



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
31, 2024 (Accrual Basis)**

DATE: January 21, 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 December 31, 2024. 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, 2024 has some notable variances: personnel expenses are lower than the quarterly budget due to staff vacancies. Non-personnel expenses are also below the quarterly budget due to the lag in receipt of invoices for fiduciary insurance. Professional expenses exceeded the quarterly budget due to invoice payment timing. 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, 2024 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 December 31, 2024.

John Flynn
Chief Executive Officer
Office of Retirement Services

**FEDERATED RETIREMENT SYSTEM
BUDGET TO ACTUALS (ACCRUAL BASIS)
AS OF DECEMBER (Q2) FY 24-25**

MAJOR BUDGET CATEGORY										
Minor Budget Category	Q2 ACTUALS & ACCRUAL 2024/2025	YTD ACTUALS & ACCRUAL 2024/2025	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
	(B)	(A)	(B1)	(B1) - (B)	(B) / (B1)	(A1)	(A1) - (A)	(A) / (A1)	as of 12/31/24 MV	\$ 3,646,144,595
PERSONNEL EXPENSES										
Permanent Staff Expense ₁	1,234,646	2,173,412	\$ 1,277,750	\$ 43,104	97%	\$ 5,111,000	\$ 2,937,588	43%		
TOTAL PERSONNEL EXPENSES	1,234,646	2,173,412	1,277,750	43,104	97%	5,111,000	\$ 2,937,588	43%	14.02	5.96
NON-PERSONNEL / EQUIPMENT										
Rent	60,413	119,086	\$ 62,250	\$ 1,837	97%	249,000	\$ 129,914	48%		
Insurance ₂	-	3,911	\$ 57,000	\$ 57,000	0%	228,000	\$ 224,089	2%		
IT Hardware/Software	8,986	66,224	\$ 32,500	\$ 23,514	28%	130,000	\$ 63,776	51%		
Postage and printing	22,057	35,451	\$ 25,000	\$ 2,943	88%	100,000	\$ 64,549	35%		
LRS - Annual Maintenance Fee	-	57,321	\$ 14,500	\$ 14,500	0%	58,000	\$ 680	99%		
Training and travel	11,586	21,018	\$ 7,500	\$ (4,086)	154%	30,000	\$ 8,982	70%		
Other non-personnel and equipment	23,683	29,669	\$ 24,750	\$ 1,067	96%	99,000	\$ 69,331	30%		
TOTAL NON-PERSONNEL / EQUIPMENT	126,725	332,680	223,500	96,775	57%	894,000	\$ 561,320	37%	2.45	0.91
PROFESSIONAL SERVICES										
Legal ₃	150,513	168,135	\$ 122,500	\$ (28,013)	123%	490,000	\$ 321,865	34%		
Actuary / actuarial audit ₄	37,502	37,502	\$ 66,750	\$ 29,248	56%	267,000	\$ 229,498	14%		
External auditor	43,077	88,996	\$ 23,000	\$ (20,077)	187%	92,000	\$ 3,004	97%		
Temporary staffing agencies	38,206	68,694	\$ 36,125	\$ (2,081)	106%	144,500	\$ 75,806	48%		
Pension administration system	578	9,443	\$ 8,500	\$ 7,922	7%	34,000	\$ 24,557	28%		
Other professional services	19,117	62,751	\$ 21,125	\$ 2,008	90%	84,500	\$ 21,749	74%		
TOTAL PROFESSIONAL SERVICES	288,994	435,521	278,000	(10,994)	104%	1,112,000	\$ 676,479	39%	3.05	1.19
MEDICAL PROVIDERS / SERVICES										
Medical Director & Support ₅	4,554	9,379	\$ 36,250	\$ 31,696	13%	145,000	\$ 135,621	6%		
TOTAL MEDICAL DIRECTOR & SUPPORT	4,554	9,379	36,250	31,696	13%	145,000	\$ 135,621	6%	0.40	0.03
GRAND TOTAL	1,654,919	2,950,991	\$ 1,815,500	160,581	91%	\$ 7,262,000	\$ 4,311,009	41%	19.92	8.09

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

₃ Legal - Services provided as needed. Annual amount is within budget.

₄ Actuary / actuarial audit - Lag in receipt of invoices.

₅ Medical Director & Support - Lag in receipt of invoices.

**FEDERATED CITY EMPLOYEE PLAN ASSET BUDGET SUMMARY
THROUGH Q2 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	38,750	332,862	-6%
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	\$ 38,750	\$ 4,313,518	-22%
ACCUMULATED ARMOTIZATION						\$ (133,809)	\$ (408,727)	\$ (412,979)	\$ (422,869)	\$ (428,565)	\$ (439,957)		\$ (2,246,905)	
GRAND TOTAL						\$ 1,322,660	\$ 467,130	\$ (375,479)	\$ (385,369)	\$ (391,065)	\$ (364,957)	\$ 38,750	\$ 2,066,613	

*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).