



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 June
30, 2025 (Accrual Basis)**

DATE: September 11, 2025

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 2024-2025 quarter ending June 30, 2025. The Budget vs. Actual expenses represent all administrative and professional fees processed by the System, excluding benefit payments and investment related fees.

Overall expenses for fiscal year 2024-2025 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. In the fiscal year 2024-2025, ORS expensed \$6,280,890 or 86% of the approved budget of \$7,262,000, which is a 4% year-over-year decrease in expenses.

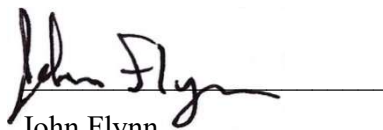
For the personnel category, ORS spent \$4,514,624 or 88% of the \$5,111,000 budget. This is consistent with last year's spending of \$4,406,995. For the non-personnel category, ORS spent \$751,534 or 84% of the \$894,000 budget. This represents a 12% decrease from last year, primarily due to rent abatement as part of the contract renewal and a one-time litigation settlement in the prior fiscal year. For the professional services category, ORS spent \$959,112 or 86% of the \$1,112,000 budget, reflecting a 19% year-over-year decrease due to decreased legal services. For the medical services category, ORS spent \$55,620 or 38% of the \$145,000 budget. This represents a 33% decrease compared to last year, primarily due to decrease in disability cases.

Certification

All Budgetary, Actual and Accrued expenditures for the fiscal year quarter ending June 30, 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 2024-2025 quarter ending June 30, 2025.


 John Flynn
 Chief Executive Officer
 Office of Retirement Services

**FEDERATED RETIREMENT SYSTEM
BUDGET TO ACTUALS (ACCRUAL BASIS)
AS OF JUNE (Q4) FY 24-25**

MAJOR BUDGET CATEGORY										
			MODIFIED BUDGET BASED ON QUARTERLY PORTION 2024/2025	QUARTERLY (OVER) UNDER BUDGET	QUARTERLY PERCENT- AGE USED	ANNUAL MODIFIED BUDGET 2024/2025	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
Minor Budget Category	Q4 ACTUALS & ACCRUAL 2024/2025	YTD ACTUALS & ACCRUAL 2024/2025	2024/2025			2024/2025			as of 06/30/25 MV	\$ 3,919,036,791
	(B)	(A)	(B1)	(B1) - (B)	(B) / (B1)	(A1)	(A1) - (A)	(A) / (A1)		
PERSONNEL EXPENSES										
Permanent Staff Expense ₁	1,351,747	4,514,624	\$ 1,277,750	\$ (73,997)	106%	\$ 5,111,000	\$ 596,376	88%		
TOTAL PERSONNEL EXPENSES	1,351,747	4,514,624	1,277,750	(73,997)	106%	5,111,000	\$ 596,376	88%	13.04	11.52
NON-PERSONNEL / EQUIPMENT										
Rent ₂	625	180,579	\$ 62,250	\$ 61,625	1%	249,000	\$ 68,421	73%		
Insurance ₃	185,027	188,938	\$ 57,000	\$ (128,027)	325%	228,000	\$ 39,062	83%		
IT Hardware/Software	32,221	110,018	\$ 32,500	\$ 279	99%	130,000	\$ 19,982	85%		
Postage and printing	21,999	76,985	\$ 25,000	\$ 3,001	88%	100,000	\$ 23,015	77%		
LRS - Annual Maintenance Fee	-	57,321	\$ 14,500	\$ 14,500	0%	58,000	\$ 680	99%		
Training and travel ₄	22,691	52,532	\$ 7,500	\$ (15,191)	303%	30,000	\$ (22,532)	175%		
Other non-personnel and equipment	32,558	85,162	\$ 24,750	\$ (7,808)	132%	99,000	\$ 13,838	86%		
TOTAL NON-PERSONNEL / EQUIPMENT	295,121	751,534	223,500	(71,621)	132%	894,000	\$ 142,466	84%	2.28	1.92
PROFESSIONAL SERVICES										
Legal ₅	168,574	416,040	\$ 122,500	\$ (46,074)	138%	490,000	\$ 73,960	85%		
Actuary / actuarial audit ₆	32,896	215,798	\$ 66,750	\$ 33,854	49%	267,000	\$ 51,202	81%		
External auditor	-	91,480	\$ 23,000	\$ 23,000	0%	92,000	\$ 520	99%		
Temporary staffing agencies	25,771	120,141	\$ 36,125	\$ 10,354	71%	144,500	\$ 24,359	83%		
Pension administration system	7,257	17,012	\$ 8,500	\$ 1,243	85%	34,000	\$ 16,988	50%		
Other professional services ₇	22,922	98,641	\$ 21,125	\$ (1,797)	109%	84,500	\$ (14,141)	117%		
TOTAL PROFESSIONAL SERVICES	257,420	959,112	278,000	20,580	93%	1,112,000	\$ 152,888	86%	2.84	2.45
MEDICAL PROVIDERS / SERVICES										
Medical Director & Support	38,344	55,620	\$ 36,250	\$ (2,094)	106%	145,000	\$ 89,380	38%		
TOTAL MEDICAL DIRECTOR & SUPPORT	38,344	55,620	36,250	(2,094)	106%	145,000	\$ 89,380	38%	0.37	0.14
GRAND TOTAL	1,942,631	6,280,890	\$ 1,815,500	(127,131)	107%	\$ 7,262,000	\$ 981,110	86%	18.53	16.03

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 - Due to staff vacancies.

₂ Rent - Rent abatement as part of the contract renewal.

₃ Insurance - Annual fiduciary insurance payment. Annual amount is within budget.

₄ Training and travel - Overage is due to increase in general travel. New Trustees also require additional training and travel at the beginning. Category amount is within budget.

₅ Legal - Includes payments for previous quarter. Annual amount is within budget.

₆ Actuary / actuarial audit - Services provided as needed.

₇ Other professional services - Overage is due to cybersecurity consultant expense. Category amount is within budget.

**FEDERATED CITY EMPLOYEE PLAN ASSET BUDGET SUMMARY
THROUGH Q4 FY24-25**

DESCRIPTION	IMPLEMENTATION BUDGET (ENTIRE 5 YEARS) *	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)	EXPENDED PROJECT TO- DATE	% REMAINING IN BUDGET
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).