

# **PROPOSED BUDGET**

**FISCAL YEAR 2023-2024**

## **FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM**

April 20, 2023

# FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

## Proposed Budget for Fiscal Year 2023-2024

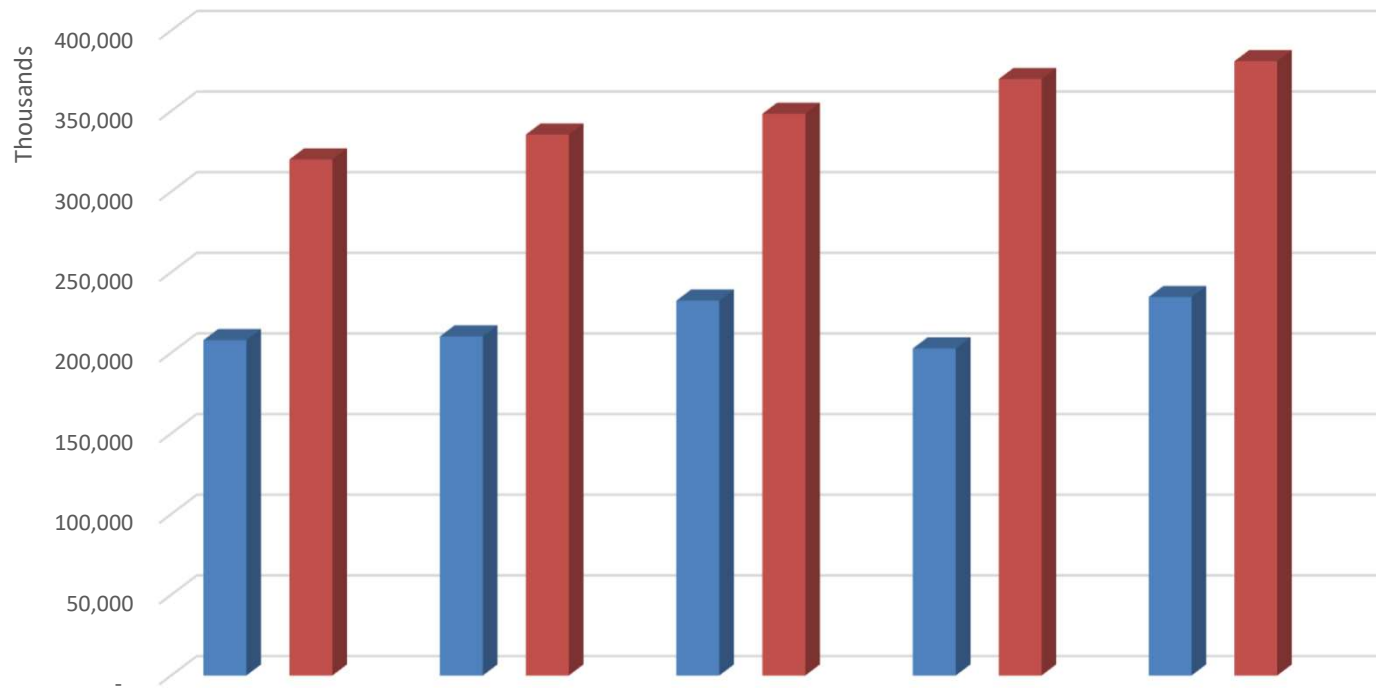
	(A) 2021-2022 Actual	(B) 2022-2023 Modified	(C) 2022-2023 Forecast	(D) 2023-2024 Proposed	(A) to (B) Increase (Decrease)	(B) - (C) Increase (Decrease)	(C) - (D) Increase (Decrease)
<b>SOURCE OF FUNDS</b>							
Beginning Fund Balance							
Claims Reserve	3,268,953,000	3,057,148,000	3,057,148,000	<b>3,168,843,000</b>	(211,805,000)	0	111,695,000
Total Beginning Fund Balance	3,268,953,000	3,057,148,000	3,057,148,000	<b>3,168,843,000</b>	(211,805,000)	0	111,695,000
Transfers							
COLAs	16,600	16,500	7,500	<b>7,500</b>	(100)	(9,000)	0
City Contributions	232,385,000	224,315,000	202,723,000	<b>234,618,000</b>	(8,070,000)	(21,592,000)	31,895,000
Total Transfers	232,401,600	224,331,500	202,730,500	<b>234,625,500</b>	(8,070,100)	(21,601,000)	31,895,000
Revenue							
Participant Contributions	37,329,000	37,915,000	37,915,000	<b>39,410,000</b>	586,000	0	1,495,000
Investment Income	-207,415,000	175,451,000	151,525,000	<b>157,847,000</b>	382,866,000	(23,926,000)	6,322,000
Total Revenue	-170,086,000	213,366,000	189,440,000	<b>197,257,000</b>	383,452,000	(23,926,000)	7,817,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,331,268,600</b>	<b>3,494,845,500</b>	<b>3,449,318,500</b>	<b>3,600,725,500</b>	<b>163,576,900</b>	<b>(45,527,000)</b>	<b>151,407,000</b>
<b>USE OF FUNDS</b>							
Expenditures							
COLAs	16,600	16,500	7,500	<b>7,500</b>	(100)	(9,000)	0
Benefits	237,273,000	244,321,000	243,125,000	<b>255,466,000</b>	7,048,000	(1,196,000)	12,341,000
Health Insurance	31,088,000	31,679,000	31,679,000	<b>32,401,000</b>	591,000	0	722,000
VEBA Transfers	0	0	0	<b>0</b>	0	0	0
Personnel Services	3,582,000	3,986,000	3,921,000	<b>4,306,000</b>	404,000	(65,000)	385,000
Non-Personnel/Equipment <sup>(1)</sup>	1,161,000	798,000	758,000	<b>872,000</b>	(363,000)	(40,000)	114,000
Professional Fees	1,000,000	1,095,000	985,000	<b>1,076,000</b>	95,000	(110,000)	91,000
Total Expenditures	274,120,600	281,895,500	280,475,500	<b>294,128,500</b>	7,774,900	(1,420,000)	13,653,000
Ending Fund Balance							
Claims Reserve	3,057,148,000	3,212,950,000	3,168,843,000	<b>3,306,597,000</b>	155,802,000	(44,107,000)	137,754,000
Total Ending Fund Balance	3,057,148,000	3,212,950,000	3,168,843,000	<b>3,306,597,000</b>	155,802,000	(44,107,000)	137,754,000
<b>TOTAL USE OF FUNDS</b>	<b>3,331,268,600</b>	<b>3,494,845,500</b>	<b>3,449,318,500</b>	<b>3,600,725,500</b>	<b>163,576,900</b>	<b>(45,527,000)</b>	<b>151,407,000</b>

Amount not included in budget since no cash outlay:

Amortization expense for PG3 and GASB				
87 lease interest expenses	\$ 439,062	\$ 439,062	\$ 439,062	\$ 439,062

<sup>(1)</sup> Non-personnel equipment FY21-22	\$ 1,161,000
Rounding in ACFR	189
Amortization expense	(439,062)
As shown in Administrative Expenses	<b>\$ 722,127</b>

# **FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM** **Total City Contributions & Covered Payroll**

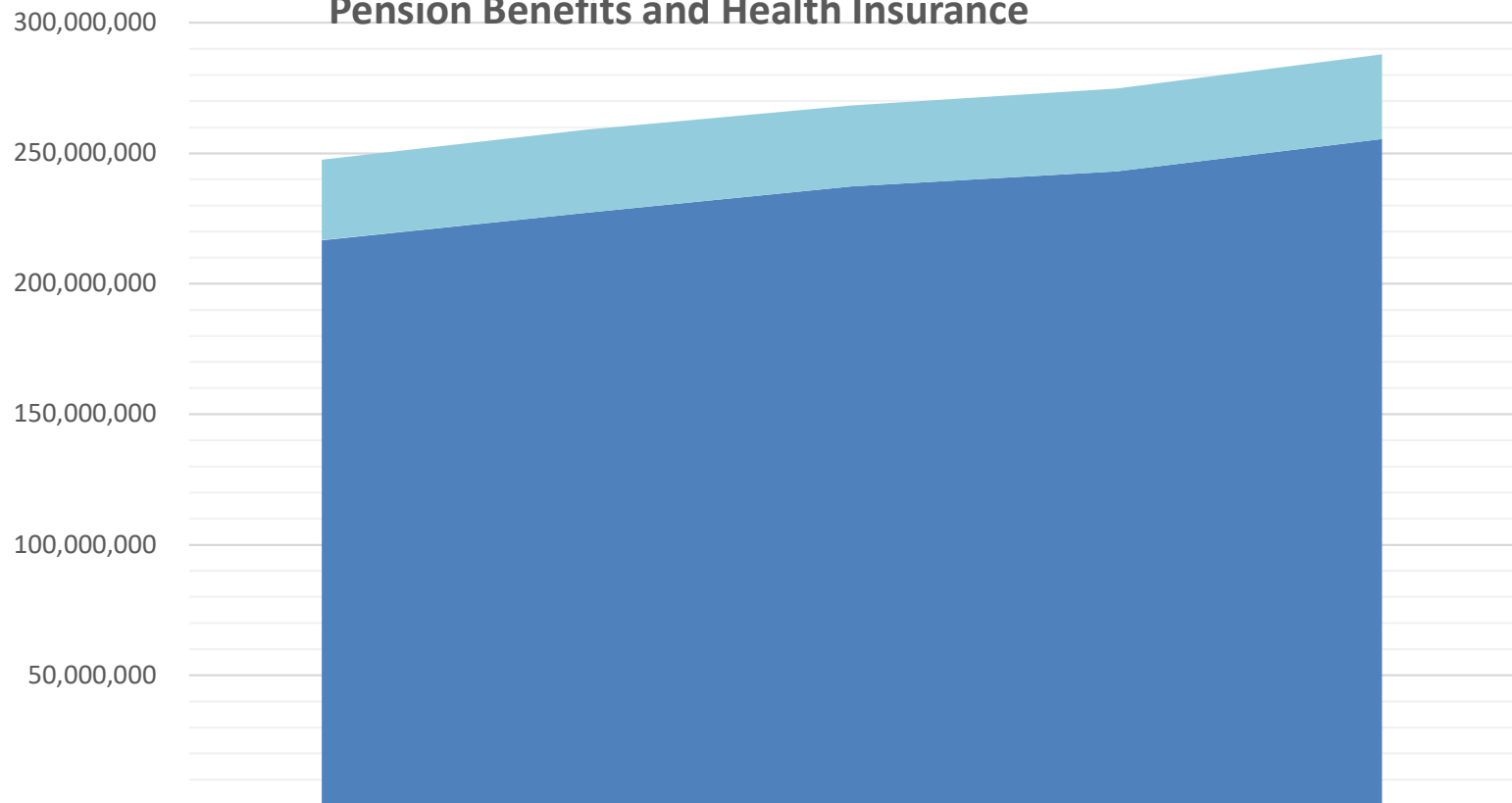


(50,000)

	FY 19-20	FY 20-21	FY 21-22	FY 22-23 (Forecast)	FY 23-24 (Proposed)
Total City Contributions	207,860,000	210,200,000	232,385,000	202,723,000	234,618,000
Total City Contribution % Change	4.2%	1.1%	10.6%	-12.8%	15.7%
Total Covered Payroll	319,980,000	335,421,000	348,307,000	369,833,000	380,900,000
Total Covered Payroll % Change	7.1%	4.8%	3.8%	6.2%	3.0%

## FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

### Pension Benefits and Health Insurance



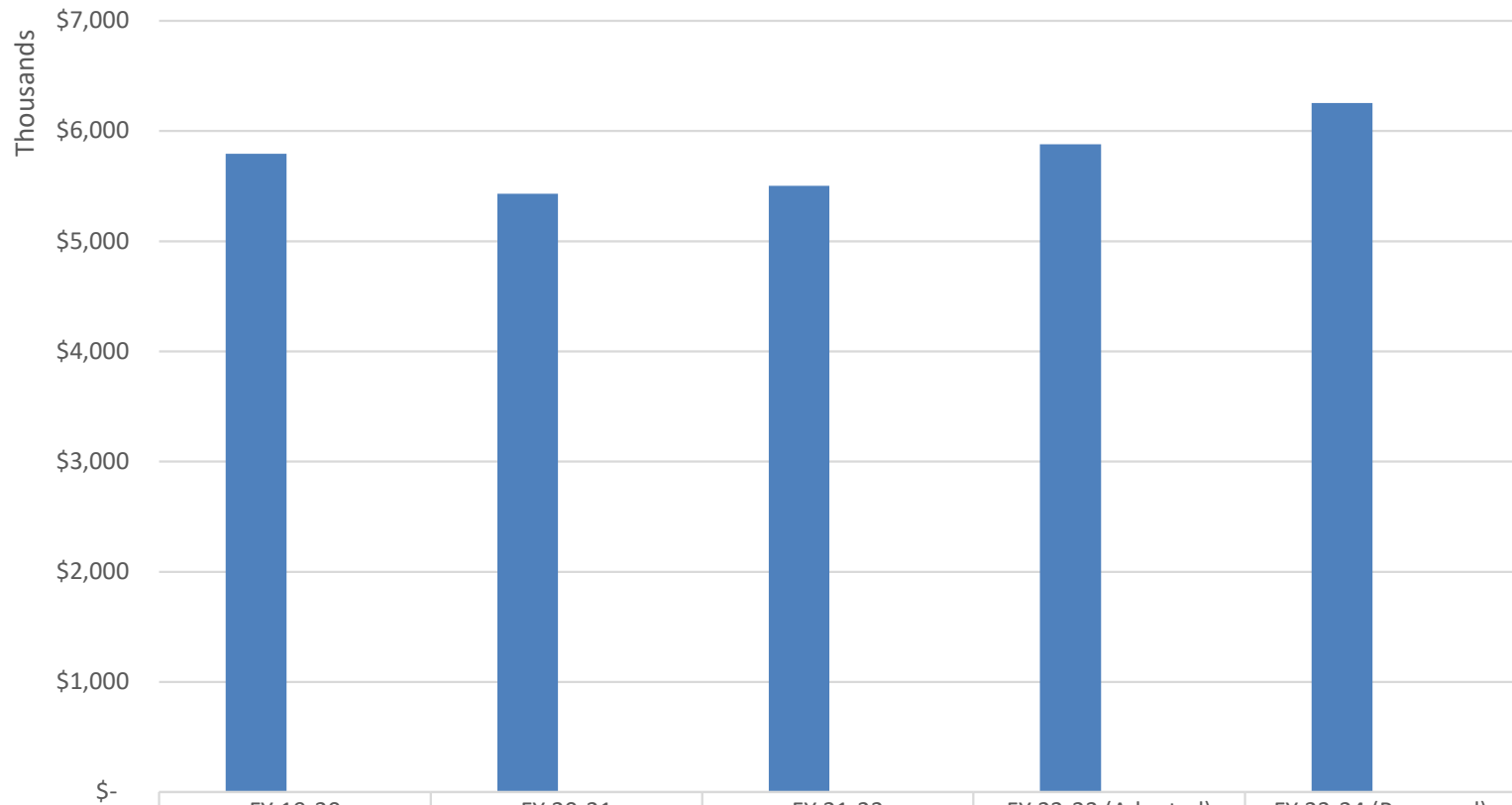
	FY 2020 - Actual	FY 2021 - Actual	FY 2022 - Actual	FY 2023 - Forecast	FY 2024 - Proposed
Total Benefits	247,507,000	259,077,000	268,361,000	274,804,000	287,867,000
Health Insurance % Change	6.8%	3.5%	-2.5%	1.9%	2.3%
Health Insurance	30,779,000	31,871,000	31,088,000	31,679,000	32,401,000
Pension Benefits % Change	5.7%	4.8%	4.4%	2.5%	5.1%
Pension Benefits	216,728,000	227,206,000	237,273,000	243,125,000	255,466,000

## FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

### Administrative Expenses: FY 2022-2023

	(A) 2021-2022 Actual	(B) 2022-2023 Adopted	(C) 2022-2023 Forecast	(D) 2023-2024 Proposed	(A) to (B) Increase (Decrease)	(B) - (C) Increase (Decrease)	(C) - (D) Increase (Decrease)
<b>PERSONNEL SERVICES</b>							
Salaries and employee benefits	3,581,518	3,986,000	3,920,651	4,306,000	404,482	(65,349)	385,349
Total Personnel Services	3,581,518	3,986,000	3,920,651	4,306,000	404,482	(65,349)	385,349
<b>NON-PERSONNEL / EQUIPMENT</b>							
Insurance	222,848	240,000	233,361	240,000	17,152	(6,639)	6,639
IT hardware / software	88,961	109,000	81,571	130,000	20,039	(27,429)	48,429
LRS - annual maintenance fee	49,845	50,000	52,160	55,000	155	2,160	2,840
Postage and printing	77,776	85,000	93,841	100,000	7,224	8,841	6,159
Rent	232,481	222,000	223,875	230,000	(10,481)	1,875	6,125
Training and travel	13,652	25,000	30,920	30,000	11,348	5,920	(920)
Office supplies and board meeting expense	7,670	15,000	11,896	15,000	7,330	(3,104)	3,104
Other non-personnel / equipment	28,894	52,000	30,818	72,000	23,106	(21,182)	41,182
Total Non-personnel / Equipment	722,127	798,000	758,442	872,000	75,873	(39,558)	113,558
<b>PROFESSIONAL SERVICES</b>							
Actuary / actuarial audit	336,189	227,000	257,072	270,000	(109,189)	30,072	12,928
External auditor	92,837	85,000	84,908	85,000	(7,837)	(92)	92
Legal	391,173	390,000	336,122	359,000	(1,173)	(53,878)	22,878
Pension administration system	16,944	20,000	17,852	24,000	3,056	(2,148)	6,148
Temporary staffing agencies	90,741	167,000	159,757	132,000	76,259	(7,243)	(27,757)
Other professional services	40,806	61,000	43,270	61,000	20,194	(17,730)	17,730
Total Professional Services	968,690	950,000	898,981	931,000	(18,690)	(51,019)	32,019
<b>MEDICAL SERVICES</b>							
Independent medical examiners	700	40,000	42,000	145,000	39,300	2,000	103,000
Medical consultant	30,758	105,000	44,461	0	74,242	(60,539)	(44,461)
Total Medical Services	31,458	145,000	86,461	145,000	113,542	(58,539)	58,539
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>5,303,793</b>	<b>5,879,000</b>	<b>5,664,535</b>	<b>6,254,000</b>	<b>575,207</b>	<b>(214,465)</b>	<b>589,465</b>
Amortization expense	439,062						
Rounding	145						
<b>Total Admin Expenses per ACFR</b>	<b>5,743,000</b>						

## FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM Administrative Expense Budget



	FY 19-20	FY 20-21	FY 21-22	FY 22-23 (Adopted)	FY 23-24 (Proposed)
■ Admin Exp Budget*	\$5,796,000	\$5,430,000	\$5,503,000	\$5,879,000	\$6,254,000
% Change	-0.1%	-6.3%	1.3%	6.8%	6.4%

\* Amount includes budget for operations only.

# OFFICE OF RETIREMENT SERVICES

## Departmental Position Detail

Position	2021-2022 Adopted (1)	2022-2023 Adopted (2)	2022-2023 Forecast (3)	2023-2024 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	1.00	1.00	1.00	2.00	1.00	1.00	Upgrade the Account Tech to an Accountant I/II
Accounting Technician	1.00	1.00	1.00	0.00	(1.00)	(1.00)	Upgrade the Account Tech to an Accountant I/II
Analyst I/II	6.00	7.00	8.00	9.00	2.00	1.00	Upgraded Staff Specialist to Analyst I/II in Benefits Division in December 2022 and Proposed addition of Medicare Analyst for Benefits Division - Overstrength
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	-	-	
Office Specialist II	1.00	1.00	1.00	0.00	(1.00)	(1.00)	Upgrade the Office Specialist to a Senior Office Specialist in Benefits Division
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	2.00	3.00	3.00	3.00	-	-	
Senior Auditor	1.00	1.00	1.00	1.00	-	-	
Senior Office Specialist	0.00	0.00	0.00	1.00	1.00	1.00	Upgrade the Office Specialist in Benefits Division
Senior Retirement Investment Officer	2.00	2.00	2.00	2.00	-	-	
Senior Supervisor, Administration	0.00	1.00	1.00	1.00	-	-	
Staff Specialist	7.00	7.00	6.00	6.00	(1.00)	-	Upgraded Staff Specialist to Analyst I/II in Benefits Division in December 2022
<b>Total Positions</b>	<b>40.00</b>	<b>43.00</b>	<b>43.00</b>	<b>44.00</b>	<b>1.00</b>	<b>1.00</b>	

**OFFICE OF RETIREMENT SERVICES**  
**Proposed Organizational Chart**  
**Budget FY22-23**

