MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

PROPOSED BUDGET FYE 2021

EXPENSES	BUDGET FYE 2020	PROPOSED FYE 2021	% INCREASE/ (DECREASE)	$ INCREASE/ (DECREASE)
Personnel Expenses				
Salaries	$763,000.00	$790,000.00	4%	$27,000.00
Employer Retirement	$212,000.00	$225,000.00	6%	$13,000.00
Health Insurance	$100,300.00	$80,000.00	-20%	($20,300.00)
Federal Taxes	$12,000.00	$13,200.00	10%	$1,200.00
Subtotal Personnel Expenses	**$1,087,300.00**	**$1,108,200.00**	**2%**	**$20,900.00**
Operating Expenses				
Building & Ground Maintenance	$54,000.00	$40,000.00	-26%	($14,000.00)
Office Equipment & Maintenance	$130,500.00	$210,000.00	61%	$79,500.00
Office Expense	$88,000.00	$80,000.00	-9%	($8,000.00)
Telecommunications/Utilities	$35,000.00	$35,000.00	0%	$0.00
Insurance	$80,000.00	$80,000.00	0%	$0.00
Subtotal Operating Expenses	**$387,500.00**	**$445,000.00**	**15%**	**$57,500.00**
Professional Services				
Audit	$100,000.00	$90,000.00	-10%	($10,000.00)
Professional Services	$88,000.00	$40,000.00	-55%	($48,000.00)
Actuarial	$96,120.00	$100,800.00	5%	$4,680.00
Legal-Administrative	$42,000.00	$30,000.00	-29%	($12,000.00)
Subtotal Professional Services	**$326,120.00**	**$260,800.00**	**-20%**	**($65,320.00)**

Travel & Professionl Development				
Travel - Staff & Professional Development	$51,000.00	$40,000.00	-22%	($11,000.00)
Travel - Board Meetings & Conventions	$35,000.00	$35,000.00	0%	$0.00
Subtotal Travel Expenses	**$86,000.00**	**$75,000.00**	-13%	**($11,000.00)**
Total Administrative Expenses	**$1,886,920.00**	**$1,889,000.00**	**0%**	**$2,080.00**

CAPITAL BUDGET				
	FYE 2020	Proposed FYE 2021	% Increase/ (Decrease)	$ Increase/ (Decrease)
Total Capital Expenses	$705,000.00	$444,999.00	-37%	($260,001.00)
TOTAL ADMINISTRATIVE & CAPITAL EXPENSES	**$2,591,920.00**	**$2,333,999.00**	**-10%**	**($257,921.00)**

BUDGET NARRATIVE
FYE 2021

BUDGET LINE ITEM	COMMENTS
Personnel Expenses	
Salaries	Increase in salaries related to part-time staff for office assistance. MERS previously contracted with Westaff for office assistance and the amount was expensed through professional services. Professional services budget amount has decreased. Salaries of full-time staff are the same as last year.
Employer Retirement	Increase related to change in Plan A employer rate from 27.75% to 29.50%.
Health Insurance	Decrease due to an employee changing to spouse's insurance plan. Premiums typically increase for 6 months beginning January 2021 - age based. Employee portion of premium payment changes from 15% to 20% in January 2021. All new hires pay 25% of insurance premium approved by the Board in September 2015.
Federal Taxes (Medicare & Social Security)	Increase due to employer portion of social security related to Part-Time employee wages.
Operating Expenses	
Building & Ground Maintenance	Decrease related to completion of painting the inside of Office Park Building in October 2019.

Office Equipment & Maintenance	Increase related to new pension system (PensionPro) support and maintenance -$120,000. Go-Live will be in August of 2020 and prior pension related technology services have been reflected as reductions in the draft budget after August 2020. One exception is imaging storage for Board Meeting minutes and Contribution Reports - this has not been reduced as conversion to the new imaging system included in PensionPro will be completed during FY 2021.
Office Expense	Decrease related to Other Post Retirement Benefits (GASB 75) calculation related to audit ($3,200) - license renewed every other year. Also, only one election and run-off election expected in FYE 2021.
Telecommunications/Utilities	No change from prior fiscal year.
Insurance	No change from prior fiscal year.
Professional Services	
Audit	Decrease from prior year due to increased efficiency and transparency in new general ledger system and investment portfolio.
Professional Services	Decrease primarily related to (1) an experience study required by statute (see R.S. 11:1826 (B)) to be performed every 3 years ($19,000) -performed in FY 2020; (2) discontinued use of Westaff for office assistance; and (3) discontinued use of Faulk & Winkler for accounting assistance.
Actuarial	Increase of 5% for new actuarial services agreement.
Legal-Administrative	Decrease from prior year based on actual expenses occurred in FY 2020. The legal services are related to 2 retiree issues of overpayment (MERS not notified of a death and city's misinterpretation of law) and potential litigation.

Travel Expenses	
Travel - Staff & Professional Development	Decrease related to reduction of educational expenses for a staff member.
Travel - Board Meetings & Conventions	No increase from prior fiscal year.
Capital Budget	
FYE 2021	Decrease related to completion of the main component of the Pension Administration System. Included in the budget for FYE 2021 is the completion of Employer Self-Service and Member Self Service Modules **(Total of $444,999.00)** of the Pension Administration System. Also included in the capital budget are covering for parking **(Total of $50,000.00)** and a generator **(Total of $50,000)**.