneous Training Materials	2,500
	NAPPA Meetings	7,500
	NASRA	16,000
	NASRA/NIRS	4,500
	NCPERS - General & Safety	4,500
	Online Training - IT Staff	25,000
	PRISM Conference	5,000
	Public Pension Financial Forum	2,800
	SACRS	32,900
	Staff Development Training	12,000
	Staff Training/Continuing Education	4,000
	Strategic Planning	35,000
Training Total		\$ 578,220
Telephone	AT & T Telecom Services	32,000
	Cellular/Mobile Services	45,000
	Satellite Phone Minutes	5,000
	VOIP Services	100,000
Telephone Total		\$ 182,000
Postage	Miscellaneous Mailing/Mass Mailing	40,000
	Pony Mail Services	4,000
	Postage Expense	55,000
	Quarterly Newsletters - All Members	35,000
Postage Total		\$ 134,000
Office Supplies	General Office Expense- Includes: Ergos, Safety items	60,000
	Office Furniture	40,000
	Public Relation Materials	10,000
Office Supplies Total		\$ 110,000
Due Diligence	Due Diligence	100,000
Due Diligence Total		\$ 100,000
Membership	AICPA	600
	American Express	220
	CALAPRS	2,500
	CalCPA	535
	California Board of Accountancy	250
	Coalition to Preserve Retirement Security	3,000
	GFOA	420
	Information Security Memberships	3,000
	International Foundation (IFEBP)	1,065
	Miscellaneous Memberships	53,645
	NASRA	3,000

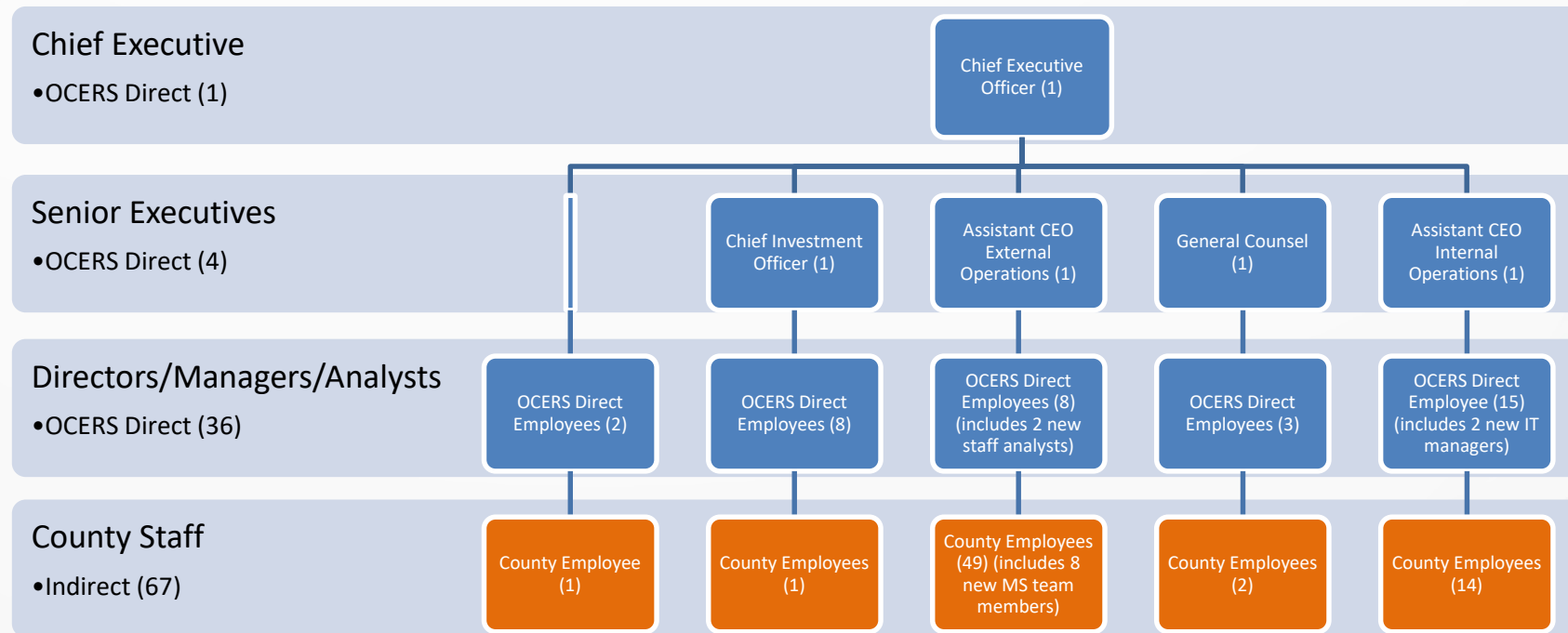
Appendix B
2022 Administrative Budget Detail by Expense Category

Account Group	Description	Total
	National Pension Education Assoc. (NPEA)	750
	NCPERS	2,050
	NIRS	3,500
	Notary	1,000
	P2F2 - Public Pension Financial Forum	200
	SACRS	6,000
Membership Total		\$ 81,735
Mtg/Mileage	CEO Visit to State Legislature	750
	CEO Visit to Federal Legislature	1,500
	CEO/Manager visits to Cal Retirement Systems	7,500
	Civic Center Parking Cards	250
	EE Recognition/Educational Seminar/Qtrly Meetings	9,500
	Investment Committee Meetings	16,000
	Membership Committee Meetings	2,500
	Miscellaneous Meetings	28,950
Mtg/Mileage Total		\$ 66,950
Printing Svcs	Brochures	17,000
	Annual Financial Report	12,000
	Printing	7,000
	Quarterly newsletters	25,000
Printing Svcs Total		\$ 61,000
Equipment Lease	Copier/Printer Lease	40,000
	Postage Machine	14,500
Equipment Lease Total		\$ 54,500
Periodicals	Legal Publications, Daily Journal, Law Book Updates, Reference Books	12,500
	Miscellaneous periodicals	37,300
	Reference books / research materials	100
Periodicals Total		\$ 49,900
Capital Expenditures	Data Center SANS Replacement	200,000
	Roof Replacement	110,000
Capital Expenditures Total		\$ 310,000
Grand Total		\$ 33,100,984

OCERS

2022 Organization Chart

(108 team members, 106.5 FTE)



Staffing Plan
108 Budgeted Positions
114 Approved Classifications

Appendix C

OCERS
Personnel Cost Budget
2022

Department	Position	Employee Count	Regular Salary	Certification Pay	Fringe Benefits	Salary Adjustments	Overtime	Leave Payout	Temporary Help	Grand Total
Board										
	Board Member	-	18,000.00	-	-					
Board Total			\$ 18,000.00	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 18,000.00
Executive										
	Chief Executive Officer	1	297,336.00	-	189,302.19					
	Assistant Chief Executive Officer	2	519,667.20	14,290.85	349,321.95					
	Executive Secretary II	1	76,024.00	-	43,560.39					
	Extra Help-Program Manager	-	-	-	-					
	Temporary Help	-	-	-	-				15,000.00	
Executive Total		4	\$ 893,027.20	\$ 14,290.85	\$ 582,184.53	\$ -	\$ 1,000.00	\$ 91,774.30	\$ 15,000.00	\$ 1,597,276.88
Investments										
	Chief Investment Officer	1	352,705.60	19,398.81	225,610.80					
	Director of Investments	2	429,689.60	-	267,879.82					
	Senior Investment Analyst	1	119,863.90	-	68,986.73					
	Senior Investment Officer	2	335,982.40	9,047.90	193,382.57					
	Investment Analyst	3	275,808.00	10,549.97	166,809.73					
	Staff Specialist	1	67,891.20	-	37,487.20					
Investments Total		10	\$ 1,581,940.70	\$ 38,996.67	\$ 960,156.84	\$ -	\$ 1,000.00	\$ 47,567.20	\$ -	\$ 2,629,661.41
Communications										
	Communications Manager	1	115,918.40	-	76,377.18					
	Staff Specialist	1	75,337.60	-	47,388.54					
Communications Total		2	\$ 191,256.00	\$ -	\$ 123,765.72	\$ -	\$ 500.00	\$ 9,846.64	\$ -	\$ 325,368.36
Legal										
	General Counsel	1	294,382.40	-	193,705.94					
	Staff Attorney	3	533,291.20	-	293,043.89					
	Paralegal	1	75,337.60	-	54,450.70					
	Executive Secretary I	1	72,030.40	-	39,317.74					
Legal Total		6	\$ 975,041.60	\$ -	\$ 580,518.27	\$ -	\$ 1,000.00	\$ 47,795.60	\$ -	\$ 1,604,355.47

Appendix C

OCERS
Personnel Cost Budget
2022

Department	Position	Employee Count	Regular Salary	Certification Pay	Fringe Benefits	Salary Adjustments	Overtime	Leave Payout	Temporary Help	Grand Total
Member Services										
	Director of Member Services	1	162,614.40	-	95,079.19					
	Member Services Manager	2	235,768.00	-	159,371.89					
	Retirement Analyst	1	149,552.00	-	80,137.31					
	Staff Analyst	2	187,200.00	-	105,799.70					
	Retirement Benefits Supervisor	5	414,710.40	-	257,471.45					
	Sr. Retirement Program Specialist	8	605,300.80	-	372,787.90					
	Sr. Staff Development Specialist	1	96,283.20	-	65,698.24					
	Retirement Program Specialist	14	927,472.00	-	581,887.13					
	Retirement Benefits Technician	4	208,499.20	-	120,049.17					
	Accounting Technician	5	293,363.20	-	194,133.99					
	Office Specialist	1	53,768.00	-	37,002.48					
	Office Technician	3	129,875.20	-	93,589.39					
	Extra Help-Retirement Program Specialist	3	-	-	1,330.06				91,728.00	
Member Services Total		50	\$ 3,464,406.40	\$ -	\$ 2,164,337.89	\$ -	\$ 15,000.00	\$ 84,856.40	\$ 91,728.00	\$ 5,820,328.69
Finance										
	Director of Finance	1	176,820.80	9,725.14	120,887.07					
	Finance Manager	2	263,120.00	7,235.80	155,346.04					
	Sr. Accountant / Auditor I	1	96,512.00	-	64,680.79					
	Staff Analyst	1	97,864.00	5,382.52	66,310.37					
	Accountant Auditor II	2	169,020.80	-	98,903.94					
	Accountant Auditor I	1	38,032.80	-	19,467.10					
	Accounting Technician	1	58,219.20	-	46,043.97					
Finance Total		9	\$ 899,589.60	\$ 22,343.46	\$ 571,639.30	\$ -	\$ 1,000.00	\$ 22,590.00	\$ -	\$ 1,517,162.37
Disability										
	Disability Manager	1	104,208.00	-	75,942.10					
	Disability Investigator	2	150,675.20	-	110,113.42					
	Office Specialist	2	107,536.00	-	91,063.78					
Disability Total		5	\$ 362,419.20	\$ -	\$ 277,119.30	\$ -	\$ 1,000.00	\$ 11,012.00	\$ -	\$ 651,550.50
Human Resources										
	Director of Human Resources	1	168,937.60	-	101,000.12					
	Learning and Organization Development Manager	1	104,208.00	-	51,021.41					
	Staff Analyst	2	199,576.00	-	126,313.50					
	Staff Assistant	1	62,608.00	-	33,867.64					
	Salary Adjustments	-	-	-	-	576,482.42				
	Temporary Help	-	-	-	-				10,000.00	
	Tuition Reimbursements	-	-	-	100,000.00					
Human Resources Total		5	\$ 535,329.60	\$ -	\$ 412,202.67	\$ 576,482.42	\$ 500.00	\$ 20,152.40	\$ 10,000.00	\$ 1,554,667.08

Appendix C

OCERS
Personnel Cost Budget
2022

Department	Position	Employee Count	Regular Salary	Certification Pay	Fringe Benefits	Salary Adjustments	Overtime	Leave Payout	Temporary Help	Grand Total
Operations Support Services										
	Senior Manager Operations Support Services	1	105,240.75	-	50,676.37					
	Contracts, Risk & Performance Administrator	1	131,248.00	-	72,647.67					
	Store Clerk	1	49,649.60	-	32,134.09					
Operations Support Total		3	\$ 286,138.35	\$ -	\$ 155,458.14	\$ -	\$ -	\$ 5,000.00	\$ -	\$ 446,596.49
IT										
	Director of Information Technology	1	173,763.20	-	100,101.71					
	IT Manager	2	276,396.00	-	143,428.16					
	Sr. Retirement Programmer/Business Analyst	1	136,905.60	-	81,806.02					
	I.T. Operations Supervisor	1	123,281.60	-	91,348.48					
	Sr. Applications Developer	2	230,900.80	-	133,382.14					
	Network Engineer II	1	104,748.80	-	74,790.34					
	System Technologist II	1	104,748.80	-	68,609.51					
	Systems Engineer II	1	104,748.80	-	55,038.43					
IT Total		10	\$ 1,255,493.60	\$ -	\$ 748,504.78	\$ -	\$ 50,000.00	\$ 21,068.00	\$ -	\$ 2,075,066.38
Internal Audit										
	Director of Internal Audit	1	174,678.40	-	100,642.24					
	Internal Auditor	1	121,971.20	6,708.42	85,821.78					
Internal Audit Total		2	\$ 296,649.60	\$ 6,708.42	\$ 186,464.02	\$ -	\$ -	\$ 12,036.80	\$ -	\$ 501,858.83
Information Security										
	Director of Information Security	1	168,937.60	-	101,246.09					
	Information Security Manager	1	149,552.00	-	87,310.76					
Information Security Total		2	\$ 318,489.60	\$ -	\$ 188,556.85	\$ -	\$ -	\$ 13,628.00	\$ -	\$ 520,674.45
Grand Total		108	\$ 11,077,781.45	\$ 82,339.40	\$ 6,950,908.31	\$ 576,482.42	\$ 71,000.00	\$ 387,327.34	\$ 116,728.00	\$ 19,262,566.91

Appendix D

Orange County Employees Retirement System 21 Basis Points for Budget Year 2022

Projected actuarial accrued liability as of December 31, 2021	\$23,948,799,000
21 basis points of projected actuarial accrued liability	50,292,478
FY22 proposed budget amount subject to 21 basis points limitation ¹	23,353,619
Amount under 21 basis points	\$26,938,859
Budgeted amount expressed as basis points of projected actuarial accrued liability-FY22	9.75
Budgeted amount expressed as basis points of projected actuarial accrued liability-FY21	8.86

¹ Reconciliation of amount subject to 21 basis points limitation:

Total FY22 proposed budget	\$ 33,100,984
Less: Investment-related costs	(7,417,365)
Total FY22 proposed administrative budget	25,683,619
Less: IT Capital expenses	(200,000)
Computer hardware/software	(505,000)
Information Security-Professional services consulting	(205,000)
Information Technology-Professional services consulting	(1,420,000)
FY21 proposed budget amount subject to 21 basis points limitation	\$ 23,353,619

21 Basis Point History

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
21 Basis Points	9.31	8.93	9.04	8.86	9.75

Exhibit E

5 Year Budget Comparison

	Budget 2018	Budget 2019	Budget 2020	Amended Budget 2021	Proposed Budget 2022	\$ Variance FY21-22	% Variance FY21-22
Personnel Costs	\$ 13,925	\$ 14,765	\$ 15,507	\$ 16,254	\$ 19,263	\$ 3,009	18.5%
Services and Supplies	\$ 10,488	\$ 11,298	\$ 11,077	\$ 11,630	\$ 13,528	\$ 1,899	16.3%
Capital Expenditures	\$ 1,095	\$ 370	\$ 600	\$ 670	\$ 310	\$ (360)	-53.7%
Total	\$ 25,508	\$ 26,433	\$ 27,185	\$ 28,554	\$ 33,101	\$ 4,547	15.9%

Exhibit E

Actuals Compared to Proposed Budget

	Actuals 2018	Actuals 2019	Actuals 2020	Estimated Actuals 2021	Proposed Budget 2022	\$ Variance FY21-22	% Variance FY21-22
Personnel Costs	\$ 12,517,682	\$ 13,630,916	\$ 14,973,837	\$ 15,404,545	\$ 19,262,569	\$ 3,858,024	25.0%
Total Services and Supplies	\$ 7,886,743	\$ 8,159,215	\$ 8,318,994	\$ 9,815,924	\$ 13,528,415	\$ 3,712,491	37.8%
Total Capital Expenditures	\$ 163,663	\$ 52,264	\$ 186,359	\$ 670,000	\$ 310,000	\$ (360,000)	-53.7%
Total	\$ 20,568,087	\$ 21,842,395	\$ 23,479,190	\$ 25,890,470	\$ 33,100,984	\$ 7,210,514	27.9%

Exhibit E

2022 Proposed Budget

Compared to Actuals by Category

	Actuals 2018	Actuals 2019	Actuals 2020	Estimated Actuals 2021	Proposed Budget 2022	\$ Variance FY21-22	% Variance FY21-22
Personnel Costs	\$ 12,517,682	\$ 13,630,916	\$ 14,973,837	\$ 15,404,545	\$ 19,262,569	\$ 3,858,024	25.0%
Professional Services	4,480,145	4,782,275	5,523,002	5,970,448	8,011,810	2,041,362	34.2%
Legal Services	783,481	900,015	261,551	803,000	960,000	157,000	19.6%
Infrastructure Maintenance	722,048	691,482	741,295	887,261	1,196,300	309,039	34.8%
Miscellaneous Office Expenses	639,641	517,550	579,080	456,391	673,135	216,744	47.5%
Building Property Mgmt. / Maintenance	443,000	558,346	602,076	673,790	750,000	76,210	11.3%
Equipment/ Software Expenses	440,142	296,900	434,348	768,775	1,192,000	423,225	55.1%
Training	302,856	326,230	147,638	216,555	578,220	361,665	167.0%
Meeting & Mileage	75,430	86,417	30,004	39,704	166,950	127,246	320.5%
Total Services and Supplies	\$ 7,886,743	\$ 8,159,215	\$ 8,318,994	\$ 9,815,924	\$ 13,528,415	\$ 3,712,491	37.8%
Total Capital Expenditures	\$ 163,663	\$ 52,264	\$ 186,359	\$ 670,000	\$ 310,000	\$ (360,000)	-53.7%
Total	\$ 20,568,087	\$ 21,842,395	\$ 23,479,190	\$ 25,890,470	\$ 33,100,984	\$ 7,210,514	27.9%

Appendix F

Historical Statistics

	2017	2018	2019	2020	2021
Number of Full-Time Positions Budgeted	79	92	93	93	94.5
Number of Retirees - Beginning of Year	16,369	16,947	17,674	18,420	19,419
Number of Additional Retirements ¹	1,061	1,080	1,203	1,409	801
Number Removed from Payroll ¹	(483)	(353)	(457)	(410)	(482)
Payroll \$ (in thousands) * ²	\$ 764,344	\$ 828,278	\$ 900,902	\$ 973,325	\$ 1,041,437
Number of Members ** ¹	44,471	45,629	47,197	47,796	49,024
Number of New Members ** ¹	986	1,135	1,450	767	1,228
Seminars	46	56	65	29	35

¹ 2021 amounts are as of October 2021

² 2021 amounts are annualized estimates based on actuals through August 2021.

* Payroll represents retirement payroll, withdrawals and death benefits

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

Appendix G
OCERS Direct Employees
Salary Ranges Approved by Board, June 2021

OCERS Employee Position	Current Annual Minimum	Current Annual Midpoint	Current Annual Maximum
Chief Investment Officer	\$293,641	\$374,393	\$455,144
General Counsel	\$204,538	\$260,786	\$317,034
Managing Director of Investments	\$204,538	\$260,786	\$317,034
Assistant Chief Executive Officer	\$176,994	\$225,667	\$274,340
Director of Investments	\$164,645	\$209,923	\$255,200
Deputy Legal Counsel	\$142,473	\$181,653	\$220,833
Senior Investment Officer	\$142,473	\$181,653	\$220,833
Director of Finance	\$132,533	\$168,980	\$205,426
Director of Human Resources	\$132,533	\$168,980	\$205,426
Director of Information Security	\$132,533	\$168,980	\$205,426
Director of Information Technology	\$132,533	\$168,980	\$205,426
Director of Internal Audit	\$132,533	\$168,980	\$205,426
Director of Member Services	\$132,533	\$168,980	\$205,426
Investment Officer	\$123,286	\$157,190	\$191,094
Staff Attorney	\$123,286	\$157,190	\$191,094
Finance Manager	\$106,684	\$136,022	\$165,360
Information Security Manager	\$106,684	\$136,022	\$165,360
Retirement Analyst	\$106,684	\$136,022	\$165,360
Senior Manager Operations Support Services	\$106,684	\$136,022	\$165,360
Contracts, Risk & Performance Administrator	\$99,241	\$126,532	\$153,823
Disability Manager	\$99,241	\$126,532	\$153,823
Learning and Organization Development Manager	\$99,241	\$126,532	\$153,823
Member Services Manager	\$99,241	\$126,532	\$153,823
Senior Investment Analyst	\$99,241	\$126,532	\$153,823
Communications Manager	\$92,317	\$117,704	\$143,091
Internal Auditor	\$82,876	\$107,992	\$133,108
Investment Analyst	\$79,885	\$97,859	\$115,833
Staff Analyst	\$79,885	\$97,859	\$115,833