

Annual 2014-2015 Budget Changes

Item	Current Annual Budget	Change	Adjusted Annual Budget
1 Employee Retirement Cost	\$ 181,101.00	\$ (48,044.00)	\$ 133,057.00
2 Accounting Fees	\$ 75,695.00	\$ 44,150.00	\$ 119,845.00
3 IT Support Expense	\$ 78,600.00	\$ 10,894.00	\$ 89,494.00
4 Contract Services	\$ 27,000.00	\$ 15,000.00	\$ 42,000.00
5 Staff Training/Continuing Education	\$ 400.00	\$ 3,000.00	\$ 3,400.00
Total Adjustments	\$ 362,796.00	\$ 25,000.00	\$ 387,796.00

**Firefighters' Retirement System
2014 - 2015 Budget Amendment**

Staff is presenting the following budget amendments to the 2014 - 2015 FRS Operating Budget. It should be noted that staff is only requesting a \$25,000 increase in the approved 2014 - 2015 Operating Budget along with a reallocation of \$48,044 of budget dollars between line items. This reallocation will make it easier to track our actual expenditure levels during the remainder of the 2014 - 2015 budget year.

- | <u>Item #</u> | <u>Budget Change Request</u> |
|---------------|---|
| 1 | Due to an oversight in the original retirement expense budget, employer contributions were budgeted for the Executive Director's salary. Due to the fact that the Executive Director will be in DROP for the fiscal year 2014 - 2015, employer contributions are not paid on his behalf. This results in a decrease in the retirement expense budget in the amount of \$48,044, which will be reallocated to Item #'s 2a, 3, 4 and 5 below. |
| 2a | Accounting Fees were originally budgeted for the review and testing of four employers to comply with GASB 68 requirements. It was later decided to include two additional employers in the review which resulted in additional fees. Also, due to the fact that the auditors need to test two fiscal years in order to comply with GASB 68 reporting requirements, FYE 2013 and FYE 2014, additional fees were incurred. We are reallocating \$19,150 from retirement expense to cover this increase. |
| 2b | During the exit conference with our auditors, it was decided that the best time to complete the census data testing for the next set of employers would be by the end of this current fiscal year, 2014-2015. Therefore, we have increased the 2014-2015 budget total to reflect this change. This increase totals \$25,000 and is an increase and not a reallocation. |
| 3 | Based on additional information requested by our auditors for the annuity savings rollforward, our computer programmer has had to perform extra research and |

programming functions which will cause our IT Expenses to be higher than originally budgeted. We are reallocating \$10,894 from retirement expense to cover this increase.

- 4 In July 2014, an invoice relating to the research of financial strategies, management of portfolios, due diligence reviews on managers and the creation of both internal and external investment reports was received. At the time of the original budget, FRS was in the process of hiring a CIO and was unsure whether this type of software would be necessary; therefore, this was not budgeted for. After discovering that our fees would increase if we cancelled and later decided to renew, we decided to renew and pay the total invoice. We are reallocating \$15,000 from retirement expense to cover this increase.
- 5 We are separating the Staff Training and Continuing Education as separate line items to better track these expenses. A notary course was scheduled for the Board Secretary after the original budget was approved. We have also adjusted for any additional CPA, legal, or other professional license continuing education requirements. We are reallocating \$3,000 from retirement expense to cover this increase.

Firefighters' Retirement System
MODIFIED FRS BUDGET FOR FY 14-15

Line No.	Category	Modified Budget FY 14-15		Original Budget FY 14-15
1	ADMINISTRATIVE			
2	Salaries Expense	\$ 704,198	A	\$ 704,198
3	Payroll Tax Expense	10,211		10,211
4	Employee Retirement Cost	133,057		181,101
5	Employee Health Insurance Expense	77,260		77,260
6	Employee Life Insurance Expense	1,392		1,392
7	SUBTOTAL ADMINISTRATIVE	926,118		974,162
8	PROFESSIONAL SERVICES			
9	Medical Examinations	17,500		17,500
10	Accounting Fees	119,845		75,695
11	Actuarial Fees	90,200		90,200
12	IT Support Expense	89,494		78,600
13	Member Death Research Fees	1,375		1,375
14	Bank Service Charge	8,600		8,600
15	Contract Services	42,000		27,000
16	Other Legal Fees	395,000		395,000
17	FRS Fletcher Legal Expenses	255,000		255,000
18	SUBTOTAL PROFESSIONAL SERVICES	1,019,014		948,970
19	OFFICE			
20	Printing Expense	8,700		8,700
21	Postage Expense	37,000		37,000
22	Office Expenses	34,200		34,200
23	Dues and Subscriptions	6,700		6,700
24	Advertising Expense	9,800		9,800
25	Building & Maintenance Expense:			
26	Utilities	17,000		17,000
27	Telephone	5,850		5,850
28	Insurance	6,100		6,100
29	Equipment Maintenance	3,500		3,500
30	Building & Grounds Maintenance	87,120		87,120
31	Depreciation	51,000		51,000
32	Total Building & Equipment Maintenance Expense	170,570		170,570
33	SUBTOTAL OFFICE	266,970		266,970

Firefighters' Retirement System
MODIFIED FRS BUDGET FOR FY 14-15

Line No.	Category	Modified Budget FY 14-15	Original Budget FY 14-15
34	TRAVEL		
35	Board Members Travel Expense:		
36	Board Meetings	18,650	18,650
37	Conferences/Workshops	15,000	15,000
38	Board Business	4,000	4,000
39	<i>Subtotal Board Travel Expense</i>	<i>37,650</i>	<i>37,650</i>
40	Staff Travel Expense:		
41	Legal Support	4,000	4,000
42	Conferences/Workshops	4,950	4,950
43	Due Diligence Reviews	5,550	5,550
44	FRS Retirement Presentations	800	800
45	Routine	250	250
46	<i>Subtotal Staff Travel Expense</i>	<i>15,550</i>	<i>15,550</i>
47	Hotel Expenses:		
48	Board - Board Meetings	4,150	4,150
49	Board - Conferences/Workshops	18,650	18,650
50	Staff - Legal Support	1,500	1,500
51	Staff - Conferences/Workshops	6,200	6,200
52	Staff - Due Diligence Reviews	5,500	5,500
53	Staff - FRS Retirement Presentations	800	800
54	<i>Subtotal Hotel Expense</i>	<i>36,800</i>	<i>36,800</i>
55	OTHER		
56	Board Per Diem	6,300	6,300
57	Conference Registration - Board	11,175	11,175
58	Conference Registration - Staff	2,100	2,100
59	Staff Training/Continuing Education	3,400	400
60	<i>SUBTOTAL OTHER</i>	<i>22,975</i>	<i>19,975</i>
61	GRAND TOTAL	\$ 2,325,077	\$ 2,300,077
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Capital Items:			
62	Executive Director Computer	\$ 2,300	
	Installation/Setup: 8 hours at \$100/hour	\$ 800	
63	Benefit Manager Computer	800	
	Installation/Setup: 4 hours at \$100/hour	400	
64	Benefit Analyst Computer	800	
	Installation/Setup: 4 hours at \$100/hour	400	
65	Email Backup Hardware	2,045	
66	Security Cameras (Front and back entrances)	5,000	
67	Total Capital Items	<u>\$ 12,545</u>	