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**MENDOCINO COUNTY**  
EMPLOYEES' RETIREMENT ASSOCIATION  
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UKIAH, CALIFORNIA 95482-5027

Date: August 16, 2017  
To: Board of Retirement  
From: Stan Conwell, Financial/Investment Officer  
Subject: *Preliminary Quarterly Budget Update*

Introduction

Attached is the budget update report for the quarter and fiscal year ending June 30, 2017. Please note the figures in the report are preliminary and minor updates may occur as new data is received. The report is divided into four schedules. Each schedule follows the layout of the FY 2017 adopted budget as revised in February 2017.

Schedule 1A compares current quarter expenditures to the expenditures during the same quarter of the prior year. Schedule 1B compares fiscal year expenditures to prior fiscal year expenditures. Schedule 2A compares current quarter expenditures to current quarter budgeted amounts. Schedule 2B compares fiscal year expenditures to fiscal year budgeted amounts.

MCERA's total expenses for the quarter and fiscal year exceeded prior period expenditures, but were at or below budget estimates. Similarly, total expenses were above prior period spending, but ended the quarter and fiscal year below budgeted estimates.

Schedule 1A & 1B:

Highlights from FY 2016 vs FY 2017 actual expense comparison for the current quarter and fiscal year are presented below:

- Personnel costs for the current quarter were slightly higher than the prior year primarily due to the timing of pay periods and other personnel compensation. For the YTD, personnel costs were also higher largely because of higher gross salaries. Personnel costs were lower in FY 2016 due in part to turnover in the Retirement Specialist position.
- Administrative expenses for the quarter were well above the FY 2016 total because of the office cubicle expense, additional staff training, and timing differences in legal expense invoices. Administrative expenses for the fiscal year were also above the prior period with the office cubicle expense explaining the majority of the difference in the totals between years. The elimination of outside accounting services in FY 2017 explains the reduction in Contract expense.

- Board Expense for the quarter was higher versus the prior period as a result of additional Board education and training expense. For the fiscal year, Board expense was lower due to a slight reduction in stipends and a drop in education and training costs.
- Disability activity picked up during the quarter and finished the fiscal year higher in comparison to FY 2016. The prior fiscal year exhibited unusually low activity and the costs in FY 2017 are closer to what was experienced historically.
- Technology expense was much lower for the quarter and fiscal year. The electronic document imaging system (EDMS) project was started in FY 2016 and accounts for much of the differences between the current quarter and the prior period. The current quarter's expense includes annual maintenance fees as well as one-time change orders to Pension Gold. Support from Linea decreased during the fiscal year and was somewhat offset by the EDMS project costs. With the pension automation and EDMS projects now complete, technology costs are expected to continue to decline into the next fiscal.
- Investment expenses increased for the quarter and fiscal year when compared to the prior periods. Actuary services were higher during the quarter due to the recognition of the experience study expense. For the fiscal year, actuary services were also higher due to the experience study, as noted, and services related to the UAAL study, contribution letter and timing of GASB 67/68 invoices. The fees for the Mondrian fund increased mainly because the allocation to international equity increased. The timing of invoices for custody services from State Street Bank account for the differences in the current quarter. State Street began services midway through FY 2016 resulting in lower fees during the prior fiscal year.
- The Building Maintenance Plan was mostly completed in FY 2017 and the County billed for the vast majority of the project expenses in aggregate during the second half of the fiscal year.

Schedule 2A & 2B (Current Year Expenditures v. Budgeted Expenditures):

Highlights from the budget vs actual comparison for the current quarter are presented below:

- Personnel costs were above budget for the quarter due to vacation cash out transaction that occurred during the quarter. For the fiscal year, costs were below estimates mostly due to the Retirement Specialist turnover that occurred during the first half of FY 2017. Savings in Unemployment Insurance and Workers Comp also contributed.
- Administrative expenses for the quarter and fiscal year were at or below budget. Office expense was higher for the quarter and fiscal year due to additional office cubicle costs, increases in IT support services, and office equipment purchases including the smart board. The higher office expense was more than offset by savings in legal, audit, and staff education and training categories. Legal expense was under budget due to lower than anticipated demand from services from fiduciary and tax counsel. Audit expense was reduced due to lower demand for CAFR preparation services. Staff training came in lower because of job duty conflicts with available training events.

- Board Expense was below budget for the quarter and fiscal year primarily because Board education and training expenses were below anticipated levels. Stipends were also lower due to fewer committee meetings and no strategic retreat.
- While disability expenses increased during the quarter, they were below budget for the quarter and fiscal year. For the fiscal year, the administrative review costs increased as a result of the contract update with MMRO as well as additional medical reviews.
- Technology expenses for the quarter and fiscal year were below budget. Continued Pension Gold development resulted in higher than expected pension automation project expense. The balance of the Linea contract was built into the budget but, the actual costs in FY 2017 were much lower. Work began on the electronic document imaging system (EDMS) project during FY 2016 and about \$30,000 of the budgeted \$115,000 was recognized in the prior fiscal year. The EDMS project expense also includes annual maintenance fees for the scan station.
- Investment expenses for the quarter and fiscal year were below budget estimates. New manager fees did not occur during FY 2017 due to the extended asset allocation study and manager selection period. For the fiscal year, the investment consultant fees were lower due to the extension of the contract at the current contract fee levels. Additional actuary services from Segal increased expenses above budget. These services included UAAL study fees, the contribution analysis letter, as well as slightly higher than expected valuation expense. As mentioned earlier, Mondrian fees increased mainly due to increased allocation to international equities. The State Street custodian fee estimate for FY 2017 was low.
- The Board approved a capital maintenance budget of \$142,000 for FY-17. The actual cost came in very close to the budget estimate.

### Conclusion

Fiscal year 2017 ended well when compared to the budget. All budget subtotals were below estimates. Total expenditures for FY 2017 were below budget by 18.26%. Total Administrative expenses, excluding technology and investment costs, were below budget estimates by 9.64%. Relative to FY 2016, total expenses ended the fiscal year closer to budgeted estimates. When compared to the prior fiscal year, total expenditures saw an increase of 13.29%. Total administrative expenses, excluding technology and investment costs, increased by 7.62%. Some of the increase in expenditures compared to the prior fiscal year can be attributed to the one-time projects like the building maintenance plan and cubicle expense. Administrative expenses for FY 2017 were below MCERA's policy limit and well below the cap set by CERL.

**Mendocino County Employees Retirement Association**

**Fiscal Year 2017 Budget Comparison**

**Schedule 1A: Current Year Quarter vs Prior Year Quarter**

	<b>FY 2016</b>	<b>FY 2017</b>	<b>Difference</b>	
	<b>April - June</b>	<b>April - June</b>	<b>Difference</b>	
	<b>Actual</b>	<b>Actual</b>	<b>\$</b>	<b>%</b>
<b>Personnel</b>				
Gross Regular Salaries	\$ 91,389	\$ 99,752	\$ 8,363	9.15%
Extra Help	-	-	-	0.00%
Overtime	-	-	-	0.00%
Retirement	28,033	25,584	(2,449)	-8.74%
Social Security	5,652	5,772	120	2.13%
Medicare	1,322	1,350	28	2.13%
Retirement Cola	10,622	9,139	(1,483)	-13.96%
Health Insurance	20,154	17,858	(2,296)	-11.39%
Unemployment Insurance	-	-	-	0.00%
Workers Comp	-	-	-	0.00%
<b>Sub Total Personnel (BU 1920)</b>	<b>\$ 157,171</b>	<b>\$ 159,455</b>	<b>\$ 2,284</b>	<b>1.45%</b>
<b>Administrative</b>				
Office Expense	\$ 8,931	\$ 18,446	\$ 9,515	106.54%
Legal Expense	13,256	19,858	6,602	49.80%
Audit	-	-	-	0.00%
Contracts	-	900	900	100.00%
Staff Education and Training	2,416	4,320	1,904	78.81%
Membership	-	-	-	0.00%
Community Access <sup>1</sup>	378	-	(378)	-100.00%
Travel In-County <sup>1</sup>	82	-	(82)	-100.00%
<b>Subtotal</b>	<b>\$ 25,063</b>	<b>\$ 43,524</b>	<b>\$ 18,461</b>	<b>73.66%</b>
<b>Board Expense</b>				
Fiduciary Insurance	\$ -	\$ -	\$ -	0.00%
Board Meeting Stipends	1,400	1,500	100	7.14%
Board Education and Training	-	4,853	4,853	100.00%
<b>Subtotal</b>	<b>\$ 1,400</b>	<b>\$ 6,353</b>	<b>\$ 4,953</b>	<b>353.79%</b>
<b>Total Personnel, Administrative &amp; Board Expense</b>	<b>\$ 183,634</b>	<b>\$ 209,332</b>	<b>\$ 25,698</b>	<b>13.99%</b>
<b>Disability</b>				
Hearing Preparation	\$ -	\$ -	\$ -	0.00%
Hearings	-	3,414	3,414	100.00%
Administrative Review	2,435	10,950	8,515	349.69%
<b>Subtotal Disability</b>	<b>\$ 2,435</b>	<b>\$ 14,364</b>	<b>\$ 11,929</b>	<b>489.90%</b>
<b>625-B Kings Court</b>				
Imputed Rent	13,068	13,200	132	1.01%
<b>Subtotal</b>	<b>\$ 13,068</b>	<b>\$ 13,200</b>	<b>\$ 132</b>	<b>1.01%</b>
<b>Total Administrative Expenses</b>	<b>\$ 199,137</b>	<b>\$ 236,896</b>	<b>\$ 37,759</b>	<b>18.96%</b>

**Mendocino County Employees Retirement Association**

**Fiscal Year 2017 Budget Comparison**

**Schedule 1A: Current Year Quarter vs Prior Year Quarter**

<b>Technology</b>				
LRS - PAS Project	\$ 3,113	\$ 4,088	\$ 975	31.30%
Linea Solutions Consultant	8,944	-	(8,944)	-100.00%
PAS Project Related Expenses	3,113	3,750	637	20.45%
EDMS Project	32,294	3,352	(28,942)	-89.62%
<b>Subtotal Technology</b>	<b>\$ 47,465</b>	<b>\$ 11,189</b>	<b>\$ (36,276)</b>	<b>-76.43%</b>
<b>Investment</b>				
New Manager Fees <sup>2</sup>	\$ -	\$ -	\$ -	0.00%
Mondrian Fees	43,118	57,412	14,294	33.15%
Investment Consultant-Callan	36,400	37,492	1,092	3.00%
Custodian Bank - State Street	22,424	17,573	(4,851)	-21.63%
Actuary Services-Segal	18,984	52,198	33,214	174.96%
Other Investment Expense	177	-	(177)	-100.00%
<b>Subtotal Investments</b>	<b>\$ 121,103</b>	<b>\$ 164,675</b>	<b>\$ 43,572</b>	<b>35.98%</b>
<b>Building Maintenance Plan</b>	<b>\$ 2,193</b>	<b>\$ 1,375</b>	<b>\$ (818)</b>	<b>-37.30%</b>
<b>Total MCERA Expenses</b>	<b>\$ 369,897</b>	<b>\$ 414,135</b>	<b>\$ 44,237</b>	<b>11.96%</b>
<b>Total Administrative Expenses</b>	<b>\$ 199,137</b>	<b>\$ 236,896</b>	<b>\$ 37,759</b>	<b>18.96%</b>
<b>(Total ex Technology &amp; Investment)</b>				
<sup>1</sup> Moved to Office Expense in FY '17				
<sup>2</sup> New managers that bill directly may be added depending on the outcome of the Asset/Liability study and manager selection.				

**Mendocino County Employees Retirement Association**

**Fiscal Year 2017 Budget Comparison**

**Schedule 1B: Current Year To Date vs Prior Year To Date**

	FY 2016	FY 2017		
	July- June	July - June	Difference	
	Actual	Actual	\$	%
<b>Personnel</b>				
Gross Regular Salaries	\$ 313,018	\$ 345,195	\$ 32,176	10.28%
Extra Help	6,766	-	(6,766)	-100.00%
Overtime	-	-	-	0.00%
Retirement	89,917	91,096	1,178	1.31%
Social Security	18,550	19,438	888	4.79%
Medicare	4,437	4,669	233	5.25%
Retirement Cola	34,169	32,713	(1,456)	-4.26%
Health Insurance	64,891	65,674	783	1.21%
Unemployment Insurance	841	353	(488)	-58.03%
Workers Comp	2,045	286	(1,759)	-86.01%
<b>Sub Total Personnel (BU 1920)</b>	<b>\$ 534,634</b>	<b>\$ 559,423</b>	<b>\$ 24,790</b>	<b>4.64%</b>
<b>Administrative</b>				
Office Expense	\$ 26,581	\$ 54,578	\$ 27,997	105.33%
Legal Expense	71,612	70,320	(1,292)	-1.80%
Audit	37,000	38,500	1,500	4.05%
Contracts	6,428	905	(5,523)	-85.92%
Staff Education and Training	9,547	12,142	2,595	27.18%
Membership	5,095	5,095	-	0.00%
Community Access <sup>1</sup>	1,048	-	(1,048)	-100.00%
Travel In-County <sup>1</sup>	328	-	(328)	-100.00%
<b>Subtotal</b>	<b>\$ 157,639</b>	<b>\$ 181,540</b>	<b>\$ 23,901</b>	<b>15.16%</b>
<b>Board Expense</b>				
Fiduciary Insurance	\$ 39,385	\$ 41,344	\$ 1,959	4.97%
Board Meeting Stipends	6,200	5,600	(600)	-9.68%
Board Education and Training	10,730	7,087	(3,643)	-33.95%
<b>Subtotal</b>	<b>\$ 56,315</b>	<b>\$ 54,031</b>	<b>\$ (2,284)</b>	<b>-4.06%</b>
<b>Total Personnel, Administrative &amp; Board Expense</b>	<b>\$ 748,588</b>	<b>\$ 794,994</b>	<b>\$ 46,407</b>	<b>6.20%</b>
<b>Disability</b>				
Hearing Preparation	\$ -	\$ -	\$ -	0.00%
Hearings	-	3,414	3,414	100.00%
Administrative Review	19,955	32,150	12,195	61.11%
<b>Subtotal Disability</b>	<b>\$ 19,955</b>	<b>\$ 35,564</b>	<b>\$ 15,609</b>	<b>78.22%</b>
<b>625-B Kings Court</b>				
Imputed Rent	52,272	52,800	528	1.01%
<b>Subtotal</b>	<b>\$ 52,272</b>	<b>\$ 52,800</b>	<b>\$ 528</b>	<b>1.01%</b>
<b>Total Administrative Expenses</b>	<b>\$ 820,815</b>	<b>\$ 883,358</b>	<b>\$ 62,544</b>	<b>7.62%</b>

**Mendocino County Employees Retirement Association**

**Fiscal Year 2017 Budget Comparison**

**Schedule 1B: Current Year To Date vs Prior Year To Date**

<b>Technology</b>				
LRS - PAS Project	\$ 165,571	\$ 148,697	\$ (16,874)	-10.19%
Linea Solutions Consultant	133,018	3,341	(129,676)	-97.49%
PAS Project Related Expenses	30,180	8,025	(22,155)	-73.41%
EDMS Project	32,294	91,862	59,568	184.46%
<b>Subtotal Technology</b>	<b>\$ 361,063</b>	<b>\$ 251,925</b>	<b>\$ (109,138)</b>	<b>-30.23%</b>
<b>Investment</b>				
New Manager Fees <sup>2</sup>	\$ -	\$ -	\$ -	0.00%
Alliance Bernstein Fees	11,274	-	(11,274)	-100.00%
Mondrian Fees	164,611	208,932	44,321	26.92%
Investment Consultant-Callan	145,600	147,784	2,184	1.50%
Custodian Bank - State Street	22,424	62,421	39,997	178.37%
Actuary Services-Segal	106,394	157,129	50,735	47.69%
Other Investment Expense	177	-	(177)	-100.00%
<b>Subtotal Investments</b>	<b>\$ 450,480</b>	<b>\$ 576,266</b>	<b>\$ 125,786</b>	<b>27.92%</b>
<b>Building Maintenance Plan</b>	<b>\$ 3,148</b>	<b>\$ 141,380</b>	<b>\$ 138,232</b>	<b>4391.11%</b>
<b>Total MCERA Expenses</b>	<b>\$ 1,635,505</b>	<b>\$ 1,852,929</b>	<b>\$ 79,192</b>	<b>13.29%</b>
<b>Total Administrative Expenses</b>	<b>\$ 820,815</b>	<b>\$ 883,358</b>	<b>\$ 62,544</b>	<b>7.62%</b>
<b>(Total ex Technology &amp; Investment)</b>				
<sup>1</sup> Moved to Office Expense in FY '17				

<sup>2</sup> New managers that bill directly may be added depending on the outcome of the Asset/Liability study and manager selection.

**Mendocino County Employees Retirement Association**

**Fiscal Year 2017 Budget Comparison**

**Schedule 2A: Current Year Quarter vs Current Quarter Budget**

	FY 2017	FY 2017		
	Adopted Budget	April - June	Difference	
	As Revised - Feb	Actual	\$	%
<b>Personnel</b>				
Gross Regular Salaries	\$ 92,298	\$ 99,752	\$ 7,455	8.08%
Extra Help	-	-	-	0.00%
Overtime	-	-	-	0.00%
Retirement	25,681	25,584	(97)	-0.38%
Social Security	5,203	5,772	569	10.93%
Medicare	1,241	1,350	109	8.75%
Retirement Cola	9,175	9,139	(36)	-0.40%
Health Insurance	17,671	17,858	187	1.06%
Unemployment Insurance	-	-	-	0.00%
Workers Comp	-	-	-	0.00%
<b>Sub Total Personnel (BU 1920)</b>	<b>\$ 151,269</b>	<b>\$ 159,455</b>	<b>\$ 8,186</b>	<b>5.41%</b>
<b>Administrative</b>				
Office Expense	\$ 15,468	\$ 18,446	\$ 2,978	19.25%
Legal Expense	22,325	19,858	(2,467)	-11.05%
Audit	-	-	-	0.00%
Contracts	900	900	-	0.00%
Staff Education and Training	4,473	4,320	(153)	-3.42%
Membership	-	-	-	0.00%
Community Access <sup>1</sup>	-	-	-	0.00%
Travel In-County <sup>1</sup>	-	-	-	0.00%
<b>Subtotal</b>	<b>\$ 43,166</b>	<b>\$ 43,524</b>	<b>\$ 358</b>	<b>0.83%</b>
<b>Board Expense</b>				
Fiduciary Insurance	\$ -	\$ -	\$ -	0.00%
Board Meeting Stipends	2,300	1,500	(800)	-34.78%
Board Education and Training	10,200	4,853	(5,347)	-52.42%
<b>Subtotal</b>	<b>\$ 12,500</b>	<b>\$ 6,353</b>	<b>\$ (6,147)</b>	<b>-49.18%</b>
<b>Total Personnel, Administrative &amp; Board Expense</b>	<b>\$ 206,935</b>	<b>\$ 209,332</b>	<b>\$ 2,397</b>	<b>1.16%</b>
<b>Disability</b>				
Hearing Preparation	\$ 8,900	\$ -	\$ (8,900)	-100.00%
Hearings	5,200	3,414	(1,786)	-34.35%
Administrative Review	3,000	10,950	7,950	265.00%
<b>Subtotal Disability</b>	<b>\$ 17,100</b>	<b>\$ 14,364</b>	<b>\$ (2,736)</b>	<b>-16.00%</b>
<b>625-B Kings Court</b>				
Imputed Rent	13,200	13,200	(0)	0.00%
<b>Subtotal</b>	<b>\$ 13,200</b>	<b>\$ 13,200</b>	<b>\$ (0)</b>	<b>0.00%</b>
<b>Total Administrative Expenses</b>	<b>\$ 237,235</b>	<b>\$ 236,896</b>	<b>\$ (339)</b>	<b>-0.14%</b>



**Mendocino County Employees Retirement Association**

**Fiscal Year 2017 Budget Comparison**

**Schedule 2A: Current Year Quarter vs Current Quarter Budget**

<b>Technology</b>				
LRS - PAS Project	\$ -	\$ 4,088	\$ 4,088	100.00%
Linea Solutions Consultant	44,420	-	(44,420)	-100.00%
PAS Project Related Expenses	2,000	3,750	1,750	87.50%
EDMS Project	-	3,352	3,352	100.00%
<b>Subtotal Technology</b>	<b>\$ 46,420</b>	<b>\$ 11,189</b>	<b>\$ (35,231)</b>	<b>-75.90%</b>
<b>Investment</b>				
New Manager Fees <sup>2</sup>	\$ 65,000	\$ -	\$ (65,000)	-100.00%
Mondrian Fees	47,500	57,412	9,912	20.87%
Investment Consultant-Callan	45,500	37,492	(8,008)	-17.60%
Custodian Bank - State Street	12,125	17,573	5,448	44.93%
Actuary Services-Segal	51,500	52,198	698	1.36%
Other Investment Expense	-	-	-	0.00%
<b>Subtotal Investments</b>	<b>\$ 221,625</b>	<b>\$ 164,675</b>	<b>\$ (56,950)</b>	<b>-25.70%</b>
<b>Building Maintenance Plan</b>	<b>\$ -</b>	<b>\$ 1,375</b>	<b>\$ 1,375</b>	<b>100.00%</b>
<b>Total MCERA Expenses</b>	<b>\$ 505,280</b>	<b>\$ 414,135</b>	<b>\$ (92,520)</b>	<b>-18.04%</b>
<b>Total Administrative Expenses</b>	<b>\$ 237,235</b>	<b>\$ 236,896</b>	<b>\$ (339)</b>	<b>-0.14%</b>
<b>(Total ex Technology &amp; Investment)</b>				

<sup>1</sup> Moved to Office Expense in FY '17

<sup>2</sup> New managers that bill directly may be added depending on the outcome of the Asset/Liability study and manager selection.

**Mendocino County Employees Retirement Association**

**Fiscal Year 2017 Budget Comparison**

**Schedule 2B: Current Year To Date vs Current Year To Date Budget**

	FY 2017	FY 2017	Difference	
	Adopted Budget	July - June		
	As Revised - Feb	Actual	\$	%
<b>Personnel</b>				
Gross Regular Salaries	\$ 343,514	\$ 345,195	\$ 1,681	0.49%
Extra Help	-	-	-	0.00%
Overtime	-	-	-	0.00%
Retirement	95,990	91,096	(4,894)	-5.10%
Social Security	19,447	19,438	(9)	-0.04%
Medicare	4,635	4,669	34	0.74%
Retirement Cola	34,315	32,713	(1,603)	-4.67%
Health Insurance	66,586	65,674	(913)	-1.37%
Unemployment Insurance	650	353	(297)	-45.69%
Workers Comp	1,700	286	(1,414)	-83.18%
<b>Sub Total Personnel (BU 1920)</b>	<b>\$ 566,837</b>	<b>\$ 559,423</b>	<b>\$ (7,414)</b>	<b>-1.31%</b>
<b>Administrative</b>				
Office Expense	\$ 41,644	\$ 54,578	\$ 12,934	31.06%
Legal Expense	92,500	70,320	(22,180)	-23.98%
Audit	44,500	38,500	(6,000)	-13.48%
Contracts	900	905	5	0.56%
Staff Education and Training	20,000	12,142	(7,858)	-39.29%
Membership	5,250	5,095	(155)	-2.95%
Community Access <sup>1</sup>	-	-	-	0.00%
Travel In-County <sup>1</sup>	-	-	-	0.00%
<b>Subtotal</b>	<b>\$ 204,794</b>	<b>\$ 181,540</b>	<b>\$ (23,254)</b>	<b>-11.35%</b>
<b>Board Expense</b>				
Fiduciary Insurance	\$ 42,000	\$ 41,344	\$ (656)	-1.56%
Board Meeting Stipends	7,700	5,600	(2,100)	-27.27%
Board Education and Training	29,040	7,087	(21,953)	-75.60%
<b>Subtotal</b>	<b>\$ 78,740</b>	<b>\$ 54,031</b>	<b>\$ (24,709)</b>	<b>-31.38%</b>
<b>Total Personnel, Administrative &amp; Board Expense</b>	<b>\$ 850,371</b>	<b>\$ 794,994</b>	<b>\$ (55,377)</b>	<b>-6.51%</b>
<b>Disability</b>				
Hearing Preparation	\$ 35,000	\$ -	\$ (35,000)	-100.00%
Hearings	20,000	3,414	(16,586)	-82.93%
Administrative Review	19,480	32,150	12,670	65.04%
<b>Subtotal Disability</b>	<b>\$ 74,480</b>	<b>\$ 35,564</b>	<b>\$ (38,916)</b>	<b>-52.25%</b>
<b>625-B Kings Court</b>				
Imputed Rent	52,800	52,800	-	0.00%
<b>Subtotal</b>	<b>\$ 52,800</b>	<b>\$ 52,800</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total Administrative Expenses</b>	<b>\$ 977,651</b>	<b>\$ 883,358</b>	<b>\$ (94,293)</b>	<b>-9.64%</b>

**Mendocino County Employees Retirement Association**

**Fiscal Year 2017 Budget Comparison**

**Schedule 2B: Current Year To Date vs Current Year To Date Budget**

<b>Technology</b>				
LRS - PAS Project	\$ 141,579	\$ 148,697	\$ 7,118	5.03%
Linea Solutions Consultant	57,420	3,341	(54,079)	-94.18%
PAS Project Related Expenses	10,000	8,025	(1,975)	-19.75%
EDMS Project	115,000	91,862	(23,138)	-20.12%
<b>Subtotal Technology</b>	<b>\$ 323,999</b>	<b>\$ 251,925</b>	<b>\$ (72,074)</b>	<b>-22.25%</b>
<b>Investment</b>				
New Manager Fees <sup>2</sup>	\$ 295,000	\$ -	\$ (295,000)	-100.00%
Mondrian Fees	190,000	208,932	18,932	9.96%
Investment Consultant-Callan	163,800	147,784	(16,016)	-9.78%
Custodian Bank - State Street	48,500	62,421	13,921	28.70%
Actuary Services-Segal	125,000	157,129	32,129	25.70%
Other Investment Expense	1,000	-	(1,000)	-100.00%
<b>Subtotal Investments</b>	<b>\$ 823,300</b>	<b>\$ 576,266</b>	<b>\$ (247,034)</b>	<b>-30.01%</b>
<b>Building Maintenance Plan</b>	<b>\$ 142,000</b>	<b>\$ 141,380</b>	<b>\$ (620)</b>	<b>-0.44%</b>
<b>Total MCERA Expenses</b>	<b>\$ 2,266,950</b>	<b>\$ 1,852,929</b>	<b>\$ (413,401)</b>	<b>-18.26%</b>
<b>Total Administrative Expenses</b>	<b>\$ 977,651</b>	<b>\$ 883,358</b>	<b>\$ (94,293)</b>	<b>-9.64%</b>
<b>(Total ex Technology &amp; Investment)</b>				

<sup>1</sup> Moved to Office Expense in FY '17

<sup>2</sup> New managers that bill directly may be added depending on the outcome of the Asset/Liability study and manager selection.