

Ohio Police & Fire Pension Fund

140 East Town Street / Columbus, Ohio 43215-5164 / Tel. (614) 228-2975 / www.op-f.org

December 4, 2020

Ms. Bethany Rhodes
Director/General Counsel
Ohio Retirement Study Council
30 E. Broad St, 2nd Floor
Columbus, OH 43215

RE: OP&F's 2021 Approved Budget

Dear Ms. Rhodes:

Please find enclosed the 2021 approved Administrative Operating and 2021 Capital budget for the Ohio Police & Fire Pension Fund (OP&F) in the format provided by the ORSC.

There were a few changes to the budget that was submitted previously to the Council. The final approved operating budget was \$26,338,255.

Please feel free to contact me if you need additional information or have any questions.

Sincerely,



John J. Gallagher, Jr.
Executive Director

Enclosure: 2021 Final Budgets

Ohio Police and Fire Pension Fund
2021 ORSC Budget Presentation

FY2020 to FY2021 Operating Budget and Increase (Decrease)

Budget category	2021 Budget	2020 Budget	2020 Estimated		2020-2021 Increase (Decrease)	Percent Change (2020 to 2021)
			Actual			
Personnel	\$ 17,397,490	\$ 17,113,714	\$ 16,377,666	\$ 283,776.00		1.7%
Salaries and Wages	\$ 11,358,599	\$ 11,207,297	\$ 11,114,485	\$ 151,302.00		1.4%
PERS Contributions	\$ 1,645,338	\$ 1,627,097	\$ 1,592,829	\$ 18,241.00		1.1%
Health Insurance	\$ 3,658,046	\$ 3,526,526	\$ 3,047,044	\$ 131,520.00		3.7%
Miscellaneous Expenses	\$ 735,507	\$ 752,794	\$ 623,308	\$ (17,287.00)		-2.3%
Professional Services	\$ 4,667,519	\$ 4,973,716	\$ 4,121,158	\$ (306,197.00)		-6.2%
Actuarial	\$ 350,000	\$ 350,000	\$ 297,118	\$ -		
Audit	\$ 165,000	\$ 165,000	\$ 164,636	\$ -		
Custodial Banking Fees	\$ 840,000	\$ 840,000	\$ 779,966	\$ -		
Investment Consulting	\$ 1,722,432	\$ 1,758,742	\$ 1,723,764	\$ (36,310.00)		-2.1%
Other Consulting	\$ 1,512,087	\$ 1,778,974	\$ 1,081,674	\$ (266,887.00)		-15.0%
Banking Expenses	\$ 78,000	\$ 81,000	\$ 74,000	\$ (3,000.00)		-3.7%
Communications Expense	\$ 462,120	\$ 478,370	\$ 425,248	\$ (16,250.00)		-3.4%
Printing and Postage	\$ 353,700	\$ 385,500	\$ 350,460	\$ (31,800.00)		-8.2%
Telecommunications	\$ 90,000	\$ 76,500	\$ 74,788	\$ 13,500.00		17.6%
Member/Employer Education	\$ 18,420	\$ 16,370	\$ -	\$ 2,050.00		12.5%
Other Operating Expenses	\$ 2,454,776	\$ 3,194,166	\$ 2,016,483	\$ (739,390.00)		-23.1%
Conferences and Education	\$ 155,395	\$ 181,140	\$ 73,107	\$ (25,745.00)		-14.2%
Travel	\$ 117,960	\$ 171,940	\$ 23,991	\$ (53,980.00)		-31.4%
Computer Technology	\$ 1,306,323	\$ 1,274,550	\$ 1,246,738	\$ 31,773.00		2.5%
Other Operating	\$ 749,738	\$ 776,056	\$ 571,538	\$ (26,318.00)		-3.4%
Ohio Retirement Study Council	\$ 60,000	\$ 710,000	\$ 46,296	\$ (650,000.00)		
TOS Warrant Clearing Charges	\$ 360	\$ 480	\$ 300	\$ (120.00)		-25.0%
Attorney General Charges	\$ 65,000	\$ 80,000	\$ 54,513	\$ (15,000.00)		-18.8%
Net Building Expense	\$ 1,356,350.00	\$ 1,362,750	\$ 1,275,146	\$ (6,400.00)		-0.5%
Total Operating Budget	\$ 26,338,255	\$ 27,122,716	\$ 24,215,701	\$ (784,461.00)		-2.9%
Full-Time Equivalent (FTE) Associates	145	148				

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FY2020 to FY2021 Capital Budget

	2021 Budget (includes carryover from previous years)	2020 Budget	2020 Estimate
Total Capital Budget	\$ 11,381,100	\$ 2,845,701	\$ 586,609
Office Building	\$ -	\$ 100,000	\$ -
Furniture and Equipment	\$ 30,000	\$ 30,000	\$ 8,123
Computer Technology	\$ 11,351,100	\$ 2,715,701	\$ 578,486

Investment Expenses

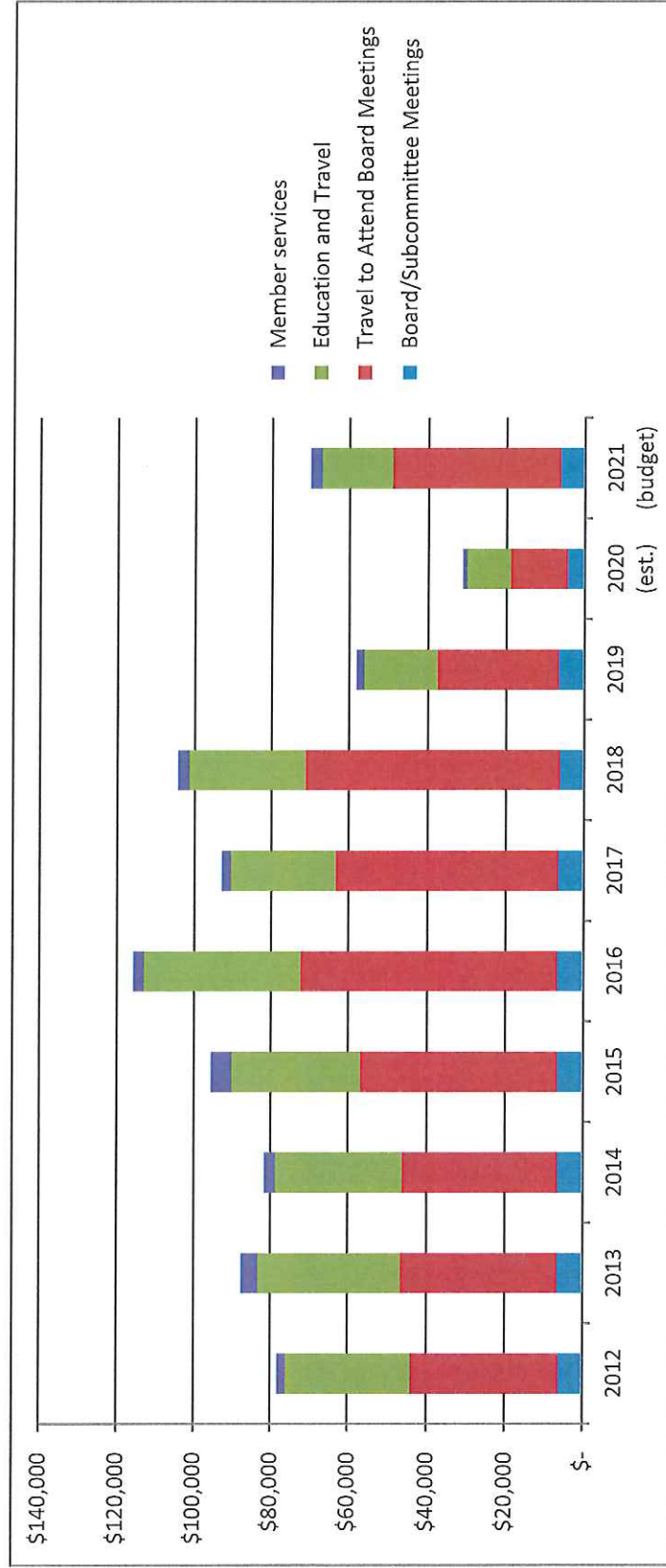
	2019 Actual	2018 Actual	Percent Change (2018 to 2019)
Total Investment Assets	\$ 16,556,816,539	\$ 14,766,712,747	12.12%
Total Internally Managed Assets	\$ 579,309,423	\$ 301,512,023	92.13%
Total Externally Managed Assets	\$ 15,977,507,116	\$ 14,465,200,724	10.45%
Total Investment Expenses	\$ 52,644,783	\$ 50,825,577	3.58%
Total Internal Investment Expenses	\$ 96,712	\$ 80,474	20.18%
Total External Investment Expenses	\$ 48,385,109	\$ 45,342,369	6.71%
Investment Consulting	\$ 1,550,220	\$ 1,527,438	1.49%
Brokerage/Commissions-Internal	\$ -	\$ -	
Brokerage/Commissions-External	\$ 1,801,260	\$ 3,011,343	-40.18%
Custodian Fees	\$ 811,482	\$ 863,953	-6.07%
Total Investment Expenses as a % of Total Investment Assets	0.32%	0.34%	-0.02%
Expenses as % of Internally Managed*	0.02%	0.03%	-0.01%
Expenses as % of Externally Managed*	0.33%	0.35%	-0.02%

*Excludes Investment Consulting and Custodian Fees

Ohio Police and Fire Pension Fund
2021 ORSC Budget Presentation

Board Member Expenses

	2012	2013	2014	2015	2016	2017	2018	2019	2020 (est.)	2021 (budget)
Total Board Expenses	\$ 78,142	\$ 87,559	\$ 81,557	\$ 95,497	\$ 115,817	\$ 92,831	\$ 104,280	\$ 58,205	\$ 31,048	\$ 70,000
Board/Subcommittee Meetings	\$ 6,074	\$ 6,536	\$ 6,411	\$ 6,492	\$ 6,586	\$ 6,379	\$ 6,014	\$ 6,388	\$ 4,138	\$ 6,000
Travel to Attend Board Meetings	\$ 37,903	\$ 40,117	\$ 39,779	\$ 50,356	\$ 65,641	\$ 56,799	\$ 65,131	\$ 31,173	\$ 14,670	\$ 43,000
Education and Travel	\$ 32,027	\$ 36,596	\$ 32,488	\$ 33,271	\$ 40,897	\$ 27,242	\$ 30,198	\$ 18,585	\$ 11,185	\$ 18,000
Member services	\$ 2,138	\$ 4,310	\$ 2,879	\$ 5,378	\$ 2,693	\$ 2,411	\$ 2,937	\$ 2,059	\$ 1,055	\$ 3,000



Ohio Police and Fire Pension Fund
2021 ORSC Budget Presentation
Staff Training and Travel (Budget to Budget)

	2021	2020	Increase (Decrease)	% Increase (Decrease)
Administration				
Conferences, Seminars & Travel	\$ 54,521	\$ 81,410	\$ (26,889)	-33.0%
In-House Training	\$ 10,000	\$ 10,000	\$ -	
#FTE	19	19	-	
Expense per FTE	\$ 3,396	\$ 4,811	\$ (1,415)	-29.4%

	2021	2020	Increase (Decrease)	% Increase (Decrease)
Finance				
Conferences, Seminars & Travel	\$ 13,400	\$ 18,400	\$ (5,000)	-27.2%
In-House Training	\$ -	\$ -	\$ -	
#FTE	24	25	(1)	-4.0%
Expense per FTE	\$ 558	\$ 736	\$ (178)	-24.1%

	2021	2020	Increase (Decrease)	% Increase (Decrease)
Investments				
Conferences, Seminars & Travel	\$ 16,244	\$ 26,835	\$ (10,591)	-39.5%
In-House Training	\$ -	\$ -	\$ -	
#FTE	16	17	(1)	-5.9%
Expense per FTE	\$ 1,015	\$ 1,579	\$ (563)	-35.7%

	2021	2020	Increase (Decrease)	% Increase (Decrease)
Information Technology/Information Services				
Conferences, Seminars & Travel	\$ 96,485	\$ 89,605	\$ 6,880	7.7%
In-House Training	\$ -	\$ -	\$ -	
#FTE	40	41	(1.00)	
Expense per FTE	\$ 2,412	\$ 2,185	\$ 227	10.4%

	2021	2020	Increase (Decrease)	% Increase (Decrease)
Member Services				
Conferences, Seminars & Travel	\$ 9,620	\$ 13,880	\$ (4,260)	-30.7%
In-House Training	\$ -	\$ -	\$ -	
#FTE	46	46	-	0.0%
Expense per FTE	\$ 209	\$ 302	\$ (93)	-30.7%

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2021 ORSC Budget Presentation

Supplementary Statistical Information

	2016	2017	2018	2019	2020*
Active Members	27,446	27,990	28,212	28,904	29,200
Inactive Members	3,547	3,314	3,610	3,693	3,700
Benefit Recipient (Age, Dis., Survivor)	28,402	28,913	29,361	29,566	29,900
Re-employed Retirees	178	185	196	183	200
Total Membership	59,573	60,402	61,379	62,346	63,000
Members Per FTE	411	408	420	421	434

* estimate