

DECISION MEMORANDUM OF THE FINANCE BOARD
ACTING WITHOUT A QUORUM

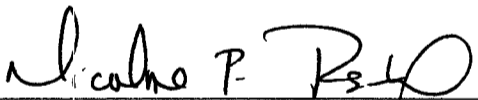
Date: June 3, 1994
No.: 94-DM-19

ISSUE: Approval of amendment to the Office of Finance 1994 operating and capital expenditures budgets as requested by the Office of Finance board of directors.

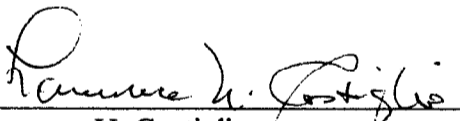
FACTORS CONSIDERED:

- o Pursuant to section 934.6 of the Federal Housing Finance Board regulations, the Office of Finance board of directors has requested to increase the Office of Finance 1994 operating expense and capital expenditures budgets.
- o The Office of Finance has requested to increase its 1994 operating expense budget by \$317,380. This increase is to cover costs associated with: two additional employees, three additional months on the FHLBank of New York mainframe, additional programming costs related to the conversion of the debt issuance system to the local area network, increased legal expenses associated with the preparation of offering notices and with the preparation and review of materials for the issuance of equity index bonds, the cost of printing the 1993 FHLBank System Financial Report and quarterly updates, the buyout of a contract with Telerate, and additional temporary services.
- o The Office of Finance has requested to increase its 1994 capital expenditures budget by \$200,000. This increase is to cover additional costs associated with the development of Phase II of the Price Waterhouse Debt Issuance System as well as the installation of a self-sufficient air conditioner for the Office of Finance computer room.

DECISION: To approve the Office of Finance request to increase the 1994 operating expense budget by \$317,380 from \$5,073,400 to \$5,390,780 and to increase the 1994 capital expenditures budget by \$200,000 from \$1,153,600 to \$1,353,600 as set forth on the attached Table 1.



Nicolas P. Retsinas



Lawrence U. Costiglio

Table 1

Office of Finance
Budget Amendment

	A	B	C	D
	1994 Approved Budget	Amendment	1994 Revised Budget	Percent Increase C to A
<u>Operating Budget</u>				
1. Total Controllable Operating Expenses	\$5,073,400	\$317,380	\$5,390,780	6.3%
a. Salaries	2,305,600	28,230	2,333,830	1.2%
b. Benefits	554,300	0	554,300	0.0%
c. Cost of Quarters	271,400	0	211,400	0.0%
d. Computer Operations	519,200	71,550	590,750	13.8%
e. Other	1,422,900	217,600	1,640,500	15.3%
<u>Capital Expenditures Budget</u>				
2. Total Controllable Capital Expenditures	\$1,153,600	\$200,00(1)	\$1,353,600	17.3%
a. Furniture and Equipment	1,153,600	200,000	1,353,600	17.3%
b. Automobiles	0	0	0	N/M
c. Land & Building Related Expenses	0	0	0	N/M
<u>Total Controllable Expenses</u>				
3. Total Controllable Exp. (line 1 + line 2)	\$6,227,000	\$517,380	\$6,744,380	8.3%
<u>Total Uncontrollable Fees</u>				
4. Security Processing Fees *	\$1,600,000	\$0	\$1,600,000	0.0%
<u>Total Budget</u>				
5. Total Budget (line 3 + line 4)	\$7,827,000	\$517,380	\$8,344,380	6.6%
Staff				
6. Total Staff (FTEs) - 3/31/94	36.5	2.0	38.5	5.5%