



Date: October 16, 2019
To: Board of Retirement
From: James Wilbanks, Executive Director
Subject: Proposed FY-2020 Budget Amendment

As mentioned to the Board last month, the Mendocino County Association of Confidential Employees (the Bargaining Unit that represents all MCERA employees besides me) reached a new agreement with Mendocino County. This agreement was approved by the Board of Supervisors on September 17, 2019. This agreement increased salaries for all members of the bargaining unit, although not uniformly so. This new agreement increases the personnel costs for MCERA, as represented in the attached FY-2020 Budget Amendment.

In addition to the changes in the Personnel Category, the attached budget amendment includes a \$10,000 increase in the Communications line item to support the Communications Contract discussed during the previous agenda item.

I recommend approval of the proposed FY-2020 Budget Amendment and suggest the following motion:

“Madam Chair, I move approval of the proposed FY-2020 Budget Amendment as presented”

Mendocino County Employees Retirement Association
Fiscal Year 2020
Proposed Budget vs Prior Year Amended Budget

	FY 2020		FY 2020		Difference	
	Adopted Budget		Proposed Budget			
	(May 2019)		Amendment (Oct 2020)		\$	%
Personnel (BU 1920)						
Gross Regular Salaries ¹	\$ 441,493	\$	459,403	\$	17,910	4.06%
Retirement	117,476		122,748		5,271	4.49%
FICA	22,834		23,944		1,110	4.86%
Medicare	6,294		6,554		260	4.13%
Retirement Cola	26,724		27,966		1,242	4.65%
Health Insurance	54,106		54,106		-	0.00%
Unemployment Insurance	272		272		-	0.00%
Workers Comp	321		321		-	0.00%
Subtotal	\$ 669,521	\$	695,314	\$	25,793	3.85%
Administrative						
Office Expense	\$ 28,266	\$	28,266	\$	-	0.00%
Legal Expense	210,000		210,000		-	0.00%
Audit	40,000		40,000		-	0.00%
Contracts ²	3,500		13,500		10,000	285.71%
Staff Education and Training	16,800		16,800		-	0.00%
Membership	5,500		5,500		-	0.00%
Subtotal	\$ 304,066	\$	314,066	\$	10,000	3.29%
Board Expense						
Fiduciary Insurance	\$ 45,000	\$	45,000	\$	-	0.00%
Board Meeting Expense	8,100		8,100		-	0.00%
Board Education and Training	26,070		26,070		-	0.00%
Subtotal	\$ 79,170	\$	79,170	\$	-	0.00%
Total Personnel, Administrative & Board Expense	\$ 1,052,757	\$	1,088,550	\$	35,793	3.40%
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Disability						
Administrative Review	\$ 40,000	\$	40,000		-	0.00%
Hearings	80,000		80,000		-	0.00%
Subtotal	\$ 120,000	\$	120,000	\$	-	0.00%
625-B Kings Court						
Imputed Rent	\$ 55,089	\$	55,089	\$	-	0.00%
Subtotal	\$ 55,089	\$	55,089	\$	-	0.00%
Total Administration Expense	\$ 1,227,845	\$	1,263,638	\$	35,793	2.92%

Mendocino County Employees Retirement Association
Fiscal Year 2020
Proposed Budget vs Prior Year Amended Budget

	FY 2020		FY 2020		Difference	
	Adopted Budget		Proposed Budget		\$	%
	(May 2019)		Amendment (Oct 2020)			
Technology						
LRS/Pension Gold	\$ 159,940	\$	159,940	\$	-	0.00%
County IT Related Expenses	5,000		5,000		-	0.00%
PCX Scan Station	9,000		9,000		-	0.00%
Subtotal	\$ 173,940	\$	173,940	\$	-	0.00%
Investment						
Investment Manager Fees	\$ 720,000	\$	720,000	\$	-	0.00%
Investment Consultant - Callan	175,000		175,000		-	0.00%
Actuary Services - Segal	120,000		120,000		-	0.00%
Custodian Bank - State Street	60,000		60,000		-	0.00%
Internal Investment Monitoring	11,550		11,550		-	0.00%
Subtotal	\$ 1,086,550	\$	1,086,550	\$	-	0.00%
Capital Improvement Plan	\$ 25,000	\$	25,000	\$	-	0.00%
Total MCERA	\$ 2,513,335	\$	2,549,129	\$	35,793	1.42%
Total Administrative Expenses	\$ 1,227,845	\$	1,263,638			
(Total ex Technology & Investment)						
CERL Administrative Budget Limit	\$ 2,000,000	\$	2,000,000			
(Over)/Under CERL Limit	\$ 772,155	\$	736,362			
MCERA Policy Administrative Budget Limit	\$ 1,506,670	\$	1,506,670			
(Over)/Under Policy Limit	\$ 278,825	\$	243,032			
Basis Points Test	0.21%		0.21%			
AAL	\$ 717,461,993	\$	717,461,993			
Date	6/30/2018		6/30/2018			

¹ Includes 400 Hours in Benefits staff overtime for projects.

² \$100,000 for internal risk audit contract in FY-19.