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Retirement Administrator



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MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
625-B KINGS COURT
UKIAH, CALIFORNIA 95482-5027

Date: November 2, 2016
To: Board of Retirement
From: James Wilbanks, Retirement Administrator
Subject: FY-2017 Budget Amendment

Attached you will find a schedule that compares the adopted FY-2017 Budget with a proposed revised FY-2017 budget. The budget revision incorporates two changes. The first change is an increase in Personnel expenses with the new contract for the Retirement Administrator. The second change involves changes in the building maintenance plan.

The Board approved a budget of \$161,000 for building maintenance based on project estimates from the Facilities Division of the County Chief Executive Office (formerly the General Services Agency). We are nearing the completion of the projects scheduled for this fiscal year and have funds remaining of the budgeted amount. The latest estimate from our project manager is that we have committed \$131,554.

The proposal contained in this budget revision is to move \$20,000 from the building maintenance line item to the Office Expense line in the Administrative Category. These funds would allow us to make better use of our space by purchase new modular workspaces.

The first component is the procurement of three new cubicle workspaces for the open area where the file cabinets were previously located. Two of the cubicles would be work spaces for our Client Service staff and the third space would house the scan station, video station and document processing workstation. The second step involves repurposing the enclosed office currently utilized by the Senior Benefit Specialist to be a Client Meeting Room. To affect the repurposing, we would merely need to acquire a table and chairs.

When I realized the project expenses were below the budgeted amount for building maintenance, I planned to make the changes and expend the funds as discussed above. However, in discussion with staff, we realized the expenditures for cubicles and furniture should be categorized as Office Expense instead of building maintenance. Thus, I present this budget amendment for your consideration.

I recommend the Board adopt the revised budget as presented.

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Adopted Budget Vs Proposed Revised Budget - Oct. 2016

	FY 2016/2017		FY 2016/2017		Difference	
	Adopted Budget		Revised Budget - Oct		\$	%
Personnel (BU 1920)						
Gross Salaries	\$ 338,680		\$ 343,514		\$ 4,834	1.43%
Extra Help	-		-		-	0.00%
Retirement	95,109		95,990		881	0.93%
FICA	19,268		19,447		179	0.93%
Medicare	4,587		4,635		48	1.04%
Retirement Cola	34,023		34,315		292	0.86%
Health Insurance	66,586		66,586		-	0.00%
Unemployment Insurance	650		650		-	0.00%
Workers Comp	1,700		1,700		-	0.00%
Subtotal	\$ 560,603		\$ 566,837		\$ 6,234	1.11%
Administrative						
Office Expense	\$ 21,644		\$ 41,644		\$ 20,000	92.40%
Legal Expense	92,500		92,500		-	0.00%
Audit	44,500		44,500		-	0.00%
Contracts	900		900		-	0.00%
Staff Education and Training	20,000		20,000		-	0.00%
Community Access ¹	-		-		-	0.00%
General Insurance ¹	-		-		-	0.00%
Membership	5,250		5,250		-	0.00%
Travel In-County ¹	-		-		-	0.00%
Subtotal	\$ 184,794		\$ 204,794		\$ 20,000	10.82%
Board Expense						
Fiduciary Insurance	\$ 42,000		\$ 42,000		\$ -	0.00%
Board Meeting Stipends	7,700		7,700		-	0.00%
Board Education and Training	29,040		29,040		-	0.00%
Subtotal	\$ 78,740		\$ 78,740		\$ -	0.00%
Total Personnel, Administrative & Board Expense						
	\$ 824,137		\$ 850,371		\$ 26,234	3.18%
Disability						
Administrative Review	\$ 19,480		\$ 19,480		\$ -	0.00%
Hearing Preparation	35,000		35,000		-	0.00%
Hearings	20,000		20,000		-	0.00%
Subtotal	\$ 74,480		\$ 74,480		\$ -	0.00%
625-B Kings Court						
Imputed Rent	\$ 52,800		\$ 52,800		\$ -	0.00%
Subtotal	\$ 52,800		\$ 52,800		\$ -	0.00%
Total Administrative Expense	\$ 951,417		\$ 977,651		\$ 26,234	2.76%

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Adopted Budget Vs Proposed Revised Budget - Oct. 2016

Technology

Automation					0.00%	
LRS - PAS Project	\$	141,579	\$	141,579	\$ -	0.00%
Linea Solutions Consultant		57,420		57,420	-	0.00%
PAS Project Related Expenses		10,000		10,000	-	0.00%
EDMS Project		115,000		115,000	-	0.00%
Subtotal	\$	323,999	\$	323,999	\$ -	0.00%

Investment

New Manager/Alliance Bernstein Fees ²	\$	295,000	\$	295,000	\$ -	0.00%
Mondrian Fees		190,000		190,000	-	0.00%
Investment Consultant-Callan		163,800		163,800	-	0.00%
Actuary Services-Segal		87,000		87,000	-	0.00%
State Street		48,500		48,500	-	0.00%
Other Investment Expense		1,000		1,000	-	0.00%
Subtotal	\$	785,300	\$	785,300	\$ -	0.00%

Building Maintenance Plan	\$	162,000	\$	142,000	\$ (20,000)	-12.35%
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Total MCERA	\$	2,222,716	\$	2,228,950	\$ 6,234	0.28%
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Total Administrative Expenses	\$	951,417	\$	977,651	\$ 26,234	2.76%
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(Total ex Technology, Investment & Building Maintenance Plan)

CERL Administrative Cap	\$	2,000,000	\$	2,000,000
(Over)/Under Cap	\$	1,048,583	\$	1,022,349

MCERA Policy Cap	\$	1,281,802	\$	1,281,802
Balance	\$	330,385	\$	304,151

Basis Points Test	0.21%
AAL	\$ 610,381,849
Date	6/30/2015 actual

¹ Moved to Office Expense in FY '17

² AB converted to a Mutual Fund in FY '16 and a new manager may be added depending on the outcome of the FY '16 Asset/Liability Study