

**APPENDIX A**

**PROPOSED 2012  
BUDGET**

**ESSEX REGIONAL RETIREMENT SYSTEM  
RECOMMENDED 2012 BUDGET**

Account	2010 Budget	2010 Expended	2011 Budget	2011 - Expend 9/30/2011	2012 Proposed Budget	\$ Change 2011 to 2012
<b>Personnel Costs</b>						
Board Stipend	15,000	12,000	15,000	11,250	15,000	-
Employee Salaries	495,966	443,949	474,312	316,427	456,743	(17,569)
Health, Life and Dental Insurance	26,155	37,619	88,222	20,936	46,625	(41,597)
Medicare Insurance	6,637	5,501	6,388	4,421	6,675	287
Unemployment Insurance Charges	-	203	300	2,210	25,000	24,700
Workers Compensation Insurance	4,000	1,239	3,250	918	1,500	(1,750)
<b>Subtotal</b>	<b>547,758</b>	<b>500,509</b>	<b>587,472</b>	<b>356,161</b>	<b>551,543</b>	<b>(35,929)</b>
<b>Professional Services</b>						
Segal Advisors Consulting Fees	39,500	39,500	39,500	39,500	39,500	-
Segal Actuarial Fees	15,000	2,553	32,000	10,306	2,500	(29,500)
Fiduciary Insurance	22,000	23,324	26,000	24,252	26,000	-
Board Secretary	-	-	3,000	2,500	3,500	500
Medical Records Expense	500	82	500	704	1,000	500
Employee Payroll Services	-	-	-	959	1,700	1,700
IT Consulting Services	-	-	-	-	-	-
IT Consulting Capital Cost	-	-	-	-	5,000	5,000
IT Consulting Maintenance Cost	-	-	-	-	10,000	10,000
Annual Audit	-	-	-	-	15,000	15,000
Education, Training and Dues	3,800	1,150	1,500	2,877	5,000	3,500
Alarm System	4,708	8,869	5,000	194	4,250	(750)
Miscellaneous Professional Services	-	11,830	5,053	5,053	-	(5,053)
<b>Subtotal</b>	<b>85,508</b>	<b>87,309</b>	<b>112,553</b>	<b>86,346</b>	<b>113,450</b>	<b>897</b>
<b>Legal Expense</b>						
Michael Sacco, Attorney at Law	-	5,832	65,000	42,127	75,000	10,000
Murphy, Hesse, Toomey and Lehane	-	29,687	90,000	22,972	50,000	(40,000)
Other Legal Expense	314,000	262,190	4,947	123,322	25,000	20,053
<b>Subtotal</b>	<b>314,000</b>	<b>297,709</b>	<b>159,947</b>	<b>188,421</b>	<b>150,000</b>	<b>(9,947)</b>
<b>Condominium Expense</b>						
Monthly Condominium Fees	17,780	18,809	18,700	13,005	20,000	1,300
Building Insurance	4,000	2,993	2,000	3,005	3,100	1,100
Maintenance and Repair Expense	2,800	1,430	1,800	1,705	2,000	200
<b>Subtotal</b>	<b>24,580</b>	<b>23,232</b>	<b>22,500</b>	<b>17,715</b>	<b>25,100</b>	<b>2,600</b>
<b>Administrative Expenses</b>						
Retirement Appropriation	48,472	48,472	50,654	26,802	54,907	4,254
Retirement Appropriation 2011 Error	-	-	-	-	35,623	35,623
ERIP I - appropriation	33,372	33,372	33,372	33,372	-	(33,372)
ERIP II - appropriation	27,861	27,861	27,861	27,861	-	(27,861)
Office Supplies	9,000	10,772	13,200	7,232	12,500	(700)
Travel	20,000	1,914	5,000	2,870	5,000	-
Storage Facility	1,200	1,447	1,400	1,015	1,500	100
Postage	24,536	27,658	22,070	12,310	21,000	(1,070)
Annual Statements	-	-	1,300	-	1,300	-
Election Expense	-	-	-	-	-	-
Newsletter Expense	62,000	11,342	10,500	-	10,000	(500)
Electricity	3,800	3,930	4,200	2,774	4,200	-
Cleaning Services	9,360	9,360	9,360	7,121	5,000	(4,360)
Miscellaneous Administrative Expense	2,500	-	500	851	-	(500)
<b>Subtotal</b>	<b>242,101</b>	<b>176,129</b>	<b>179,417</b>	<b>122,207</b>	<b>151,030</b>	<b>(28,386)</b>

**ESSEX REGIONAL RETIREMENT SYSTEM  
RECOMMENDED 2012 BUDGET**

Account	2010 Budget	2010 Expended	2011 Budget	2011 - Expend 9/30/2011	2012 Proposed Budget	\$ Change 2011 to 2012
<b>Computer and Office Equipment</b>						
Tyler Technologies - Database Software	22,000	22,851	22,800	1,068	15,000	(7,800)
Computer Supplies	-	-	-	-	1,000	1,000
Copy Machine Service Agreement	2,754	3,304	3,600	2,695	3,600	-
Telephone/Internet/Web Hosting	5,251	5,990	5,600	3,438	8,100	2,500
<b>Subtotal</b>	<b>30,005</b>	<b>32,146</b>	<b>32,000</b>	<b>7,202</b>	<b>27,700</b>	<b>(4,300)</b>
<b>Capital and Reserve Account</b>						
Capital Account	10,000	-	10,000	-	17,700	7,700
Reserve Fund	100,000	-	35,000	-	50,000	15,000
<b>Subtotal</b>	<b>110,000</b>	<b>-</b>	<b>45,000</b>	<b>-</b>	<b>67,700</b>	<b>22,700</b>
<b>Total Operating Expense</b>	<b>1,353,953</b>	<b>1,117,034</b>	<b>1,138,889</b>	<b>778,052</b>	<b>1,086,524</b>	<b>(52,365)</b>
<b>Management Fees</b>						
Investment Management Fees		496,176		170,874	300,000	(196,176)
PRIT Fund Management Fees		1,008,030		662,973	1,190,000	181,970
State Street Trust Custodial Fees		87,977		19,768	42,500	(45,477)
Capital Calls					2,700,000	2,700,000
<b>Subtotal</b>	<b>4,799,516</b>	<b>1,592,183</b>	<b>3,000,000</b>	<b>853,615</b>	<b>4,232,500</b>	<b>1,232,500</b>
<b>Subtotal All Expenditures</b>	<b>6,153,468</b>	<b>2,709,217</b>	<b>4,138,889</b>	<b>1,631,667</b>	<b>5,319,024</b>	<b>1,180,135</b>
<b>Other Expense</b>						
<b>3(8)c payments</b>	1,752,294	1,752,294	2,300,000	2,047,531	2,200,000	(100,000)
<b>Pensions</b>	29,793,819	29,758,541	30,000,000	20,915,201	31,500,000	1,500,000
<b>Refunds and Transfers</b>	1,970,315	1,947,352	2,500,000	1,374,641	2,000,000	(500,000)
<b>Subtotal</b>	<b>33,516,429</b>	<b>33,458,187</b>	<b>34,800,000</b>	<b>24,337,374</b>	<b>35,700,000</b>	<b>900,000</b>
<b>Total All Expenditures</b>	<b>39,669,897</b>	<b>36,167,404</b>	<b>38,938,889</b>	<b>25,969,040</b>	<b>41,019,024</b>	<b>2,080,135</b>

**APPENDIX B**

**FIVE YEAR  
EXPENDITURE  
FORECAST**

**ESSEX REGIONAL RETIREMENT SYSTEM  
FIVE YEAR EXPENDITURE FORECAST  
2012 - 2016**

Account	2012 Budget	2013 Estimate	2014 Estimate	2015 Estimate	2016 Estimate
Board Stipend	15,000	15,000	15,000	15,000	15,000
Employee Salaries	456,743	470,445	484,559	499,095	514,068
Health Life and Dental Insurance	46,625	51,288	56,416	62,058	68,264
Medicare Insurance	6,675	6,875	7,082	7,294	7,513
Unemployment Insurance Charges	25,000	10,000	5,000	5,000	5,000
Worker's Compensation Insurance	1,500	1,545	1,591	1,639	1,688
<b>Personnel Costs</b>	<b>551,543</b>	<b>555,153</b>	<b>569,648</b>	<b>590,086</b>	<b>611,533</b>
Segal Advisors Consulting Fees	39,500	-	-	-	-
Segal Actuarial Fees	2,500	34,000	2,500	34,000	2,500
Fiduciary Insurance	26,000	27,300	28,665	30,098	31,603
Board Secretary	3,500	3,500	3,500	3,500	3,500
Medical Records Expense	1,000	1,000	1,000	1,000	1,000
Employee Payroll Services	1,700	-	-	-	-
IT Consulting Services	-	-	-	-	-
IT Consulting Capital Cost	5,000	5,000	1,000	-	5,000
IT Consulting Maintenance Cost	10,000	10,000	10,000	10,000	10,000
Annual Audit	15,000	15,000	15,000	15,000	15,000
Education, Training and Dues	5,000	5,000	5,000	5,000	5,000
Alarm System	4,250	4,250	4,250	4,250	4,250
Miscellaneous Professional Services	-	-	-	-	-
<b>Professional Services</b>	<b>113,450</b>	<b>105,050</b>	<b>70,915</b>	<b>102,848</b>	<b>77,853</b>
Michael Sacco, Attorney at Law	75,000	75,000	75,000	75,000	75,000
Murphy, Hesse, Toomey and Lehane	50,000	25,000	25,000	25,000	25,000
Other Legal Expense	25,000	25,000	25,000	25,000	25,000
<b>Legal Expense</b>	<b>150,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>
Monthly Condominium Fees	20,000	21,000	22,050	23,153	24,310
Building Insurance	3,100	3,255	3,418	3,589	3,768
Maintenance and Repair Expense	2,000	2,000	2,000	2,000	2,000
<b>Condominium Expense</b>	<b>25,100</b>	<b>26,255</b>	<b>27,468</b>	<b>28,741</b>	<b>30,078</b>
Retirement Appropriation	54,907	74,000	80,000	85,000	90,000
Retirement Appropriation 2011 Error	35,623	-	-	-	-
ERIP I - appropriation	-	-	-	-	-
ERIP II - appropriation	-	-	-	-	-
Office Supplies	12,500	12,500	12,500	15,000	15,000
Travel	5,000	5,000	6,500	6,500	6,500
Storage Facility	1,500	1,500	1,500	1,500	1,500
Postage	21,000	21,630	22,279	22,947	23,636
Annual Statements	1,300	1,365	1,433	1,505	1,580
Election Expense	-	10,000	-	-	10,000
Newsletter Expense	10,000	12,500	12,500	12,500	12,500
Electricity	4,200	5,000	5,000	5,000	5,000
Cleaning Services	5,000	4,000	4,000	4,000	5,000
Miscellaneous Administrative Expense	-	-	-	-	-
<b>Administrative Expenses</b>	<b>151,030</b>	<b>147,495</b>	<b>145,712</b>	<b>153,952</b>	<b>170,716</b>
Tyler Technologies - Data Base Software	15,000	18,000	21,000	21,000	21,000
Computer Supplies	1,000	1,000	1,000	1,000	1,000
Copy Machine Service Agreement	3,600	5,000	4,000	4,000	5,000
Telephone/Internet/Web Hosting	8,100	8,100	8,100	8,100	8,100
<b>Computer and Office Equipment</b>	<b>27,700</b>	<b>32,100</b>	<b>34,100</b>	<b>34,100</b>	<b>35,100</b>
Capital Account	17,700	30,000	14,475	16,125	15,500
Reserve Fund	50,000	35,000	35,000	35,000	35,000
<b>Capital and Reserve Account</b>	<b>67,700</b>	<b>65,000</b>	<b>49,475</b>	<b>51,125</b>	<b>50,500</b>
<b>Total Operating Expense</b>	<b>1,086,523</b>	<b>1,056,053</b>	<b>1,022,318</b>	<b>1,085,853</b>	<b>1,100,780</b>

**ESSEX REGIONAL RETIREMENT SYSTEM  
FIVE YEAR EXPENDITURE FORECAST  
2012 - 2016**

<b>Account</b>	<b>2012 Budget</b>	<b>2013 Estimate</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>	<b>2016 Estimate</b>
Investment Management Fees	300,000	465,000	455,000	445,000	435,000
PRIT Fund Management Fees	1,190,000	1,200,000	1,200,000	1,200,000	1,200,000
State Street Trust Custodial Fees	42,500	42,500	42,500	42,500	42,500
Capital Calls	2,700,000.00	2,700,000.00	2,000,000.00	2,000,000.00	1,750,000.00
<b>Management Fees</b>	<b>4,232,500</b>	<b>4,407,500</b>	<b>3,697,500</b>	<b>3,687,500</b>	<b>3,427,500</b>
<b>Subtotal All Expenditures</b>	<b>5,319,023</b>	<b>5,463,553</b>	<b>4,719,818</b>	<b>4,773,353</b>	<b>4,528,280</b>
<b>Other Expense</b>					
<b>3(8)c payments</b>	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
<b>Pensions</b>	31,500,000	31,893,750	32,292,422	32,696,077	33,104,778
<b>Refunds and Transfers</b>	2,000,000	2,000,000	1,750,000	1,750,000	1,500,000
<b>Subtotal</b>	<b>35,700,000</b>	<b>36,093,750</b>	<b>36,242,422</b>	<b>36,646,077</b>	<b>36,804,778</b>
<b>Total All Expenditures</b>	<b>41,019,023</b>	<b>41,557,303</b>	<b>40,962,240</b>	<b>41,419,430</b>	<b>41,333,058</b>

**APPENDIX C**

**FIVE YEAR CAPITAL  
PLAN**

**ERRS FIVE YEAR CAPITAL PLAN  
DETAILED SPENDING BY YEAR**

Description of Item	Quantity	Estimated Cost \$	Year of Purchase	Comments
Computer, Monitor, Printer, Software	3	7,000	2011	Executive Director, Executive Assistant and CFO
Desk Chairs	7	1,400	2011	Replaces all office desk chairs
Meeting Broadcasts - Hardware	N/A	5,000	2012	Broadcast Board of Directors and Advisory Council meetings on new website
Server Upgrade	1	10,000	2012	ERRS slow and out of date, limited functionality
Office Phones Replace	9	2,700	2012	ERRS Phones are out of date and have limited functionality
Database Upgrade - Replacement	1	30,000	2013	Upgrade or bid for new database software
Copier	1	7,475	2014	Main copier and fax machine - current model no longer in production
Color Printer	1	1,000	2014	For large color print jobs - current model no longer in production
Computer, Monitor, Printer, Software	3	6,000	2014	Retirement Coordinators and Membership Coordinator
Office Chairs	15	1,125	2015	Replaces all office and Board Room chairs
Board Room Chairs	8	2,000	2015	Replaces all Board Room chairs
Reception Chairs	6	3,000	2015	Replaces all reception chairs
Server Upgrade	1	10,000	2015	Recommended replacement of software and hardware every three years

**ERRS FIVE YEAR CAPITAL PLAN  
DETAILED SPENDING BY YEAR**

Description of Item	Quantity	Estimated Cost \$	Year of Purchase	Comments
Printer	1	7,000	2016	For automated folding and mass mailings - price reflects upgrade to faster model
Postage Machine	1	2,500	2016	Regular upgrade or replacement
Computer, Monitor, Printer, Software	3	6,000	2016	Executive Director, Executive Assistant and CFO
<b>Capital Spending by Year</b>				
	2011	8,400		
	2012	17,700		
	2013	30,000		
	2014	14,475		
	2015	16,125		
	2016	15,500		
	<b>Total Spending</b>	<b>102,200</b>		