

	Budget For FY2013-2014	Budget for FYTD through August-14	Actuals for FYTD through August-14	Variance Under /Over	Explanation of Variance
1) Money Manager Fees					
i) Attributable to Current Year	\$ 6,332,248	\$ 5,769,970	\$ 6,811,033	\$ (1,041,063)	Subtotal 1)
ii) Attributable to Prior Year			\$ (771,899)	\$ (771,899)	Higher fee based on increased market value and asset reallocation in equities, MLP-Energy, and Real Estate
a) Investment Balance	\$ 1,345,618,832	\$ 1,401,832,831	\$ 1,595,243,557	\$ 193,410,726	Fee overage due to greater than anticipated September market value
i) Attributable to Current Year		\$ 166,753,063	\$ 305,887,747	\$ 139,134,684	Higher market value of equities, MLP-Energy, and Real Estate.
ii) Attributable to Prior Year		\$ 1,235,079,768	\$ 1,289,355,810	\$ 54,276,042	Greater than anticipated September market value
b) Average Manager Fees in Basis Points	49.4	49.2	54.1	(4.90)	
2) Staff Salaries & benefits, and all other professional services					
a) Staff Salaries & benefits	\$ 2,761,588	\$ 2,486,907	\$ 2,453,780	\$ 33,127	Subtotal 2) Includes 2a) through 2e)
a1) Staff Salaries	\$ 1,195,992	\$ 1,094,807	\$ 857,582	\$ 237,225	2a) Subtotal of a1) and a2)
a2) Staff Benefits	\$ 752,413	\$ 680,484	\$ 659,308	\$ 21,176	Pension costs less than anticipated due to new SERP actuary study. Leave Sallback was less (\$66,598) than anticipated.
b) All other professional services	\$ 443,579	\$ 414,323	\$ 198,274	\$ 216,049	
b1) Actuary	\$ 884,064	\$ 816,658	\$ 995,198	\$ (178,540)	2b) Subtotal of b1) through b9)
b2) Auditor	\$ 110,200	\$ 102,700	\$ 107,000	\$ (4,300)	
b3) Investment Advisor	\$ 35,000	\$ 35,000	\$ 29,465	\$ 5,535	Lower fees from new Audit firm for FY2013 audit.
b4) Investment Custodian	\$ 245,864	\$ 225,375	\$ 225,375	\$ -	
b5) Legal	\$ 80,000	\$ 73,333	\$ 29,792	\$ 43,541	Eliminated Global custody and Global transaction fees.
b6) IS Alloc-Legal - Office of General Counsel	\$ 348,000	\$ 319,000	\$ 522,209	\$ (203,209)	Ongoing legal expenses for defending lawsuits, pension task force inquiries, and pension reform inquiries.
b7) Lobbyist	\$ -	\$ -	\$ 9,207	\$ (9,207)	
b8) Medical	\$ 45,000	\$ 41,250	\$ 41,250	\$ -	
b9) Appraiser for Buildings - Real Estate Investments	\$ 10,000	\$ 10,000	\$ 25,900	\$ (15,900)	Over for physicals due to City hire additional police and firefighters
c) All other expenses	\$ 10,000	\$ 10,000	\$ 5,000	\$ 5,000	Did not perform the annual appraisal on the Jake Godbold building
c1) ITD Support	\$ 681,532	\$ 575,442	\$ 601,000	\$ (25,558)	2c) Subtotal of c1) through c6)
c2) Building Rental	\$ 55,000	\$ 50,416	\$ 35,137	\$ 15,279	ITD less due to updated costs by ITD for budget revision passed by City Council.
c3) Building Op-Electricity	\$ 253,392	\$ 232,276	\$ 232,276	\$ -	
c4) Building Op-Miscellaneous Charges	\$ 81,280	\$ 74,020	\$ 73,367	\$ 653	
c5) Parking Op-Repairs & Maintenance	\$ 32,000	\$ 29,333	\$ 44,395	\$ (15,062)	Over for \$12,960 in grant expenses for LED lighting. Received equal amount in grant revenue
c6) Other less than \$40,000	\$ 49,500	\$ 500	\$ 17,187	\$ (16,687)	Over for parking garage share of new security system costs.
Total	\$ 210,360	\$ 188,897	\$ 198,638	\$ (9,741)	Over for repairs to one of the building chillers
Total	\$ 9,093,836	\$ 8,256,877	\$ 9,264,813	\$ (1,007,936)	Total- Subtotal 1) and Subtotal 2)

Budgetary Statement: Will be over for money manager fees associated with increased growth in market values and asset reallocation to higher fee equities. Legal fees will be over due to lawsuits, Pension Task Force inquiries, and Pension Reform inquiries.

- * Estimate that professional services will be \$1.3 million over budget, resulting in an overall \$1.1 million budget overage.
- * Recommend the Board appropriate an additional \$1.1 million to Professional Services for a total FY2014 budget of \$10,193,836.
- ** Recommend the Board approve the Controller to reallocate approved budget line items once September actual amounts are recorded.