



Memorandum

TO: Federated City Employees' Retirement System
 Board of Administration
 FROM: John Flynn

SUBJECT: Administrative Budget vs Actual Expenses for
 Fiscal Year-To-Date Quarter Ended December
 30, 2025 (Accrual Basis)
 DATE: January 9, 2026

Attached is an itemized list of the Administrative and Professional Budget vs. Actual Expenses for the Federated City Employees' Retirement System for the fiscal year 2025-2026 quarter ending December 31, 2025. The Budget vs. Actual expenses represent all administrative and professional fees processed by the System, excluding benefit payments and investment related fees.

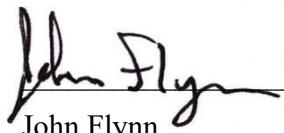
This budget vs. actual expense report ending December 31, 2025 has some notable variances: personnel expenses are higher than the quarterly budget due to seven pay periods in this quarter compared to the standard six. Non-personnel and professional services expenses are lower than the quarterly budget due to lags in invoice receipt. Overall expenses are within the approved annual budget for each category, even though there are overages in some line items. The approved budget is based on categories and not line items.

Certification

All Budgetary, Actual and Accrued expenditures for the fiscal year quarter ending December 31, 2025 were either approved by the Board or directly authorized by prior Board actions or policies.

Recommendation

Staff recommends acceptance of the Federated City Employees' Retirement System Administrative and Professional Budget vs. Actual & Accrued Expenses report for the fiscal year 2025-2026 quarter ending December 31, 2025.



John Flynn
 Chief Executive Officer
 Office of Retirement Services

**FEDERATED RETIREMENT SYSTEM
BUDGET TO ACTUALS (ACCRAUL BASIS)
AS OF DECEMBER (Q2) FY 25-26**

Major Budget Category	Q2 ACTUALS & ACCRUAL 2025/2026	YTD ACTUALS & ACCRUAL 2025/2026	MODIFIED BUDGET BASED ON QUARTERLY PORTION 2025/2026	QUARTERLY (OVER) UNDER BUDGET	QUARTERLY PERCENT-AGE USED	ANNUAL MODIFIED BUDGET 2025/2026	ANNUAL (OVER) UNDER BUDGET	ANNUAL PERCENT-AGE USED	ANNUAL MODIFIED BUDGET TO BNYM MV OF PLAN ASSETS IN BPS	YTD ACTUALS TO BNYM MV OF PLAN ASSETS IN BPS
	(B)	(A)	(B1)	(B1) - (B)	(B) / (B1)	(A1)	(A1) - (A)	(A) / (A1)	as of 12/31/25	\$ 4,133,433,630
PERSONNEL EXPENSES									MV	
Permanent Staff Expense ₁	1,302,453	2,297,386	\$ 1,245,250	\$ (57,203)	105%	\$ 4,981,000	\$ 2,683,614	46%		
TOTAL PERSONNEL EXPENSES	1,302,453	2,297,386	1,245,250	(57,203)	105%	4,981,000	\$ 2,683,614	46%	12.05	5.56
NON-PERSONNEL / EQUIPMENT										
Rent	51,802	93,266	\$ 62,500	\$ 10,698	83%	250,000	\$ 156,734	37%		
Insurance ₂	-	3,946	\$ 52,000	\$ 52,000	0%	208,000	\$ 204,054	2%		
IT Hardware/Software	9,240	30,987	\$ 26,500	\$ 17,260	35%	106,000	\$ 75,013	29%		
Postage and printing	16,713	20,038	\$ 20,000	\$ 3,287	84%	80,000	\$ 59,962	25%		
Training and travel	15,803	25,716	\$ 15,000	\$ (803)	105%	60,000	\$ 34,284	43%		
Office supplies and board meeting expense	5,734	10,493	\$ 7,500	\$ 1,766	76%	30,000	\$ 19,507	35%		
Other non-personnel and equipment ₃	86,610	93,735	\$ 34,000	\$ (52,610)	255%	136,000	\$ 42,265	69%		
TOTAL NON-PERSONNEL / EQUIPMENT	185,902	278,182	217,500	31,598	85%	870,000	\$ 591,818	32%	2.10	0.67
PROFESSIONAL SERVICES										
Legal ₄	97,690	165,198	\$ 131,750	\$ 34,060	74%	527,000	\$ 361,802	31%		
Actuary / actuarial audit ₅	24,125	24,125	\$ 58,250	\$ 34,125	41%	233,000	\$ 208,875	10%		
External auditor	41,290	94,240	\$ 46,250	\$ 4,960	89%	185,000	\$ 90,760	51%		
Temporary staffing agencies	22,711	33,517	\$ 28,750	\$ 6,039	79%	115,000	\$ 81,483	29%		
Governance services	6,875	6,875	\$ 18,750	\$ 11,875	37%	75,000	\$ 68,125	9%		
Pension administration system ₆	3,183	121,519	\$ 32,875	\$ 29,692	10%	131,500	\$ 9,981	92%		
Other professional services	11,730	13,847	\$ 28,625	\$ 16,895	41%	114,500	\$ 100,654	12%		
TOTAL PROFESSIONAL SERVICES	207,605	459,320	345,250	137,645	60%	1,381,000	\$ 921,680	33%	3.34	1.11
MEDICAL PROVIDERS / SERVICES										
Medical Director & Support ₇	11,978	16,506	\$ 36,250	\$ 24,272	33%	145,000	\$ 128,494	11%		
TOTAL MEDICAL DIRECTOR & SUPPORT	11,978	16,506	36,250	24,272	33%	145,000	\$ 128,494	11%	0.35	0.04
GRAND TOTAL	1,707,938	3,051,394	\$ 1,844,250	136,312	93%	\$ 7,377,000	\$ 4,325,606	41%	17.85	7.38

Explanations are provided if the Quarterly variance is at least \$25,000 over/under budget and if the Annual variance is over compared to the annual budget.

1. Permanent Staff Expense - Included seven pay periods this quarter compared to the standard six. Annual amount is within budget.

² Insurance - This fiduciary insurance is annual. The invoice has not been received yet.

3 Other non-personnel and equipment - One-time furniture purchase and installation for the new office in the 5th floor. Annual amount is within the budget

4 Legal - Lag in receipt of invoices.

5 Actuary / actuarial audit - Lag in receipt of invoices.

6 Pension administration system - Lag in receipt of invoices.

7. Medical Director & Support - Services provided as needed.

**FEDERATED CITY EMPLOYEE PLAN ASSET BUDGET SUMMARY
THROUGH Q2 FY25-26**

DESCRIPTION	IMPLEMENTATION BUDGET (ENTIRE 5 YEARS) *										EXPENDED (FY25-26)					% REMAINING IN BUDGET	
	EXPENDED FY14-15	EXPENDED FY15-16	EXPENDED FY16-17	EXPENDED FY17-18	EXPENDED FY18-19	EXPENDED FY19-20	EXPENDED FY20-21	EXPENDED FY21-22	EXPENDED FY22-23	EXPENDED FY23-24	EXPENDED FY24-25	(TO DATE)	DATE				
LRS																	
IMPLEMENTATION SERVICES	\$ 2,482,640	\$ -	\$ 542,259	\$ 429,073	\$ 4,735	\$ 1,195,713	\$ 663,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,835,661	-14%	
PENSION ADMINISTRATION SYSTEM LICENSE FEE	180,000	-	132,927	-	-	-	-	-	-	-	-	-	-	-	132,927	26%	
SOFTWARE (COMMODITY) AND INSTALLATION	9,896	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	
REPLACEMENT OF SYSTEM (INCLUDES POST IMPLEMENTATION COSTS)	313,430	-	16,212	-	-	-	90,400	37,500	37,500	37,500	75,000	77,500	-	371,612	-19%		
LRWL																	
COUNSELING & ADVISE ON PROJECT ISSUES	539,750	58,932	186,253	148,080	236,473	260,755	121,576	-	-	-	-	-	-	-	1,012,069	-88%	
TOTAL	\$ 3,525,716	\$ 58,932	\$ 877,650	\$ 577,153	\$ 241,207	\$ 1,456,468	\$ 875,857	\$ 37,500	\$ 37,500	\$ 37,500	\$ 75,000	\$ 77,500	\$ -	\$ 4,352,268	-23%		
ACCUMULATED ARMOTIZATION						\$ (133,809)	\$ (408,727)	\$ (412,979)	\$ (422,869)	\$ (428,565)	\$ (439,957)	\$ (459,352)	\$ -	\$ (2,706,257)			
GRAND TOTAL						\$ 1,322,660	\$ 467,130	\$ (375,479)	\$ (385,369)	\$ (391,065)	\$ (364,957)	\$ (381,852)	\$ -	\$ 1,646,011			

*Please note some budgeted items cannot be capitalized due to the types of services being provided. These items include Software Support Services, Pension Administration System Maintenance Fee, and Disaster Recovery Plan for a total budgeted amount of \$1,115,903 (or \$557,952 per Plan).