

# ESSEX REGIONAL RETIREMENT SYSTEM 2017 ADMINISTRATIVE BUDGET



ADVISORY COUNCIL MEETING  
SEPTEMBER 28, 2016

# NEW FORMAT

## BUDGET REPORT

- \* SALARIES
- \* INVESTMENT CONSULTING FEES
- \* LEGAL EXPENSE
- \* MEDICAL RECORDS EXPENSE
- \* FIDUCIARY INSURANCE
- \* SERVICE CONTRACTS
- \* CONDOMINIUM EXPENSE
- \* PROFESSIONAL SERVICES
- \* EDUCATION & TRAINING
- \* ADMINISTRATIVE EXPENSE
- \* FURNITURE & EQUIPMENT
- \* TRAVEL
- \* RESERVE ACCOUNT

## ANNUAL STATEMENT

- \* BOARD MEMBER STIPENDS
- \* STAFF SALARIES
- \* INVESTMENT CONSULTANT FEES
- \* LEGAL EXPENSE
- \* MEDICAL EXPENSE
- \* FIDUCIARY INSURANCE
- \* SERVICE CONTRACTS
- \* RENT EXPENSE
- \* PROFESSIONAL SERVICES
- \* EDUCATION & TRAINING
- \* ADMINISTRATIVE EXPENSE
- \* FURNITURE & EQUIPMENT
- \* TRAVEL EXPENSE

# YEAR-TO-YEAR COMPARISONS

	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Board Members Stipend</b>	15,250	15,000	15,000	12,000	14,750	15,000	15,000	20,000	21,750
<b>Staff Salaries</b>	452,539	487,004	592,285	443,948	424,196	433,809	438,475	455,341	451,136
<b>Investment Consultant Fees</b>	74,998	142,165	107,388	61,802	39,500	39,500	30,000	30,000	30,000
<b>Legal Expense</b>	144,218	143,472	231,736	277,431	206,619	67,304	104,707	67,665	103,685
<b>Medical Expense</b>	240	65	244	82	559	-	340	-	340
<b>Fiduciary Insurance</b>	19,775	20,404	21,517	23,324	24,252	25,059	25,093	26,356	27,086
<b>Service Contracts</b>	39,845	32,002	34,668	37,601	11,652	36,854	52,736	45,368	45,988
<b>Rent Expense</b>	27,152	15,466	17,100	19,140	20,509	19,433	20,474	22,472	23,325
<b>Professional Services</b>	-	-	72,000	45,212	52,736	46,675	48,753	62,572	67,693
<b>Education &amp; Training</b>	-	-	-	653	5,708	15	3,570	1,390	2,220
<b>Administrative Expense</b>	207,845	232,245	128,745	106,999	178,105	174,746	183,175	186,838	187,252
<b>Furniture &amp; Equipment</b>	31,670	6,321	2,784	6,026	12,901	11,829	8,626	-	-
<b>Travel Expense</b>	20,138	20,764	12,443	4,875	1,266	6,392	6,492	4,350	4,195
<b>Total</b>	<b>1,033,670</b>	<b>1,114,908</b>	<b>1,235,910</b>	<b>1,039,093</b>	<b>992,753</b>	<b>876,616</b>	<b>937,441</b>	<b>922,352</b>	<b>964,670</b>

# ADMINISTRATIVE BUDGET

## DECREASE/INCREASE

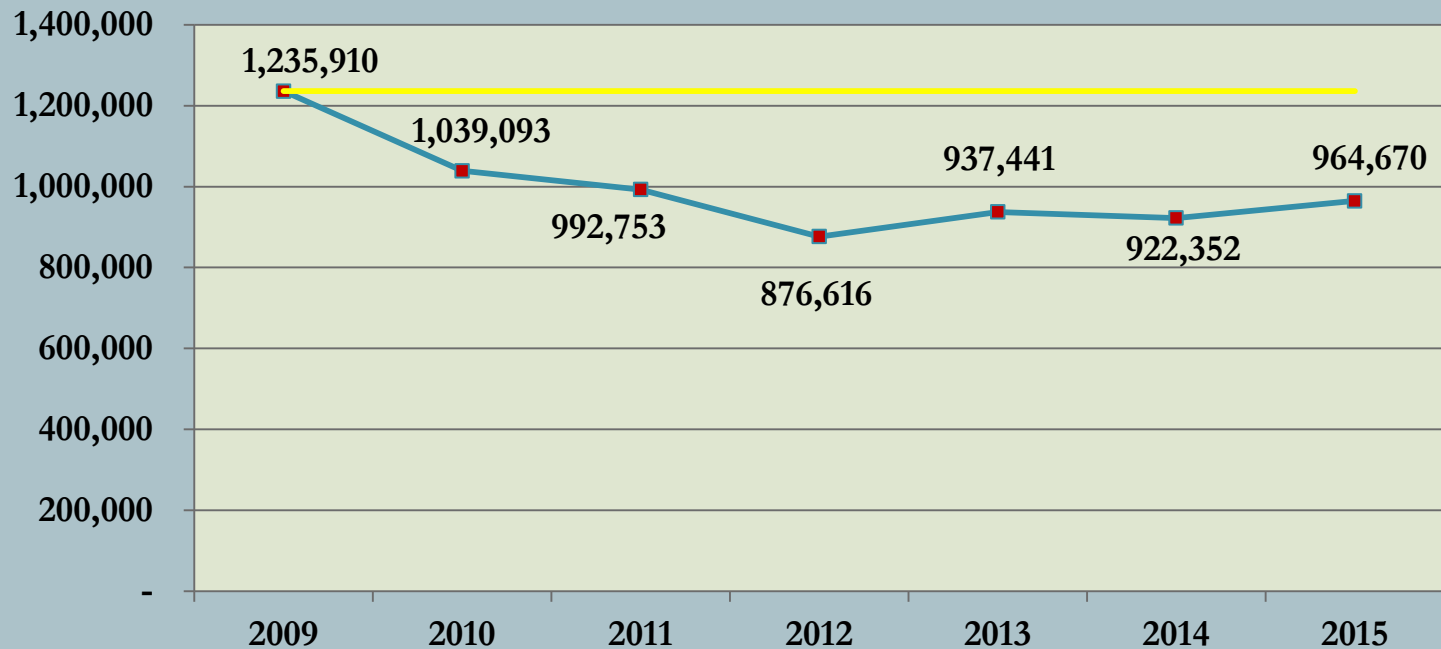
### 2012 TO 2017

Year	Budget	Change
2012	1,086,523	-4.6%
2013	1,059,698	-2.5%
2014	1,047,664	-1.1%
2015	1,035,976	-1.1%
2016	1,063,081	2.6%
2017	1,055,635	-0.7%

# ADMINISTRATIVE COST SAVINGS

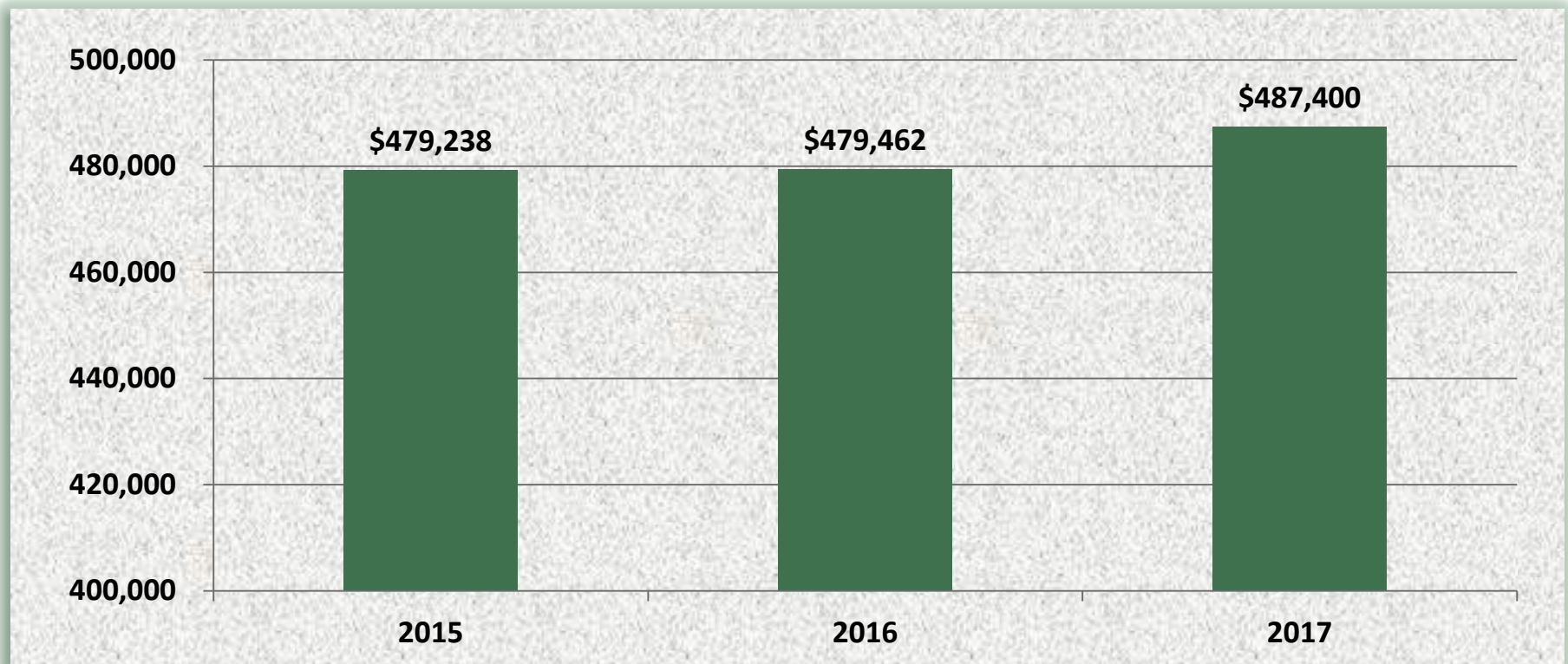
## ACTUAL SPENDING

### 2009 - 2015



# EMPLOYEE SALARY BUDGET

## 2015 – 2017



# SALARY HISTORY

## 2015 TO 2017

Employee	2015 Salary Budget	2016 Salary Budget		2017 \$ Change	2017 % Change
			2017 Salary Budget		
Executive Director	138,000.00	141,450.00	141,450.00	-	0.0%
Director of Administration & Finance	83,500.00	85,587.50	93,000.00	7,412.50	8.7%
Retirement Counselor	72,695.12	68,000.00	68,000.00	-	0.0%
Retirement Counselor	68,000.00	69,700.00	69,700.00	-	0.0%
Membership Counselor	60,000.00	61,384.62	60,000.00	(1,384.62)	-2.3%
Administrative Assistant	50,212.50	51,467.81	48,750.00	(2,717.81)	-5.3%
Salary Reserve Fund	5,830.50	1,872.57	6,000.00	4,127.43	220.4%
Overtime	1,000.00	-	500.00	500.00	0.0%
Total	479,238	479,462	487,400	7,937.50	1.7%
Year over Year Change		0.0%	1.7%		

# EMPLOYEE SALARY BUDGET

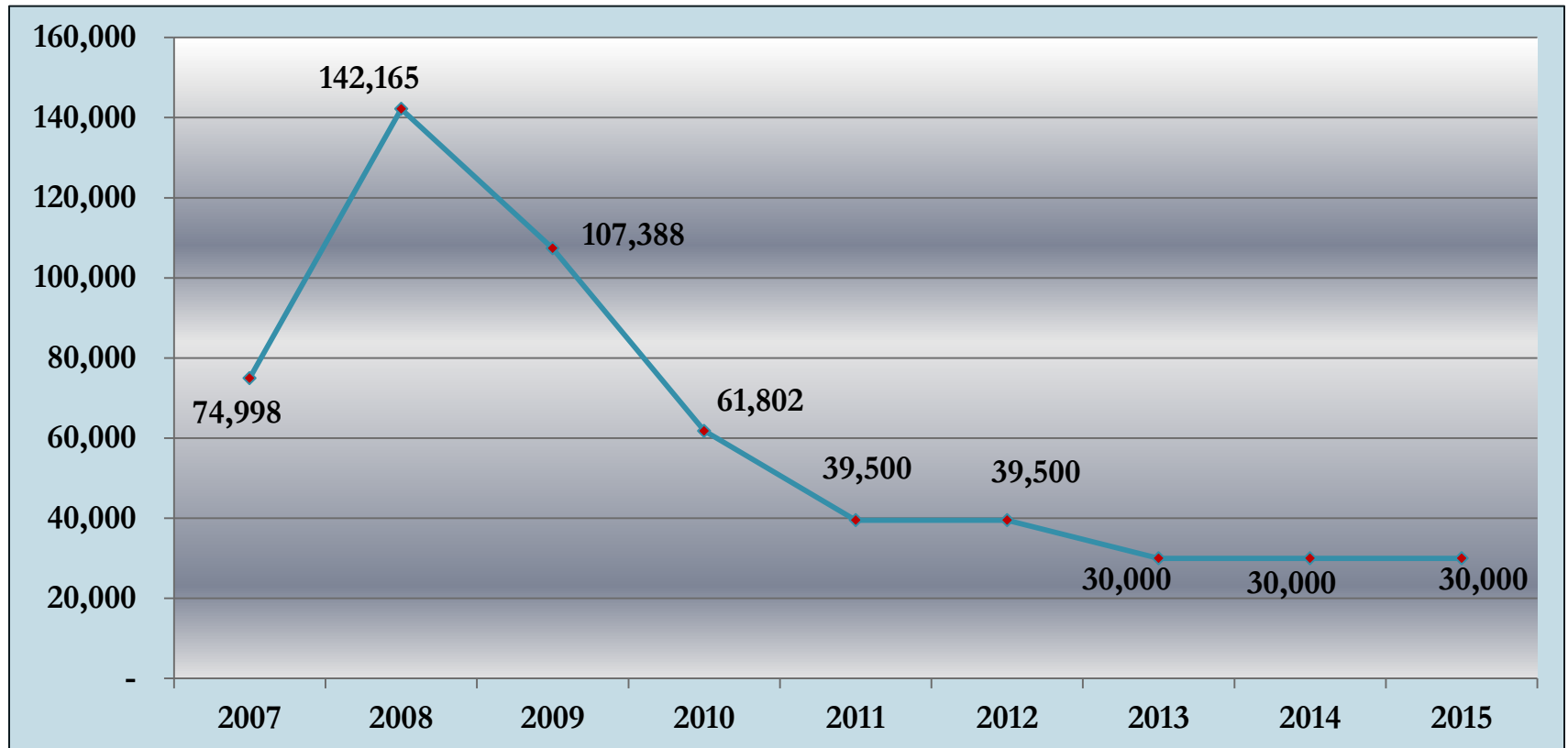
## INCREASE / **DECREASE**

### 2012 – 2017

Year	Increase/Decrease
2012	<b>-3.7%</b>
2013	<b>-1.1%</b>
2014	1.1%
2015	5.0%
2016	0.0%
2017	1.7%

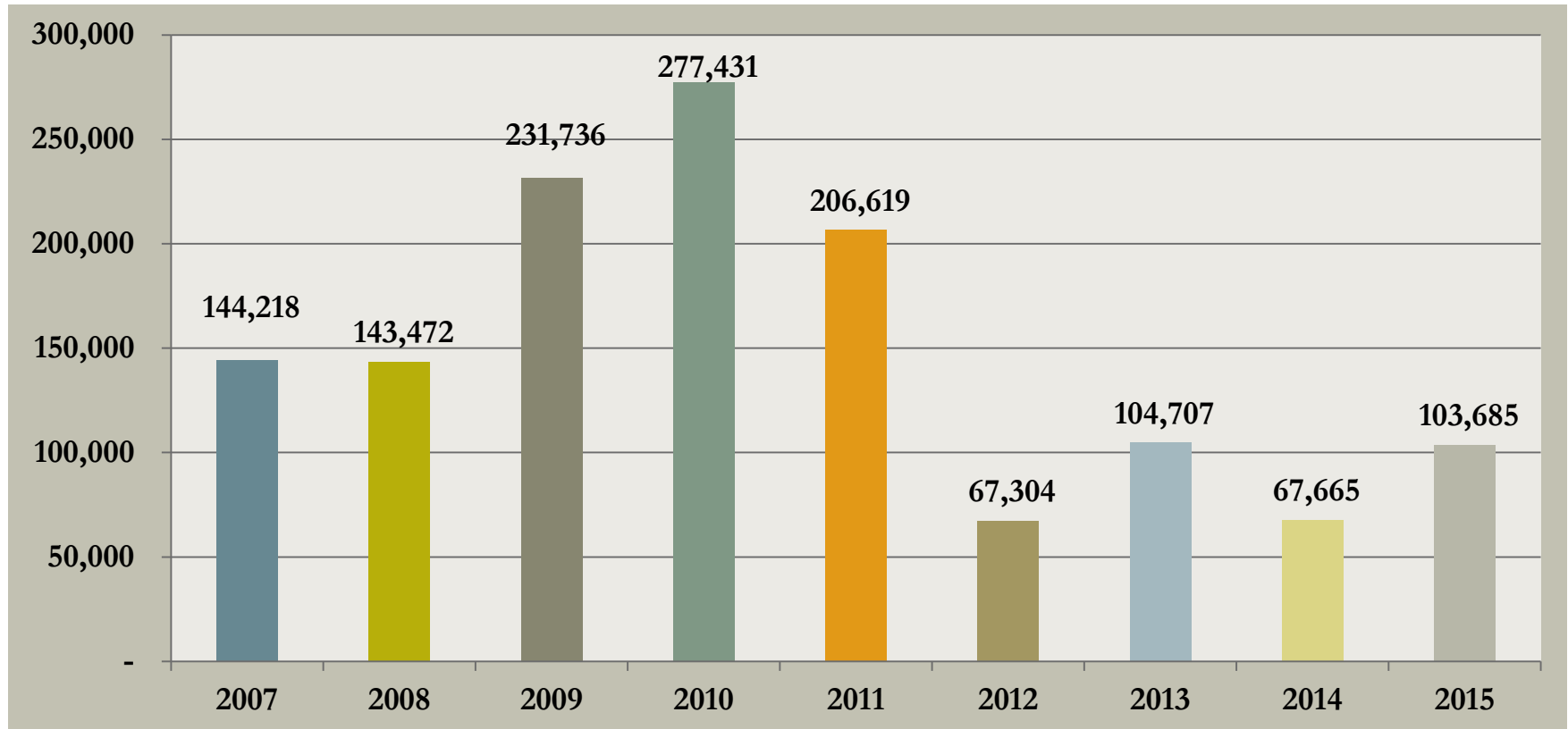


# INVESTMENT CONSULTANT SPENDING 2007 – 2015



# LEGAL SPENDING

## 2007 – 2015



# SUMMARY

- Administrative budget 25% below pre-2009 levels.
- \$1.7 million in cumulative spending reduction savings since 2009.
- Administrative budget 2.8% below 2012 budget (\$31k savings.)
- Salaries 6.7% increase from 2012 to 2017 (average 1.3% ↑ annually)
- Under budget every year from 2011 to 2015.
- 2007 to 2010, spending never less than \$1m.
- 2011 to 2015 spending never more than \$1m.
- Watch:
  - ✓ Legal Spending
  - ✓ Health Care Costs
  - ✓ Retirement Appropriation
  - ✓ GASB Compliance (Audit and Actuarial Costs)
  - ✓ Employee Salaries – Always Watch

# ADDITIONAL INFORMATION

## **Budget Report Always Contains:**

- **Estimated spending on all expenditures and transactions.**
- **Five Year Spending Estimate by line-item.**
- **ERRS Supplement Regulations.**
- **ERRS Administrative Policies.**
- **A Demographic Summary**
- **Board Member and Staff Contact Information.**