

Budget Committee Report for June 18, 2020 Board Meeting

Board Action Requested:

Budget for Fiscal Year 2021 (*Action Required*)

Subject to the Board's discussion and input, the Budget Committee is submitting the FY 2021 Budget for approval by the Board.

Budget Committee Meeting, May 21, 2020

9:30 a.m., via Webinar

Committee Members Present:

Bill Seibert, Chair

Todd Tyler

Representative Sara Walsh

Other Members Present:

Sgt. Matt Broniec

Sue Cox

Director Patrick McKenna joined 10 a.m.

Other Attendees:

Scott Simon, Executive Director

Greta Bassett-Seymour, Assistant Executive Director
& General Counsel

Jennifer Even, Chief Financial Officer

Lindsey Harris-Funk, Assistant Chief Financial Officer

Lois Wankum, Senior Executive Assistant

Mr. Seibert called the meeting to order at 9:30 a.m. The following items were discussed:

❖ **Item 1 – Discuss Preliminary Budget for Fiscal Year 2021** (*action item*)

Mr. Simon and Ms. Even presented the proposed FY 2021 budget to the Committee.

The previously provided committee materials included a comprehensive picture of the expenses and income associated with MPERS. This was developed to provide a better understanding of all of the financial transactions that take place at MPERS. A chart comparing actual expenses for FY 2019 and projected expenses for FY 2021 was provided along with a chart that compared actual income received in FY 2019 and projected income for FY 2021. Mr. Simon provided an overview of this information.

Ms. Even led the Committee through a review of the budget summary and details for each category in the administrative and investment budgets. The summary identifies increases and decreases in each budget category and provides explanations for the changes. It was noted the budget presented follows all board-approved policies.

Overall, the budget proposal reflects a 2.57% increase over last year. This increase is primarily attributable to the contract extension for the CIO, and given that this is done only periodically (and in this case, five years ago), if it was removed from the budget, the FY 2021 budget would essentially be flat. Some categories in the budget remained flat compared to last year's budget. Only the categories with a change are mentioned below.

Administrative Expenses

Salary/Benefits:

MPERS reorganized staff in order to address more pressing needs and realized some savings in the process. The assistant executive director and general counsel roles were consolidated into one position, and a part-time accounting position was expanded into a full-time position. The FY 2020 budget also allows room to hire support for the investment staff in the future, which would fill the vacant FTE.

This category includes a 2.3% cost-of-living adjustment for MPERS staff, as recommended by CBIZ, the compensation consultant. Ms. Even clarified that staff did ask CBIZ about trends with pay during the pandemic, and CBIZ responded that about 10% of the peer group are not proceeding with pay increases and the others are continuing as originally planned or are in the process of deciding. The executive director's retention incentive approved by the Board at the February 2016 board meeting is also included in this category.

Professional Services:

The decrease in this category is due to a difference in various periodic services. The cost for the actuarial audit in FY 2020 was removed, and based on the recommendation of the Governance Committee, the cost for a governance consultant has been added.

Member Education

The small increase in this category is for the purchase of video equipment for web-based member education.

Printing/Postage:

The decrease in this category is attributed to providing more information electronically, thus reducing printing and postage costs.

Membership Dues and Subscriptions:

The small increase in this category is for a new subscription platform to provide enhanced electronic member communications via newsletters and emails.

Utilities:

The decrease in this category are savings realized by contracting with a new provider for both phone and internet services.

Building Expenses/Maintenance:

The decrease in this category are savings related to new building service contracts.

Information Technology:

The increase in this category is for additional IT support and maintenance costs.

Investment Expenses

Salary/Benefits:

The increase in this category is primarily due to the contract extension for the CIO, which was previously approved by the Board. This category includes a 2.3% cost-of-living adjustment for investment staff, as recommended by CBIZ, the compensation consultant.

Investment Services:

The increase in this category is due to the normal increase of the investment consultant contract which is linked to the change in the consumer price index.

❖ **Item 2 – Review of Travel Expenses for Executive Director & Trustees for FY 2020** *(for informational purposes)*

Pursuant to the *Board Travel and Expense Policy* and the *Budget Committee Charter*, the Committee reviewed a report showing the travel expenses of the Executive Director and the Board. **There were no reported exceptions to the travel expenditures.** An exhibit titled “Year-End Budget and Expense Review FY 2020” (dated April 21, 2020) is attached.

RECOMMENDATION: Mr. Tyler made a motion to present the FY 2021 budget to the full Board for approval at the June 18, 2020 board meeting. Representative Walsh seconded the motion and all voted in favor.

Representative Walsh motioned to adjourn at 10:27 a.m. Mr. Tyler seconded the motion and all voted in favor. Motion carried.

TO: MPERS' Budget Committee
FROM: Scott Simon
SUBJECT: Fiscal Year 2021 Budget Request
DATE: May 1, 2020

Properly financing MPERS is an extremely important task. Sound funding policy helps to ensure costs and benefits remain sustainable and strengthens the financial position and credit rating of the sponsoring employers. As a public retirement system, MPERS is accustomed to operating under a budget and keeping costs to a minimum. The irony with MPERS' cost structure is that the two largest costs of the system are the benefit payments and the investment fees associated with MPERS' asset allocation, both of which lie outside the budgetary process. For the purposes of this year's budget request, staff has produced a more comprehensive analysis to help the committee and board members gain a complete financial picture for MPERS. In order to present that picture, we will go back to the actuaries' basic pension funding equation to illustrate this broad perspective.

$$C + I = B + E$$

Contributions (C) + Investments (I) = Benefits (B) + Expenses (E)

For this basic formula to be effective, the underlying assumptions must be thoughtful and current. In order to maintain those requirements, an experience study is performed at least every five years and more often when circumstances require it. MPERS' last experience study was completed in 2018. As a result of that study, the Board modified the economic assumptions of the plan as well as the demographic assumptions (including mortality) in order to make the funding assumptions compatible with modern expectations. It is important to recognize the following three broad goals associated with funding MPERS:

- Intergenerational equity with respect to plan costs, i.e., the contributions to the plan are equitable for each generation of active employees
- Stable or increasing ratio of assets to liabilities, i.e., an ever-increasing funded status
- Stable pattern of contribution rates (but hopefully decreasing from current levels)

This year's budget request will illustrate a comprehensive picture of the expenses and income associated with MPERS. The broader perspective will provide a better understanding of all of the financial transactions taking place at MPERS. Note the graphical illustrations that follow for Benefits + Expenses as well as for Contributions + Income compare the last completed fiscal year (FY 2019) and the next fiscal year (FY 2021). In the end, the Board is being asked to review and approve the normal operating budget, which you will see is a very small piece of the overall picture.

Benefits + Expenses

The primary purpose of MPERS is to pay the benefits earned by our covered members. During Fiscal Year 2019, MPERS distributed \$259,817,811 in benefit related payments. That amount includes the following:

Retiree and survivor annuity benefits	\$238,205,549
BackDROP payments	\$15,424,880
Disability benefits	\$2,475,837
Death benefits	\$820,000
Service transfer payments	\$2,111,007
Employee contribution refunds	\$780,538

Total benefit payments for the upcoming year (FY 2021) are unknown given we do not know the number of new retirements or deaths that will occur. We can, however, reasonably forecast those payments by assessing the trend over the last few years. For the last five years, the average increase has been approximately 2.4%. Applying that to last year's total results in a forecasted total of \$272,438,721. It should be noted the current calendar year inceptions are running noticeably higher than normal. This could be a short term realization but seemed important to mention.

Total investment management expenses for last fiscal year (FY 2019) were \$34.7 million. Those costs were associated with a net return on assets of 6.84%. The correlation between these total costs and the return on assets is important to recognize because a significant number of the investment manager relationships include performance incentives. In other words, as performance improves, the revenue sharing costs go up. Like the benefit payments above, the investment manager expenses for the coming year are unknown given that precise returns are difficult to predict. Everything else being equal, we would expect lower fees in the coming year given the impact of COVID-19 on the financial markets. That may not be the case, however, as staff continues to be more and more transparent with fee reporting as investment managers are slowly providing more data on fees and expenses. Given the unpredictable nature of investment fees and the fact that Fiscal Year 2019's performance was very close to our actuarial hurdle of 7%, we will forecast investment management expenses to be essentially the same next year as Fiscal Year 2019, or \$34.7 million.

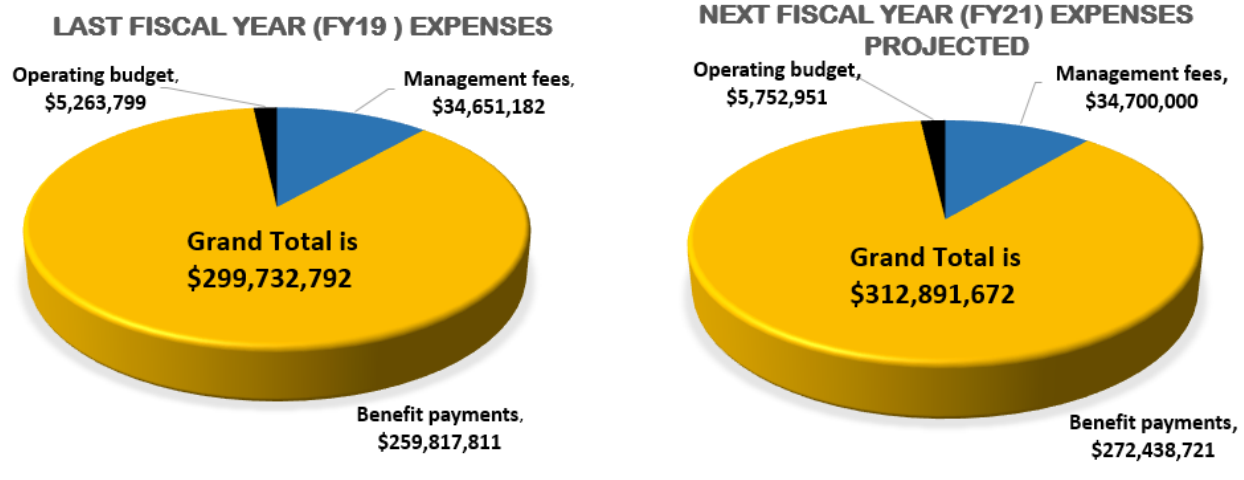
Contemplating investment fees in a vacuum would not be prudent given the combination of important facets to consider with each investment decision. Consequently, it may be useful to analyze net of fee returns on assets under the present asset allocation relative to a no-cost passive global 60/40 asset allocation. Technically, there is not a no-cost vehicle for that allocation but for the sake of this memo we will assume one exists. It may also be useful to point out that fees are reported in our financial statements on an accrual basis rather than on a cash basis. Simply put, the investment management performance fees noted in the financial statements are not the actual cash payments to the various investment managers, but are accrued amounts earned as required by generally accepted accounting standards.

Utilizing NEPC's updated near term capital market assumptions on the present investment policy, we expect assets to increase by 6.83% net of fees for this upcoming fiscal year. The gross of fee performance would be 8.3% resulting in \$194,795,200 in additional income (based on current asset value of \$2.344 billion). Removing the forecasted expenses would leave us with net of fee earnings of \$160,095,200. The low-cost 60/40 asset allocation is projected to return 5.3%, which would result in a net income of \$124,232,000. The current allocation is projected to provide an estimated \$36 million dollars in additional income to the trust fund relative to the 60/40 allocation.

It would also be prudent to assess the long-term implications of utilizing one asset allocation over another. That assessment can be made by utilizing NEPC's longer-term return expectations for the current policy relative to a no-cost passive global 60/40 allocation over a timeframe. The performance of the current policy relative to the no-cost option increases assets by over \$2.2 billion dollars net of all fees over a 20-year period.

The proposed operating budget for FY 2021, subject to approval of the Board, is \$5.8 million. Under the "Operating Budget" portion of this memorandum you will see the full explanation for the proposed budget.

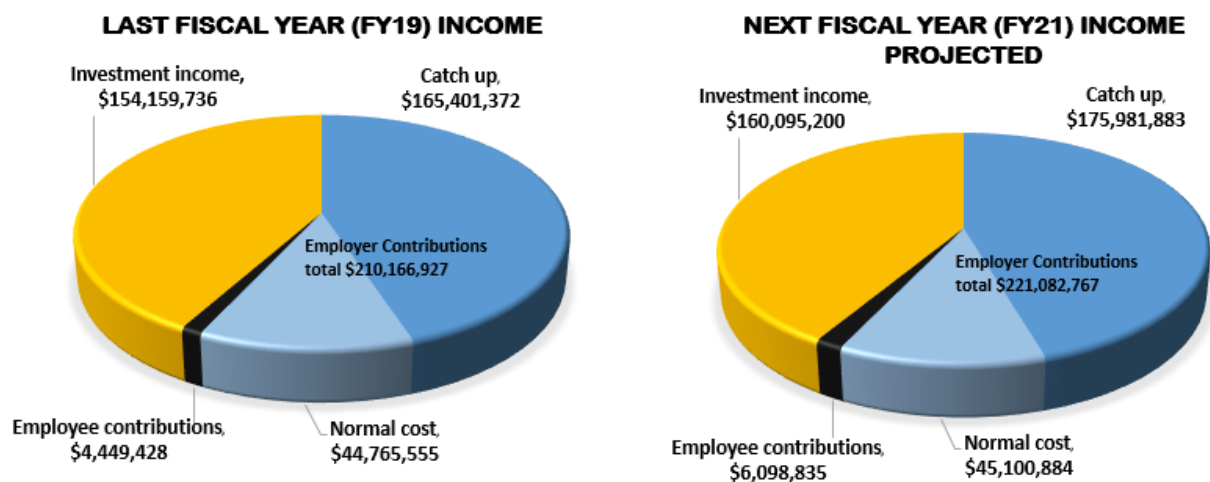
The charts on the following page represent previously proposed budgets and projected overall costs for the last fiscal year (FY 2019) compared to next fiscal year (FY 2021).



Contributions + Income

The analysis thus far demonstrates the components on the right side of the pension equation – the benefits and expenses. For the left side of the equation, we must capture the expected employer contributions as well as the investment income. Keep in mind that employee contributions are included in this side of the equation, but given the brief restoration period of these contributions and the limited scale of membership in the 2011 Tier, those contributions are not particularly consequential today. That, however, will change significantly over the coming years and will become a material part of this analysis.

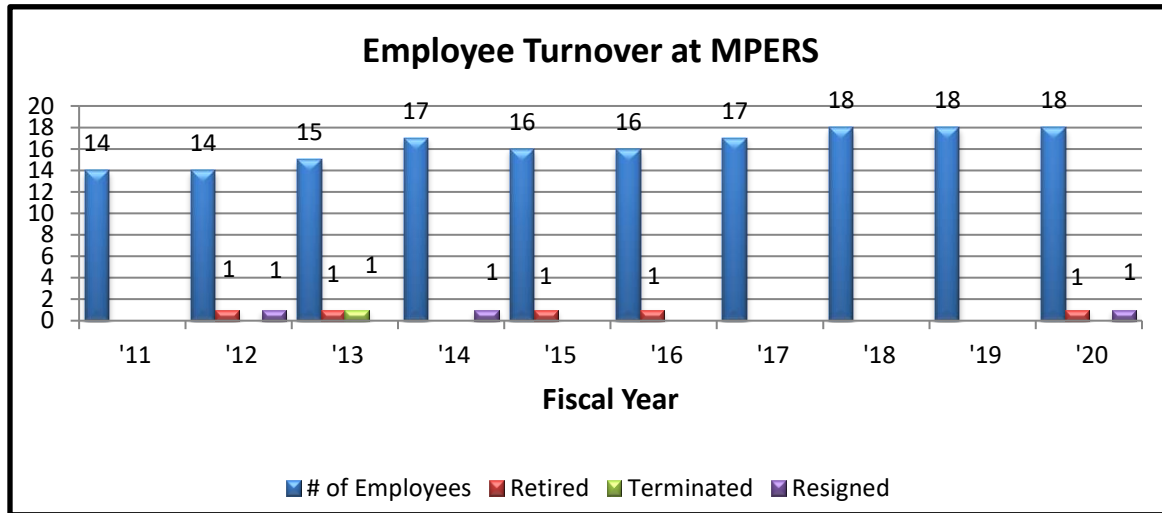
Employer contributions are based on the Board’s funding policy and the work of the actuary. To determine the expected employer contributions for the coming fiscal year, we look to the annual valuation. The charts below illustrate the total employer contributions by combining the normal cost and the catch-up payment associated with the unfunded liability. Also noted in the charts is investment income that was calculated by applying the expected near-term return for our assets as reported with NEPC’s capital market assumptions. The result is \$160,095,200 million in net of fees investment income.



As you can see in the charts above, there is a significant distortion with income resulting from the large catch-up payment. In a plan with a higher funding level, you would expect to see investment income dominating the overall receivables category. This may not be realized each year but on a long-term basis you would normally expect investment income to cover 50-65% of the cost for benefits. That will become more prevalent for MPERS as our funded status continues to improve.

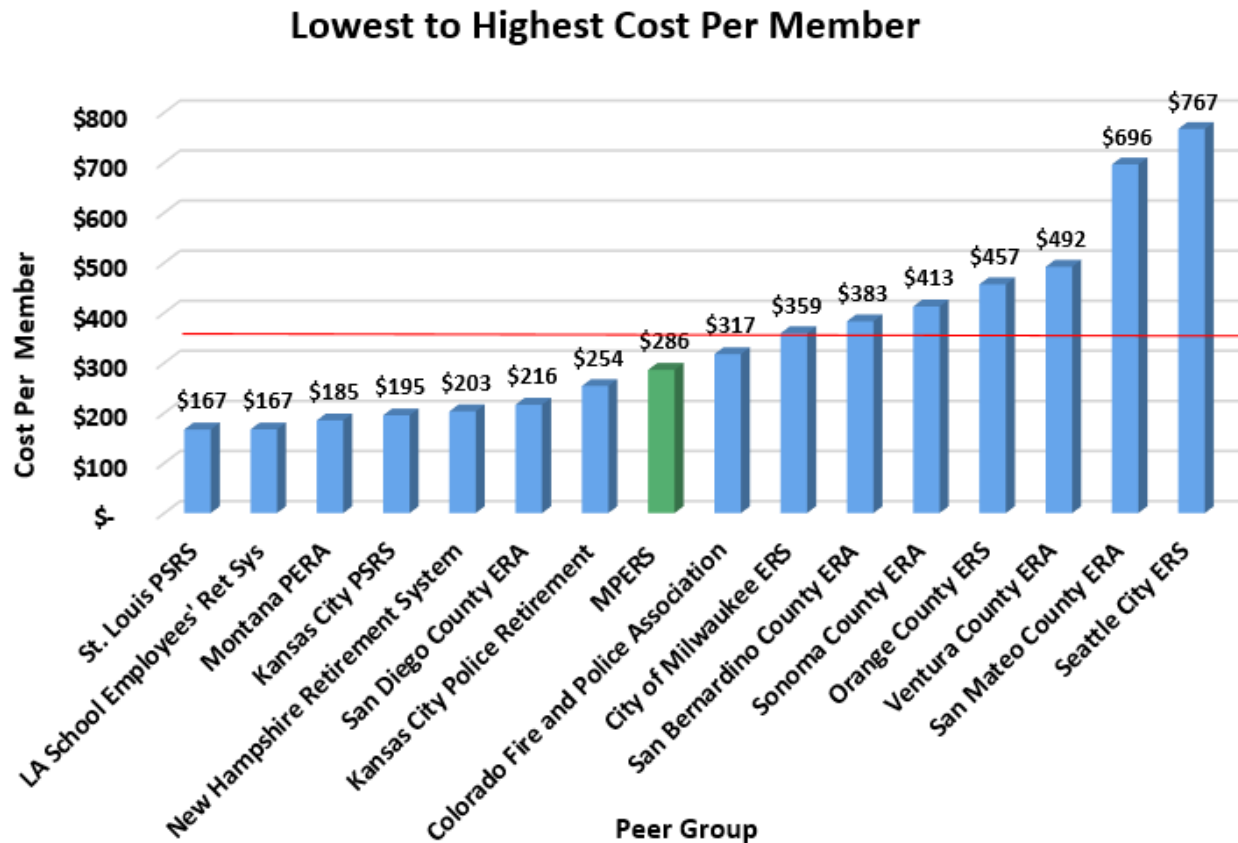
Policy/Governance Goals & Peer Statistics

The Board has made recruitment and retention a priority for MPERS as noted in the Staff Compensation Policy. Prior to 2009, the Board generally followed the lead of broader state government in terms of pay levels and increases. In 2009, the Board adopted policies that did not tie system pay to that of the state. The policy included the completion of a salary survey by a consultant at least every three years. In addition, annual cost-of-living adjustments were applied based on compensation consultant recommendations. The implementation and continued support of these policies have served to make MPERS an employer of choice, as reflected in the limited turnover and institutional knowledge of MPERS' staff that is noted below.



In addition to the excellent turnover statistics, MPERS' staff has an average tenure of 15.5 years of public pension experience and more than 20 years of experience on average overall. That experience compares favorably to almost any metric. For instance, as of June 30, 2019, the average tenure for Patrol employees was 13.1 years and MoDOT employees was 12.2 years, both of which rate favorably relative to traditional federal, state, or local public employment. According to the Bureau of Labor Statistics, the median tenure for the public sector was 6.8 years, considerably higher than the median for private sector employees at 3.8 years, based on data from 2018.

Last year, I provided some peer comparisons to assess our cost effectiveness relative to other similarly situated systems. This research was completed again this year with the results illustrated in the table below. This information is based on FY 2019 costs when possible or the most recently reported fiscal year data.



The cost analysis takes the gross operating costs and divides it by the member population (active employees and benefit recipients) to arrive at a “cost per member.” MPERS ranks 8th in this peer group at \$286 per member. The average for the peer group is \$347 indicating that MPERS is a lower cost operation than many of these pension plans. Sharing this information is intended to offer some context for how our costs compare to other similarly sized pension plans.

Operating Budget

This budget was prepared without taking into consideration (except as it relates to the market assumptions presented by NEPC) what the next fiscal year might require (or what it will not require) related to any direct or indirect impacts of the COVID-19 pandemic. One thing is clear, the immediate future is uncertain. With that in mind, this budget reflects what we would expect MPERS’ needs to be in “normal” times, even though it is very clear that our “new normal” will be different than what it was just a couple of months ago. The hope is that this budget will ultimately cover our needs, whether they are the same or different than what is presented, but only time will tell what outcome will prevail. One obvious example of this uncertainty is that at this moment, I would expect that the travel budget is potentially askew. If we use today’s condition, there is no need to travel, but that could change in six months and our staff could be back on the road conducting due diligence work in person and giving in-person seminars. We need to account for that possibility, and in the event travel does not materialize, there could be an expense we did not anticipate that would counterbalance the lack of a travel budget.

Attached with this memorandum you will find a Summary Description. This one-page overview, is followed by the Budget Summary that will be used to present staff’s budget proposal. The full budget detail is the next attachment. Staff does not plan to cover this document unless it is the pleasure of the committee. The next to last attachment is a travel overview disclosure required by our governance policies. In addition, the governance policy on staff pay is included with this material as a reminder of the thoughtful approach to this important topic. All governance policies as well as the employment policies

applicable to staff, are available under the trustee tab on the MPERS website if they would be useful to this decision.

Overall, the budget proposal reflects a 2.57% increase over last year. This increase is attributable to the contract extension for the CIO, and given that this is done only periodically (and in this case, five years ago), if this were removed from the budget, the budget would essentially be flat. In the short term, the increase is untimely given the economic challenges we are seeing from the COVID-19 pandemic, but in the long term, the contract decision is tremendously important to the continued success of the investment portfolio and for proper succession planning for the CIO position.

The salary/benefits category for the administrative portion of the budget shows a slight decrease relative to last year. This is a result of the realignment of positions during the current fiscal year where the assistant executive director and general counsel roles were consolidated to be performed by one person instead of two, in order to address other more pressing needs in the accounting and investment sections in the organization. In addition, the realignment of roles better utilizes our current staff's skills and maximizes staff potential to MPERS' benefit. As a result of the realignment, we were able to hire a full-time assistant chief financial officer and to hire support for the investment staff in the future.

The budget also includes a line item of \$30,000 for the utilization of a governance consultant. This item was added as a result of the governance committee's recommendation that the Board consider the use of a consultant to review governance policies, which are now 10 years old, to assess best practices, and to support improvements for the Board and System. This figure was determined by conferring with a couple of viable consultants.

As illustrated earlier, this operating budget represents a very small proportion of the costs associated with MPERS. The increase requested with this proposal represents under 1/10 of 1%. As you can see, many categories in the budget are essentially flat or decreasing compared to last year's budget. The increase and other details will be discussed in greater depth during the committee meeting.

If you have any questions in advance of our meeting, please let me know. Otherwise, we will plan to cover the details herein on meeting day.

STAFF COMPENSATION (SYSTEM COMPENSATION PLAN)

Introduction

Under section 104.210, RSMo, the general administration and proper operation of the System, including responsibility for the System's compensation plan, is vested in the Board. The System's compensation plan must be sufficient to attract and retain capable staff and to provide incentives for outstanding performance consistent with professional and prudential standards.

Compensation Plan

The System will provide compensation that is competitive in the local and state market for staff and competitive in the state and national market for executive staff. The System's compensation plan may consist of three components: base pay, incentive/performance pay, and benefits. The System's compensation plan is not affected by state compensation decisions in any particular budget year.

State law prohibits the payment of bonuses or extra compensation after service has been rendered. Thus, in the instances where incentive pay is incorporated in the System's compensation plan, it must be based upon appropriate service and performance standards defined in advance of service.

The Board shall hire a compensation consultant, not less than every five years, to provide advice and input regarding the System's compensation plan and changes or modifications to the plan to best serve the needs of the System.

Executive Director Compensation

The Board will review the Executive Director's compensation in conjunction with the Executive Director's annual evaluation. The Board will consider the Executive Director's experience, personal and organizational accomplishments for the year, external labor markets, and internal equity with other executive staff members when making the salary determination. The Board will also take into account, if applicable, any written employment contract and the information provided by the Board's compensation consultant.

Staff Compensation

The Executive Director will determine staff compensation in accordance with the System's compensation plan and subject to the System's annual budget approved by the Board. The Executive Director is responsible for implementing and maintaining the System's compensation plan and advising the Board of the status of the plan. The Executive Director will obtain and keep relevant survey data for appropriate salary comparisons or other information to assist in maintaining the System's compensation plan.

Performance Pay Plan for Benefit/Operational Employees¹:

Subject to the parameters set forth herein, all employees, but excluding investment staff and the Executive Director, shall be eligible for performance based increases in pay as described herein. The Executive Director shall include a pay for performance pool of three percent of base salary for applicable staff to be included in the annual operating budget. Within the confines of this performance pool, the Executive Director, in collaboration with applicable supervisory personnel, will evaluate staff annually to determine what, if any, performance increase is earned either by exceptional work or

¹ Revised June 18, 2015.

accomplishment or work that is above and beyond normal expectations for the position. The performance increase earned by an individual may range from zero to five percent. The Executive Director is not obligated to use all of the allocated budget for any given year if performance does not support it. Earned increases will be effective July 1 of each fiscal year and become a permanent part of base pay.

Incentive Compensation for Investment Employees²:

Subject to the qualifications set forth herein, all employees of the investment staff as designated herein, excluding the Chief Investment Officer, shall be eligible to earn annual incentive compensation ("performance incentive") up to the limits designated below. The performance incentive is based on the employee's annual base salary in effect on July 1 of the fiscal year for which the incentive is being considered.

Maximum level of incentive compensation:

Manager	50%
Senior Investment Officer	30%
Investment Officer	20%
Investment Analyst	10%

If a performance incentive is earned, it will be paid within 10 business days of year-end performance numbers being finalized by the custodian of records and approved by the general investment consultant, of the fiscal year following the year being evaluated.

In order for the employee to earn a performance incentive, the Fund must have earned an amount that exceeds what the Fund would have earned had it been invested in the Fund's Total Policy Index. Employees must be employed for the entire fiscal year in which the performance incentive is being considered.³ A sample step-by-step illustration of how to calculate MPERS' Total Policy Index shall be maintained by the Executive Director and made available for inspection.

The measurement period will be weighted 100% to a rolling five-year return. The performance incentive begins to be earned with performance in excess of the Total Policy Index of 16 basis points. The performance incentive is maximized when performance reaches 50 basis points in excess of the Total Policy Index. Performance anywhere in between these two amounts results in a performance incentive that is a pro-rated percentage of the maximum, pursuant to the chart below:

² Revised September 26, 2013.

³ Revised June 23, 2016.

Manager Level (50% maximum)

Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)
16	1.4		23	11.4		30	21.4		44	41.4
17	2.8		24	12.8		31	22.8		45	42.8
18	4.2		25	14.2		32	24.2		46	44.2
19	5.7		26	15.7		33	25.7		47	45.7
20	7.1		27	17.1		34	27.1		48	47.1
21	8.5		28	18.5		35	28.5		49	48.5
22	10		29	20		36	30		50	50

Senior Investment Officer (30% maximum)

Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)
16	0.9		23	6.9		30	12.9		44	24.9
17	1.7		24	7.7		31	13.7		45	25.7
18	2.6		25	8.6		32	14.6		46	26.6
19	3.4		26	9.4		33	15.4		47	27.4
20	4.3		27	10.3		34	16.2		48	28.3
21	5.1		28	11.1		35	17.1		49	29.1
22	6.0		29	12.0		36	18.0		50	30.0

Investment Officer (20% maximum)

Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)
16	0.6		23	4.6		30	8.6		44	16.6
17	1.1		24	5.1		31	9.1		45	17.1
18	1.7		25	5.7		32	9.7		46	17.7
19	2.3		26	6.3		33	10.3		47	18.3
20	2.9		27	6.9		34	10.9		48	18.9
21	3.4		28	7.4		35	11.4		49	19.4
22	4.0		29	8.0		36	12.0		50	20.0

Investment Analyst (10% maximum)

Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)		Excess Return (in BP)	Bonus (vs. Base)
16	0.3		23	2.3		30	4.3		44	8.3
17	0.6		24	2.6		31	4.6		45	8.6
18	0.9		25	2.9		32	4.9		46	8.9
19	1.1		26	3.1		33	5.1		47	9.1
20	1.4		27	3.4		34	5.4		48	9.4
21	1.7		28	3.7		35	5.7		49	9.7
22	2.0		29	4.0		36	6.0		50	10.0

All return comparisons are conducted using the Fund's actual return (net of fees) minus the return of the Total Policy Index.

While the performance incentive is based entirely upon the quantitative benchmark, incentive compensation can be reduced or revoked at any time by the CIO, subject to Executive Director's approval, upon documented performance issues.

Pay for Certain Credentials/Professional Designations

MPERS acknowledges that certain professional designations are becoming more prevalent, and in some cases expected for investment professionals. To encourage and support the attainment of such certification, MPERS may adjust the base compensation for investment staff who obtain either the Chartered Financial Analyst (CFA) or the Chartered Alternative Investment Analyst (CAIA) certification.

Upon successful completion of the CFA, a 20% increase in base compensation (except that base compensation shall never exceed the maximum step of the employee's applicable pay range) may be granted effective the first pay period of the month following MPERS' receipt of notification and verification of attainment of such official certification.

Upon successful completion of the CAIA certification, a 10% increase in base compensation may be granted in similar manner as the increase for attainment of the CFA certification.

For the purposes of this policy, the pursuit of either designation must be approved by the Executive Director and all base compensation increases shall be subject to approval by the Executive Director.

This policy shall not apply to the Chief Investment Officer.

MoDOT & Patrol Employees' Retirement System
Fiscal Year 2021
Proposed Operating Budget
 (July 1, 2020 thru June 30, 2021)

<u>Budget Category</u>	<u>FY18 YTD Actual</u>	<u>FY19 YTD Actual</u>	<u>FY20 Final Budget</u>	<u>FY20 YTD Actuals</u>	<u>FY21 Final Budget</u>	<u>FY20 YTD % Spent</u>	<u>FY20-FY21 Budget \$ Change</u>	<u>FY20-FY21 Budget % Change</u>
Administrative Expenses								
1 Salary/Benefits	\$1,864,585	\$2,000,072	\$2,254,831	\$1,545,397	\$2,241,131	68.54%	(\$13,700)	-0.61%
2 Professional Services	276,450	278,525	304,330	203,464	286,580	66.86%	(17,750)	-5.83%
3 Meeting/Travel/Education	19,266	23,029	30,000	14,753	30,000	49.18%	0	0.00%
4 Member Education	10,751	9,220	14,580	3,753	15,780	25.74%	1,200	8.23%
5 Office Supplies	2,845	7,111	6,000	2,152	6,000	35.87%	0	0.00%
6 Printing/Postage	32,661	27,203	32,500	18,204	29,900	56.01%	(2,600)	-8.00%
7 Membership Dues/Subscriptions	13,323	16,262	20,477	15,965	21,592	77.97%	1,115	5.45%
8 Utilities	38,241	34,776	40,220	24,277	35,925	60.36%	(4,295)	-10.68%
9 Building Expenses/Maintenance	33,884	61,810	44,960	19,000	41,910	42.26%	(3,050)	-6.78%
10 Rental/Lease	7,792	8,075	8,550	8,455	8,550	98.89%	0	0.00%
11 Equipment/Furniture	5,989	4,174	8,400	1,445	8,400	17.20%	0	0.00%
12 Information Technology	306,395	326,918	266,320	237,002	280,570	88.99%	14,250	5.35%
Administrative sub-total	\$2,612,182	\$2,797,175	\$3,031,168	\$2,093,867	\$3,006,338	69.08%	(\$24,830)	-0.82%
Investment Expenses								
13 Salary/Benefits	1,597,586	1,126,417	1,832,876	873,446	1,995,481	47.65%	162,605	8.87%
14 Investment Services	588,176	624,635	642,720	411,002	648,942	63.95%	6,222	0.97%
15 Meeting/Travel/Education	58,275	55,491	58,350	37,894	58,350	64.94%	0	0.00%
16 Direct Operating Expenses	42,750	45,244	43,840	32,004	43,840	73.00%	0	0.00%
Investment sub-total	\$2,286,787	\$1,851,787	\$2,577,786	\$1,354,346	\$2,746,613	52.54%	\$168,827	6.55%
TOTALS	\$4,898,969	\$4,648,962	\$5,608,954	\$3,448,213	\$5,752,951	61.48%	\$143,997	2.57%

MoDOT & Patrol Employees' Retirement System

Proposed FY 2021 Operating Budget Budget Summary

ADMINISTRATIVE EXPENSES

Proposed FY 2021
Budget Amount

1. SALARY/BENEFITS \$2,241,131

Ongoing Expenditures:

- Salary for staff (14 positions)
- Employee fringe benefits and retiree health care costs (nine retirees)
- Performance pool
- Contingency for employee turnover (annual/comp time payoff, job advertising, pre-employment drug tests)

Category Decrease (0.61%)	(\$13,700)
✓ Decrease in base salary due to reorganization	(75,202)
✓ Retention incentive (ED, \$25,000 in FY20, \$50,000 in FY21)	25,000
✓ 2.3% COLA (14 positions)	24,377
✓ Performance pool (13 positions)	24,705
✓ Change in fringe costs	1,205
✓ Decrease in budgeted payoff of leave	(13,785)

2. PROFESSIONAL SERVICES \$286,580

Ongoing Expenditures:

- Auditor, actuary, governmental consultant, outside counsel (specialty legal services), insurance consultant, general consulting services, death audit services
- Fiduciary insurance and public official bond

Category Decrease (5.83%)	(\$17,750)
✓ Actuarial audit in FY2020	(50,000)
✓ Governance Consultant	30,000
✓ Misc. contract changes	2,250

3. MEETING/TRAVEL/EDUCATION \$30,000

Ongoing Expenditures:

- Board of Trustee meeting expenses
- Travel and education for Board and staff

No Change in Budget 0%	\$0
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4. MEMBER EDUCATION \$15,780

Ongoing Expenditures:

- Member education seminars (Pre-Retirement and Benefit Basics) conducted for MoDOT & Patrol employees

Category Increase 8.23%	\$1,200
✓ Video equipment for web based member education	

5. OFFICE SUPPLIES\$6,000

Ongoing Expenditures:

- Office supplies

No Change in Budget 0% \$0

6. PRINTING/POSTAGE.....\$29,900

Ongoing Expenditures:

- Postage for daily mail, checks, benefit statements, etc.
- Printing of annual report, employee handbooks, benefit statements, brochures

Category Decrease (8.00%) (\$2,600)

✓ *Decrease in budgeted printing and postage*

7. MEMBERSHIP DUES AND SUBSCRIPTION.....\$21,592

Ongoing Expenditures:

- Dues for professional association memberships and license renewals
- Subscription fees for business publications

Category Increase 5.45% \$1,115

✓ *Increase in budgeted subscriptions (electronic member communications)*

8. UTILITIES.....\$35,925

Ongoing Expenditures:

- Utility services (electricity, water, phone, trash, cable, shredding service, fiber)

Category Decrease (10.68%) (\$4,295)

✓ *Savings with new phone and internet contract*

9. BUILDING EXPENSES/MAINTENANCE\$41,910

Ongoing Expenditures:

- Cleaning, snow removal, mowing, elevator maintenance, telephone maintenance, building security, building insurance, pest control, building supplies and miscellaneous building expenses

Category Decrease (6.78%) (\$3,050)

✓ *Savings with new building service contracts*

10. EQUIPMENT RENTAL & LEASES.....\$8,550

Ongoing Expenditures:

- Rental costs for postage machine and copiers

No Change in Budget 0% \$0

11. EQUIPMENT/FURNITURE\$8,400

Ongoing Expenditures:

- Vehicle expenses (fuel, maintenance, repairs, insurance, license)
- Contingency for office furniture and building equipment replacement and repair

No Change in Budget 0% \$0

12. INFORMATION TECHNOLOGY\$280,570

Ongoing Expenditures:

- Application hosting and IT support
- Phased replacement of computer equipment
- Computer software packages and upgrades for desktop computers

Category Increase 5.35% \$14,250
✓ *Additional IT support and maintenances costs*

ADMINISTRATIVE EXPENSES SUB-TOTAL – (0.82%) decrease.....\$3,006,338

Proposed FY 2021 Investment Budget Budget Summary

INVESTMENT EXPENSES

**Proposed FY 2021
Budget Amount**

13. SALARY/BENEFITS \$1,995,481

Ongoing Expenditures:

- Salary and performance incentive for four investment staff
- Employee fringe benefits

Category Increase 8.87%	\$162,605
✓ New CIO contract	77,175
✓ 2.3% COLA (3 positions)	15,105
✓ Contributions (58%) and taxes on additional pay staff	62,633
✓ Other fringe	7,692

14. INVESTMENT SERVICES \$648,942

Ongoing Expenditures:

- General and specialty investment consultants/counsel

Category Increase 0.97%	\$6,222
✓ Increase of budgeted investment consultant contracted amount (indexed to CPI)	

15. MEETING/TRAVEL/EDUCATION \$58,350

Ongoing Expenditures:

- Travel for due diligence visits, manager searches, and education

No Change in Budget 0%	\$0
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16. DIRECT OPERATING EXPENSES \$43,840

Ongoing Expenditures:

- Membership dues and subscriptions
- Telecommunications costs directly related to investments
- Hardware, software, and furniture

No Change in Budget 0%	\$0
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INVESTMENT EXPENSES SUB-TOTAL – 6.55% increase \$2,746,613

TOTAL FY 2021 BUDGET – 2.57% increase \$5,752,951

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
ADMINISTRATION								
SALARY / BENEFITS								
Salaries								
Salaries-Regular	14 positions	1,015,010	1,109,403	1,192,790	833,047	1,168,526	69.84%	(24,264)
Salaries-retention incentive	ED	0	0	25,000	25,000	50,000	100.00%	25,000
Salaries-Overtime	service calculation work	1,821	30	0	168	0	--	0
Subtotal		1,016,831	1,109,433	1,217,790	858,215	1,218,526		736
Benefits								
Empl Exp-Ret Sys State Contribution	58.00%	567,485	617,319	686,666	456,436	706,745	66.47%	20,079
Empl Exp-Employer Taxes	7.65%	67,540	72,831	93,161	58,300	93,217	62.58%	56
Empl Exp-Workers Comp Premium	CY21est=\$315/mo,CY20=\$275/mo	3,565	3,489	3,660	2,674	3,660	73.06%	0
Empl Exp-Deferred Comp, Employer		0	0	0	0	0	--	0
Empl Exp-Med/Life Ins, Employer	CY21=5% increase (CY20=6,040/pay pd)	150,046	156,944	176,207	111,058	160,728	63.03%	(15,479)
Empl Exp-Education Assistance	Gabrielle-college classes	10,185	4,368	10,600	5,603	7,800	52.86%	(2,800)
Subtotal		798,821	854,951	970,294	634,071	972,150		1,856
Other								
Empl Exp-Medical for Retirees	CY20=\$1,509/pay pd, CY21est 10%inc	34,090	32,014	34,087	26,657	38,330	78.20%	4,243
Empl Exp-Temp Employment Service	seminars	13,960	3,550	6,750	888	0	13.16%	(6,750)
Empl Exp-Employee Recognition	service awards, retirement, etc.	534	109	500	198	500	39.60%	0
Empl Exp-Employee Turnover	job ads,drug test	349	15	1,000	40	1,000	4.00%	0
Empl Exp-Employee Turnover-Payoff of Leave	1 retirement budgeted	0	0	24,410	25,328	10,625	103.76%	(13,785)
Subtotal		48,933	35,688	66,747	53,111	50,455		(16,292)
Total Salary/Benefits		1,864,585	2,000,072	2,254,831	1,545,397	2,241,131	68.54%	(13,700)

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
PROFESSIONAL SERVICES								
Audit Services-annual amount	Williams Keepers,K pd FY17-19 w/2 1yr ext opt	46,700	48,500	49,500	37,125	50,000	75.00%	500
Audit Services-supplemental billings	Williams Keepers	0	1,250	0	2,500	0	--	0
Actuarial Services-annual amount	GRS, K pd FY17-FY21 w/2 1yr. Ext options	61,210	66,500	72,000	51,300	72,000	71.25%	0
Actuarial Services-supplemental billings/general consulting	GRS (100 hrs x \$300)	11,843	21,530	25,000	17,475	25,000	69.90%	0
Actuarial Services 5-year Experience Study	FY13-17 period, presented in FY18	45,000	0	0	0	0	--	0
Actuarial Audit		0	0	50,000	0	0	0.00%	(50,000)
Governmental Consultant	Winter (2500/mo)	30,000	30,000	30,000	22,800	31,200	76.00%	1,200
Outside Counsel and Consulting	General Legal Consulting	29,424	65,540	41,000	41,905	41,000	102.21%	0
Insurance Consulting	Bob Charlesworth	6,000	6,000	6,000	4,500	6,000	75.00%	0
Member Verification Services/Address Searches	PBI&LexisNexis(Accurint)-emplymnt sec-doh	7,386	3,300	3,980	3,220	4,180	80.90%	200
Board Governance Consultant		0	0	0	0	30,000	--	30,000
Insurance - D & O Liability	Alliant Ins Srvs/Naught-Naught	19,508	17,236	17,750	17,168	18,000	96.72%	250
Misc. Professional Services	reload computers/scan files from underground	10,285	0	0	0	0	--	0
McLagan Survey		0	0	0	0	0	--	0
Compensation Consultant	FY19study,(FY20 implement)	0	9,500	0	0	0	--	0
Bank Service Charge		9,094	9,169	9,100	5,471	9,200	60.12%	100
Total Professional Services		276,450	278,525	304,330	203,464	286,580	66.86%	(17,750)

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
MEETING/TRAVEL/EDUCATION								
Board Expenses								
Board Mtg Meals/Refreshments		1,675	1,760	1,700	740	1,700	43.53%	0
Board Supplies		<u>16</u>	<u>100</u>	<u>500</u>	<u>604</u>	<u>500</u>	120.80%	<u>0</u>
Subtotal		1,691	1,860	2,200	1,344	2,200		0
Board Members - Education/Travel								
Board Education/Travel-Airline		306	424	800	719	800	89.88%	0
Board Education/Travel-Lodging		2,146	2,212	1,925	1,165	1,925	60.52%	0
Board Education/Travel-Meals		0	0	600	135	600	22.50%	0
Board Education/Travel-Rental Car/Gas		0	0	0	209	0	--	0
Board Education/Travel-Personal Car		486	303	500	562	500	112.40%	0
Board Education/Travel-Incidentals/Parking		112	24	100	0	100	0.00%	0
Board Education/Travel-Registration Fees	75 x 11 - MAPERS plus \$250	<u>675</u>	<u>0</u>	<u>1,075</u>	<u>675</u>	<u>1,075</u>	62.79%	<u>0</u>
Subtotal		3,725	2,963	5,000	3,465	5,000		0
Staff - Education/Travel								
Staff Education/Travel-Airline	covering 13 staff	1,712	2,805	2,800	2,133	3,100	76.18%	300
Staff Education/Travel-Lodging	covering 13 staff	5,675	4,908	7,200	3,620	7,200	50.28%	0
Staff Education/Travel-Meals	covering 13 staff	980	1,253	1,500	826	1,500	55.07%	0
Staff Education/Travel-Rental Car/Gas	covering 13 staff	0	0	300	0	0	0.00%	(300)
Staff Education/Travel-Personal Car	covering 13 staff	1,285	3,045	1,500	870	1,500	58.00%	0
Staff Education/Travel-Incidentals/Parking	covering 13 staff	384	623	500	295	500	59.00%	0
Staff Education/Travel-Registration Fees	covering 13 staff	<u>3,814</u>	<u>5,572</u>	<u>9,000</u>	<u>2,200</u>	<u>9,000</u>	24.44%	<u>0</u>
Subtotal		13,850	18,206	22,800	9,944	22,800		0
Total Meeting/Travel/Education		19,266	23,029	30,000	14,753	30,000	49.18%	0

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
MEMBER EDUCATION								
Travel								
Member Education/Travel-Lodging	(16PRSnites+10BBnites)x\$125per nite	2,515	1,783	2,600	1,687	3,100	64.88%	500
Member Education/Travel-Meals	(30PRSDays+10BBdays) x \$47per day	1,448	1,308	1,880	504	1,880	26.81%	0
Member Education/Travel-Personal Car		133	237	500	0	0	0.00%	(500)
Subtotal		4,096	3,328	4,980	2,191	4,980		0
Room Rental/Refreshments								
Member Ed-Room Rental-seminar	room and equipment rental	915	659	2,000	209	2,000	10.45%	0
Member Ed-Refreshments-seminar		833	245	1,000	0	1,000	0.00%	0
Subtotal		1,748	904	3,000	209	3,000		0
Equipment/Supplies								
Member Ed-Seminar Equipment	includes hotspot	473	562	600	346	1,800	57.67%	1,200
Member Ed-Supplies	bulbs,batteries,power strips,pens	146	31	1,000	1,007	1,000	100.70%	0
Member Ed-Printing-Brochures and copies	pre retirement workbook/benefit basics	4,288	4,395	5,000	0	5,000	0.00%	0
Subtotal		4,907	4,988	6,600	1,353	7,800		1,200
Total Member Education		10,751	9,220	14,580	3,753	15,780	25.74%	1,200

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
INDIRECT - ALL								
OFFICE SUPPLIES								
Office Supplies-Paper		977	887	1,000	868	1,000	86.80%	0
Office Supplies-Non-Paper	ink cartridges, calculators, pens, etc	1,868	6,224	5,000	1,284	5,000	25.68%	0
Total Supplies		2,845	7,111	6,000	2,152	6,000	35.87%	0
PRINTING/POSTAGE								
Printing								
Printing-Envelopes (Daily/Bus Reply)	#10 payroll, business reply, etc	3,642	1,480	3,500	0	3,500	0.00%	0
Printing-Handbooks/Brochures	printing in house and posting electronically	0	0	0	0	0	--	0
Printing-Annual Report	printing in house and posting electronically	0	0	0	0	0	--	0
Printing-Tax Forms	Moore Wallace (RR Donnelly)-\$0 envelopes FY18	781	2,470	2,500	2,774	3,000	110.96%	500
Printing-Election	all electronic beginning FY18	0	0	0	0	0	--	0
Printing-Check Stock	benefit acct checks in FY20	0	71	250	295	250	118.00%	0
Printing-Misc/all other	business cards, notepads, spec mailing, etc	137	211	250	203	250	81.20%	0
Printing-Newsletters	posting electronically	0	0	0	0	0	--	0
Pmntg-Graphic Design/Stk Photo	FY20/21Shutterstock (CAFR designFY18/19)	3,730	2,650	1,500	1,080	1,500	72.00%	0
Subtotal		8,290	6,882	8,000	4,352	8,500		500
Postage and Handling								
Postage-Benefit Statements	actives and retirees - Midwest Mailing	4,733	4,558	5,600	4,037	5,000	72.09%	(600)
Postage-Envelopes (Daily/Bus Reply)	Hasler / Sawyer Mailing Systems	7,393	5,569	6,000	285	4,000	4.75%	(2,000)
Postage-Tax Forms	1099Rs - Midwest mailing service	4,888	5,314	5,500	5,667	6,000	103.04%	500
Postage-Election	Midwest mailing service	0	0	0	0	0	--	0
Postage-Monthly Payroll	retiree checks, letter 63 - Midwest mailing	6,890	4,426	7,000	3,858	6,000	55.11%	(1,000)
Postage-Express	UPS/Fed Ex	13	0	50	5	50	10.00%	0
Postage-Annual Fees	Box fees	454	454	350	0	350	0.00%	0
Subtotal		24,371	20,321	24,500	13,852	21,400		(3,100)
Total Printing/Postage		32,661	27,203	32,500	18,204	29,900	56.01%	(2,600)

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
<u>MEMBERSHIP DUES/SUBSCRIPTIONS</u>								
Membership Dues		5,658	5,765	9,625	8,800	9,445	91.43%	(180)
Professional designation								
- Clerk of the Supreme Court	Bar Association Dues = \$410							
- Assoc of Governmental Accountants	Certified Govt Financial Manager = \$130							
- Life/Health Ins License (Julie)	\$200							
- Society of Ind Org Psy (Gabe)	\$55							
Benefits								
- Internatl Foundation of Employee Benefit Plans	IFEPPB - \$0 FY19, \$325 FY20							
- Natl Pre-Retirement Education Assoc	NPEA - \$750 (March 2020)							
- PRISM	\$300							
Administration								
- MO Assoc of Public Employees Ret Sys	MAPERS = \$100							
- Natl Assoc of State Retirement Administrators	NASRA-\$0 FY19, \$4,110=FY20							
- Natl Inst. On Ret Security	NIRS = \$1250							
- Public Pension Coordinating Council	PPCC = \$100							
Legal								
- Natl Assoc of Public Pension Attorneys	NAPPA = \$300							
Financial								
- Government Finance Officers Assoc	GFOA \$420 mbrshp/\$910 & \$250 application							
- Public Pension Financial Forum	P2F2 = \$200							
General								
- Notary fee	Lois, Barb, Tinisha, \$125 each							
Subscriptions/Resource material		7,665	10,497	10,852	7,165	12,147	66.02%	1,295
- News publications	\$450							
- Notary	2 years, \$45							
- Westlaw/Practical Law	FY20 \$597.44/mo - FY21 \$555/mo							
- Survey Monkey	\$350							
- Leapfile	\$1,200							
- Hootsuite	\$348							
- Animaker	\$228							
- GoTo Webinar	\$1,068							
- Constant Contact	\$1,755							
Total Membership Dues/Subscriptions		13,323	16,262	20,477	15,965	21,592	77.97%	1,115

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
UTILITIES								
Utilities-Electricity	Ameren	13,073	9,659	13,850	7,674	12,000	55.41%	(1,850)
Utilities-Water/Sewer	Missouri American/JC Utilities	1,370	1,234	1,500	877	1,500	58.47%	0
Utilities-Office Phones	phones/fax line-Century Link (was Socket-\$625/mo)	7,426	7,381	7,500	8,751	17,400	116.68%	9,900
Utilities-data plans	Executive Staff = 4 x \$20 x 24	1,440	1,440	1,920	1,140	1,920	59.38%	0
Utilities-hot spot	additional hotspot	0	0	0	0	540	--	540
Utilities-Data Connection	Century Link (was Socket-fiber \$1070/mo)	12,840	12,840	13,000	4,280	0	32.92%	(13,000)
Utilities-Trash	Republic	609	627	750	483	750	64.40%	0
Utilities-Cable	Dish Network	831	872	975	530	975	54.36%	0
Utilities-Shredding	Shred-It	652	723	725	542	840	74.76%	115
Total Utilities		38,241	34,776	40,220	24,277	35,925	60.36%	(4,295)
BUILDING EXPENSES/MAINTENANCE								
Building Supplies	light bulbs, cleaning supplies, Culligan, etc	3,604	3,744	3,000	2,476	3,000	82.53%	0
Cleaning-Routine	\$800/mo.	10,050	10,100	10,200	7,200	9,600	70.59%	(600)
Cleaning-Special		300	750	1,000	990	1,000	99.00%	0
Lawn Care	mowing/yard maintenance - Voss mowing	948	1,334	1,750	458	1,750	26.17%	0
Snow Removal	Goodin & Company	376	965	900	1,215	1,000	135.00%	100
Elevator Maint	Schindler-\$1950, inspection-\$150	2,242	6,935	2,500	641	2,500	25.64%	0
Security	Stanley Convergent \$456/qtr	1,844	1,824	1,900	1,446	1,900	76.11%	0
Bldg Inspection	Coys - fire ext inspect & re-charge	277	193	260	181	260	69.62%	0
Bldg Insurance	Liberty Mutual	7,025	5,592	7,100	0	6,500	0.00%	(600)
Pest Control	Art's	580	610	650	540	700	83.08%	50
Bldg Maint & Upkeep		3,790	28,515	13,700	3,853	13,700	28.12%	0
- Dale Feeler = \$1,000								
- Butzer (heating/cooling mt) = \$1,500								
- Generator maintenance = \$1,200	Cummins							
- General building mt = \$10,000	exterior, air conditioner units, etc.							
Phone Maint Agrmnt/Changes	Network Innovations	2,848	1,248	2,000	0	0	0.00%	(2,000)
Bldg Special Expenses		0	0	0	0	0	--	0
- FY16 reseal parking lots								
Total Building Expenses/Maintenance		33,884	61,810	44,960	19,000	41,910	42.26%	(3,050)

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
<u>RENTAL/LEASE</u>								
Rent/Lease-Postage Machine	Mail Finance = \$214/qtr + \$65 annual tax	936	751	920	719	920	78.15%	0
Rent/Maint-Copy Mach, lower	annual maint contract - GFI	1,038	1,142	1,260	1,256	1,260	99.68%	0
Rent/Maint-Copy Mach, upper	440/mo+1500 extra copies-Great American	5,566	6,182	6,370	6,480	6,370	101.73%	0
Record Storage	Underground Records Mgmt \$15/mo+retrieval	252	0	0	0	0	--	0
Total Rental/Lease		7,792	8,075	8,550	8,455	8,550	98.89%	0
<u>EQUIPMENT/FURNITURE</u>								
Equipment								
Office Furniture Exp	phones, chairs, furniture, stand-up workstations	953	2,007	3,000	250	3,000	8.33%	0
Other Equipment Exp	contingency for replacement (mcrowv,fridge)	1,848	181	1,500	409	1,500	27.27%	0
Printer Support	check printer, small desktop printers	0	0	500	106	500	21.20%	0
Subtotal		2,801	2,188	5,000	765	5,000		0
Vehicle Expense								
Vehicle Fuel		723	844	1,200	458	1,200	38.17%	0
Vehicle Insurance	Naught-Naught	1,681	903	1,700	0	1,700	0.00%	0
Vehicle Maint & Repair	includes license	784	239	500	222	500	44.40%	0
Subtotal		3,188	1,986	3,400	680	3,400		0
Total Equipment/Furniture		5,989	4,174	8,400	1,445	8,400	17.20%	0

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
INFORMATION TECHNOLOGY								
Consulting/Hosting								
PAS Hosting	LRS	63,243	65,141	65,141	65,141	65,141	100.00%	0
IT Consulting/Support	FY21-Midwest,2190+87/mo-Intermedia, \$225/mo	43,304	40,930	25,000	24,248	30,024	96.99%	5,024
System Hosting (website)	Huber \$275/mo, (Jul-Nov FY20 Midwest 99/mo)	3,300	3,300	1,200	1,595	3,300	132.92%	2,100
Subtotal		109,847	109,371	91,341	90,984	98,465		7,124
Equipment								
Hardware/Computer Equip Exp		17,228	13,535	5,000	6,750	5,000	135.00%	0
- phased computer replacement	desktops/laptops&docking stations/monitors							
- servers/warranties								
- contingency = computers \$1,000	extra keyboards, etc.							
Software								
Software Exp		9,267	19,651	8,500	4,978	8,500	58.56%	0
- True Cloud	\$175/month FY21							
- Office, Windows, Misc etc.								
- Adobe Pro etc.	\$185.98/user X 17 Users							
- Creative Cloud	\$1,272/yr (Julie)							
- Indesign	\$780/yr (Angel & Barb)							
- Photoshop	\$786/yr (Angel & Barb)							
- Cisco Meraki Firewall	FY19 pd 1200 for install, vmware renewal 4/2022							
Maintenance & Support								
Dynamics GP (accounting) annual fee	Sikich/Microsoft	29,456	4,456	4,500	4,625	4,810	102.78%	310
Jet Reports (accounting) annual fee	Sikich	0	2,198	0	2,686	3,360	--	3,360
Accounting support hours	Sikich	0	25,000	0	0	15,000	--	15,000
PCX (imaging) annual maint & support	LRS	8,104	8,347	8,514	8,514	8,769	100.00%	255
Kofax Capture annual maint & support	LRS-pass through 5%inc	3,236	3,398	3,568	3,568	3,746	100.00%	178
AgilePoint Workflow maintenance & support	LRS-pass through	6,195	6,195	6,195	6,195	6,195	100.00%	0
Pension Gold annual maintenance	LRS 3% inc	94,975	97,824	100,759	100,759	103,782	100.00%	3,023
PG Secure (disaster recovery)	LRS	7,787	7,943	7,943	7,943	7,943	100.00%	0
PAS support hours	LRS \$145/hour	20,300	29,000	30,000	0	15,000	0.00%	(15,000)
Subtotal		170,053	184,361	161,479	134,290	168,605		7,126
Total Information Technology								
		306,395	326,918	266,320	237,002	280,570	88.99%	14,250

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
INVESTMENTS								
SALARY / BENEFITS								
Salaries								
Salaries-Regular	4 positions	622,692	651,319	676,418	515,074	778,286	76.15%	101,868
Salaries-Performance Incentive		343,799	0	395,606	0	389,143	0.00%	(6,463)
Subtotal		966,491	651,319	1,072,024	515,074	1,167,429		95,405
Benefits								
Empl Exp-Ret Sys State Contr	58.00%	560,021	370,051	621,774	279,178	677,109	44.90%	55,335
Empl Exp-Employer Taxes	7.65%	17,152	43,659	82,010	30,516	89,308	37.21%	7,298
Empl Exp-Workers Comp Premium	all paid under admin	0	0	0	0	0	--	0
Empl Exp-Dfrd Comp, Employer		0	0	0	0	0	--	0
Empl Exp-Med/Life Ins, Employer	CY21=5% increase (CY20=2,562/pay pd)	53,922	61,388	57,068	48,678	61,635	85.30%	4,567
Empl Exp-Education Assistance		0	0	0	0	0	--	0
Subtotal		631,095	475,098	760,852	358,372	828,052		67,200
Other								
Empl Exp-Employee Turnover		0	0	0	0	0	--	0
Total Salary/Benefits		1,597,586	1,126,417	1,832,876	873,446	1,995,481	47.65%	162,605
INVESTMENT SERVICES								
Investment Consultant	beg 7/1/14 inc based on CPI over prior 12 mos	327,212	336,701	342,720	256,566	348,942	74.86%	6,222
Investment Custodian	Northern Trust - custodian and performance tracking	245,964	272,934	280,000	139,436	280,000	49.80%	0
General & Special Consulting		15,000	15,000	20,000	15,000	20,000	75.00%	0
Total Professional Services		588,176	624,635	642,720	411,002	648,942	63.95%	6,222

MoDOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM								
FY21 Budget Detail Document								
		FY 2018	FY 2019	FY2020	FY2020	FY2021	FY2020	FY20-FY21
		Actuals	Actuals	Budget	YTD Spent	Budget	YTD % Spent	\$ Change
MEETING/TRAVEL/EDUCATION								
Staff Education/Travel-Airline	30 flights x \$350, 4 flights x \$2500	14,599	19,863	20,500	12,987	20,500	63.35%	0
Staff Education/Travel-Lodging	90 nights x \$200	18,849	16,339	18,000	12,078	18,000	67.10%	0
Staff Education/Travel-Meals	70 days x \$60	4,153	3,722	4,200	2,566	4,200	61.10%	0
Staff Education/Travel-Rental Car/Gas		1,333	1,654	1,500	723	1,500	48.20%	0
Staff Education/Travel-Personal Car	10000 miles x \$.545	7,031	5,068	5,450	3,398	5,450	62.35%	0
Staff Education/Travel-Incidentals/Parking		5,763	5,846	5,500	3,492	5,500	63.49%	0
Staff Education/Travel-Registration Fees	nasio2500,nasip0,ilpa0,mapers100(cfa,reip,iir)	6,547	2,999	3,200	2,650	3,200	82.81%	0
Total Meeting/Travel/Education		58,275	55,491	58,350	37,894	58,350	64.94%	0
DIRECT OPERATING EXPENSES								
Membership Dues and Subscriptions		8,531	6,503	7,590	5,802	7,590	76.44%	0
- Chartered Financial Analyst (CFA) Institute	\$275 each x 2 (Larry, Bobby)							
- Pension Fund Data Exchange/NASIO	1,250.00							
- ILPA	4000							
- CAIA	\$650 ea/2 yr mbrshp x 2 each yr (TE,BH,JJ)							
- Wall Street Journal	\$390							
Mobile stipend/data plans	stipend = 4x20x24	1,920	1,920	1,920	1,520	1,920	79.17%	0
Postage-Express	UPS/Fed Ex	220	323	500	141	200	28.20%	(300)
Printer/copier - color	\$305/mo Great American + prints \$15/mo GFI	3,432	3,745	3,540	3,088	3,540	87.23%	0
Hardware/Computer Equip Exp	2 hotspots, etc.	2,579	6,604	2,790	738	2,790	26.45%	0
Office Furniture Exp		388	0	500	465	500	93.00%	0
Software Exp	Bloomberg \$6,750/qtr	25,680	26,149	27,000	20,250	27,300	75.00%	300
Total Direct Operating Expenses		42,750	45,244	43,840	32,004	43,840	73.00%	0



Year-End Budget & Expense Review FY2020

(July 1, 2019 to June 30, 2020)

			YTD	FY2020
			<u>Actual</u>	<u>Budgeted</u>
Board - Meeting Travel/Education				
Board Education/Travel-Airline			\$719	\$800
Board Education/Travel-Lodging			\$1,165	\$1,925
Board Education/Travel-Meals			\$135	\$600
Board Education/Travel-Rental Car/Gas			\$209	\$0
Board Education/Travel-Personal Car			\$562	\$500
Board Education/Travel-Incidentals/Parking			\$0	\$100
Board Education/Travel-Registration Fees			<u>\$675</u>	<u>\$1,075</u>
Total Board			\$3,465	\$5,000
	Executive	Other	YTD	YTD
	<u>Director</u>	<u>Staff</u>	<u>Actual</u>	<u>Budgeted</u>
Staff - Meeting Travel/Education				
Staff Education/Travel-Airline	\$328	\$1,805	\$2,133	\$2,800
Staff Education/Travel-Lodging	\$0	\$3,620	\$3,620	\$7,200
Staff Education/Travel-Meals	\$54	\$772	\$826	\$1,500
Staff Education/Travel-Rental Car/Gas	\$0	\$0	\$0	\$300
Staff Education/Travel-System Car/Gas	\$0	\$0	\$0	\$150
Staff Education/Travel-Personal Car	\$287	\$584	\$870	\$1,500
Staff Education/Travel-Incidentals/Parking	\$23	\$272	\$295	\$500
Staff Education/Travel-Registration Fees	<u>\$75</u>	<u>\$2,125</u>	<u>\$2,200</u>	<u>\$9,000</u>
Total Staff	\$766	\$9,178	\$9,944	\$22,950