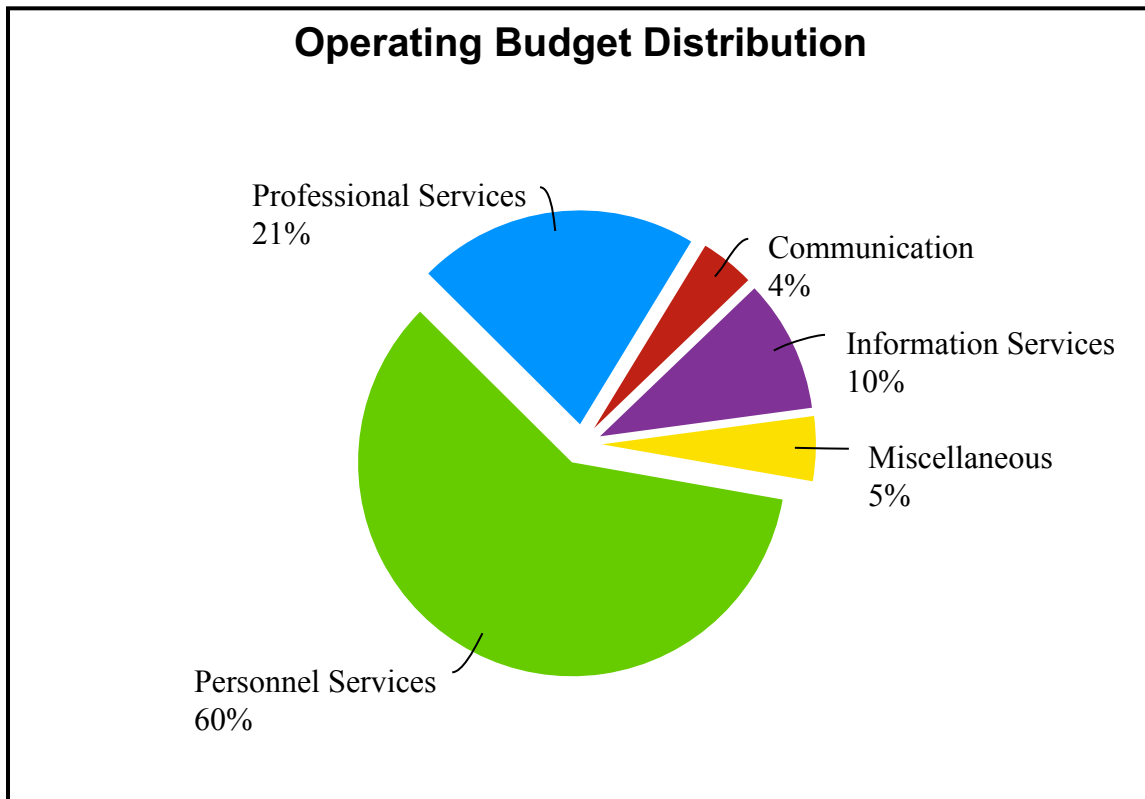


Executive Summary

Below is an overview of the TMRS 2021 Operating Budget for the fiscal year ending December 31, 2021.

	2020 Approved Operating Budget	2021 Proposed Operating Budget	Total \$ Change	Total % Change
Personnel Services	\$ 19,358,054	\$ 19,442,266	\$ 84,212	— %
Professional Services	8,230,376	6,849,238	(1,381,138)	(17) %
Communication	1,567,733	1,367,764	(199,969)	(13) %
Information Services	3,331,816	3,300,593	(31,223)	(1) %
Miscellaneous	1,752,384	1,527,128	(225,256)	(13) %
Total Operating Expenses	\$ 34,240,363	\$ 32,486,989	\$ (1,753,374)	(5) %



TEXAS MUNICIPAL RETIREMENT SYSTEM

2021 Operating Budget

Comparison - October Draft to December Proposed

	October Draft Total	December Proposed Total	Difference
Personnel Services:			
Staff Salaries	\$ 14,554,994	\$ 14,576,987	\$ 21,993
Payroll Taxes	983,621	983,977	356
Contract Labor / Temps	-	-	-
Retirement Contributions	2,321,461	2,334,313	12,852
Insurance & Other Benefits	1,559,994	1,546,990	(13,004)
Total Personnel Services	19,420,070	19,442,267	22,197
Professional Services:			
Consulting & Other Prof Svcs	2,361,363	2,366,988	5,625
Actuarial Services	655,500	655,500	-
Custodial & Banking Services	2,400,000	2,400,000	-
Legal Services	1,120,000	1,120,000	-
Medical Services	50,000	50,000	-
Audit	256,750	256,750	-
Total Professional Services	6,843,613	6,849,238	5,625
Communication:			
Printing	212,690	212,690	-
Postage	301,635	301,635	-
Travel	533,234	533,234	-
Telephone	99,000	94,000	(5,000)
Member Outreach	226,206	226,206	-
Total Communication	1,372,765	1,367,765	(5,000)
Information Services:			
Data Processing	783,724	783,724	-
Online services	2,039,247	2,080,147	40,900
Gartner Consulting	139,572	139,572	-
Office Equipment / Services	129,150	129,150	-
Offsite & Records Storage	168,000	168,000	-
Total Information Services	3,259,693	3,300,593	40,900
Miscellaneous:			
Board of Trustees	135,540	135,540	-
Advisory Committee	15,760	15,760	-
Insurance & Risk Mgmt	183,080	185,290	2,210
Dues	52,789	52,789	-
Subscriptions / Publications	116,428	116,428	-
Training / Tuition	279,202	279,202	-
Utilities	184,000	184,000	-
Supplies	212,950	204,550	(8,400)
Bldg / Grounds Maintenance	218,799	218,799	-
Building Security	62,460	22,620	(39,840)
Other Admin. Expenses	106,750	112,150	5,400
Total Miscellaneous	1,567,758	1,527,128	(40,630)
Total Operating Expenses	32,463,899	32,486,991	23,092
Total Capital Expenditures	-	-	-
GRAND TOTAL	\$ 32,463,899	\$ 32,486,991	23,092

Personnel Services

	2020 Approved Operating Budget	2021 Proposed Operating Budget	Total \$ Change
Personnel Services:			
Staff Salaries	\$ 14,411,910	\$ 14,576,987	\$ 165,077
Payroll Taxes	976,454	983,977	7,523
Contract Labor / Temps	93,600	—	(93,600)
Retirement Contributions	2,302,033	2,334,313	32,280
Insurance & Other Benefits	1,574,057	1,546,990	(27,067)
Total Personnel Services	\$ 19,358,054	\$ 19,442,266	\$ 84,212

Personnel Services represents 60% of the 2021 proposed operating budget, an increase of \$84,212 from the prior year.

Staff Salaries include three fewer FTE positions than for the 2020 budget: Deputy Executive Director, Internal Auditor, and the Director of Communications that was filled internally and not back-filled. The budget includes one new analyst in the Member Services department (Membership Analyst I). These changes reduce TMRS' current FTE headcount from 128 to 126.

Professional Services

	2020 Approved Operating Budget	2021 Proposed Operating Budget	Total \$ Change
Professional Services:			
Consulting & Other Prof Svcs	\$ 3,571,051	\$ 2,366,988	\$ (1,204,063)
Actuarial Services	638,600	655,500	16,900
Custodial & Banking Services	2,553,350	2,400,000	(153,350)
Legal Services	1,139,000	1,120,000	(19,000)
Medical Services	50,000	50,000	—
Audit	278,375	256,750	(21,625)
Total Professional Services	\$ 8,230,376	\$ 6,849,238	\$ (1,381,138)

Professional Services represents 21% of the 2021 proposed operating budget, a decrease of \$(1,381,138), or (17)%, from the prior year.

Consulting & other professional services make up 35% of the professional services budget category. This line item changed by \$(1,204,063) from the 2020 budget.

	2020 Approved Operating Budget	2021 Proposed Operating Budget	Total \$ Change	Total % Change
Personnel Services:				
Staff Salaries	\$ 14,411,910	\$ 14,576,987	\$ 165,077	1 %
Payroll Taxes	976,454	983,977	7,523	1 %
Contract Labor / Temps	93,600	—	(93,600)	(100)%
Retirement Contributions	2,302,033	2,334,313	32,280	1 %
Insurance & Other Benefits	1,574,057	1,546,990	(27,067)	(2)%
Total Personnel Services	19,358,054	19,442,266	84,212	— %
Professional Services:				
Consulting & Other Prof Svcs	3,571,051	2,366,988	(1,204,063)	(34)%
Actuarial Services	638,600	655,500	16,900	3 %
Custodial & Banking Services	2,553,350	2,400,000	(153,350)	(6)%
Legal Services	1,139,000	1,120,000	(19,000)	(2)%
Medical Services	50,000	50,000	—	— %
Audit	278,375	256,750	(21,625)	(8)%
Total Professional Services	8,230,376	6,849,238	(1,381,138)	(17)%
Communication:				
Printing	222,215	212,690	(9,525)	(4)%
Postage	292,900	301,635	8,735	3 %
Travel	668,493	533,234	(135,259)	(20)%
Telephone	111,440	94,000	(17,440)	(16)%
Member Outreach	272,685	226,206	(46,480)	(17)%
Total Communication	1,567,733	1,367,764	(199,969)	(13)%
Information Services:				
Data Processing	897,989	783,724	(114,265)	(13)%
Online services	1,971,607	2,080,147	108,540	6 %
Gartner Consulting	157,000	139,572	(17,428)	(11)%
Office Equipment / Services	123,100	129,150	6,050	5 %
Offsite & Records Storage	182,120	168,000	(14,120)	(8)%
Total Information Services	3,331,816	3,300,593	(31,223)	(1)%
Miscellaneous:				
Board of Trustees	157,090	135,540	(21,550)	(14)%
Advisory Committee	22,610	15,760	(6,850)	(30)%
Insurance & Risk Mgmt	162,700	185,290	22,590	14 %
Dues	58,358	52,789	(5,569)	(10)%
Subscriptions / Publications	112,713	116,428	3,715	3 %
Training / Tuition	296,392	279,202	(17,190)	(6)%
Utilities	184,000	184,000	—	— %
Supplies	265,870	204,550	(61,320)	(23)%
Bldg / Grounds Maintenance	208,011	218,799	10,788	5 %
Building Security	157,020	22,620	(134,400)	(86)%
Other Admin. Expenses	127,620	112,150	(15,470)	(12)%
Total Miscellaneous	1,752,384	1,527,128	(225,256)	(13)%
Total Operating Expenses	\$ 34,240,363	\$ 32,486,989	\$ (1,753,374)	(5)%

FY 2021 Pension Administration System Modernization Program Budget & Expenses as of October 2, 2020							
	2020 Budget	2020 Actual Expenses	2021 Budget	2022 Budget	2023 Budget	2024 Budget	Total
Program Objectives:							
City Contribution System (CCS)	\$625,000	\$0	\$1,504,589	\$2,663,391	\$0	\$0	\$4,167,980
Customer Relationship Management System	\$0	\$0	\$0	\$405,000	\$740,000	\$320,000	\$1,465,000
NextGen Refactoring	\$0	\$0	\$0	\$135,000	\$265,000	\$0	\$400,000
Mobile App Needs Assessment	\$0	\$0	\$0	\$50,000	\$120,000	\$30,000	\$200,000
Program Resources:							
Organizational Change Management (OCM)	\$90,000	\$12,200	\$0	\$0	\$0	\$0	\$12,200
IV & V (Project Oversight)	\$290,000	\$0	\$0	\$0	\$0	\$0	\$0
Agile Training	\$80,000	\$33,000	\$0	\$0	\$0	\$0	\$33,000
Project Manager	\$180,000	\$102,088	\$0	\$0	\$0	\$0	\$102,088
TMRS Direct Completion	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Temporary Staffing	\$153,560	\$0	\$420,000	\$420,000	\$420,000	\$0	\$1,260,000
Program Supplies (Hardware/Supplies for Temp Staffing)	\$2,580	\$0	\$985	\$0	\$0	\$0	\$985
Online Services (Project Management Application)	\$25,000	\$22,763	\$0	\$0	\$0	\$0	\$22,763
Data Processing (Software for Temp Staffing)	\$21,957	\$0	\$7,054	\$0	\$0	\$0	\$7,054
Total	\$1,468,097	\$170,051	\$1,932,628	\$3,673,391	\$1,545,000	\$350,000	\$7,671,070

Total 2019 Board-Approved PASMod Budget	\$1,468,097	N/A	\$3,421,798	\$2,170,440	\$2,705,440	\$763,870	\$10,529,645
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Difference

(\$2,858,575)

(27%)