



October 19, 2021

To: Board of Trustees

From: Rhonda Covarrubias, Director of Finance *Rhonda H. Covarrubias*

Re: Agenda Item 8: Report on Budget and Compensation Committee's October 13, 2021 Meeting

Committee Chair Anali Alanis and Vice Chair Johnny Huizar held a virtual Committee meeting on October 13. Agenda topics included the following items:

1. Debbie Muñoz and Michelle Kranes presented a personnel request for the Member Services Department. The Committee members appreciated the detailed information and supported the recommendation.
2. Leslie Ritter provided the Committee with requested salary information, and the Committee requested that Ms. Ritter review all positions to ensure that employees were paid at or above the minimum of their paygrade and to ensure that TMRS' pay structure had positions placed in the appropriate paygrades.
3. I presented the draft 2022 Operating and Capital Expenditures budgets and the Pension Administration System Modernization (PASMMod) Program budget.
 - a. I reviewed the Operating budget's five main budget categories and noted that 80% of the budget is Personnel and Professional Services. Although The Grove lease increases the Operating budget by \$2.3 million, we anticipate that investment earnings from the sale of the current building will offset these expenses over time. Except for The Grove lease, the overall budget will be flat compared to 2021. Significant savings are due to renegotiated investment consulting contracts and other reductions in Professional Services.
 - b. The draft 2022 PASMMod budget includes \$2.8 million to complete the City Contribution System.
 - c. The Committee members were pleased with the budget reductions that have been made and supported the 2022 draft budgets.