

CITY OF FRESNO RETIREMENT SYSTEMS

FISCAL YEAR 2026

ADOPTED BUDGET





CITY OF FRESNO RETIREMENT SYSTEMS

ADOPTED BUDGET

FISCAL YEAR 2025/2026

Presented to:

CITY OF FRESNO RETIREMENT BOARDS

July 22, 2025

Prepared by:

ROBERT T. TELLER

Retirement Administrator

KATHLEEN RILEY BROWN

Assistant Retirement Administrator

2828 Fresno Street Suite 201
Fresno, CA 93721
(559) 621-7080 / FAX (559) 621-7081

www.cfrs-ca.org



CITY OF FRESNO RETIREMENT SYSTEMS

ROBERT T. THELLER

RETIREMENT ADMINISTRATOR

TABLE OF CONTENTS

Budget Message from Retirement Administrator

Organizational Structure	1
Retirement Board Members	1
Administration of the Systems	5
CFRS Budget Initiatives and Results of Fiscal Year 2025	9
CFRS Budget Goals and Initiatives of Fiscal Year 2026	11

Retirement Administration Operating Budget

Retirement Administrator's Operating Budget	13
Annual Appropriation Resolution for FY 2026	14
Retirement Office Operating Budget	17
Employee Detail – Authorized Positions	18
Deferred Compensation Administration Budget	19

Employees Retirement System

Employees Trust Fund Budget	20
Annual Appropriation Resolution for FY 2026	21
Employees Retirement System Annual Appropriation Budget	24

Fire and Police Retirement System

Fire and Police Trust Fund Budget	26
Annual Appropriation Resolution for FY 2026	27
Fire and Police Retirement System Annual Appropriation Budget	30

Combined Systems Budget

Combined Retirement Systems Annual Appropriation Budget	32
Combined Retirement Systems Travel Budget	34
Combined Retirement Systems Board & Staff Memberships, Dues & Subscriptions	35



BUDGET MESSAGE

July 22, 2025

Dear Retirement Board Members:

CFRS's stewardship of the City of Fresno Retirement Trust Funds requires adherence to the highest standard of fiduciary conduct in our management of the Systems' flow of funds. The Adopted Administrative Operating Budget sets forth management's reports and best estimates of the budgets during the current and next fiscal year.



Robert T. Theller, Esq.
Retirement Administrator

As we close out another fiscal year, the US economy has moved through a landscape marked by evolving challenges and persistent resilience. Inflation, while still a central focus, has continued its moderating trend. This gradual cooling has allowed the Federal Reserve to maintain a cautious approach, holding interest rates steady through much of this period. Globally, the ongoing conflict between Russia and Ukraine continues to create uncertainty, with recent conflicts in the Middle East only adding to that instability.

Looking ahead, fiscal year 2026 will present a mixed economic picture. While recent US economic indicators offer reasons for optimism, particularly with a resilient labor market and ongoing disinflation, these positive signs are significantly counterbalanced by persistent global conflicts and elevated geopolitical uncertainty. This combination of domestic positives and global pressures indicates a year that could see its share of ups and downs.

The Retirement Systems have continued to carefully and steadily navigate these market uncertainties, maintaining their fully funded status on both an actuarial valuation and market value basis. The Retirement Systems remain well-positioned to deliver a solid rate of return that meets or exceeds their respective asset class market indices. The Boards and Staff are prepared to work diligently to address the evolving landscape of global financial markets in the coming year.

AUTHORITY

CFRS is administered pursuant to the Charter of the City of Fresno, Articles 3, 4 and 5 of the Fresno Municipal Code, other relevant State and Federal governing statutes, regulations, and case law.

CFRS POLICIES DRIVE THE ALLOCATION OF RESOURCES

CFRS Administrative Budget is managed in accordance with the law and the Boards adopted policies, including but not limited to the Board Rules of the Retirement Boards, CFRS Mission and Goals and CFRS Annual Budget Resolutions.



BUDGET MESSAGE

CFRS POLICIES DRIVE THE ALLOCATION OF RESOURCES (CONTINUED)

These key policies drive the allocation of staff and contractual resources within the budget process. These key policies are also mirrored in CFRS Investment Objectives and Policy Statement, which governs the allocation of pension contributions, investment income and investment expenses.

Likewise, retirement benefit payments, refunds and actuarial matters are governed in accordance with the policies of the Retirement Boards.

CHALLENGES AND ACCOMPLISHMENTS

Fiscal Year 2025 has been a year of both challenges and accomplishments. As always, the scope and quality of the services that we provide to our members remained our highest priority. With that in mind, during the fiscal year we completed several projects designated to enhance and expand our member services and continued to work on some long-term projects to upgrade our systems and website.

In addition to CFRS normal activities, the following accomplishments with unique challenges were met during the current fiscal year and new challenges for the coming fiscal year have been identified.

ACTUARIAL & FINANCIAL SERVICES

Actuarial:

The Boards, with the assistance of its actuary and staff, completed the annual actuarial valuations for June 30, 2024 and Governmental Accounting Standards Board (GASB) Statement No. 67 which redefines pension liability and expense for financial reporting purposes only. In addition, the Actuary prepared the Governmental Accounting Standards Board (GASB) Statement No. 68 which reports the employer's Net Pension Liability or Asset on the governmental entity's Statement of Net Position for the two retirement systems [Employees and Fire & Police] in accordance with the request from the City of Fresno, in order for the City to complete their income statement, balance sheet and note disclosures [with a measurement date of June 30, 2023] for the City's June 30, 2024 ACFR.

Every three years the Board's Actuary prepares an analysis of the Systems' [Employees and Fire and Police Retirement Systems] DROP to determine if the program is cost neutral. As of June 30, 2019, for the first time in its history DROP for the Fire and Police Retirement System (FPRS) was determined by the Actuary to not be cost neutral. Therefore, with the intent to be cost neutral, the Fire and Police Retirement Board applied the Fresno Municipal Code adjustment provision to reduce by 3.00 percent the Annual Net Effective DROP Interest Rate credited to FPRS active members DROP accounts to achieve cost neutrality for the fiscal year periods July 1, 2020 through June 30, 2023.



BUDGET MESSAGE

Actuarial (Continued):

Utilizing actuarial data as of June 30, 2022, the Actuary has once again determined that the Fire and Police Retirement System's DROP is not cost neutral. Effective July 1, 2023, the Board applied the only lever it currently has available [a 3.00 percent reduction in the annual net effective DROP interest rate] to help reach the goal of cost neutrality in the Fire and Police Retirement System. The Employees Retirement System's DROP remains cost neutral.

Financial Services

Investment Related Services: City of Fresno Retirement Systems' Joint Retirement Board (the Employees and Fire & Police), with the assistance of Staff and their Investment Consultant, continued asset class reviews, investment education and evaluations related to all investment classes.

During fiscal year 2025, the Joint Boards significantly expanded their investment portfolio after comprehensive due diligence, legal reviews, operational due diligence, and background investigations. Early in the fiscal year, the Boards approved investments across various asset classes, including Asia Alternatives, a private equity manager specializing in Asian markets, and Carlyle RSEF II, which focuses on renewable and energy transition assets.

Further private equity approvals included TPG AG for European real estate and Monroe Co Investment for private credit. The Boards also committed to Blue Vista Co Investments OCOEE and Lugoff. Near the end of the fiscal year, after all necessary due diligence was completed, the Joint Boards approved additional investments in PIMCO EDCO and Hines Asian Real Estate Partners. These strategic approvals reflect the Joint Boards' commitment to diversifying assets and optimizing portfolio performance.

BENEFITS, BOARD & MANAGEMENT SUPPORT SERVICES

Benefits Administration: The workload has continued to be heavy due to the number of disabilities and employees eligible for refunds, rollovers, or retirement benefits over the past year.

Benefits Administration System: Business Continuity of PensionGold is of utmost importance in the continuous operations of our benefit payment system. The Boards' Secure Platinum support agreement enables staff to continue operations regardless of the state of our own building in the case of a disaster. The Secure Platinum support has been operational for over ten years and annual backup testing is conducted each year with LRS to ensure off-site recovery for processing monthly retirement benefit payments.

Compliance Programs: Staff continues to further strengthen and upgrade our Compliance Programs which include internal auditing of the benefit program, contract compliance and a review of our internal controls in accounting. We enhance the process with a systematic review of contract renewal dates to ensure timely renegotiations of our major agreements with trustee/custodial banks, actuaries, auditors, and legal counsel.



BUDGET MESSAGE

CFRS Risk Management Program: CFRS risk management effort continues to implement and maintain policy risk controls for asset classes in accordance with the Boards' Investment Objectives and Policy Guidelines. Staff strengthened elements of CFRS risk and investment management efforts by creating new investment manager performance and evaluation reports and by documenting issues of concern and adherence with the Boards' policies. In FY2024, Staff began utilizing Research Management System (RMS) which is an additional subscription feature within the eVestment Alliance suite. This allowed staff to receive access to a single database which can capture notes, performance, processes, and searches, and substantially enhanced staff's knowledge of the investment landscape at any given time. In addition to the use of eVestment Alliance's analytical database, Staff has implemented the use of Solovis to properly analyze and understand the risk and return components to the total fund, and to utilize a regression-based risk platform providing granular risk metrics and factor analysis across fundamental and macro data.

Pension Administration System: Following PG3 System implementation effective July 1, 2015, Staff began the process to implement a rollout of the Member Direct module. As of May 2025, 4,577 Employees & Fire & Police Systems members and retirees have enrolled in the Member Direct module and are able to utilize this module to update bank and beneficiary information [once validated by Retirement Office staff], and access benefit payment vouchers and DROP statements. Additionally, staff proactively engages with active members through informative Mid-Career Retirement Seminars. These seminars equip employees considering retirement or going into the Deferred Retirement Option Program (DROP) within the next 5-10 years, with a clear understanding of available benefits.

Business Continuity Program and Image Document Management System: Implementation of the new Pension Administration System firmly built a solid foundation for the business continuity program and implementation of a sustainable image document management system. When all the Systems' pertinent documents and files are digitized in FY2026 and a copy of that data is stored off site, the business continuity backup plans will be fully established.

CFRS staff members have contributed to the development of our adopted budgets, and I want to personally thank all staff and our consultants.

For those wishing to review additional sources and uses information, CFRS Annual Comprehensive Financial Reports, CFRS Investment Objectives and Policy Statement and Actuarial Valuation Reports can be viewed at the CFRS Office or on our website at www.CFRS-CA.org.

Respectfully submitted,

Robert Theller

Robert T. Theller, Esq.
Retirement Administrator



BUDGET MESSAGE

FY 2026 BUDGET REPORT

This Report consists of the following sections:

Introduction

- Transmittal Report from Retirement Administrator
- CFRS Budget Report for the Systems
- Strategic Staff Services
- CFRS Budget Initiatives and Results for Fiscal Year 2025
- CFRS Budget Goals and Initiatives for Fiscal Year 2026
- Administrative Organizational Structure
- Professional Services Providers

Retirement Office Operating Budget

- Budget Report
- Annual Appropriation Resolution
- Annual Budget for Retirement Office
- Employee Detail – Authorized positions
- Deferred Compensation Budget

Trust Fund Budgets

- Employees Retirement System Trust Fund Budget for FY 2026
- Fire and Police Retirement System Trust Fund Budget for FY 2026
- Combined Trust Fund Budgets for information purposes



CITY OF FRESNO RETIREMENT SYSTEMS

ORGANIZATIONAL STRUCTURE



The **EMPLOYEES RETIREMENT SYSTEM** was established on June 1, 1939 and is maintained and governed by Article 5 of the Fresno Municipal Code. The Employees Retirement System provides retirement benefits for all qualified non-sworn employees of the City of Fresno.

VACANT, CHAIR

RUTH F. QUINTO, VICE CHAIR

Appointed by the Mayor and confirmed by the City Council.

Ruth is the Assistant City Manager. Ruth was appointed to the Employees Retirement Board in December 2022. Her term is continuous.

TYLER KAMALANI

Elected by Manual Workers.

Tyler is a Senior Water Treatment Operator. Tyler was elected September 2024. His term expires June 2026.

MARVELL FRENCH

Appointed by the Board.

Marvell is Market President of Premier Valley Bank. Marvell was appointed by the Employees Retirement Board in 2000. Her term is continuous.

KALEB NEUFELD

Appointed by the Mayor and confirmed by the City Council.

Kaleb is the Assistant Controller for the City of Fresno. Kaleb was appointed to the Employees Retirement Board in April 2025. His term is continuous.



CITY OF FRESNO RETIREMENT SYSTEMS

ORGANIZATIONAL STRUCTURE



The **FIRE AND POLICE RETIREMENT SYSTEM** was established on July 1, 1955 and is maintained and governed by Articles 3 and 4 of the Fresno Municipal Code. The Fire and Police Retirement System provides retirement allowances to all full-time sworn safety members employed by the City of Fresno. The System provides lifetime retirement, disability, and death benefits to its safety members.

JONATHAN LUSK, CHAIR

Elected by the Fire Members.

Jonathan is a Fire Captain for the City of Fresno Fire Department. Jonathan joined the Fire and Police Board in 2015. Jonathan was re-elected June 30, 2022. His new term expires June 30, 2026.

VACANT, VICE CHAIR

LYNN BENNINK

Appointed by the Board.

Lynn Bennink, BSN, RN, is the retired Trauma Program Director at Community Regional Medical Center. Lynn was appointed by the Fire & Police Retirement Board in June 2017. Her term is continuous.

CHRIS COOPER

Elected by the Police Members.

Chris is a Police Officer for the City of Fresno Police Department. Chris was re-elected June 30, 2024. His new term expires June 30, 2028.

LAWRENCE FRENCH

Appointed by the Mayor and confirmed by the City Council.

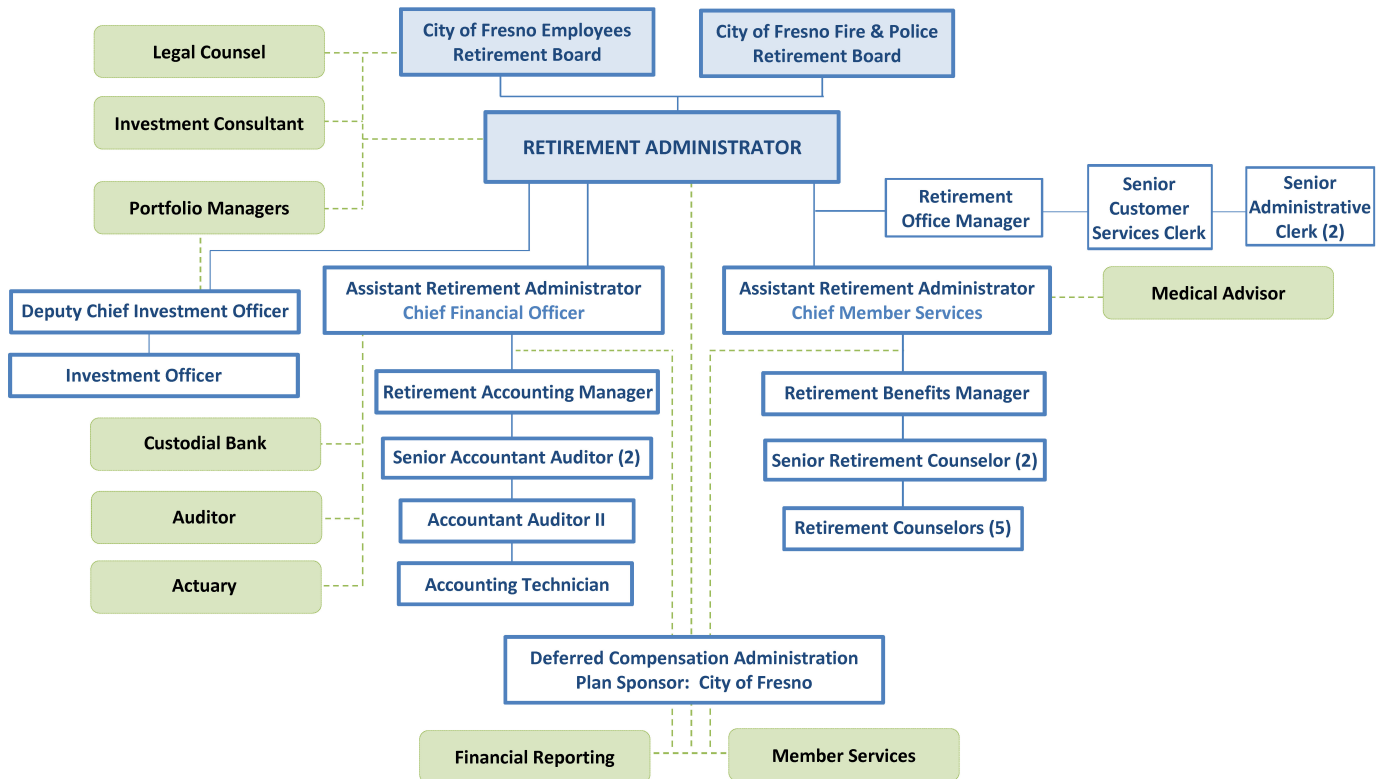
Lawrence is a Battalion Chief for the City of Fresno Fire Department. Lawrence was appointed in November 2023. His term is continuous.



CITY OF FRESNO RETIREMENT SYSTEMS

ORGANIZATIONAL STRUCTURE

City of Fresno Retirement Systems





CITY OF FRESNO RETIREMENT SYSTEMS

STRATEGIC STAFF SERVICES

Member Benefit and Actuarial Services

- Implement the Benefit Services Plan, including Individual Member Counseling
- Establish Eligibility & Process Applications for Membership & Benefits
- Provide for & Monitor Payment of Benefits & Refunds
- Accurately Maintain & Monitor Member & Benefit Databases
- Provide Timely, Accurate & Useful Services, Reports & Recommendations for Members, Retirees, Beneficiaries & the Board

Investment Management and Financial Reporting Services

- Implement the Investment Plan
- Monitor Manager & Custodial Activity
- Project & Monitor Retirement Fund Cash Flows
- Provide Timely, Accurate & Useful Investment and Financial Reports to the Boards
- Manage Contracts
- Compliance Program

Board Support Services

- Faithfully Execute the Duties & Responsibilities Delegated by the Boards
- Support the Boards in its execution of their Powers & Duties
- Provide Timely, Accurate & Useful Information & Recommendations to the Boards
- Direct the Benefits, Investments & Management Services Programs
- Provide Member Education, Public Information & Inter-Agency Services
- Propose, Implement & Monitor Internal Control Systems

Management Services Plan

- Implement the Management Services Plan, including Human Resources, Information Systems
- Fiscal, Accounting, Analytical, Facilities & Support Services
- Maintain Liaison with Providers of City Support Services



CITY OF FRESNO RETIREMENT SYSTEMS

ADMINISTRATION OF THE SYSTEMS

CFRS manages in accordance with the City Charter, the Municipal Code and the Boards adopted policies, including but not limited to the Regulations of the Retirement Boards, CFRS Mission and Goals, CFRS Strategic Services and CFRS Annual Budget Initiatives.

These key policies are also mirrored in CFRS Investment Objectives and Policy Statement, which governs the allocation and management of employer and member contributions and investment income, as well as investment expense.

Likewise, benefit payments, refunds, and actuarial matters are governed in accordance with the Board Rules and Regulations of the Retirement Boards.

The Board defines its duties as follows:

- Grant Earned Benefits & Provide for the Disbursement of those Benefits
- Provide for the Investment & Safekeeping of Retirement Fund Assets
- Assure the Actuarial Soundness of the System
- Establish & Arrange for the Collection of Contributions
- Manage the Systems in accordance with the Law
- Define Fiduciary & Ministerial Responsibilities and Effectively Delegate them to Designated Fiduciaries
- Select & Monitor the Performance of Designated Fiduciaries, including but not limited to investment managers, consultants and other advisors
- Approve & Monitor Internal Controls & Audit Programs

The Boards have delegated responsibility for the management of the Systems to its Retirement Administrator.

CFRS Staff: The Retirement Administrator, administers CFRS operations, serves at the pleasure of the Retirement Boards, is a City employee and CFRS member under contract to the Boards. CFRS staff is responsible for administering the policies and programs approved by the Boards. Reporting directly to the Retirement Administrator are the two Assistant Retirement Administrators, the Investment Officer and the Retirement Office Manager.

The Assistant Retirement Administrator|Chief of Benefit Services, the Retirement Benefits Manager and their staff administer CFRS Benefit & Information Technology programs related to the calculation and processing of retirement, disability and death benefits based on defined benefit formulas as defined in the Fresno Municipal Code.



CITY OF FRESNO RETIREMENT SYSTEMS

The Assistant Retirement Administrator|Chief of Financial Services, the Retirement Accounting Manager and their staff are responsible for (1) establishing and maintaining internal controls designed to protect the assets of the Fund; (2) overseeing and monitoring the Board's legal and other professional service provider contracts; (3) maintaining the accounting records of the Systems; (4) developing accounting/internal controls and enhancing compliance monitoring functions; (5) compiling data necessary for, and preparing, financial statements in conformity with generally accepted accounting principles and applicable requirements; and (6) preparing and monitoring CFRS's annual budgets.

The FY2026 staffing will increase to 22 with the addition of a Senior Accountant Auditor, a Senior Retirement Counselor and a Deputy Chief Investment Officer.

	FY 2026	FY 2025
Total Staffing	22	19
Benefits Services	9	8
Financial Services	6	5
Administrative Staff	7	6

Professional Services: The Boards retain independent advisors to perform specific professional services essential to the Funds. The Actuary provides the Systems with a review of the demographics and actuarial funded status of the Systems and recommends modifications to the economic and non-economic assumptions and member and employer contribution rates. The Investment Consultant assists the Boards with the development, implementation and monitoring of the Fund's asset allocation and manager structure; the maintenance of CFRS Investment Plan; and the measurement of the managers' and the Fund's performance. The Boards retain Style-specific Asset Class Investment Managers to invest and reinvest the assets of the Systems. A global custodian holds in trust the Fund's actively managed assets and provides accounting and performance reports for all investment assets.

City Services: CFRS utilizes the City where it is cost-effective to do so. Currently, CFRS uses the services of the Information Services Department for technical support and maintenance such as telecommunications, internet, and local area network (LAN), and Central Printing Services for City interoffice routing, regular and certified mail, courier services, mass printing and copier maintenance.



CITY OF FRESNO RETIREMENT SYSTEMS

CFRS BENEFIT PROGRAMS

CFRS exists for the sole purpose of administering the funding for and payment of benefits authorized by the City of Fresno Charter and Municipal Code.

Administrative and Professional Budget Policy:

CFRS budgets are a tool for financial planning and operational control.

The budgets spell out how resources in the current fiscal year and in the coming fiscal year enable Staff to accomplish the goals, programs, and projects identified in the budgets.

The administrative and professional budgets shall be presented to the Retirement Boards annually.

The Retirement Boards shall revise and approve the administrative budget annually.

The Board shall approve its professional budgets in the individual contracts for professional services. Staff shall provide the Board with a projection of estimated contractual expenditures for the Board's review and acceptance annually.

Quarterly comparisons of amounts spent versus the amounts budgeted shall be provided to the Board with routine checks that expenditures are being made according to plan in accordance with the Board's Administrative Oversight Policy.

Comparisons of investment performance to various performance goals shall be provided to the Boards monthly and quarterly.

The aggregate expenditure level approved by the Boards may not be amended without the approval of the Boards.

The Boards may amend Budget Category appropriations throughout the Fiscal Year. Such changes shall be by amendment to the Board's Budget Resolution for the fiscal year.

The Boards have delegated the Retirement Administrator authority to approve on-going reallocation of monies among line items within each Category. However, the Boards have retained unto themselves the authority to reallocate monies between Categories. The Retirement Administrator will inform the Boards of all reallocations.

CFRS BENEFITS

CFRS administers retirement, disability and death benefits based on defined benefit formulas as defined in the Fresno Municipal Code.



CITY OF FRESNO RETIREMENT SYSTEMS

CFRS Professional Services Expenses

Staff prepares a professional services budget annually for review by the Boards. The professional services budget is utilized by the Boards to assess, meet, and monitor its contractual obligations related to the management of the Systems. The expenditure authority for each professional services contract is set forth in the terms of the contract. The Boards authorized under the Charter and Municipal Code to expend funds from the Systems for specific professional services.

Professional Service Provider expenses include investment management, investment consulting, global custody, actuarial and legal.

The Retirement Boards employ professional investment managers to maximize the return on assets and minimize risk. Investment Management expenses are primarily dependent upon the market value of the assets under management and the negotiated fee schedule of the individual Investment Management Agreements. They are performance driven to the extent that as market values increase so does management fees. The inverse relationship is also true. Other investment related professional service expenses are driven by individual contractual agreements.

Although investment fees are net from investment income for financial reporting purposes, they are reflected at gross for budgetary purposes.

Investment management expenses are budgeted to increase at the same rate as projected annual market values. The accrual basis of accounting is used to record professional expenses for budget and financial statement purposes.

Performance of investment managers is reviewed monthly and quarterly by the Boards.

Professional service expenses are reviewed quarterly by the Boards to verify conformance with the respective contracts.

CFRS Benefit Disbursements

Included within benefit disbursements are Service Retirements, Service Connected Disability Retirements, Non Service Connected Disability Retirements, DROP program benefits, QDRO benefits, monthly continuance benefits for Beneficiaries and Survivors of deceased members, one-time Lump Sum Death Benefits, refunds of Member Contributions and Interest, and Post Retirement Supplemental Benefits.

The budgeting of benefit disbursements is primarily dependent upon the projected number of employees in retirement, the projected number of beneficiaries and survivors receiving benefits, the number of active employees eligible for disability benefits, the number of active employees leaving the employment of the City prior to receiving pension benefits and the annual cost-of-living adjustments. In order to project annual benefit disbursements, a computation of historical increases in these categories is made, adjusted for any known variances and the expected cost-of-living adjustment, with the resulting factor applied to the previous year's actual expenses. Benefit disbursements are vested rights and not subject to the Board's appropriation authority although the Boards do approve an appropriation for control purposes.



CITY OF FRESNO RETIREMENT SYSTEMS

CFRS BUDGET INITIATIVES AND RESULTS FOR FISCAL YEAR 2025

Member Benefit Services Plan

- Enhanced member educational programs, including programs for New Employee Orientation and the Employee Retirement Incentive.
- Continued evaluation of web based presentations to supplement member educational programs.
- Continued implementation of MemberDirect and preparation and testing of full features.
- Conducted ongoing review and evaluation of the Joint Board's Retirement Policies and Procedures.
- Provided ongoing technical support to the City and labor unions regarding MOU and retirement related issues.
- Conducted ongoing review and evaluation of Member Benefit Services from a risk, compliant and value-added perspective.
- Continued cross training of Retirement Counselors in compliance with sound business succession planning.

Actuarial Services Plan

- Assisted actuary with the June 30, 2024 and 2023 Actuarial Valuations, including an update of the PensionGold extracts from which the valuation is based and implementation of GASB Statement No. 67.
- Assisted actuary with the June 30, 2024 implementation of GASB Statement No. 68 for the City of Fresno for the two Retirement Systems [Employees and Fire & Police].
- Provided Technical Support to City and unions regarding retirement issues. This is an ongoing assignment that staff completes as necessary.

Investment Management Services Plan

- Enhanced and documented risk-monitoring procedures. This is an ongoing project that staff updates as necessary.
- Reviewed, modified and revised as needed the CFRS Investment Objectives and Policy Statement.
- Performed an Investment Manager search, investment and operational due diligence review and selection of private equity and MLP managers.
- Continued the review and update for inclusion of additional risk evaluations with the monthly analytical reports.
- Strengthened as needed the investment manager monitoring program by adjusting and implementing new Compliance testing reports for monthly monitoring and interaction as needed with the Investment Managers and Boards.



CITY OF FRESNO RETIREMENT SYSTEMS

CFRS BUDGET INITIATIVES AND RESULTS FOR FISCAL YEAR 2025

- Incorporated the routine use of additional analytical database services in processes and procedures to enhance validation and transparency of the investment data used in manager searches and in monthly evaluation reviews. This is an ongoing project.
- Initiated evaluation and further education related to private equity, private value-added real estate and with the adopted Asset Allocation Target started implementation of new asset classes according to the Boards' four-year pacing plan.
- Conducted asset class reviews and meetings with respective investment managers.

Board Support Services

- Evaluated CFRS Total Plan Risk. This is an ongoing project.
- Continued the process to strengthen the Internal Control/Compliance Programs by documenting policies into accounting desk level procedures.
- Completed the Annual Independent Audit of CFRS Financial Statements and Published Annual Comprehensive Financial Reports.
- Reviewed the Board's essential policy resolutions. Review is an ongoing assignment.
- Conducted review of Fiduciary Liability Insurance coverage issues and recommended action pertaining to renewal of the Boards' fiduciary liability insurance policy.
- Conducted review of separate Cyber Liability Insurance coverage and recommended action pertaining to renewal of the Boards' cyber liability insurance policy.
- Conducted Board member elections.

Management Services Plan

- Conducted the ongoing review of CFRS technological infrastructure to ensure that the infrastructure is secure and capable of supporting current and new applications.

Human Resources Plan

- Continued Professional Development & Training of staff through ongoing attendance at CALAPRS Roundtable meetings.
- Developed a Transition Management Plan for staff.
- Continued to train the Accounting Technician to support greater demands to research, analyze and perform a wider range of advanced accounting practices expanding the Systems' application of advanced accounting capabilities.



CFRS BUDGET GOALS AND INITIATIVES FOR FISCAL YEAR 2026

Goal 1 – Invest CFRS portfolio prudently to achieve a stable long-term rate of return.

Initiatives:

- Develop an investment program that measures and optimizes expected return and risk.
 - Implement a strategic asset allocation plan that uses risk effectively and further diversifies the portfolio.
 - Enhance database tracking of manager due diligence and surveillance information.
 - Develop a risk budget based on quantitative analysis of both systematic and structural sources of return.
 - Collaborate with Investment Consultant to develop a factor-based approach to managing exposures.
- Identify and develop Investment Team's core competencies.
 - Determine the best approach to managing resources.
 - Identify critical resources.
 - Develop competencies within the Investment Team:
 - Develop a quantitative analysis function that focuses on risk budgeting, portfolio construction/ optimization, tactical asset allocation, and smart rebalancing.
 - Enhance the existing expertise in the area of manager selection and skill identification.

Goal 2 – Deliver high quality customer service and education that enables our members to make informed benefit decisions.

Initiatives:

- Develop and implement a communications plan to strengthen stakeholder understanding of CFRS.
 - Evaluate public relations strategy.
 - Evaluate implementation of 1 on 1 member counseling.
 - Evaluate the use of automated emails to members.
 - Evaluate enhancements to telephone system.
 - Evaluate effectiveness of emerging technologies, i.e. social media.
- Assess and improve efficiency of processes (improve accuracy, completeness and timeliness of benefits and services).
 - Expand Member Services quality control program.
 - Consider electronic business processes for disability.
 - Update and expand online business resource information (guides, policies, procedures).
 - Develop employer education and customer service program.
- Refine and effectively measure performance standards, metrics and member feedback.
 - Review/refine performance standards.
 - Develop tools to effectively measure and report results.



CITY OF FRESNO RETIREMENT SYSTEMS

CFRS BUDGET GOALS AND INITIATIVES FOR FISCAL YEAR 2026

Goal 3 – Foster a culture that values accountability and achievement.

Initiatives:

- Offer programs to enhance skills and advance development of staff.
 - Offer targeted employee training in communication, interpersonal skills, professional development and time management.
 - Develop employee business knowledge training.
 - Grow and promote mentoring program.
- Optimize CFRS organizational structure.
 - Evaluate CFRS operational activities for efficiencies, consider consolidation where practical, i.e. mail/scanning.
- Integrate CFRS values throughout the organization.
 - Clearly define CFRS values.
 - Promote and educate staff about CFRS values.
 - Incorporate CFRS mission and values into performance management.

Goal 4 – Administer CFRS effectively and efficiently.

Initiatives:

- Implement web services aspect of our new pension administration system.
 - Continue post implementation support.
 - Continue planning for web services.
- Ensure organizational quality and performance through continuous improvement.
 - Continue expanding electronic document imaging across CFRS.
 - Evaluate vendor services to replace/upgrade Accounting General Ledger to take advantage of more interactive software.
 - Develop and document process for Board agenda processing.
 - Implement a plan for future office space needs.



CITY OF FRESNO RETIREMENT SYSTEMS

RETIREMENT ADMINISTRATION OPERATING BUDGET



The Retirement Administration Operating Budget is comprised of Employee Services, Pension Obligation Bond Debt Service, Vehicle Allowance and various other Interdepartmental Charges representing an allocation of costs to the Retirement Office for Fixed Inter-department Reimbursement to the General Fund, Information Systems Services and Equipment, Property Self-Insurance, Liability Self Insurance, Telephone Service Charges, Visitor Parking Permits and Call Center Charges.

Deferred Compensation Budget

In accordance with the Deferred Compensation Agreement between the City and the Retirement Boards, the Deferred Compensation Budget allocates a portion of the Retirement Office Administration Operating costs to the City for appropriation of revenue to the Retirement Systems for the Administration of the City's Deferred Compensation Plan.

The total Retirement Office Administration Operating Budget is funded from the two Retirement Trusts: Employees and Fire and Police, net of revenue from the City's payment for the Deferred Compensation Administrative Fee.

RESOLUTION NO. 2026-01

ANNUAL APPROPRIATION RESOLUTION OF THE CITY OF FRESNO FIRE AND POLICE AND EMPLOYEES RETIREMENT SYSTEMS ADOPTING THE OPERATING BUDGET FOR THE RETIREMENT OFFICE FOR FISCAL YEAR 2026

WHEREAS, the Fire and Police and the Employees Retirement Boards meeting and budget hearing having been duly noticed in the Boards' agenda for the July 22, 2025 Board meeting, and all necessary findings having been made,

BE IT RESOLVED by the Retirement Boards for the City of Fresno Fire and Police Retirement System and the Employees Retirement System:

PART 1

THAT the amounts set forth for the purposes named herein shall, upon the adoption of this resolution, become the budget of the City of Fresno Retirement Office, within the meaning and context of Section Numbers 910 and 1100 of the City of Fresno Charter; and,

PART II

THAT the general provisions governing this resolution are as follows:

Section 1. THE FISCAL YEAR 2026 BUDGET. There is a budget for the Retirement Office Operating Fund for employee services, operations, maintenance, minor capital and major capital improvements, and such other purposes and expenditures, as may be approved by the Retirement Boards.

Section 2. TRANSFERS AND INCREASES IN BUDGETS. Any adjustments in the amounts budgeted for the purposes indicated herein shall be made only upon a motion to amend this resolution, adopted by the affirmative votes of at least three Board members from each Board.

Section 3. CONTRADICTORY PROVISIONS OF PREVIOUS RESOLUTIONS. Any other prior resolutions or provisions of the Retirement Boards, respecting the administration of the fiscal year 2026 budget, which are in contradiction with this resolution, are hereby superseded.

Section 4. ADMINISTRATION. The Retirement Administrator or his designee shall maintain all changes to this resolution and shall cause to be filed with the Boards' secretary, a copy of any subsequent amendments to this resolution, following adoption by the Retirement Boards.

Section 5. CLERICAL CORRECTIONS. The adoption of this resolution implements the motions and actions of the City of Fresno Fire and Police Retirement Board and the Employees Retirement Board in the original proposed budget and other motions, if any, for direction in the drafting of this final action. By adoption of this resolution, the Retirement Boards hereby direct responsible Retirement staff to make necessary technical and clerical corrections to this resolution to implement the intent of the Retirement Boards. Such corrections shall not alter, in any manner, the substance or intent of the Retirement Boards in adopting this budget resolution.

PART III

THAT the following amounts, as detailed in the attached exhibits, are allocated to the Retirement Office Operating Fund for the purpose or purposes indicated.

CERTIFICATION OF SECRETARY

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, ROBERT T. THELLER, Retirement Administrator and Ex-Officio Secretary of the City of Fresno City Retirement Boards, certify that the foregoing resolution was adopted by the Fire and Police Retirement Board and the Employees Retirement Board, Fresno, California at a regular meeting thereof, held on the 22nd Day of July, 2025.

ROBERT T. THELLER, RETIREMENT ADMINISTRATOR AND
EX-OFFICIO SECRETARY OF THE RETIREMENT BOARDS

By: Pattie Laygo
Deputy



CITY OF FRESNO RETIREMENT SYSTEMS

RETIREMENT ADMINISTRATION OPERATING BUDGET - FY 2026

Retirement Office Operating Budget

Account Description	FY 2025 Adopted Budget	FY 2026 Base Budget Submission	Net Change	Adopted Budget FY 2026	Change from FY 2025
Employee Services					
Permanent Salaries	1,886,800	1,902,000	15,200	2,220,300	333,500
Perm Fringe	27,800	33,000	5,200	38,300	10,500
Employee Leave Payoff - Non-Term	41,300	47,400	6,100	48,300	7,000
Perm Fringe - Health & Welfare	239,300	249,900	10,600	273,900	34,600
Perm Fringe - Life & Disability Ins.	9,600	9,700	100	12,000	2,400
Perm Fringe - Pension ER contribution	252,200	252,000	(200)	279,500	27,300
Leave Payoff - At Termination	14,100	16,300	2,200	16,600	2,500
Premium Pay (RA-Deferred Comp)	10,900	10,900	—	11,100	200
Employee Services Total	2,482,000	2,521,200	39,200	2,900,000	418,000
Attrition Savings (Estimate)	—	—	—	(179,200)	(179,200)
Employee Services - Net of Attrition Savings	2,482,000	2,521,200	39,200	2,720,800	238,800
Operations & Maintenance					
Commission Stipends (Board Members)	4,800	4,800	—	4,800	—
Gen Svc Pens Oblig Bond Dbt Svc	27,700	27,300	(400)	27,300	(400)
Recurring Vehicle Allowance	11,900	11,900	—	11,900	—
Operations & Maintenance Total	44,400	44,000	(400)	44,000	(400)
InterDepartmental Charges					
Cost Allocation Plan Charges*	177,500	223,900	46,400	223,900	46,400
Mail/Messenger/Copier Service	29,700	28,600	(1,100)	28,600	(1,100)
Telephone Service Charges	41,900	16,000	(25,900)	16,000	(25,900)
Info Systems Service Charge	79,500	85,700	6,200	83,900	4,400
Info Systems Equip(apps, licensing)	94,800	53,100	(41,700)	49,300	(45,500)
ERP Replacement Charge	11,600	13,800	2,200	13,800	2,200
Network Replacement Charges	23,000	3,100	(19,900)	3,100	(19,900)
Replacement/Leased Computers	12,600	19,200	6,600	19,200	6,600
311 Fixed Service Charge	—	—	—	300	300
InterDepartmental Charges Total	470,600	443,400	(27,200)	438,100	(32,500)
Grand Total	2,997,000	3,008,600	11,600	3,202,900	205,900

*Includes previously separate appropriation for City Council Office, Office of the Mayor, City Manager Admin and Mgmt, HR-Operations, Training Unit Charges, Budget Program, City Clerk's Operations, Call Center, COF Accounting Dept, Treasury Dept, COF Internal Audit Employment Services and City Attorney Charges.



CITY OF FRESNO RETIREMENT SYSTEMS

RETIREMENT ADMINISTRATION OPERATING BUDGET - FY 2026

FY 2026 Retirement Office Budgeted Revenues

Account Description	Amended FY 2025 Budget Year End Estimate	FY 2026 Base Budget Submission	Adopted Budget FY 2026	Change From FY 2025
Revenues				
Carryover from prior year	290,400	157,100	157,100	(133,300)
Interest (estimate)	11,000	22,000	22,000	11,000
Reimb from City Def. Comp.	156,900	117,500	117,500	(39,400)
Total Revenues	458,300	296,600	296,600	(161,700)
Employee Services & ID Charges				
Reimb from ERS Trust	1,297,800	1,425,750	1,440,150	142,350
Reimb from FPRS Trust	1,297,800	1,425,750	1,440,150	142,350
Transfer Employee Services & ID Charges	2,595,600	2,851,500	2,880,300	284,700

Employee Detail - Authorized Positions

Job Class	Employee Name	Class Title
135030	Theller, Robert	Retirement Administrator
135040	Riley Brown, Kathleen	Assistant Retirement Administrator
135040	Timberlake, Yvonne	Assistant Retirement Administrator
*	Vacant	Deputy Chief Investment Officer
135014	Jacobs, Chad	Investment Officer
115007	Laygo, Pattie	Retirement Office Manager
115062	Gonzales, Tracy	Senior Customer Services Clerk
110003	Torentela, Gilberto	Senior Administrative Clerk
110003	Lopez, Cecilia	Senior Administrative Clerk
135044	Magallanes, Alberto	Retirement Accounting Manager
130013	Espiritu, Karen	Senior Accountant-Auditor
130013	Vacant	Senior Accountant-Auditor
130012	Jurado, M. Cristina	Accountant-Auditor II
130010	Espinoza, Kristina	Accounting Technician
135045	Ketch, Andrea	Retirement Benefits Manager
135052	Taketa, Joan**	Senior Retirement Counselor
135052	Vacant	Senior Retirement Counselor
135051	Vacant	Retirement Counselor II
135051	Leon, Enia	Retirement Counselor II
135051	Cortes, Erika	Retirement Counselor II
135051	Smiley, Machele	Retirement Counselor II
135051	Her, Paa	Retirement Counselor I

*Position approved, Job Class # still not assigned.

**Provisional appointment



CITY OF FRESNO RETIREMENT SYSTEMS

RETIREMENT ADMINISTRATION OPERATING BUDGET - FY 2026

Deferred Compensation Administration Budget

Account Description	Budget FY2026	Deferred Compensation
Employee Services		
Permanent Salaries	2,220,300	89,000
Permanent Fringe Statutory	324,200	13,000
Employee Leave Payoff-Non Term	48,300	—
Permanent Fringe - ER Pension Contribution	279,500	11,200
Leave Payoff - at Termination	16,600	—
Premium Pay excluded in 651102	11,100	—
Employee Services Total	2,900,000	113,200
Attrition Savings (Estimate)	(179,200)	(7,200)
Employee Services - Net of Attrition Savings	2,720,800	106,000
Operations & Maintenance		
Commission Stipends (Board members)	4,800	—
Gen Svc Pens Oblig Bond Dbt Svc	27,300	1,100
Recurring Vehicle Allowance	11,900	—
Operations & Maintenance Total	44,000	1,100
InterDepartmental Charges		
City Attorney - Variable	—	—
Cost Allocation Plan Charges*	223,900	9,000
Mail/Messenger/Copier Service	28,600	1,200
Telephone Service Charges	16,000	700
Info Systems Service Charge	83,900	3,400
Info Systems Equip(apps, licensing)	49,300	2,000
PeopleSoft Replacement Charges	13,800	600
Network Replacement Charges	3,100	200
Replacement/Leased Computers	19,200	800
311 Fixed Service Charge	300	—
InterDepartmental Charges Total	438,100	17,900
Grand Total	3,202,900	125,000

**Includes previously separate appropriation for City Council Office, Office of the Mayor, City Manager Admin and Mgmt, HR-Operations, Training Unit Charges, Budget Program, City Clerk's Operations, Call Center, COF Accounting Dept, Treasury Dept, COF Internal Audit Employment Services and City Attorney Charges.*



CITY OF FRESNO RETIREMENT SYSTEMS



Employees Retirement System Trust Fund Budget – FY 2026

The Fiscal Year 2026 Budget: For the City of Fresno Employees Retirement Trust sets forth appropriations for retiree benefits, operations, maintenance, minor capital and major capital improvements, if any, and such other purposes and expenditures, including the reimbursement of the Retirement Office operating budget, as may be approved by the Retirement Board.

Retiree benefits: The benefit payments amount shown reflects an increase to add the normal number of new retirees. There are no PRSB monthly payments for FY2025 and none are anticipated for Calendar Year 2026, therefore the FY2026 Budget estimate is zero for calendar year 2026 as actual rather than projected June 30, 2025 surpluses will be used to determine the 2026 calendar year PRSB and they will not be known until November. The DROP distribution amounts continue to be extremely difficult to project from year to year.

Professional Investment Services and Professional Services - Consultants: This part of the annual budget is for portfolio investment management fees, investment consultant and legal counsel, analytic database services and global custodian services. Investment

management fees are projected for anticipated asset class growth but do not include potential changes to the Board's target asset allocations.

The FY 2026 Budget also includes global custodian fees and the impact of investment changes on those global transaction related and asset-based fees.

Included are renewals of premiums and fees for cyber liability and fiduciary liability insurance, and eVestment Alliance database software services.

Administrative Expenses: In addition to the Reimbursement of Board Member Time, administrative expense includes the transfer to fund the Retirement Office Administration Operating Budget for Employee Services and Interdepartmental Charges.

Capital Budget: Appropriations, if any, are for computer software and hardware, furniture, office reconfigurations and ergonomics.

RESOLUTION NO. 2026-01

ANNUAL APPROPRIATION RESOLUTION OF THE CITY OF FRESNO EMPLOYEES RETIREMENT BOARD ADOPTING THE BUDGET FOR FISCAL YEAR 2026

WHEREAS, the Employees Retirement Board's meeting and budget hearing having been duly noticed in the Boards' agenda for the July 22, 2025, Board meeting, and all necessary findings having been made,

Be it resolved by the Retirement Board for the City of Fresno Employees Retirement System:

PART 1

THAT the amounts set forth for the purposes named herein shall, upon the adoption of this resolution, become the budgets of the City of Fresno Employees Retirement System, within the meaning and context of Section Numbers 910 and 1100 of the City of Fresno Charter; and,

PART II

THAT the general provisions governing this resolution are as follows:

Section 1. THE FISCAL YEAR 2026 BUDGET. There is a budget for the City of Fresno Employees Retirement Trust Fund for retiree benefits, operations, maintenance, minor capital and major capital improvements, and such other purposes and expenditures, including the reimbursement of the Retirement Office operating budget, as may be approved by the Retirement Board.

Section 2. TRANSFERS AND INCREASES IN BUDGETS. Any adjustments in the amounts budgeted for the purposes indicated herein shall be made only upon a motion to amend this resolution, adopted by the affirmative votes of at least three Board members.

Section 3. CONTRADICTORY PROVISIONS OF PREVIOUS RESOLUTIONS. Any other prior resolutions or provisions of the Retirement Board, respecting the administration of the fiscal year 2026 budget, which are in contradiction with this resolution, are hereby superseded.

Section 4. ADMINISTRATION. The Retirement Administrator or his designee shall maintain all changes to this resolution and shall cause to be filed with the Boards' secretary, a copy of any subsequent amendments to this resolution, following adoption by the Retirement Board.

Section 5. CLERICAL CORRECTIONS. The adoption of this resolution implements the motions and actions of the City of Fresno Employees Retirement Board in the original proposed budget and other motions, if any, for direction in the drafting of this final action. By adoption of this resolution, the Retirement Board hereby directs responsible Retirement staff to make necessary technical and clerical corrections to this resolution to implement the intent of the Retirement Board. Such corrections shall not alter, in any manner, the substance or intent of the Retirement Board in adopting this budget resolution.

PART III

THAT the following amounts, as detailed in the attached exhibits, are allocated to the trust funds for the purpose or purposes indicated.

CERTIFICATION OF SECRETARY

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, ROBERT T. THELLER, Retirement Administrator and Ex-Officio Secretary of the City of Fresno City Retirement Boards, certify that the foregoing resolution was adopted by the Employees Retirement Board, Fresno, California at a regular meeting thereof, held on the 22nd day of July 2025.

ROBERT T. THELLER, RETIREMENT ADMINISTRATOR AND
EX-OFFICIO SECRETARY OF THE RETIREMENT BOARDS

By: Pattie Laygo
Deputy



CITY OF FRESNO RETIREMENT SYSTEMS

EMPLOYEES RETIREMENT SYSTEM TRUST FUND BUDGET - FY 2026

Employees Retirement System - Retiree Benefit Payments Budget

Line Item Description	Budget FY 2025	Est. YE FY 2025	Budget FY 2026	Net Change
Benefit Services				
Monthly Benefit Payments	67,900,000	69,594,665	74,500,000	6,600,000
Post Retirement Supplemental Benefit	—	—	—	—
Deferred Retirement Option Payments	17,200,000	17,595,339	18,200,000	1,000,000
Employee Contribution Refunds	1,600,000	2,015,283	2,000,000	400,000
Total Benefit Services	86,700,000	89,205,287	94,700,000	8,000,000

Employees Retirement System - Operating Budget

Line Item Description	Budget FY 2025	Est. YE FY 2025	Budget FY 2026	Net Change
Custody Investment Expenses				
Foreign Income Taxes, Securities Lending, FX	1,600,000	1,723,922	1,800,000	200,000
Total Custody Investment Expenses	1,600,000	1,723,922	1,800,000	200,000
Investment-Related Professional Services				
Investment Management Fees	2,500,000	1,972,377	2,250,000	(250,000)
Investment Analytical Database Services	120,000	116,324	125,000	5,000
Investment Legal Counsel	125,000	91,079	125,000	—
Investment Consultant	190,000	171,814	190,000	—
Global Custodian and Global Account Based Fees	250,000	134,358	250,000	—
LexisNexis Background Investigations	10,000	3,000	10,000	—
Total Investment-Related Professional Services	3,195,000	2,488,952	2,950,000	(245,000)
Total Custody & Investment-Related Professional Services	4,795,000	4,212,874	4,750,000	(45,000)
Professional Services - Consultants & Other				
General Counsel Legal Services	210,000	118,224	150,000	(60,000)
Tax/Litigation Legal Services	—	115,871	150,000	150,000
Actuarial Services	150,000	81,583	150,000	—
Computer Systems and Imaging Maintenance	110,000	101,984	110,000	—
Independent Auditor	25,000	24,692	25,000	—
Hearing Officers, Medical Examiners	75,000	37,758	75,000	—
Consultants/Cybersecurity	12,500	4,329	12,500	—
Other Professional Services	15,000	4,763	15,000	—
Total Professional Services - Consultants & Other	597,500	489,204	687,500	90,000



CITY OF FRESNO RETIREMENT SYSTEMS

EMPLOYEES RETIREMENT SYSTEM TRUST FUND BUDGET - FY 2026

Employees Retirement System - Operating Budget Continued

Line Item Description	Budget FY 2025	Est. YE FY 2025	Budget FY 2026	Net Change
Administrative Expenses				
Reimbursement to City for Board Member Time	10,000	4,295	10,000	—
Board Member Education & Conferences	35,000	15,952	40,000	5,000
Due Diligence Site Visitation (Travel Costs)	60,000	48,349	60,000	—
Membership & Dues	8,000	8,838	9,000	1,000
Board Educational Conference (offsite)	10,000	4,143	10,000	—
Retirement Administration (Emp Services & ID) Transfer	1,316,776	1,352,600	1,425,750	108,974
Web Based Svcs (Workiva, iCompass/EDMS and ACH Universal)	25,000	4,753	25,000	—
Lease Office Space & CAM	225,000	272,389	300,000	75,000
Cyber and Fiduciary Liability Insurance	100,000	91,188	100,000	—
Retirement Staff Education and Conference	44,700	41,148	44,700	—
Postage and Overnight mail	2,500	1,747	2,500	—
iPad Data charges, Equipment and Rental	40,000	16,504	40,000	—
Stationary and Supplies	7,500	3,768	7,500	—
Publications & Subscriptions	960	601	800	(160)
Miscellaneous Expense	1,500	2,337	2,000	500
Total Administrative Expenses	1,886,936	1,868,612	2,077,250	190,314
Capital Budget				
Furniture, office reconfigurations and ergonomics	50,000	12,102	50,000	—
Total Capital Budget	50,000	12,102	50,000	—
Total Administrative Expenses and Capital Budget	1,936,936	1,880,714	2,127,250	190,314
Total Employees Retirement System Operating Budget	7,329,436	6,582,792	7,564,750	235,314



CITY OF FRESNO RETIREMENT SYSTEMS



Fire and Police Retirement System Trust Fund Budget – FY 2026

The Fiscal Year 2026 Budget: For the City of Fresno Fire and Police Retirement Trust sets forth appropriations for retiree benefits, operations, maintenance, minor capital and major capital improvements, if any, and such other purposes and expenditures, including the reimbursement of the Retirement Office operating budget, as may be approved by the Retirement Board.

Retiree benefits: The benefit payments amount shown reflects an increase to add the normal number of new retirees. The 2025 calendar year PRSB monthly payment is \$135.4. Therefore, the FY2026 Budget estimate anticipates a monthly PRSB payment for half of the FY2026 budget in the amount of \$135.4. However, for calendar year 2026 actual rather than projected June 30, 2025 surpluses will be used to determine the 2026 calendar year PRSB and they will not be known until November. The DROP distribution amounts continue to be extremely difficult to project from year to year and the amount of the monthly benefit payment attributable to DROP benefit payments is an increasingly higher portion of the total benefit payment.

Professional Investment Services and Professional Services - Consultants: This part of the annual budget is for portfolio

investment management fees, investment consultant and legal counsel,

analytic database services and global custodian services. Investment management fees are projected for anticipated asset class growth but do not include potential changes to the Board's target asset allocations.

The FY 2026 Budget also includes global custodian fees and the impact of investment changes on those global transaction related and asset-based fees.

Included are renewals of premiums and fees for cyber liability and fiduciary liability insurance and eVestment Alliance database software services.

Administrative Expenses: In addition to the Reimbursement of Board Member Time, administrative expense includes the transfer to fund the Retirement Office Administration Operating Budget for Employee Services and Interdepartmental Charges.

Capital Budget: Appropriations, if any, are for computer software and hardware, furniture, office reconfigurations and ergonomics.

RESOLUTION NO. FP 2026-01

ANNUAL APPROPRIATION RESOLUTION OF THE CITY OF FRESNO FIRE AND POLICE RETIREMENT BOARD ADOPTING THE BUDGET FOR FISCAL YEAR 2026

WHEREAS, the Fire and Police Retirement Board's meeting and budget hearing having been duly noticed in the Board's agenda for the July 22, 2025, Board meeting, and all necessary findings having been made,

Be it resolved by the Retirement Board for the City of Fresno Fire and Police Retirement System:

PART 1

THAT the amounts set forth for the purposes named herein shall, upon the adoption of this resolution, become the budgets of the City of Fresno Fire and Police Retirement System, within the meaning and context of Section Numbers 910 and 1100 of the City of Fresno Charter; and,

PART II

THAT the general provisions governing this resolution are as follows:

Section 1. THE FISCAL YEAR 2026 BUDGET. There is a budget for the City of Fresno Fire and Police Retirement Trust Fund for retiree benefits, operations, maintenance, minor capital and major capital improvements, and such other purposes and expenditures, including the reimbursement of the Retirement Office operating budget, as may be approved by the Retirement Board.

Section 2. TRANSFERS AND INCREASES IN BUDGETS. Any adjustments in the amounts budgeted for the purposes indicated herein shall be made only upon a motion to amend this resolution, adopted by the affirmative votes of at least three Board members.

Section 3. CONTRADICTORY PROVISIONS OF PREVIOUS RESOLUTIONS. Any other prior resolutions or provisions of the Retirement Board, respecting the administration of the fiscal year 2026 budget, which are in contradiction with this resolution, are hereby superseded.

Section 4. ADMINISTRATION. The Retirement Administrator or his designee shall maintain all changes to this resolution and shall cause to be filed with the Board's secretary, a copy of any subsequent amendments to this resolution, following adoption by the Retirement Board.

Section 5. CLERICAL CORRECTIONS. The adoption of this resolution implements the motions and actions of the City of Fresno Fire and Police Retirement Board in the original proposed budget and other motions, if any, for direction in the drafting of this final action. By adoption of this resolution, the Retirement Board hereby directs responsible Retirement staff to make necessary technical and clerical corrections to this resolution to implement the intent of the Retirement Board. Such corrections shall not alter, in any manner, the substance or intent of the Retirement Board in adopting this budget resolution.

PART III

THAT the following amounts, as detailed in the attached exhibits, are allocated to the trust funds for the purpose or purposes indicated.

CERTIFICATION OF SECRETARY

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, ROBERT T. THELLER, Retirement Administrator and Ex-Officio Secretary of the City of Fresno City Retirement Boards, certify that the foregoing resolution was adopted by the Fire and Police Retirement Board, Fresno, California at a regular meeting thereof, held on the 22nd day of July 2025.

ROBERT T. THELLER, RETIREMENT ADMINISTRATOR AND
EX-OFFICIO SECRETARY OF THE RETIREMENT BOARDS

By: Pattie Laygo
Deputy



CITY OF FRESNO RETIREMENT SYSTEMS

FIRE AND POLICE RETIREMENT SYSTEM TRUST FUND BUDGET - FY 2026

Fire and Police Retirement System - Retiree Benefit Payments Budget

Line Item Description	Budget FY 2025	Est. YE FY 2025	Budget FY 2026	Net Change
Benefit Services				
Monthly Benefit Payments	70,600,000	72,069,658	77,500,000	6,900,000
Post Retirement Supplemental Benefit	2,750,000	2,005,258	2,500,000	(250,000)
Deferred Retirement Option Payments	22,900,000	17,686,733	22,900,000	—
Employee Contribution Refunds	1,000,000	931,751	1,000,000	—
Total Benefit Services	97,250,000	92,693,400	103,900,000	6,650,000

Fire and Police Retirement System - Operating Budget

Line Item Description	Budget FY 2025	Est. YE FY 2025	Budget FY 2026	Net Change
Custody Investment Expenses				
Foreign Income Taxes, Securities Lending, FX	1,800,000	1,957,273	2,100,000	300,000
Total Custody Investment Expenses	1,800,000	1,957,273	2,100,000	300,000
Investment-Related Professional Services				
Investment Management Fees	3,000,000	2,396,036	2,750,000	(250,000)
Investment Analytical Database Services	120,000	116,324	125,000	5,000
Investment Legal Counsel	125,000	91,079	125,000	—
Investment Consultant	190,000	180,480	200,000	10,000
Global Custodian and Global Account Based Fees	300,000	163,296	300,000	—
LexisNexis Background Investigations	10,000	3,000	10,000	—
Total Investment-Related Professional Services	3,745,000	2,950,215	3,510,000	(235,000)
Total Custody & Investment Professional Services Expenses	5,545,000	4,907,488	5,610,000	65,000
Professional Services - Consultants & Other				
General Counsel Legal Services	270,000	118,224	150,000	(120,000)
Tax/Litigation Legal Services	—	121,090	150,000	150,000
Actuarial Services	170,000	105,707	170,000	—
Computer Systems and Imaging Maintenance	110,000	101,984	110,000	—
Independent Auditor	25,000	23,069	25,000	—
Hearing Officers, Medical Examiners	200,000	90,804	200,000	—
Consultants/Cybersecurity	12,500	4,329	12,500	—
Other Professional Services	15,000	4,763	15,000	—
Total Professional Services - Consultants & Other	802,500	569,970	832,500	30,000



CITY OF FRESNO RETIREMENT SYSTEMS

FIRE AND POLICE RETIREMENT SYSTEM TRUST FUND BUDGET - FY 2026

Fire and Police Retirement System - Operating Budget Continued

Line Item Description	Budget FY 2025	Est. YE FY 2025	Budget FY 2026	Net Change
<u>Administrative Expenses</u>				
Reimbursement to City for Board Member Time	15,000	57,021	60,000	45,000
Board Member Education & Conferences	35,000	32,236	40,000	5,000
Due Diligence Site Visitation (Travel Costs)	60,000	47,802	60,000	—
Membership & Dues	8,000	8,722	9,000	1,000
Board Educational Conference (offsite)	10,000	4,143	10,000	—
Retirement Administration (Emp Services & ID) Transfer	1,316,776	1,352,600	1,425,750	108,974
Web Based Svcs (Workiva, iCompass/EDMS and ACH Universal)	25,000	4,752	25,000	—
Lease Office Space & CAM	225,000	272,390	300,000	75,000
Cyber and Fiduciary Liability Insurance	100,000	91,188	100,000	—
Retirement Staff Education and Conference	44,700	41,184	44,700	—
Postage and Overnight mail	2,500	1,747	2,500	—
iPad Data charges, Equipment and Rental	40,000	16,731	40,000	—
Stationary and Supplies	7,500	3,768	7,500	—
Publications & Subscriptions	960	601	800	(160)
Miscellaneous Expense	1,500	1,692	2,000	500
Total Administrative Expenses	1,891,936	1,936,577	2,127,250	235,314
<u>Capital Budget</u>				
Furniture, office reconfigurations and ergonomics	50,000	12,102	50,000	—
Total Capital Budget	50,000	12,102	50,000	—
Total Administrative Expenses and Capital Budget	1,941,936	1,948,679	2,177,250	235,314
Total Fire & Police Retirement System Operating Budget	8,289,436	7,426,138	8,619,750	330,314



CITY OF FRESNO RETIREMENT SYSTEMS

COMBINED RETIREMENT SYSTEMS BUDGET FY 2026

Combined Retirement Systems - Retiree Benefit Payments Budget

Line Item Description	Budget FY 2025	Est. YE FY 2025	Budget FY 2026	Net Change
Benefit Services				
Monthly Benefit Payments	138,500,000	141,664,323	152,000,000	13,500,000
Post Retirement Supplemental Benefit	2,750,000	2,005,258	2,500,000	(250,000)
Deferred Retirement Option Payments	40,100,000	35,282,072	41,100,000	1,000,000
Employee Contribution Refunds	2,600,000	2,947,034	3,000,000	400,000
Total Benefit Services	183,950,000	181,898,687	198,600,000	14,650,000

Combined Retirement Systems - Operating Budget

Line Item Description	Budget FY 2025	Est. YE FY 2025	Budget FY 2026	Net Change
Custody Investment Expenses				
Foreign Income Taxes, Securities Lending, FX	3,400,000	3,681,195	3,900,000	500,000
Total Custody Investment Expenses	3,400,000	3,681,195	3,900,000	500,000
Investment-Related Professional Services				
Investment Management Fees	5,500,000	4,368,413	5,000,000	(500,000)
Investment Analytical Database Services	240,000	232,648	250,000	10,000
Investment Legal Counsel	250,000	182,158	250,000	—
Investment Consultant	380,000	352,294	390,000	10,000
Global Custodian and Global Account Based Fees	550,000	297,654	550,000	—
LexisNexis Background Investigations	20,000	6,000	20,000	—
Total Investment-Related Professional Services	6,940,000	5,439,167	6,460,000	(480,000)
Total Custody & Investment-Related Professional Services	10,340,000	9,120,362	10,360,000	20,000
Professional Services - Consultants & Other				
Legal Services	480,000	236,448	300,000	(180,000)
Tax/Litigation Legal Services	—	236,961	300,000	300,000
Actuarial Services	320,000	187,290	320,000	—
Computer Systems and Imaging Maintenance	220,000	203,968	220,000	—
Independent Auditor	50,000	47,761	50,000	—
Hearing Officers/Medical Examiners	275,000	128,562	275,000	—
Consultants/Temporary Employment Services	25,000	8,658	25,000	—
Other Professional Services	30,000	9,526	30,000	—
Total Professional Services - Consultants & Other	1,400,000	1,059,174	1,520,000	120,000



CITY OF FRESNO RETIREMENT SYSTEMS

COMBINED RETIREMENT SYSTEMS BUDGET FY 2026

Combined Retirement Systems - Operating Budget Continued

Line Item Description	Budget FY 2025	Est. YE FY 2025	Budget FY 2026	Net Change
Administrative Expenses				
Reimbursement to City for Board Member Time	25,000	61,316	70,000	45,000
Board Member Education & Conferences	70,000	48,188	80,000	10,000
Due Diligence Site Visitation (Travel Costs)	120,000	96,151	120,000	—
Membership & Dues	16,000	17,560	18,000	2,000
Board Educational Conference (offsite)	20,000	8,286	20,000	—
Retirement Administration (Emp Services & ID) Transfer	2,633,552	2,705,200	2,851,500	217,948
Web Based Svcs (Workiva, iCompass/EDMS and ACH Universal)	50,000	9,505	50,000	—
Lease Office Space & CAM	450,000	544,779	600,000	150,000
Cyber and Fiduciary Liability Insurance	200,000	182,376	200,000	—
Retirement Staff Education and Conference	89,400	82,332	89,400	—
Postage and Overnight mail	5,000	3,494	5,000	—
iPad Data charges, Equipment and Rental	80,000	33,235	80,000	—
Stationary and Supplies	15,000	7,536	15,000	—
Publications & Subscriptions	1,920	1,202	1,600	(320)
Miscellaneous Expense	3,000	4,029	4,000	1,000
Total Administrative Expenses	3,778,872	3,805,189	4,204,500	425,628
Capital Budget				
Furniture, office reconfigurations and ergonomics	100,000	24,205	100,000	—
Total Capital Budget	100,000	24,205	100,000	—
Total Administrative Expenses and Capital Budget	3,878,872	3,829,394	4,304,500	425,628
Total City of Fresno Retirement Systems Operating Budget	15,618,872	14,008,930	16,184,500	565,628



CITY OF FRESNO RETIREMENT SYSTEMS

COMBINED RETIREMENT SYSTEMS BUDGET FY 2026

Combined Retirement Systems Travel Budget

Retirement Staff	Travel, Education and Conference Expenses	Airline or Mileage	Reg. Fees	Hotel Costs	Meals	Total
Retirement Administrator	Administrators RT meetings	800	500	800	150	2,250
	General Assembly Conference	400	100	800	100	1,400
	Administrators Training Institute	300	1,250	—	100	1,650
	Risk Mgt/Investment/Custodian	500	600	600	150	1,850
	Miscellaneous business travel	700	370	600	200	1,870
	NEPC Public Funds Conference	600	—	600	100	1,300
Assistant Retirement Administrator - Chief Benefit Services	Benefits RT meetings	800	500	800	160	2,260
	General Assembly Conference	400	100	800	100	1,400
	Administrators Training Institute	300	1,250	—	100	1,650
	Pension Gold Conference	700	—	500	100	1,300
	Additional Training/Conference	500	200	400	100	1,200
Assistant Retirement Administrator - Chief Financial Officer	Roundtable meetings	800	500	800	150	2,250
	General Assembly Conference	400	100	800	100	1,400
	Administrators Training Institute	300	1,250	—	100	1,650
	P2F2 Annual Conference	300	325	650	100	1,375
	Custodian On-Site Visits/DD	500	600	600	100	1,800
Investment Officer	Roundtable meetings	400	250	400	100	1,150
	General Assembly Conference	400	100	800	100	1,400
	NEPC Public Funds Conference	600	—	600	100	1,300
	Risk Mgt/Investment/Conference	500	600	600	100	1,800
	CFA Exams/Tests Travel	—	2,500	400	150	3,050
Retirement Accounting Manager	Accountants' RT meetings	400	250	400	100	1,150
	Workiva Conference	550	900	600	150	2,200
	P2F2 Annual Conference	300	325	650	100	1,375
	ILPA Educational Conference	500	1,500	500	100	2,600
	GFOA Conference	550	450	1,000	200	2,200
Retirement Benefits Manager	Benefits RT meetings	800	500	800	160	2,260
	Pension Gold Conference	700	—	500	100	1,300
	Additional Training/Conference	500	200	400	100	1,200
Retirement Office Manager	iCompass Conference	610	340	600	150	1,700
	Roundtable meetings	400	250	400	—	1,050
	Additional Training/Conference	200	200	400	100	900
Senior Accountant-Auditor (2)	Roundtable meetings	400	250	400	100	1,150
	P2F2 Annual Conference	300	325	650	100	1,375
	Workiva Conference	550	900	600	150	2,200
Accountant-Auditor II	Roundtable meetings	400	250	400	100	1,150
	P2F2 Annual Conference	300	325	650	100	1,375
	Workiva Conference	550	900	600	150	2,200
Accounting Technician	Roundtable meetings	400	250	400	100	1,150
	P2F2 Annual Conference	300	325	650	100	1,375



CITY OF FRESNO RETIREMENT SYSTEMS

COMBINED RETIREMENT SYSTEMS BUDGET FY 2026

Combined Retirement Systems Travel Budget Continued

Retirement Staff	Travel, Education and Conference Expenses	Airline or Mileage	Reg. Fees	Hotel Costs	Meals	Total
Senior Retirement Counselor (2)	Pension Gold Conference	700	—	500	100	1,300
	CALAPRS Benefits Roundtable	200	150	200	100	650
Senior Customer Services Clerk	iCompass Conference	610	340	600	150	1,700
	Roundtable meetings	400	250	400	—	1,050
	Additional Training/Conference	200	200	400	100	900
Retirement Counselors (5)	Roundtable meetings	2,000	1,250	2,000	500	5,750
Sr. Administrative Clerk (2)	Administrative Roundtable	800	500	800	200	2,300
	Overview Staff Training	200	250	200	100	750
Designated Staff Development	CALAPRS Management Academy	400	3,000	1,200	360	4,960
	Miscellaneous Staff Training	1,400	1,000	2,000	425	4,825
Retirement Staff Total Budget	Total Budget - Staff Education & Conference	25,820	26,475	30,450	6,655	89,400

Combined Retirement Systems Board & Staff Memberships, Dues & Subscriptions

Administrative Expense	Retirement Boards & Staff Memberships & Dues	FY 2026 Budget
	CALAPRS	2,500
	CFA/CAIA	600
	GFOA Membership	500
	GFOA Certificate of Achievement	2,000
	IFEBP	2,000
	ILPA	5,500
	National Notary Association	500
	NCPERS	700
	Public Pension Financial Forum [P2F2]	1,800
	SACRS	1,800
	Miscellaneous	100
	Total Memberships & Dues	18,000

Subscriptions	Retirement Office Subscriptions	
	Fresno BEE	500
	Wall St. Journal	500
	Economist	—
	Bloomberg online	600
	Total Retirement Office Subscriptions	1,600
	Total Memberships, Dues & Subscriptions	19,600