

2012 Budget Presentation

Ohio Retirement Study Council

October 10, 2011



Daniel K. Weiss, CPA, JD
Executive Director/Chief Investment Officer

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Mr. Aristotle Hutras, Director
Ohio Retirement Study Council
88 East Broad Street, Suite 1175
Columbus, OH 43215-3506

Dear Mr. Hutras:

In accordance with Section 5505.062 of the Ohio Revised Code, HPRS is submitting the 2012 calendar year budget. The attached reports are in the agreed upon format adopted by the Ohio retirement systems.

Compared to 2011, the internal operating budget for 2012 will decline by 7.3%. The most significant difference is the reduction in mandatory costs that were much higher in 2011 because of the fiduciary audit. Anticipated cost increases in 2012 include actuarial services, audit services, and other consulting.

Please contact me if you would like additional information.

Sincerely,

Daniel K. Weiss, CPA, JD
Executive Director/Chief Investment Officer
dweiss@ohprs.org

**Budget Presentation to ORSC
Highway Patrol Retirement System
Budget Comparison**

	2012 Budget	2011 Budget	Increase (Decrease)	%
Personnel	\$ 730,216	\$ 718,602	\$ 11,614	1.6%
Salaries and Wages	552,309	551,006	1,303	0.2%
PERS contributions	77,323	77,141	182	0.2%
Health Insurance/Miscellaneous	100,584	90,455	10,129	11.2%
Professional Services	\$ 477,105	\$ 398,900	\$ 78,205	19.6%
Actuarial	100,000	60,000	40,000	66.7%
Audit	49,930	21,500	28,430	132.2%
Custodial Banking Fees	54,375	52,500	1,875	3.6%
Investment Consulting	230,000	225,000	5,000	2.2%
Other Consulting	40,200	20,700	19,500	94.2%
Banking Expense	2,600	19,200	(16,600)	-86.5%
Communications Expense	\$ 25,920	\$ 29,450	\$ (3,530)	-12.0%
Printing and Postage	12,900	16,100	(3,200)	-19.9%
Telephone	8,520	8,850	(330)	-3.7%
Member/Employer Education	4,500	4,500	-	0.0%
Other Operating Expense	\$ 219,549	\$ 424,912	\$ (205,363)	-48.3%
Conferences and Education	10,200	10,125	75	0.7%
Travel	18,300	18,482	(182)	-1.0%
Computer Technology	83,700	89,500	(5,800)	-6.5%
Other Operating	105,049	45,913	59,136	128.8%
Mandatory Costs	2,300	260,892	(258,592)	-99.1%
Occupancy Expense	\$ 65,923	\$ 65,923	\$ -	0.0%
Internal Operating Budget	\$ 1,518,713	\$ 1,637,787	\$ (119,075)	-7.3%
Total Other Financial Expense				
Depreciation	\$ 4,748	\$ 5,259	\$ (511)	-9.7%
Total Capital Budget	\$ -	\$ -		

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**Budget Presentation to ORSC
Highway Patrol Retirement System
Budget Comparison**

Board Meeting Expenses

Board/Subcommittee meetings
Board travel to attend Board meetings
Board education and travel
Other (subscriptions)
Total Board Expenses

	2012		2011		Increase	
	<u>Budget</u>	<u>%</u>	<u>Budget</u>	<u>%</u>	<u>(Decrease)</u>	<u>%</u>
	\$ 4,950	17%	\$ 5,750	19%	\$ (800)	-14%
	3,600	12%	3,450	12%	150	4%
	18,700	63%	18,000	61%	700	4%
	2,200	7%	2,300	8%	(100)	-4%
	\$ 29,450	100%	\$ 29,500	100%	\$ (50)	0%

**Budget Presentation to ORSC
Highway Patrol Retirement System
Investment Management Fees**

	2010 Actual	2009 Actual	2008 Actual
Investment Assets			
Total Internally Managed Assets	\$ 2,325,000	\$ 3,642,000	\$ 4,145,000
Total Externally Managed Assets	736,921,776	663,773,938	562,527,160
Total Investment Assets	\$ 739,246,776	\$ 667,415,938	\$ 566,672,160
Investment Expenses			
Total Internal Investment Expenses	\$ 10,805	\$ 12,095	\$ 45,166
Total External Investment Expenses	4,429,911	4,025,493	4,034,417
Investment Consulting	232,250	214,838	235,496
Brokerage/Commissions	147,890	115,263	156,124
Custodian Fees	53,411	40,528	53,349
Total Investment Expenses	\$ 4,874,267	\$ 4,408,217	\$ 4,524,552
Total Investment Expenses as a % of Total Investment Assets	0.66%	0.66%	0.80%

**Budget Presentation to ORSC
 Highway Patrol Retirement System
 Statistical Information**

Description	2011 At Sep. 30, 2011	2010	2009	2008
Employees (full-time equivalents)	8	8	9	9
Active Members	1,494	1,537	1,547	1,544
Inactive Members	6	3	5	9
Benefit Recipients	1,456	1,424	1,385	1,371

**Budget Presentation to ORSC
Highway Patrol Retirement System
Staff Travel and Training**

<u>Staff Travel</u>	<u>2012 Budget</u>	<u>2011 Budget</u>	<u>2010 Actual</u>	<u>Budgeted % Change</u>
Executive	\$ 4,650	\$ 5,430	\$ 4,380	-14.4%
# FTE's	1	1		
Finance	1,395	1,520	934	-8.2%
# FTE's	2	3		
Member Services	62	60	-	3.3%
# FTE's	3	2		
Real Estate	93	72	40	29.2%
# FTE's	2	3		
Total	\$ 6,200	\$ 7,082	\$ 5,354	-12.5%
Total # FTE's	8	8	9	
Travel Expense/FTE	\$ 775	\$ 885	\$ 595	

<u>Staff Training</u>	<u>2012 Budget</u>	<u>2011 Budget</u>	<u>2010 Actual</u>	<u>Budgeted % Change</u>
Executive	\$ 1,656	\$ 1,650	\$ 450	0.4%
# FTE's	1	1		
Finance	1,584	1,425	525	11.2%
# FTE's	2	3		
Member Services	360	450	70	-20.0%
# FTE's	3	2		
Real Estate	-	-	-	-
# FTE's	2	2		
Total	\$ 3,600	\$ 3,525	\$ 1,045	2.1%
Total # FTE's	8	8	9	
Travel Expense/FTE	\$ 450	\$ 441	\$ 116	

