

**PROPOSED BUDGET**

**FISCAL YEAR 2021-2022**

**FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM**

March 18, 2021

# FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

## Proposed Budget for Fiscal Year 2021-2022

	(A) 2019-2020 Actual	(B) 2020-2021 Modified	(C) 2020-2021 Forecast	(D) 2021-2022 Proposed	(A) to (B) Increase (Decrease)	(B) - (C) Increase (Decrease)	(C) - (D) Increase (Decrease)
<b>SOURCE OF FUNDS</b>							
Beginning Fund Balance							
Claims Reserve	2,426,640,000	2,511,327,000	2,511,327,000	<b>2,600,459,193</b>	84,687,000	0	89,132,193
Total Beginning Fund Balance	2,426,640,000	2,511,327,000	2,511,327,000	<b>2,600,459,193</b>	84,687,000	0	89,132,193
Transfers							
COLAs	22,617	23,000	18,923	<b>18,000</b>	383	(4,077)	(923)
City Contributions	207,860,000	211,926,000	191,944,722	<b>225,915,000</b>	4,066,000	(19,981,278)	33,970,278
Total Transfers	207,882,617	211,949,000	191,963,645	<b>225,933,000</b>	4,066,383	(19,985,355)	33,969,355
Revenue							
Participant Contributions	35,774,000	33,915,640	33,916,522	<b>36,747,000</b>	(1,858,360)	882	2,830,478
Investment Income	93,984,000	127,531,378	123,743,420	<b>127,754,000</b>	33,547,378	(3,787,958)	4,010,580
Total Revenue	129,758,000	161,447,018	157,659,942	<b>164,501,000</b>	31,689,018	(3,787,076)	6,841,058
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,764,280,617</b>	<b>2,884,723,018</b>	<b>2,860,950,587</b>	<b>2,990,893,193</b>	<b>120,442,401</b>	<b>(23,772,431)</b>	<b>129,942,606</b>
<b>USE OF FUNDS</b>							
Expenditures							
COLAs	22,617	23,000	18,923	<b>18,000</b>	383	(4,077)	(923)
Benefits	216,728,000	220,198,000	223,345,327	<b>230,465,000</b>	3,470,000	3,147,327	7,119,673
Health Insurance	30,779,000	30,608,000	32,120,000	<b>32,740,000</b>	(171,000)	1,512,000	620,000
VEBA Transfers	13,000	0	4,700	<b>10,000</b>	(13,000)	4,700	5,300
Personnel Services	3,275,000	3,357,000	3,131,562	<b>3,684,000</b>	82,000	(225,438)	552,438
Non-Personnel/Equipment <sup>(1)</sup>	1,496,000	1,221,000	1,126,674	<b>724,000</b>	(275,000)	(94,326)	(402,674)
Professional Fees	640,000	852,000	744,208	<b>895,000</b>	212,000	(107,792)	150,792
Total Expenditures	252,953,617	256,259,000	260,491,394	<b>268,536,000</b>	3,305,383	4,232,394	8,044,606
Ending Fund Balance							
Claims Reserve	2,511,327,000	2,628,464,018	2,600,459,193	<b>2,722,357,193</b>	117,137,018	(28,004,825)	121,898,000
Total Ending Fund Balance	2,511,327,000	2,628,464,018	2,600,459,193	<b>2,722,357,193</b>	117,137,018	(28,004,825)	121,898,000
<b>TOTAL USE OF FUNDS</b>	<b>2,764,280,617</b>	<b>2,884,723,018</b>	<b>2,860,950,587</b>	<b>2,990,893,193</b>	<b>120,442,401</b>	<b>(23,772,431)</b>	<b>129,942,606</b>

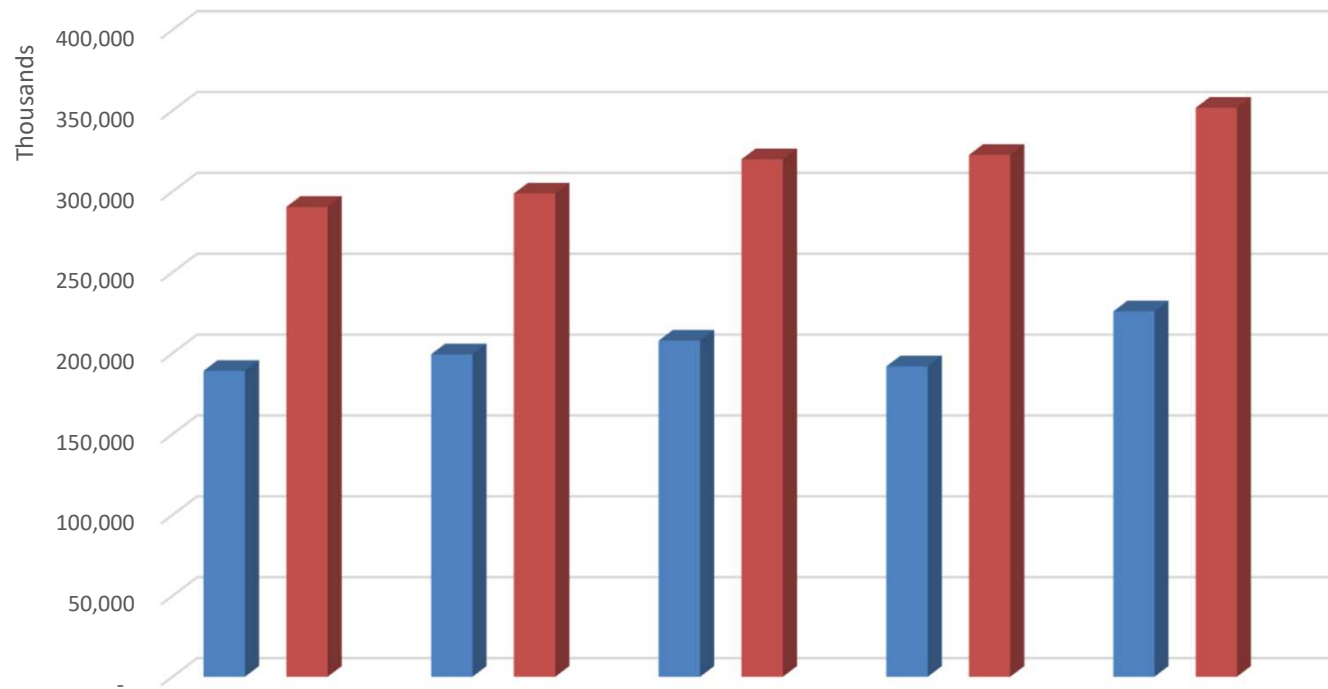
Amount not included in budget since no cash outlay:

Amortization expense for PG3	\$	408,727	\$	408,727	\$	408,727	\$	408,727
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<sup>(1)</sup> Non-personnel equipment FY19-20	\$	1,496,000
Rounding in CAFR		936
Amortization expense		(408,727)
As shown in Administrative Expenses	\$	<b>1,088,209</b>

## FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

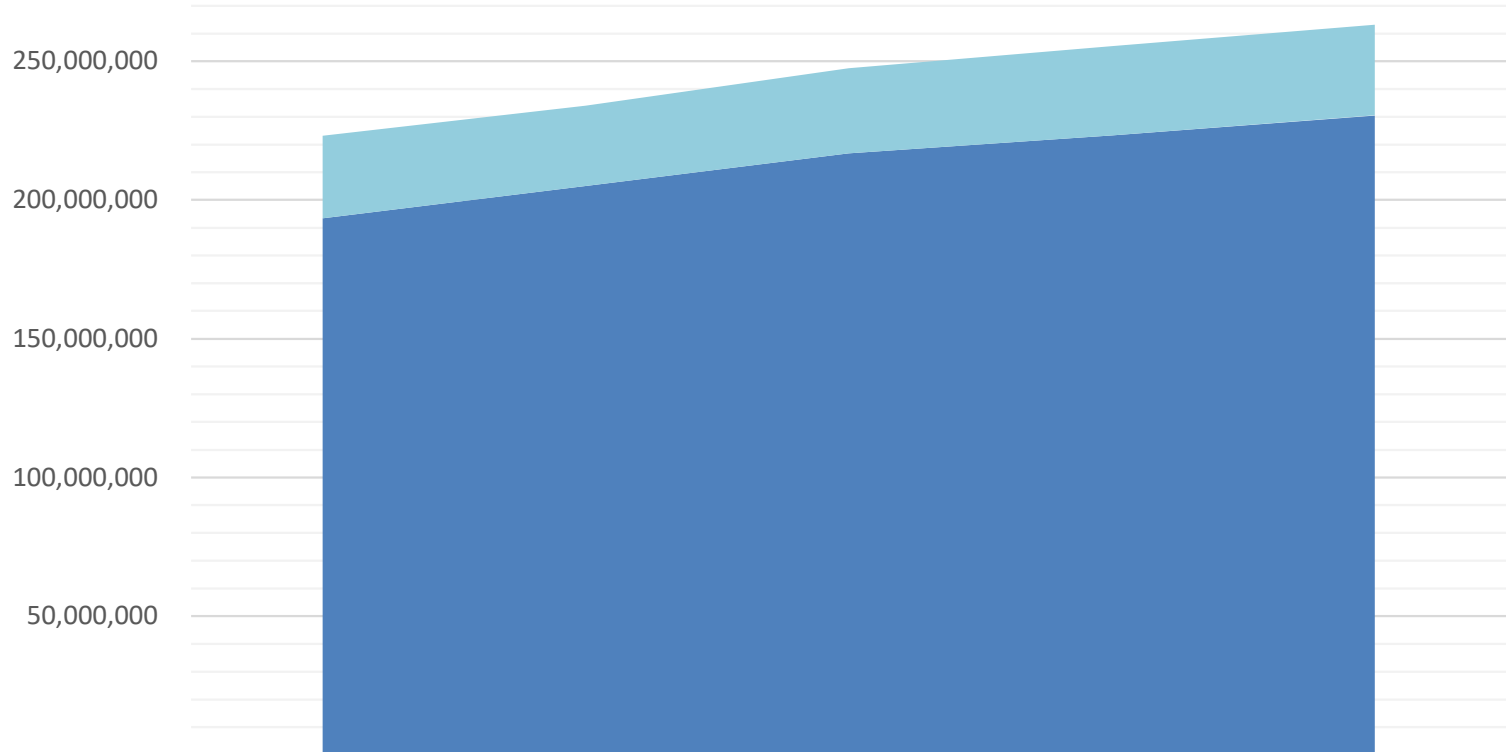
### Total City Contributions & Covered Payroll



	FY 17-18	FY 18-19	FY 19-20	FY 20-21 (Forecast)	FY 21-22 (Proposed)
■ Total City Contributions	189,167,000	199,416,000	207,860,000	191,944,722	225,915,000
Total City Contribution % Change	11.0%	5.4%	4.2%	-7.7%	17.7%
■ Total Covered Payroll	290,504,000	298,824,000	319,980,000	322,709,000	351,800,000
Total Covered Payroll % Change	1.7%	2.9%	7.1%	0.9%	9.0%

## FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

### Pension Benefits and Health Insurance



	FY 2018 - Actual	FY 2019 - Actual	FY 2020 - Actual	FY 2021 - Forecast	FY 2022 - Proposed
Total Benefits	223,124,000	233,892,000	247,507,000	255,465,000	263,205,000
Health Insurance % Change	-4.1%	-3.0%	6.8%	4.4%	1.9%
Health Insurance	29,724,000	28,826,000	30,779,000	32,120,000	32,740,000
Pension Benefits % Change	5.4%	6.0%	5.7%	3.1%	3.2%
Pension Benefits	193,400,000	205,066,000	216,728,000	223,345,000	230,465,000

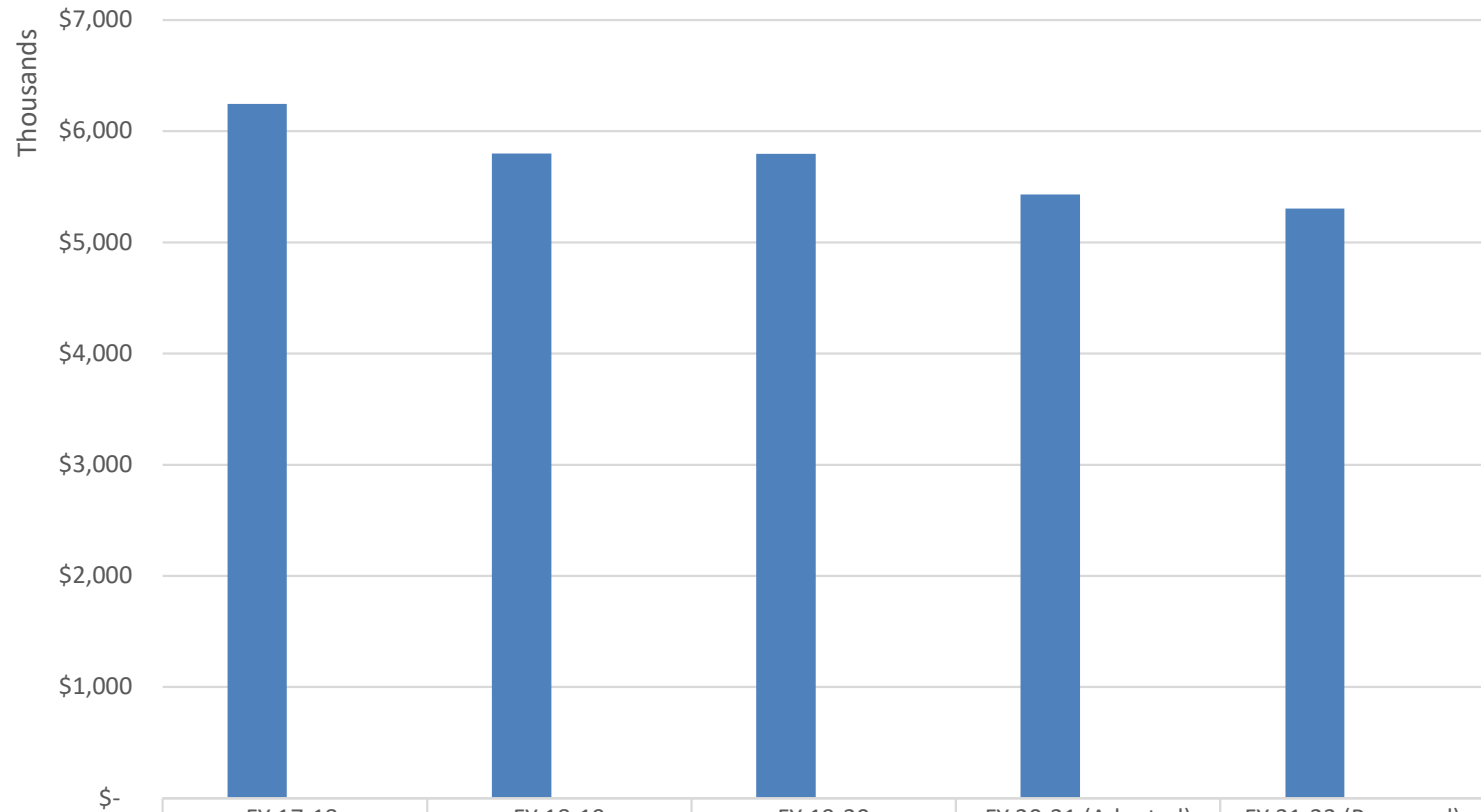
## FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

### Administrative Expenses: FY 2021-2022

	(A) 2019-2020 Actual	(B) 2020-2021 Adopted	(C) 2020-2021 Forecast	(D) 2021-2022 Proposed	(A) to (B) Increase (Decrease)	(B) - (C) Increase (Decrease)	(C) - (D) Increase (Decrease)
<b>PERSONNEL SERVICES</b>							
Salaries and employee benefits	3,275,142	3,357,000	3,131,562	<b>3,684,000</b>	81,858	(225,438)	552,438
Total Personnel Services	3,275,142	3,357,000	3,131,562	<b>3,684,000</b>	81,858	(225,438)	552,438
<b>NON-PERSONNEL / EQUIPMENT</b>							
Investment analytics and research	401,130	435,000	401,642	-	33,870	(33,358)	(401,642)
Insurance	207,386	193,000	188,023	<b>213,000</b>	(14,386)	(4,977)	24,977
IT hardware / software	99,438	123,000	137,942	<b>107,000</b>	23,562	14,942	(30,942)
LRS - annual maintenance fee	45,540	48,000	47,640	<b>48,000</b>	2,460	(360)	360
Postage and printing	59,167	90,000	87,798	<b>60,000</b>	30,833	(2,202)	(27,798)
Rent	209,223	212,000	203,433	<b>215,000</b>	2,777	(8,567)	11,567
Training and travel	26,304	40,000	18,409	<b>20,000</b>	13,696	(21,591)	1,591
Office supplies and board meeting expense	13,365	30,000	10,986	<b>15,000</b>	16,635	(19,014)	4,014
Other non-personnel / equipment	26,656	50,000	30,801	<b>46,000</b>	23,344	(19,199)	15,199
Total Non-personnel / Equipment	1,088,209	1,221,000	1,126,674	<b>724,000</b>	132,791	(94,326)	(402,674)
<b>PROFESSIONAL SERVICES</b>							
Actuary / actuarial audit	236,360	210,000	216,089	<b>320,000</b>	(26,360)	6,089	103,911
External auditor	55,427	83,000	80,817	<b>83,000</b>	27,573	(2,183)	2,183
Legal	186,458	282,000	275,803	<b>257,000</b>	95,542	(6,197)	(18,803)
Pension administration system	9,144	21,000	7,564	<b>16,000</b>	11,856	(13,436)	8,436
Temporary staffing agencies	50,452	77,000	38,647	<b>60,000</b>	26,548	(38,353)	21,353
Other professional services	60,938	79,000	66,132	<b>79,000</b>	18,062	(12,868)	12,868
Total Professional Services	598,779	752,000	685,052	<b>815,000</b>	153,221	(66,948)	129,948
<b>MEDICAL SERVICES</b>							
Independent medical examiners	17,998	54,000	13,000	<b>44,000</b>	36,002	(41,000)	31,000
Medical consultant	22,631	46,000	46,156	<b>36,000</b>	23,369	156	(10,156)
Total Medical Services	40,629	100,000	59,156	<b>80,000</b>	59,371	(40,844)	20,844
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>5,002,759</b>	<b>5,430,000</b>	<b>5,002,444</b>	<b>5,303,000</b>	<b>427,241</b>	<b>(427,556)</b>	<b>300,556</b>

## FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

### Administrative Expense Budget



	FY 17-18	FY 18-19	FY 19-20	FY 20-21 (Adopted)	FY 21-22 (Proposed)
■ Admin Exp Budget*	\$6,244,800	\$5,799,000	\$5,796,000	\$5,430,000	\$5,303,000
% Change	-0.1%	-7.1%	-0.1%	-6.3%	-2.3%

\* Amount includes budget for operations only.

# OFFICE OF RETIREMENT SERVICES

## Departmental Position Detail

Position	2019-2020 Adopted (1)	2020-2021 Adopted (2)	2020-2021 Forecast (3)	2021-2022 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	1.00	1.00	1.00	1.00	-	-	
Accounting Technician	1.00	1.00	1.00	1.00	-	-	
Analyst I/II	6.00	6.00	6.00	6.00	-	-	
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	2.00	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	1.00	-	-	
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	2.00	2.00	2.00	-	-	
Senior Auditor	1.00	1.00	1.00	1.00	-	-	
Senior Retirement Investment Officer	1.00	1.00	1.00	2.00	1.00	1.00	Proposed addition
Staff Specialist	6.00	6.00	6.00	6.00	-	-	
Staff Specialist PT	0.75	0.75	0.75	1.00	0.25	0.25	Proposed addition
<b>Total Positions</b>	<b>39.75</b>	<b>38.75</b>	<b>38.75</b>	<b>40.00</b>	<b>1.25</b>	<b>1.25</b>	

**OFFICE OF RETIREMENT SERVICES  
Proposed Organizational Chart  
Budget FY21-22**

