

**PROPOSED BUDGET**

**FISCAL YEAR 2025-2026**

**FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM**

April 17, 2025

# FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

## Proposed Budget for Fiscal Year 2025-2026

	(A) 2023-2024 Actual	(B) 2024-2025 Modified	(C) 2024-2025 Forecast	(D) 2025-2026 Proposed	(A) to (B) Increase (Decrease)	(B) to (C) Increase (Decrease)	(C) to (D) Increase (Decrease)
<b>SOURCE OF FUNDS</b>							
Beginning Fund Balance							
Claims Reserve	3,281,923,000	3,567,981,000	3,567,981,000	<b>3,715,459,000</b>	286,058,000	0	147,478,000
Total Beginning Fund Balance	3,281,923,000	3,567,981,000	3,567,981,000	<b>3,715,459,000</b>	286,058,000	0	147,478,000
Transfers							
COLAs	3,900	4,500	3,000	<b>3,000</b>	600	(1,500)	0
City Contributions	243,670,000	254,726,000	226,801,000	<b>231,452,000</b>	11,056,000	(27,925,000)	4,651,000
Total Transfers	243,673,900	254,730,500	226,804,000	<b>231,455,000</b>	11,056,600	(27,926,500)	4,651,000
Revenue							
Participant Contributions	43,824,000	44,393,000	44,397,000	<b>49,026,000</b>	569,000	4,000	4,629,000
Investment Income	294,732,000	172,705,000	181,819,000	<b>189,878,000</b>	(122,027,000)	9,114,000	8,059,000
Total Revenue	338,556,000	217,098,000	226,216,000	<b>238,904,000</b>	(121,458,000)	9,118,000	12,688,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,864,152,900</b>	<b>4,039,809,500</b>	<b>4,021,001,000</b>	<b>4,185,818,000</b>	<b>175,656,600</b>	<b>(18,808,500)</b>	<b>164,817,000</b>
<b>USE OF FUNDS</b>							
Expenditures							
COLAs	3,900	4,500	3,000	<b>3,000</b>	600	(1,500)	0
Benefits	256,565,000	263,433,000	263,653,000	<b>273,782,000</b>	6,868,000	220,000	10,129,000
Health Insurance	32,635,000	36,093,000	35,587,000	<b>36,576,000</b>	3,458,000	(506,000)	989,000
Personnel Services	4,407,000	5,111,000	4,507,000	<b>4,981,000</b>	704,000	(604,000)	474,000
Non-Personnel/Equipment <sup>(1)</sup>	1,301,000	894,000	788,000	<b>870,000</b>	(407,000)	(106,000)	82,000
Professional Fees	1,260,000	1,257,000	1,004,000	<b>1,526,000</b>	(3,000)	(253,000)	522,000
Total Expenditures	296,171,900	306,792,500	305,542,000	<b>317,738,000</b>	10,620,600	(1,250,500)	12,196,000
Ending Fund Balance							
Claims Reserve	3,567,981,000	3,733,017,000	3,715,459,000	<b>3,868,080,000</b>	165,036,000	(17,558,000)	152,621,000
Total Ending Fund Balance	3,567,981,000	3,733,017,000	3,715,459,000	<b>3,868,080,000</b>	165,036,000	(17,558,000)	152,621,000
<b>TOTAL USE OF FUNDS</b>	<b>3,864,152,900</b>	<b>4,039,809,500</b>	<b>4,021,001,000</b>	<b>4,185,818,000</b>	<b>175,656,600</b>	<b>(18,808,500)</b>	<b>164,817,000</b>

Amount not included in budget since no cash outlay:

Amortization expense for PG3 and GASB

87 lease interest expenses \$ 448,947

<sup>(1)</sup> Non-personnel equipment FY23-24 \$ 1,301,000

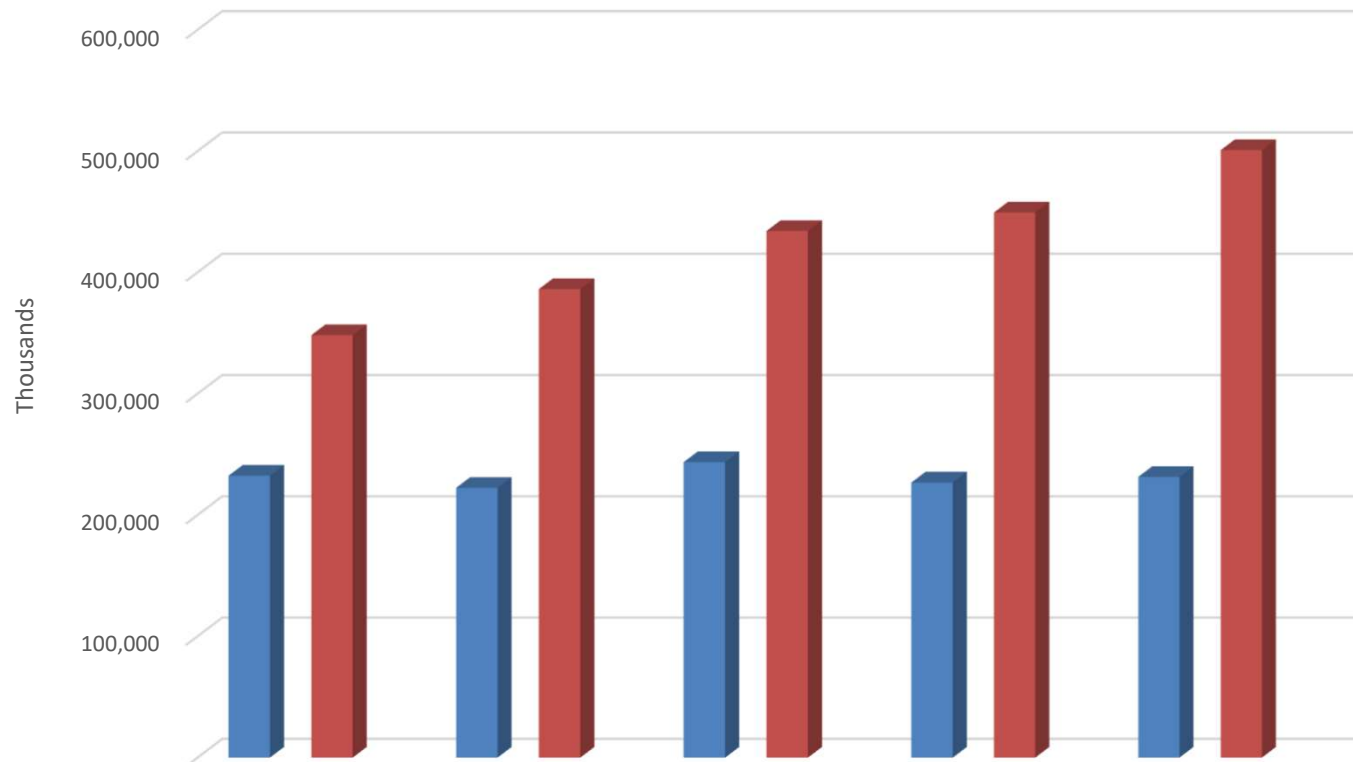
Rounding in ACFR (286)

Amortization expense (448,947)

As shown in Administrative Expenses \$ **851,767**

## FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

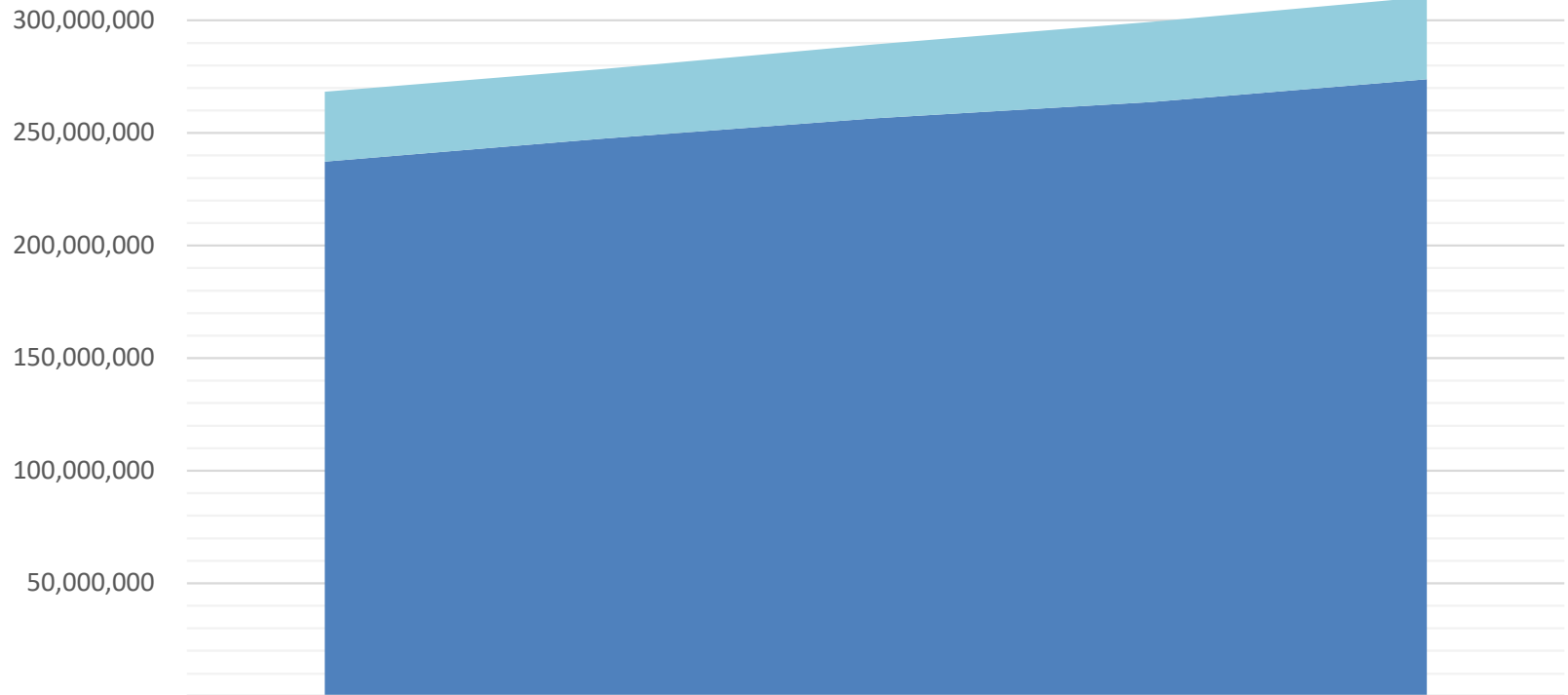
### Total City Contributions & Covered Payroll



	FY 21-22	FY 22-23	FY 23-24	FY 24-25 (Forecast)	FY 25-26 (Proposed)
Total City Contributions	232,385,000	222,437,000	243,670,000	226,801,000	231,452,000
Total City Contribution % Change	10.6%	-4.3%	9.5%	-6.9%	2.1%
Total Covered Payroll	348,307,000	386,315,000	434,174,000	449,482,000	500,800,000
Total Covered Payroll % Change	3.8%	10.9%	12.4%	3.5%	11.4%

## FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

### Pension Benefits and Health Insurance



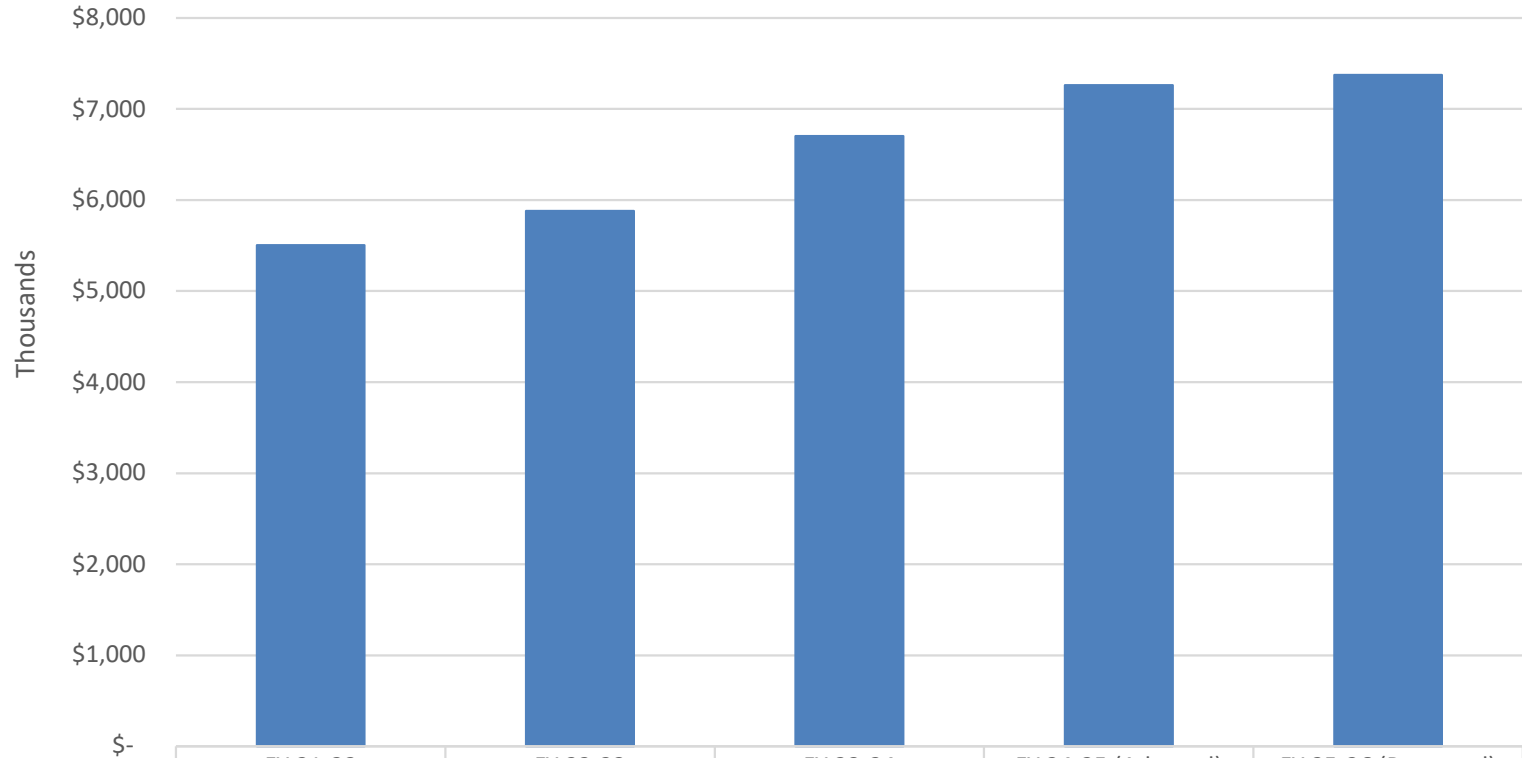
	FY 2022 - Actual	FY 2023 - Actual	FY 2024 - Actual	FY 2025 - Forecast	FY 2026 - Proposed
Total Benefits	268,361,000	278,225,000	289,200,000	299,240,000	310,358,000
Health Insurance % Change	-2.5%	-0.7%	5.7%	9.0%	2.8%
Health Insurance	31,088,000	30,869,000	32,635,000	35,587,000	36,576,000
Pension Benefits % Change	4.4%	4.2%	3.7%	2.8%	3.8%
Pension Benefits	237,273,000	247,356,000	256,565,000	263,653,000	273,782,000

## FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

### Administrative Expenses: FY 2025-2026

	(A) 2023-2024 Actual	(B) 2024-2025 Modified	(C) 2024-2025 Forecast	(D) 2025-2026 Proposed	(A) to (B) Increase (Decrease)	(B) to (C) Increase (Decrease)	(C) to (D) Increase (Decrease)
<b>PERSONNEL SERVICES</b>							
Salaries and employee benefits	4,406,995	5,111,000	4,507,000	<b>4,981,000</b>	704,005	(604,000)	474,000
Total Personnel Services	4,406,995	5,111,000	4,507,000	<b>4,981,000</b>	704,005	(604,000)	474,000
<b>NON-PERSONNEL / EQUIPMENT</b>							
Rent	237,239	249,000	240,000	<b>250,000</b>	11,761	(9,000)	10,000
Insurance	188,816	228,000	198,000	<b>208,000</b>	39,184	(30,000)	10,000
IT hardware / software	115,168	130,000	104,200	<b>106,000</b>	14,832	(25,800)	1,800
LRS - annual maintenance fee	54,591	58,000	57,321	-	3,409	(679)	(57,321)
Postage and printing	83,406	100,000	73,000	<b>80,000</b>	16,594	(27,000)	7,000
Training and travel	39,227	35,000	44,000	<b>60,000</b>	(4,227)	9,000	16,000
Office supplies and board meeting expense	27,412	25,000	26,000	<b>30,000</b>	(2,412)	1,000	4,000
Other non-personnel / equipment	105,908	69,000	44,960	<b>136,000</b>	(36,908)	(24,040)	91,040
Total Non-personnel / Equipment	851,767	894,000	787,481	<b>870,000</b>	42,233	(106,519)	82,519
<b>PROFESSIONAL SERVICES</b>							
Actuary / actuarial audit	253,277	267,000	216,000	<b>233,000</b>	13,723	(51,000)	17,000
External auditor	102,634	92,000	92,000	<b>185,000</b>	(10,634)	-	93,000
Governance services	27,239	25,000	25,000	<b>75,000</b>	(2,239)	-	50,000
Legal	555,652	490,000	446,000	<b>527,000</b>	(65,652)	(44,000)	81,000
Pension administration system	25,144	34,000	19,300	<b>131,500</b>	8,856	(14,700)	112,200
Temporary staffing agencies	114,241	145,000	138,000	<b>115,000</b>	30,759	(7,000)	(23,000)
Other professional services	98,987	59,000	47,500	<b>114,500</b>	(39,987)	(11,500)	67,000
Total Professional Services	1,177,174	1,112,000	983,800	<b>1,381,000</b>	(65,174)	(128,200)	397,200
<b>MEDICAL SERVICES</b>							
Independent medical examiners	82,816	145,000	20,000	<b>145,000</b>	62,184	(125,000)	125,000
Total Medical Services	82,816	145,000	20,000	<b>145,000</b>	62,184	(125,000)	125,000
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>6,518,752</b>	<b>7,262,000</b>	<b>6,298,281</b>	<b>7,377,000</b>	<b>743,248</b>	<b>(963,719)</b>	<b>1,078,719</b>
Amortization expense	448,947						
Rounding							
<b>Total Admin Expenses per ACFR</b>	<b>6,967,699</b>						

**FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM**  
**Administrative Expense Budget**  
**FY 22 to FY26**



	FY 21-22	FY 22-23	FY 23-24	FY 24-25 (Adopted)	FY 25-26 (Proposed)
Admin Exp Budget*	\$5,503,000	\$5,879,000	\$6,704,000	\$7,262,000	\$7,377,000
% Change	1.3%	6.8%	14.0%	8.3%	1.6%

## OFFICE OF RETIREMENT SERVICES

### Departmental Position Detail

Position	2023-2024 Adopted (1)	2024-2025 Adopted (2)	2024-2025 Forecast (3)	2025-2026 Proposed (4)	Increase / (Decrease) (2 to 4)	Increase / (Decrease) (3 to 4)	Explanation
Account Clerk II	1.00	1.00	1.00	1.00	-	-	
Accountant I/II	2.00	2.00	2.00	2.00	-	-	
Analyst I/II	8.00	9.00	9.00	9.00	-	-	
Assistant Director and Chief Investment Officer	1.00	1.00	1.00	1.00	-	-	
Department Information Technology Manager	1.00	1.00	1.00	1.00	-	-	
Deputy Director	1.00	1.00	1.00	1.00	-	-	
Director of Retirement Services	1.00	1.00	1.00	1.00	-	-	
Division Manager	2.00	2.00	2.00	2.00	-	-	
Executive Assistant	1.00	1.00	1.00	1.00	-	-	
Financial Analyst	1.00	1.00	1.00	1.00	-	-	
Investments Operations Supervisor	1.00	1.00	1.00	1.00	-	-	
Information Systems Analyst	1.00	1.00	1.00	1.00	-	-	
Network Technician I/II/III	1.00	1.00	1.00	1.00	-	-	
Program Manager	0.00	0.00	0.00	1.00	1.00	1.00	Proposed addition to replace Senior Auditor
Retirement Investment Analyst I/II	2.00	2.00	2.00	2.00	-	-	
Retirement Investment Officer	3.00	3.00	3.00	3.00	-	-	
Senior Accountant	2.00	2.00	2.00	2.00	-	-	
Senior Analyst	3.00	3.00	3.00	3.00	-	-	
Senior Auditor	1.00	1.00	1.00	0.00	(1.00)	(1.00)	Proposed deletion to add a Program Manager
Senior Office Specialist	1.00	2.00	2.00	2.00	-	-	
Senior Retirement Investment Officer	2.00	2.00	2.00	2.00	-	-	
Senior Supervisor, Administration	1.00	1.00	1.00	1.00	-	-	
Staff Specialist	6.00	6.00	6.00	6.00	-	-	
<b>Total Positions</b>	<b>43.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>0.00</b>	<b>0.00</b>	

OFFICE OF RETIREMENT SERVICES  
Proposed Organizational Chart  
Budget FY25-26

