



Memorandum

**TO: Federated City Employees' Retirement System
Board of Administration**

FROM: Roberto L. Peña

**SUBJECT: Administrative Budget vs Actual Expenses for
Fiscal Year-To-Date Quarter Ended September
30, 2023 (Accrual Basis)**

DATE: October 25, 2023

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 2023-2024 quarter ending September 30, 2023. 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 September 30, 2023 has some notable variances: personnel expenses are lower than the quarterly budget due to staff vacancies. Non-personnel and professional services expenses are also lower than the quarterly budget due to the lag in receipt of invoices for fiduciary insurance, legal and actuarial services. 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 September 30, 2023 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 2023-2024 quarter ending September 30, 2023.

Roberto L. Peña
Chief Executive Officer
Office of Retirement Services

**FEDERATED RETIREMENT SYSTEM
BUDGET TO ACTUALS (ACCRUAL BASIS)
AS OF SEPTEMBER (Q1) FY 23-24**

MAJOR BUDGET CATEGORY											
Minor Budget Category	Q1 ACTUALS & ACCRUAL 2023/2024	YTD ACTUALS & ACCRUAL 2023/2024	MODIFIED BUDGET BASED ON QUARTERLY PORTION 2023/2024	QUARTERLY (OVER) UNDER BUDGET	QUARTERLY PERCENT-AGE USED	ANNUAL MODIFIED BUDGET 2023/2024	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 09/30/23 MV	\$ 3,185,733,790	
PERSONNEL EXPENSES											
Permanent Staff Expense ¹	868,139	868,139	\$ 1,076,500	\$ 208,361	81%	\$ 4,306,000	\$ 3,437,861	20%			
TOTAL PERSONNEL EXPENSES	868,139	868,139	1,076,500	208,361	81%	4,306,000	3,437,861	20%	13.51650918	3	
NON-PERSONNEL / EQUIPMENT											
Rent	58,378	58,378	\$ 57,500	\$ (878)	102%	230,000	\$ 171,622	25%			
Insurance ²	-	-	\$ 60,000	\$ 60,000	0%	240,000	\$ 240,000	0%			
IT Hardware/Software	12,080	12,080	\$ 32,500	\$ 20,420	37%	130,000	\$ 117,920	9%			
Postage and printing	6,695	6,695	\$ 25,000	\$ 18,305	27%	100,000	\$ 93,305	7%			
LRS - Annual Maintenance Fee ³	54,591	54,591	\$ 13,750	\$ (40,841)	397%	55,000	\$ 409	99%			
Training and travel	11,035	11,035	\$ 7,500	\$ (3,535)	147%	30,000	\$ 18,965	37%			
Other non-personnel and equipment	7,433	7,433	\$ 21,750	\$ 14,317	34%	87,000	\$ 79,567	9%			
TOTAL NON-PERSONNEL / EQUIPMENT	150,213	150,213	218,000	67,787	69%	872,000	721,787	17%	3	0	
PROFESSIONAL SERVICES											
Legal ⁴	28,182	28,182	\$ 89,750	\$ 61,568	31%	359,000	\$ 330,818	8%			
Actuary / actuarial audit ⁵	-	-	\$ 67,500	\$ 67,500	0%	270,000	\$ 270,000	0%			
External auditor	30,750	30,750	\$ 21,250	\$ (9,500)	145%	85,000	\$ 54,250	36%			
Temporary staffing agencies	36,959	36,959	\$ 33,000	\$ (3,958)	112%	132,000	\$ 95,042	28%			
Pension administration system	14,805	14,805	\$ 6,000	\$ (8,805)	247%	24,000	\$ 9,195	62%			
Other professional services	1,900	1,900	\$ 15,250	\$ 13,350	12%	61,000	\$ 59,100	3%			
TOTAL PROFESSIONAL SERVICES	112,595	112,595	232,750	120,155	48%	931,000	818,405	12%	3	0	
MEDICAL PROVIDERS / SERVICES											
Medical Director & Support	30,888	30,888	\$ 36,250	\$ 5,363	85%	145,000	\$ 114,113	21%			
TOTAL MEDICAL DIRECTOR & SUPPORT	30,888	30,888	36,250	5,363	85%	145,000	114,113	21%	0	0	
GRAND TOTAL	1,161,835	1,161,835	\$ 1,563,500	401,665	74%	\$ 6,254,000	\$ 5,092,165	19%	20	4	

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 LRS - Annual Maintenance Fee - Annual amount is within budget.

⁴ Legal - Lag in receipt of invoices.

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

**FEDERATED CITY EMPLOYEE PLAN ASSET BUDGET SUMMARY
THROUGH Q1 FY23-24**

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 (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 5 YEARS POST IMPLEMENTATION COSTS)	313,430	-	16,212	-	-	-	90,400	37,500	37,500	37,500	-	219,112	30%
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	\$ -	\$ 4,199,768	-19%
ACCUMULATED ARMOTIZATION						\$ (133,809)	\$ (408,727)	\$ (412,979)	\$ (422,869)	\$ (428,565)		\$ (1,806,948)	
GRAND TOTAL						\$ 1,322,660	\$ 467,130	\$ (375,479)	\$ (385,369)	\$ (391,065)	\$ -	\$ 2,392,820	

*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).