

Firefighters' Retirement System
FRS BUDGET FOR FY 11-12

Category	Budget FY 11-12	Budget FY 10-11
ADMINISTRATIVE		
Salaries Expense	\$428,205	\$ 428,205
Payroll Tax Expense	6,208	6,208
Employee Retirement Cost	108,122	92,065
Employee Health Insurance Expense	42,414	40,175
Employee Life Insurance Expense	864	960
SUBTOTAL ADMINISTRATIVE	585,813	567,613
PROFESSIONAL SERVICES		
Medical Examinations	23,500	20,000
Accounting Fees	47,000	47,000
Actuarial Fees	76,180	71,640
IT Support Expense	52,544	23,100
Member Death Research Fees	1,300	1,275
Bank Service Charge	7,000	7,500
Contract Services	1,000	3,500
Legal Fees	30,000	50,000
SUBTOTAL PROFESSIONAL SERVICES	238,524	224,015
OFFICE		
Printing Expense	4,500	4,100
Postage Expense	25,500	22,000
Equipment Maintenance	4,700	5,000
Office Supplies	12,400	14,470
Dues and Subscriptions	8,950	8,600
General Liability Insurance	6,150	6,500
Advertising Expense	21,450	13,350
Net Building Expense	31,205	10,595
SUBTOTAL OFFICE	114,855	84,615
TRAVEL		
Board Members:		
Board Travel Expense - Board Meetings	9,900	16,275
Board Travel Expense - Conferences	5,910	4,600
Board Travel Expense - Board Business	2,000	1,000
Subtotal Board Travel Expense	17,810	21,875
Staff:		
Staff Travel Expense - Conferences	625	685
Staff Travel Expense - FRS Workshops	1,025	2,500
Staff Travel Expense - Routine	200	250
Subtotal Staff Travel Expense	1,850	3,435

Firefighters' Retirement System
FRS BUDGET FOR FY 11-12

Category	Budget FY 11-12	Budget FY 10-11
Hotel:		
Board Hotel Expense - Board Meetings	4,455	7,425
Board Hotel Expense - Conferences	8,565	3,965
Staff Hotel Expense - Conferences	3,618	3,440
Staff Hotel Expense - FRS Workshops	275	750
Subtotal Hotel Expense	16,913	15,580
OTHER		
Board Per Diem	4,500	5,625
Conference Registration - Board	2,825	1,675
Conference Registration - Staff	700	500
SUBTOTAL OTHER	8,025	7,800
GRAND TOTAL	\$ 983,790	\$ 924,933

FRS BUILDING BUDGET

FY 11-12

Category	Budgeted FY 11-12	Budgeted FY 10-11
Revenue:		
Monthly Rent from State Police	\$ 14,195	\$ 38,905
Expenses:		
Utilities	12,250	11,500
Phone	5,650	6,000
Building & grounds maintenance	<u>27,500</u>	<u>32,000</u>
Total Expense	45,400	49,500
Net Expense	<u>\$ 31,205</u>	<u>\$ 10,595</u>

FRS BUDGET DETAIL FOR FY 11-12

Salaries Expense **\$428,205**

Steven Stockstill: \$146,016
Kelli Chandler: \$99,496
Jason Starns: \$55,845
Debbie Charleville: \$48,848
Brent Philip: \$41,600
Penny Gandy: \$36,400

Due to civil service action, all merit increases for classified and unclassified employees were suspended for FY 2011-12. FRS is covered by the civil service order; therefore no merit increases will be included in the budget for FY 2011-12. (NOTE: This is the second consecutive year that merit increases were not granted to FRS staff. If the merit increases had been granted in FY 2010-11, plus the upcoming FY 2011-12, then salaries expense would now be \$463,146. Suspending these increases result in a combined two-year savings of \$52,069 or 5% of the 2011-12 budget.)

Payroll Tax Expense **\$6,208**

Medicare portion is 1.45% of payroll

Employer Retirement Expense **\$108,122**

Retirement is 25.25% of payroll

Employee Health Insurance Expense **\$42,414**

All amounts were budgeted based upon rates established by the Office of Group Benefits.

Employee Life Insurance Expense **\$864**

Current employee rates are \$12 per person per month ($\$12 * 6 * 12 = 864$)

Medical Examinations **\$23,500**

For this line item, FY 2009-10 expenses were \$21,546 and, by comparison, FY 2010-11 expenses are expected to be approximately \$26,933. Therefore, FRS will budget \$23,500 for FY 2011-12.

Accounting Fees**\$47,000**

The current year's audit had a cost of \$47,000. No increase in audit fees is expected. Therefore, FRS will budget \$47,000 for our annual audit.

Actuarial Fees**\$76,180**

For this line item, FY 2010-11 expenses are expected to be \$45,672. However, the total expense would have been \$75,180 if an actuarial study that was requested by the FRS board would have been completed and paid for in FY 2010-11. The study is called the Statutorily Required – Projection of Future Cash Flow Requirements and was projected to cost \$27,000. That cost will be carried over to FY 2011-12 when the study is expected to be completed. The total FY 2011-12 actuarial expense is comprised of that cost, plus the regular monthly retainer of \$4,015 (\$48,180 annualized), plus \$1,000 for any independent studies that may be requested by the board of trustees.

IT Support Expense**\$52,544**

The I.T. support expenses for FY 2010-11 was budgeted at \$23,100 to cover general I.T. support, but should have also included an additional \$28,044 representing the monthly lease of the AS400 server. Although there are two months remaining in FY 2010-11, at the time the FY 2011-12 budget is being prepared, the annualized expense for FY 2010-11 is expected to be \$50,982. In FY 2011-12, the FRS budget includes the monthly lease of the AS400 server of \$2,337 (annual cost of \$28,044), plus \$1,500 for a replacement battery for the Window's server, plus \$23,000 for general I.T. support services. (NOTE: Currently pending in the state legislature is a Bill (SB12) that, if enacted into law, will change the structure of FRS. If that happens, certain complicated computer program changes will be necessary to implement the new law. It is estimated that FRS I.T. expenses could increase by an amount ranging between \$100,000 to \$500,000. That amount has not been included in this line item because it is not certain whether SB12 will be enacted.)

Member Death Research Fees**\$1,300**

FRS conducts quarterly searches for members who are deceased but are still receiving benefits. Current expenses for Member Death Research Fees are anticipated to be \$1,289, so FRS will budget \$1,300 for FY 2011-12.

Bank Service Charge**\$7,000**

FRS anticipates CY bank service charges of \$6,981. This fee is based on the level of checks cleared as compared to the use of ACH transactions, also stop payment requests, check copy requests, and the overall volume of transactions. In the upcoming fiscal year, FRS will budget \$7,000 for bank service charges. However, that amount may change because FRS is exploring the feasibility of changing to a new retail bank service provider which would be expected to result in lower service charges.

Contract Services**\$1,000**

For the current year, FRS anticipates spending approximately \$931 in the category of contract services. Although FRS foresees no expenses to be incurred in FY 2011-12, FRS will budget \$1,000 for possible unexpected contract services needs, tape transcriptions or other one-time expenses.

Legal Fees**\$30,000**

FRS incurred legal fees of \$19,624 in FY 2010-11; these fees included the Regions lawsuit, the Duty lawsuit, and the Land Baron investigation. Because the Regions and Duty suits are maturing toward the trial phase of litigation it's expected that activity will increase significantly, thereby resulting in an increase of legal expenses. In FY 2011-12, FRS will budget its legal fees at \$30,000 for the Regions and Duty lawsuits.

Printing Expense**\$4,500**

For this line item, the CY expenses are anticipated to be \$3,878. The five year average is \$4,468. In FY 2011-12 FRS will budget \$4,500 which is in-line with the five year average. (NOTE: Currently pending in the state legislature is a Bill (SB12) that, if enacted into law, will change the structure of FRS. If that happens, it is estimated that the FRS printing expense could increase by approximately \$936. [3,989 active members + 1,749 retired members + 162 DROP participants = 5,900 members, 500 envelopes per box @ \$39 = 12 boxes of envelopes * \$39 = \$468 * 2 mail outs = \$936] That amount has not been included in this line item because it is not certain whether SB12 will be enacted.)

Postage Expense**\$25,500**

For this line item, the CY expenses are anticipated to be \$25,637. The five year average is \$22,062. In FY 2011-12 FRS will budget \$25,500 which is in-line with CY expenses. (NOTE: Currently pending in the state legislature is a Bill (SB12) that, if enacted into law, will change the structure of FRS. If that happens, it is estimated that FRS postage expense could increase by approximately \$4,366. [3,989 active members + 1,749 retired members + 162 DROP participants = 5,900 members * \$.37 postage per envelope = \$2,183 * 2 mail outs = \$4,366] That amount has not been included in this line item because it is not certain whether SB12 will be enacted.)

Equipment Maintenance**\$4,700**

For this line item, the CY expenses are anticipated to be \$4,747. The five year average is \$5,880. In FY 2011-12, FRS expects expenses to be in-line with CY expenses and will budget \$4,700. These costs include copier maintenance, printer maintenance, etc. (NOTE: Currently pending in the state legislature is a Bill (SB12) that, if enacted into law, will change the structure of FRS. If that happens, it is estimated that FRS printing expense could increase by approximately \$224.20. [3,989 active members + 1,749 retired members + 162 DROP participants = 5,900 members * \$.019 overage charges = \$112.10 * 2 printings = \$224.20] That amount has not been included in this line item because it is not certain whether SB12 will be enacted.)

Office Supplies**\$12,400**

Based on the trend of increasing prices, FRS started using a two year average for its office supply expenses. The two year average for this expense is \$12,467 and current year expenses are anticipated at \$12,391. Therefore FRS will budget \$12,400.

Dues and Subscriptions**\$8,950**

FRS has subscriptions for Tax Management Portfolios, Internal Revenue Codes, Louisiana Revised Statutes, the Pension Coordinator series, and various other accounting and law publications. FRS also pays dues to LAPERS and LaTec professional organizations. FRS expects to spend \$8,932 in FY 2010-11 and will continue at that level in FY 2011-12.

General Liability Insurance**\$6,150**

FRS is billed for general liability insurance through the Department of Risk Management. The annual premium for FY 2010-11 was \$6,140. Since there have been no claims for FRS, no premium increases are anticipated for FY 2011-12.

Advertising Expense**\$21,450**

For this line item, the CY expenses are anticipated to be \$5,383, which is partly comprised of RFP advertising expenses for custody/trust banking services in the amount of \$5,045. The five year average is \$6,048. In FY 2011-12, FRS is expected to advertise an RFP for retail banking services. Therefore, in FY 2011-12 FRS will budget \$5,100 for that purpose, and an additional \$15,600 for anticipated advertisements related to investment manager RFP searches (\$5,200 * 3 as projected by CSG), and \$750 for legislative notices. A total sum of \$21,450 is budgeted for FY 2011-12 advertising expenses.

Net Building Expense**\$31,205**

See the building budget for this detail

Board Travel Expense for Board Meetings **\$9,900**

FRS currently averages \$812 per month for board member travel to FRS board meetings. FRS anticipates this level of expense to continue in the upcoming year ($\$825 * 12$).

Board Travel Expense for Conferences **\$5,910**

The budget amount for this category is broken down as follows:

7 board members attending the LAPERS conference based upon prior year mileage and meal expenses:

- Stacy Birdwell (mileage $680 * .51 = 347$) + 52 meals = \$399
- Mayor Durbin (mileage $172 * .51 = 88$) + 0 meals = \$ 88
- Mayor Foster (mileage $117 * .51 = 60$) + 0 meals = \$ 60
- Charlie Fredieu (mileage $741 * .51 = 378$) + 52 meals = \$430
- Paul Smith (mileage $438 * .51 = 224$) + 52 meals = \$276
- John Broussard (mileage $162 * .51 = 83$) + 86 meals = \$169
- Chief Tarleton (mileage $144 * .51 = 74$) + 0 meals = \$ 74

Total LAPERS expense = \$1,496

1 Board member attending the NCPERS conference based upon prior year flight, mileage and meal expenses:

- Stacy Birdwell (mileage $25 * .51 = 15$) + 610 flight + 150 meals + 100 Taxi & Parking = \$875

Total NCPERS expense = \$865

3 Board members attending the LaTech conference based upon prior year mileage and meal expenses:

- John Broussard (mileage $165 * .51 = 84$) + 110 meals = \$194
- Charlie Fredieu (mileage $740 * .51 = 378$) + 110 meals = \$488
- Paul Smith (mileage $436 * .51 = 223$) + 110 meals = \$333

Total LaTech expense = \$1,015

3 Board members attending the Public Safety conference based on flight, mileage and meal expenses:

- Stacy Birdwell (mileage $25 * .51 = 15$) + 466 flight + 240 meals = \$ 721
- Charlie Fredieu (mileage $59 * .51 = 30$) + 466 flight + 240 meals = \$ 736
- Paul Smith (mileage $417 * .51 = 213$) + 615 flight + 240 meals = \$1,068

Total Public Safety expenses = \$2,525

Board Travel Expense for Board Business**\$2,000**

FRS anticipates board business expenses of \$1,681. In the upcoming year, FRS anticipates this expense to increase slightly higher due to trustee travel related to the Regions lawsuit, the Duty lawsuit, and attending legislative hearings. With the possibility of system reformation through legislation and the lawsuits maturing towards the trial phase of litigation, FRS will budget \$2,000 for this line item.

Staff Travel Expense for Conferences**\$625**

For the CY, FRS incurred expenses \$604. These costs include 6 staff members to the LAPERS conference (\$604). However, for FY 2011-12, FRS will budget expenses of \$625 for staff travel expense due to a mileage rate increase. The cost includes 6 staff members to LAPERS (\$625).

Staff Travel Expense Workshops**\$1,025**

For this line item, the CY expenses are anticipated to be \$216. The five year average is \$1,055. In FY 2011-12, the sum of \$1,025 is budgeted for the purpose of conducting educational presentations to members and employers. (NOTE: Currently pending in the state legislature is a Bill (SB12) that, if enacted into law, will change the structure of FRS. If that happens, it is estimated that FRS workshop travel expenses could increase by approximately \$2,500. That amount has not been included in this line item because it is not certain whether SB12 will be enacted.)

Staff Travel Expense Routine**\$200**

For this line item, the CY expenses are anticipated to be \$148, which is comprised of only the last six months of FY 2010-11 because there were no routine expense charges submitted during the first six months of the CY. The routine travel costs are expected to be less than the five year average of \$394, but in-line with the CY expenses. \$200 will be budgeted for this line item.

Board Hotel Expense Board Meetings**\$4,455**

FRS averages \$297 per month in hotel expense for board members to attend our monthly meetings. FRS does not anticipate any increase in hotel rates for FY 2011-12. Therefore, an annual expense of \$3,564 (297 * 12) is anticipated for three board members.

Board Hotel Expense for Conferences **\$8,565**

FRS budgets for hotel cost for 4 conferences

- LAPERS (\$201 per night for 3 nights for 6 members) = \$3,618
 - Public Safety (\$189 per night for 4 night for 3 members) = \$2,268
 - NCPERS (\$320 per night for 5 nights for 1 member) = \$1,600
 - LaTech (\$180 per night for 2 nights for 3 members) = \$1,080
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Staff Hotel Expense for Conferences **\$3,618**

FRS expects to spend \$3,618 for staff members to attend the LAPERS conference (6 members at \$201 per night for 3 nights = \$3,618)

Staff Hotel Expense for FRS Workshops **\$275**

FRS had hotel expenses associated with site reviews and FRS educational workshops of \$70 in CY. The five year average is \$274. In FY 2011-12 FRS will budget at the five year rate of \$275 for workshops. (NOTE: Currently pending in the state legislature is a Bill (SB12) that, if enacted into law, will change the structure of FRS. If that happens, it is estimated that FRS workshop hotel expenses could increase by approximately \$750. That amount has not been included in this line item because it is not certain whether SB12 will be enacted.)

Board Per Diem **\$4,500**

FRS has budgeted for \$75 for 5 board members to attend 12 meetings. (15 are allowed by law)

Conference Registration Board **\$2,825**

For FY 2011-12, FRS will budget for its board members to attend 3 conferences. The budget amount is broken down as follows:

- LAPERS (\$ 75 * 7 members) \$ 525
 - NCPERS (\$650 * 1 member) \$ 650
 - Public Safety (\$550 * 3 members) \$1,650
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Conference Registration Staff

\$700

For FY 2011-12, FRS will budget for 6 staff members attend the LAPERS conference (6 * \$75= \$450), \$50 for the CLE conference, and \$200 for CPE credits.

Firefighters' Retirement System
Expense Five Year Lookback

Category	FY10-11	FY 09-10	FY 08-09	FY 07-08	FY 06-07	5 Yr Avg
ADMINISTRATIVE						
Salaries Expense	\$ 432,568	\$ 411,367	\$ 339,663	\$ 418,869	\$ 318,124	384,118
Payroll Tax Expense	6,208	5,966	5,603	5,489	4,350	5,523
Employee Retirement Cost	89,567	51,908	47,378	51,711	36,801	55,473
Employee Health Insurance Expense	40,173	38,547	44,546	43,917	37,259	40,888
Employee Life Insurance Expense	828	672	644	744	720	722
SUBTOTAL ADMINISTRATIVE	569,344	508,459	437,835	520,729	397,254	486,724
PROFESSIONAL SERVICES						
Medical Examinations	29,623	21,546	41,312	37,292	48,204	35,595
Accounting Fees	47,000	33,500	24,000	38,313	24,450	33,453
Actuarial Fees	45,500	41,535	50,560	46,160	47,740	46,299
Architect Fees	-	-	-	109,741	-	21,948
IT Support Expense	52,049	25,292	18,465	24,518	13,083	26,681
Member Death Research Fees	967	1,272	942	965	676	964
Bank Service Charge	6,957	7,211	2,688	7,280	7,398	6,307
Contract Services	856	9,995	4,680	2,568	-	3,620
Legal Fees	27,855	26,942	74,168	3,895	153,583	57,288
SUBTOTAL PROFESSIONAL SERVICES	210,807	167,293	216,813	270,732	295,134	232,156
OFFICE						
Printing Expense	4,129	3,783	3,537	5,589	5,555	4,519
Postage Expense	27,115	17,727	31,020	25,861	20,982	24,541
Equipment Maintenance	4,574	4,648	5,685	5,867	8,454	5,846
Office Supplies	13,048	12,542	16,042	15,125	13,389	14,029
Short-Lived Equipment	-	-	-	-	1,304	261
Dues and Subscriptions	7,436	7,556	11,463	8,768	12,999	9,644
General Liability Insurance	6,140	6,524	5,018	5,306	5,663	5,730
Advertising Expense	5,383	1,837	10,323	8,927	2,692	5,833
Net Building Expense	54,949	21,417	20,296	88,266	26,854	42,356
SUBTOTAL OFFICE	122,774	76,034	103,385	163,710	97,892	112,759

Firefighters' Retirement System
Expense Five Year Lookback

Category	FY10-11	FY 09-10	FY 08-09	FY 07-08	FY 06-07	5 Yr Avg
TRAVEL						
Board Members:						
Board Travel Expense - Board Meetings	9,569	12,376	15,628	14,043	11,014	12,526
Board Travel Expense - Conferences	3,837	5,421	6,075	8,321	2,663	5,263
Board Travel Expense - Board Business	1,681	1,048	364	2,807	-	1,180
Subtotal Board Travel Expense	15,087	18,845	22,067	25,172	13,677	18,970
Staff:						
Staff Travel Expense - Board Meetings	-	-	-	-	-	-
Staff Travel Expense - Conferences	604	709	1,103	982	1,324	945
Staff Travel Expense - FRS Workshops	216	2,455	517	972	1,118	1,055
Staff Travel Expense - Routine	409	36	1,288	268	231	446
Subtotal Staff Travel Expense	1,229	3,199	2,908	2,222	2,673	2,446
Hotel:						
Board Hotel Expense - Board Meetings	3,966	4,675	6,766	5,249	5,744	5,280
Board Hotel Expense - Conferences	4,729	4,202	9,823	22,579	10,414	10,349
Staff Hotel Expense - Board Meetings	-	-	-	-	-	-
Staff Hotel Expense - Conferences	2,087	3,365	2,677	2,964	4,670	3,153
Staff Hotel Expense - FRS Workshops	70	589	288	320	101	274
Hotel Expense - Third Parties	-	-	-	-	-	-
Subtotal Hotel Expense	10,852	12,831	19,555	31,112	20,929	19,056
OTHER						
Board Per Diem	4,425	4,275	5,025	4,425	4,200	4,470
Conference Registration - Board	1,425	1,675	3,775	9,075	775	3,345
Conference Registration - Staff	630	1,057	1,470	1,872	4,885	1,983
SUBTOTAL OTHER	6,480	7,007	10,270	15,372	9,860	9,798
GRAND TOTAL	\$ 936,574	\$ 793,669	\$ 812,833	\$ 1,029,048	\$ 837,419	\$ 881,909

FRS BUILDING EXPENSE HISTORY
BUDGET FORMAT

Category	FY 10-11	FY 09-10	FY 08-09	FY 07-08	FY 06-07	5 Yr. Avg
Revenue:						
Monthly Rent from State Police	\$ 28,390	\$ 28,390	\$ 28,390	\$ 28,390	\$ 28,390	\$ 28,390
Expenses:						
Utilities	12,813	11,868	11,378	7,583	12,980	11,324
Phone	5,533	5,338	6,211	6,181	6,170	5,887
Building & grounds maintenance	64,993	32,601	31,098	102,892	36,093	53,535
Total Expense	83,339	49,807	48,687	116,656	55,243	70,746
Net Expense	\$ 54,949	\$ 21,417	\$ 20,297	\$ 88,266	\$ 26,853	\$ 42,356