

**Firefighters' Retirement System
2017 - 2018 Budget Amendment Request**

Staff is presenting the following budget amendments to the 2017 - 2018 FRS Operating Budget. Staff is requesting an increase of \$742,525 for the 2017 - 2018 Operating Budget along with an increase of \$10,100 for Capital Items.

<u>Item #</u>	<u>Budget Change Request</u>
1	Annual increase of \$2,500 for Jamie's designation of Certified Fraud Examiner. A prorated amount for the remainder of fiscal year 2017 - 2018 will be added to the budget. - \$1,350
2a	Due to safety concern statements made by the FBI, FRS decided to cease the antivirus software with Kaspersky and begin using Endpoint antivirus software. FRS was in the third year of a three year agreement with Kasperksy, therefore, FRS did not anticipate an additonal antivirus software expense. \$2,270
2b	An IT security assessment was recommended by a board trustee to ensure that FRS' IT infrastructure and member data is secure and that unauthorized access to data is minimized. - \$2,500
2c	Due to changes in the "Minimum Hours Required for Membership" policy, additional programming is necessary for staff to properly track service breaks and calculate retirement benefits . - \$5,930
3	Based on the average cost for the first 5 months of the completed fiscal year, FRS is increasing the budget for Other Legal Fees to more accurately track the annualized costs for the remainder of the fiscal year 2017-2018. Currently pending matters include: Greco (\$45,000), Duty (\$9,500), Holloway (\$35,500), Langsford (\$25,000), Misc. (\$10,000). - \$125,000

- 4 Based on the costs of legal fees related to Fletcher for the most recent activity of the completed fiscal year, FRS is increasing the budget for Fletcher Legal Fees to more accurately track the annualized costs for the remainder of the fiscal year 2017-2018. - \$597,875
- 5 In the original budget, a capital item was approved to replace the chairs in the library. The final cost for the replacement of the chairs was \$1,500 which is less than our capitalization policy requirement. Therefore, this item will need to be added to the operating expense budget, and removed from the capital item budget (#7).

Item # Budget Change Request

- 6 As part of FRS' effort to attain advanced skills and knowledge that are used to evaluate financial transactions of the system, an increase to the Staff Training/Continuing Educaiton budget is being requested for CFE (Certified Fraud Examiner) certification and fees for two staff members and CAIA (Chartered Alternative Investment Analyst) certification and fees for one staff member. - \$6,100
- 7 Reduce capital budget by \$2,400 for office chairs since the costs of the office chairs was only \$1,500 and charged to expense. See Item #5 above.
- 8 A capital item is being requested for a professional-grade NAS unit. This is a backup storage device to store audio and video for board meetings, scanned board books, etc. - \$3,000
- 9 A capital item is being requested for the installation of the scanning software and training related to the scanning of member files and records. - \$9,500

Proposed Annual 2017-2018 Budget Changes

Item	Current Annual Budget	Change	Adjusted Annual Budget
1 Salaries Expense	\$ 720,090.00	\$ 1,350.00	\$ 721,440.00
2 IT Support Expense	\$ 79,800.00	\$ 10,700.00	\$ 90,500.00
3 Other Legal Fees	\$ 50,000.00	\$ 125,000.00	\$ 175,000.00
4 FRS Fletcher Legal Expenses	\$ 200,000.00	\$ 597,875.00	\$ 797,875.00
5 Office Expenses	\$ 32,500.00	\$ 1,500.00	\$ 34,000.00
6 Staff Training/Continuing Education	\$ 1,500.00	\$ 6,100.00	\$ 7,600.00
Total Adjustments	\$ 1,083,890.00	\$ 742,525.00	\$ 1,826,415.00
Capital Items:			
7 Replace Chairs in Library	\$ 2,400.00	\$ (2,400.00)	\$ -
8 Backup Device (Professional-grade NAS)	\$ -	\$ 3,000.00	\$ 3,000.00
9 Installation of Scanning Software	\$ -	\$ 9,500.00	\$ 9,500.00
Total Adjustments	\$ 2,400.00	\$ 10,100.00	\$ 12,500.00

Firefighters' Retirement System
FRS BUDGET FOR FY 17-18

Line No.	Category	Modified Budget FY 17-18	Original Budget FY 17-18	Percent Increase	Explanation
1	ADMINISTRATIVE				
2	Salaries Expense	\$ 721,440	\$ 720,090	0.07%	Annual increase of \$2,500 for Jamie's designation of Certified Fraud Examiner
3	Payroll Tax Expense	11,370	11,370		
4	Employee Retirement Cost	166,715	166,715		
5	Employee Health Insurance Expense	104,745	104,745		
6	Employee Life Insurance Expense	1,390	1,390		
7	SUBTOTAL ADMINISTRATIVE	1,005,660	1,004,310		
8	PROFESSIONAL SERVICES				
9	Medical Examinations	12,000	12,000		
10	Accounting Fees	93,065	93,065		
11	Actuarial Fees	78,400	78,400		
12	IT Support Expense	90,500	79,800	0.59%	Antivirus Software; IT Assessment; programming for service breaks
13	Member Death Research Fees	2,205	2,205		
14	Contract Services	18,500	18,500		
15	Other Legal Fees	175,000	50,000	6.63%	Average cost for first 5 months of FY annualized for remainder of FY
16	FRS Fletcher Legal Expenses	797,875	200,000	33.04%	Cost of most recent activity annualized for remainder of FY
17	SUBTOTAL PROFESSIONAL SERVICES	1,267,545	533,970		
18	OFFICE				
19	Printing Expense	4,500	4,500		
20	Postage Expense	33,500	33,500		
21	Office Expenses	34,000	32,500	0.08%	Costs of chairs in library were less than capitalization policy - expensed
22	Dues and Subscriptions	9,000	9,000		
23	Advertising Expense	4,000	4,000		
24	Building & Maintenance Expense:				
25	Utilities	17,000	17,000		
26	Telephone	5,850	5,850		
27	Insurance	6,830	6,830		
28	Equipment Maintenance	2,500	2,500		
29	Building & Grounds Maintenance	38,075	38,075		
30	Depreciation	45,000	45,000		
31	Total Building & Grounds Maintenance Expense	115,255	115,255		
32	SUBTOTAL OFFICE	200,255	198,755		

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FRS BUDGET FOR FY 17-18

Line No.	Category	Modified Budget FY 17-18	Original Budget FY 17-18	Percent Increase	Explanation
33	TRAVEL				
34	Board Members Travel Expense:				
35	Board Meetings	14,420	14,420		
36	Conferences/Workshops	11,145	11,145		
37	Board Business	3,000	3,000		
38	Subtotal Board Travel Expense	28,565	28,565		
39	Staff Travel Expense:				
40	Legal Support	3,000	3,000		
41	Conferences/Workshops	1,100	1,100		
42	Due Diligence Reviews	3,000	3,000		
43	FRS Retirement Presentations	750	750		
44	Routine	150	150		
45	Subtotal Staff Travel Expense	8,000	8,000		
46	Hotel Expenses:				
47	Board - Board Meetings	5,550	5,550		
48	Board - Conferences/Workshops	14,030	14,030		
49	Staff - Legal Support	500	500		
50	Staff - Conferences/Workshops	1,040	1,040		
51	Staff - Due Diligence Reviews	1,600	1,600		
52	Staff - FRS Retirement Presentations	1,200	1,200		
53	Subtotal Hotel Expense	23,920	23,920		
54	OTHER				
55	Board Per Diem	6,300	6,300		
56	Conference Registration - Board	4,550	4,550		
57	Conference Registration - Staff	-	-		
58	Staff Training/Continuing Education	7,600	1,500	0.34%	CFE costs \$2600 and CAIA Level I & II costs \$3500
59	SUBTOTAL OTHER	18,450	12,350		
60	GRAND TOTAL	\$ 2,552,395	\$ 1,809,870	41.03%	

Capital Items:

61	Replace Chairs in Library	\$ -	\$ 2,400.00		cost of chairs were less than capitalization policy - expensed
62	Replace Alarm Panel w/three additional security cameras	3,500.00	3,500.00		
63	2 Scanners for Member Files + installation	7,000.00	7,000.00		
64	PC for Large Scanner	1,000.00	1,000.00		
65	Installation of Scanning Software	9,500.00	-		Costs to install scanning software and training
66	Backup Device (Professional-grade NAS)	3,000.00	-		Storage for audio/video for meetings, scanned board books, etc.
67	Total Capital Items	\$ 24,000.00	\$ 13,900.00		