



ADMINISTRATIVE BUDGET



FY2025

May 9, 2024

ACCOMPLISHMENTS IN FY2024



- Successfully implemented the Unified Communication as a Service solution throughout SERS
- Completed the Microfilm digitization project by converting microfilm to a digital format
- Completed system enhancements to the member self-serve portal to be user friendly on all devices including tablets and cell phones
- Successfully completed our cyber incident response and disaster recovery exercises
- Created an Artificial Intelligence Usage policy and draft governance charter to assist with the new AI Oversight Committee
- Staff completed organization wide training on how to navigate high-stake situations
- Implemented a new cloud based general ledger system (go-live 7/1/2024)
- Prepared the FY25-29 Strategic plan

FY2025 PROPOSED PROJECTS

- Actuarial Audit to comply with ORSC requirements
- Enhancements to the member self-serve portal will enable online refund processing
- Implementation of online chat capabilities
- Planned upgrades to the Board Room and O'Keefe conference room AV equipment
- Implementation of security tools to better protect SERS data and systems
- Year one implementation of the new 5-year strategic plan

PROPOSED FY2025 DRAFT BUDGET



Comparison of FY2024 budget to FY2025 proposed

	Budget		Forecast
Budget Category	FY2025	FY2024	FY2024
Personnel	\$ 26,904,494	\$ 25,471,425	\$ 25,534,264
Professional Services	\$ 6,493,858	\$ 6,456,305	\$ 6,250,398
Communications	\$ 944,448	\$ 1,015,710	\$ 704,863
Other Operating Expense	\$ 4,655,782	\$ 4,413,942	\$ 3,795,908
Capital	\$ 0	\$ 0	\$ 0
Net Building Occupancy	\$ 1,509,452	\$ 1,392,957	\$ 1,029,157
TOTAL ADMINISTRATIVE BUDGET	\$ 40,508,034	\$ 38,750,339	\$ 37,314,590

FY2025 DRAFT BUDGET DRIVERS



The 4.5% increase in the FY2025 budget over FY2024 is attributed to the following:

- Primarily for the Personnel category:
 - CBIZ, an independent compensation consultant, recommended a 5% salary budget growth
 - 4% shared merit pool awarded based on performance
 - One new FTE for security
 - Promotions
- Increased software costs to enhance security

PROPOSED FY2025 DRAFT BUDGET



Personnel Services: 5.6% ↑

- 66.4% of the Total Budget
- One new position (FTE = 184)
- Performance-based merit increase of 4%
- Incentive payouts based on FY2024 Investment Portfolio Performance
- Level of benefits remains unchanged for FY2025, but reflect an increase in health care expense
- Government Accounting Standard's Board required recognition of accrued but unused leave

Professional Service: 0.5% ↑

- 15.9% of the Total Budget
- Actuarial and Audit fees
 - ORSC Actuarial Audit
- Banking and Custodial fees
- Investment Consulting and Advisory, Performance Analytics and Investment-Related Technical Consulting
- Infrastructure third-party services, medical/pharmacy pricing advisement, consulting services across the organization
- Microfilm project was completed in FY2024

PROPOSED FY2025 DRAFT BUDGET



Communications: 7.0% ↓

- 2.3% of the Total Budget
- Printing and Postage:
 - Includes two Board elections
 - Decrease due to off year of open enrollment mailings
- Telecommunication - includes web services, hybrid work environment video/audio communication resources
 - Decrease due to replacing landline phones with software as a solution in FY2024
- Member/Employer Education - includes costs associated with conducting meetings and outreach services

Other Operating: 5.6% ↑

- 11.6% of the Total Budget
- Computer Support Services – includes Hardware and Software Maintenance as well as Software Subscriptions
 - ↑ New software subscriptions:
 - Replacement of general ledger and accounting to cloud-based solution
 - Information security tools
 - Telecom as a cloud service
- Conferences, Education and Travel
- Property and Fiduciary Insurance
- Staff Support
- Mandatory ORSC costs
- Reimbursement from OSERS Broad Street, LLC for Leased Services

PROPOSED FY2025 DRAFT BUDGET



Capital:

- 0.0% of the Total Budget
- There are no Capital projects planned in FY25

Net Building Occupancy: 8.3% ↑

- 3.7% of the Total Budget
- Operating Revenue – includes Suite Lease revenue for tenants and parking
 - ↓ Tenant rental offset by ↑ parking
- Operating Expenses
 - Property Management and Labor
 - Other Administrative Expenses
 - Building Operations and Maintenance
 - ↑ Security services
 - ↑ Five-year cyclical refresh of electric charging stations
 - Utilities & Building/Equipment Insurance
- Non-Operating Expenses
 - Special Counsel
 - Remodeling – includes anticipated cost for tenant improvements

FIVE-YEAR TECHNOLOGY ROADMAP BUDGET



	FY2023 through FY2027 Plan	FY2023 Actual Spend	FY2024 Forecast	FY2025 Plan	Remaining Roadmap Amount
Total Project Budget	\$8,283,054	\$1,421,749	\$1,082,017	\$2,298,417	\$3,480,871

- Telecommunications
- Security Stack
- Network Infrastructure
- Hybrid Technology Replacement
- Server Infrastructure
- Backup and Recovery
- SMART Portals
- SMART Framework
- SMART Enhancements
- SMART Business Tools

FY2025 Plan includes:

- Third year of technology enhancement projects:
 - Improve digital, mobile and electronic service delivery for employers and members
 - Pension administration system enhancements
 - Expand business tools, including potential AI tools
 - Audio/video refresh of meeting rooms (support for streaming Board and Committee meetings)
 - Network and server infrastructure improvements
 - Expanded Information Security



Questions?