

Mendocino County Employees Retirement Association
Fiscal Year 2017
Budget Proposal Overview

The attached schedules detail the proposed budget for the Mendocino County Employees Retirement Association (MCERA) for fiscal year 2017 (FY-17). The first schedule compares the FY-17 budget proposal to the FY-16 adopted budget for MCERA. The second schedule compares the FY-17 budget proposal to the FY-16 projected actual expense. The third compares the FY-16 projected actual expense to the FY-16 adopted budget. The third schedule is meant as a preview of the fourth quarter budget update. Further analysis of the actual FY-16 budget numbers will be provided with the fourth quarter budget update report. The fourth schedule compares the FY-17 proposed budget and the adopted budget for the prior four fiscal years. The fifth schedule compares the FY-17 proposed budget and the actual expenditures for the prior 4 fiscal years. These schedules provide historical perspective in viewing the budget proposal. Since there are four reference points on the historical schedules, there are no differences presented.

This memo will discuss some of the differences in each section of the FY-17 budget proposal to provide context and information beyond the numbers provided in the schedules.

Personnel

The information in the personnel section of the budget is provided to MCERA by the Auditor-Controller based on current staffing levels. There are no changes in staffing levels in the current proposal. On the whole, the difference in the FY-17 proposed budget vs the FY-16 adopted budget is minimal. The increase in salaries was offset by a decrease in health insurance cost due to staffing changes.

Administrative

The office expense in the FY-17 proposed budget decreased over the FY-16 budget even though community access, travel-in-county, and general insurance were included as office expense in the proposed budget. A large part of the difference is a reduction in the 1099 support provided by county IT. In FY-17, all 1099 processing will be completed using Pension Gold and assistance from the County is anticipated to be minimal or unnecessary. Other differences, related to the electronic delivery of board packets are expected to lower office expense. The general insurance allocation was provided by the Auditor-Controller's office. Miscellaneous expense is meant to capture one-time expenses that do not occur every year. For example, software updates.

There is a decrease in the legal expense in the FY-17 proposed budget. This is driven by the reduction in services from Hanson Bridgett related to the determination letter filing with the Internal Revenue Service as well as a reduction in the budgeted amount for services from Nossamen.

There is a slight decrease in audit expense as it is anticipated that additional out of contract services besides CAFR review support will not be needed. There is a reduction in the contracts expense as outside accounting services are no longer needed. Membership expense increased marginally due to slightly higher GFOA fees.

The staff education and training category is decreased in the FY-17 proposed budget vs FY-16 adopted budget. With Pension Gold now in place, it is expected that costs will increase over actual FY-16 spending as there will be more opportunity for staff to schedule and attend training events.

Board Expense

There are no proposed changes in the budgeted amount for fiduciary insurance. A minor decrease in board meeting stipends is anticipated due to fewer expected Audit & Budget Committee meetings.

The FY-17 proposed budget for Board Education and Training relative to the FY-16 decreased slightly. The possibility of new board members as well as more training events in northern California is expected to increase costs over actual FY-16 spending.

Disability

Disability hearings and disability hearing preparation expenses are unchanged compared to the FY-16 adopted budget. While actual FY-16 disability spending is low, the number of cases could return to historical norms during FY-17

The administrative review category is now handled by MMRO. It is projected that eight disability cases will be processed during the next fiscal year with each requiring an Independent Medical Evaluation (IME). MMRO charges \$935 per case and an average of \$1500 for an IME.

625-B Kings Court

The imputed rent for the office space occupied by MCERA in the building MCERA owns is proposed to increase in FY-17. The increase in imputed rent for MCERA is tied to the increase in rent specified in the lease agreement between the Department of Rehabilitative Services and MCERA.

Technology

With the implementation of the Pension Administration System (PAS) mostly complete, the costs are expected to decline in FY-17 and again in FY-18. The provider of the Pension Gold system, Levi, Ray and Shoup (LRS), signed a 10 Year fee schedule with MCERA. Based on that schedule the FY-17 Pension Gold fee is \$131,579. An additional \$10,000 was reserved for possible change orders.

Project management services provided by Linea Solutions will also continue, but at lower levels and on different projects. Linea provided an estimate of \$57,420 for FY-17, but this may change depending on how Pension Gold performs during the various warranty periods.

The other major initiative in the Technology Program is the electronic document management system (EDMS). The total estimated cost for this project is \$115,000. The on-going costs associated with the EDMS project will be approximately \$15,000 annually. The Board approved the EDMS project on the FY-16 budget, but the project will not be fully implemented until FY-17.

Investment

The only significant change in the Investment Program is the possible addition of new managers that may be implemented as a result of the triennial Asset Allocation and Liability study. A new manager may charge fees that are paid directly by MCERA. In addition, with our custodial bank in place, moving to Separately Managed Accounts (SMA) with some investment managers is possible in FY-17. If this occurs we would see an increase in investment management fees paid directly. Moving to a SMA will result in a net decrease in investment management fees.

Capital Improvement Plan

The Capital Improvement Plan was a new program added to MCERA's budget in FY-16. The Board approved a \$50,000 budget to maintain and improve the value of the 625 Kings Court asset. A significant number of the maintenance items, identified in the property inspection report, have been addressed by County staff. As many of these items are smaller projects the actual FY-16 budget is expected to be well below the budgeted amount. However, we have received estimates for work projects that the County does not have the staffing to handle.

The highest priority projects are included in the proposed FY-17 budget. There are two large projects and three smaller projects. The two larger projects are painting the exterior and replacing the carpeting throughout the building. Both of these major projects will require a hazardous materials test, which is included separately on the schedule.

Before painting the exterior can be done, however, it was recommended that windows with failed seals be replaced and the double doors in the conference room be removed. There are twelve windows that will need to be replaced. The next project involves the construction of a barrier between staff and the public to increase the security of MCERA's reception area.

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Proposed Budget vs Prior Year Adopted Budget

	FY 2015/2016		FY 2016/2017		Difference	
	Adopted Budget		Proposed Budget		\$	%
Personnel (BU 1920)						
Gross Regular Salaries	\$ 326,589		\$ 338,680		\$ 12,091	3.70%
Extra Help	-		-		-	0.00%
Retirement	92,941		95,109		2,168	2.33%
FICA	18,662		19,268		606	3.25%
Medicare	4,365		4,587		223	5.11%
Retirement Cola	35,983		34,023		(1,959)	-5.44%
Health Insurance	77,533		66,586		(10,947)	-14.12%
Unemployment Insurance	1,627		650		(977)	-60.05%
Workers Comp	2,219		1,700		(519)	-23.39%
Subtotal	\$ 559,918		\$ 560,603		\$ 685	0.12%
Administrative						
Office Expense	\$ 23,000		\$ 21,644		(1,356)	-5.90%
Legal Expense	115,000		92,500		(22,500)	-19.57%
Audit	45,250		44,500		(750)	-1.66%
Contracts	10,700		900		(9,800)	-91.59%
Staff Education and Training	22,220		20,000		(2,220)	-9.99%
Community Access ¹	2,500		-		(2,500)	-100.00%
General Insurance ¹	1,400		-		(1,400)	-100.00%
Membership	5,000		5,250		250	5.00%
Travel In-County ¹	500		-		(500)	-100.00%
Subtotal	\$ 225,570		\$ 184,794		\$ (40,776)	-18.08%
Board Expense						
Fiduciary Insurance	\$ 42,000		\$ 42,000		-	0.00%
Board Meeting Stipends	8,000		7,700		(300)	-3.75%
Board Education and Training	30,000		29,040		(960)	-3.20%
Subtotal	\$ 80,000		\$ 78,740		\$ (1,260)	-1.58%
Total Personnel, Administrative & Board Expense	\$ 865,488		\$ 824,137		\$ (41,351)	-4.78%
Disability						
Administrative Review	\$ 23,970		\$ 19,480		(4,490)	-18.73%
Hearing Preparation	35,000		35,000		-	0.00%
Hearings	20,000		20,000		-	0.00%
Subtotal	\$ 78,970		\$ 74,480		\$ (4,490)	-5.69%
625-B Kings Court						
Imputed Rent	\$ 52,272		\$ 52,800		528	1.01%
Subtotal	\$ 52,272		\$ 52,800		\$ 528	1.01%
Total Administrative Expense	\$ 996,730		\$ 951,417		\$ (45,313)	-4.55%

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Proposed Budget vs Prior Year Adopted Budget

	FY 2015/2016		FY 2016/2017		Difference	
	Adopted Budget		Proposed Budget		\$	%
Technology						
Automation						
LRS - PAS Project	\$ 130,058	\$	141,579	\$	11,521	8.86%
Linea Solutions Consultant	201,000		57,420		(143,580)	-71.43%
PAS Project Related Expenses	8,000		10,000		2,000	25.00%
EDMS Project	115,000		115,000		-	0.00%
Subtotal	\$ 454,058	\$	323,999	\$	(130,059)	-28.64%
Investment						
New Manager/Alliance Bernstein Fees ²	\$ 75,000	\$	295,000	\$	220,000	293.33%
Mondrian Fees	180,000		190,000		10,000	5.56%
Investment Consultant-Callan	182,000		163,800		(18,200)	-10.00%
Actuary Services-Segal	85,000		87,000		2,000	2.35%
State Street	66,000		48,500		(17,500)	-26.52%
Other Investment Expense	1,000		1,000		-	0.00%
Subtotal	\$ 589,000	\$	785,300	\$	196,300	33.33%
Property Maintenance Plan	\$ 50,000	\$	162,000	\$	112,000	224.00%
Total MCERA	\$ 2,089,788	\$	2,222,716	\$	132,928	6.36%
Total Administrative Expenses	\$ 996,730	\$	951,417			
(Total ex Technology & Investment)						
CERL Administrative Cap	\$ 2,000,000	\$	2,000,000			
(Over)/Under Cap	\$ 1,003,270	\$	1,048,583			
MCERA Policy Cap	\$ 1,227,301	\$	1,281,802			
Balance	\$ 230,571	\$	330,385			
Basis Points Test	0.21%		0.21%			
AAL	\$ 584,428,884	\$	610,381,849			
Date	6/30/2014 actual		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.

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Proposed Budget vs Prior Year Projected Actual

	FY 2015/2016		FY 2016/2017		Difference	
	Projected Actual		Proposed Budget		\$	%
Personnel (BU 1920)						
Gross Regular Salaries	\$	317,613	\$	338,680	\$	21,066 6.63%
Extra Help		6,766		-	(6,766)	-100.00%
Retirement		88,498		95,109	6,611	7.47%
FICA		18,268		19,268	1,000	5.47%
Medicare		4,371		4,587	217	4.96%
Retirement Cola		33,631		34,023	393	1.17%
Health Insurance		63,870		66,586	2,716	4.25%
Unemployment Insurance		841		650	(191)	-22.71%
Workers Comp		2,045		1,700	(345)	-16.87%
Subtotal	\$	535,902	\$	560,603	\$	24,701 4.61%
Administrative						
Office Expense	\$	22,960	\$	21,644	(1,316)	-5.73%
Legal Expense		71,000		92,500	21,500	30.28%
Audit		37,000		44,500	7,500	20.27%
Contracts		6,428		900	(5,528)	-86.00%
Staff Education and Training		9,209		20,000	10,791	117.18%
Community Access ¹		1,270		-	(1,270)	-100.00%
General Insurance ¹		1,400		-	(1,400)	-100.00%
Membership		5,095		5,250	155	3.04%
Travel In-County ¹		306		-	(306)	-100.00%
Subtotal	\$	154,668	\$	184,794	\$	30,126 19.48%
Board Expense						
Fiduciary Insurance	\$	39,485	\$	42,000	\$	2,515 6.37%
Board Meeting Stipends		6,900		7,700	800	11.59%
Board Education and Training		11,927		29,040	17,113	143.48%
Subtotal	\$	58,312	\$	78,740	\$	20,428 35.03%
Total Personnel, Administrative & Board Expense						
	\$	748,882	\$	824,137	\$	75,255 10.05%
Disability						
Administrative Review	\$	22,520	\$	19,480	\$	(3,040) -13.50%
Hearing Preparation		5,000		35,000	30,000	600.00%
Hearings		5,500		20,000	14,500	263.64%
Subtotal	\$	33,020	\$	74,480	\$	41,460 125.56%
625-B Kings Court						
Imputed Rent	\$	52,272	\$	52,800	\$	528 1.01%
Subtotal	\$	52,272	\$	52,800	\$	528 1.01%
Total Administrative Expense	\$	834,174	\$	951,417	\$	117,243 14.05%

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Proposed Budget vs Prior Year Projected Actual

	FY 2015/2016		FY 2016/2017		Difference	
	Projected Actual		Proposed Budget		\$	%
Technology						
Automation						
LRS - PAS Project	\$	164,458	\$	141,579	\$	(22,879) -13.91%
Linea Solutions Consultant		123,175		57,420		(65,755) -53.38%
PAS Project Related Expenses		29,000		10,000		(19,000) -65.52%
EDMS Project		-		115,000		115,000 100.00%
Subtotal	\$	316,633	\$	323,999	\$	7,366 2.33%
Investment						
New Manager/Alliance Bernstein Fees ²	\$	11,274	\$	295,000	\$	283,726 2516.64%
Mondrian Fees		165,000		190,000		25,000 15.15%
Investment Consultant-Callan		145,600		163,800		18,200 12.50%
Actuary Services-Segal		88,910		87,000		(1,910) -2.15%
State Street		31,500		48,500		17,000 53.97%
Other Investment Expense		200		1,000		800 400.00%
Subtotal	\$	442,484	\$	785,300	\$	342,816 77.48%
Property Maintenance Plan	\$	18,000	\$	162,000	\$	144,000 800.00%
Total MCERA	\$	1,611,291	\$	2,222,716	\$	611,425 37.95%
Total Administrative Expenses	\$	834,174	\$	951,417		
(Total ex Technology & Investment)						
CERL Administrative Cap	\$	2,000,000	\$	2,000,000		
(Over)/Under Cap	\$	1,165,826	\$	1,048,583		
MCERA Policy Cap	\$	1,227,301	\$	1,281,802		
Balance	\$	393,126	\$	330,385		
Basis Points Test		0.21%		0.21%		
AAL	\$	584,428,884	\$	610,381,849		
Date		6/30/2014 actual		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.

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Prior Year Projected Actual vs Prior Year Adopted Budget

	FY 2015/2016		FY 2015/2016		Difference	
	Adopted Budget		Projected Actual		\$	%
Personnel (BU 1920)						
Gross Regular Salaries	\$ 326,589		\$ 317,613		\$ (8,976)	-2.75%
Extra Help	-		6,766		6,766	100.00%
Retirement	92,941		88,498		(4,443)	-4.78%
FICA	18,662		18,268		(395)	-2.11%
Medicare	4,365		4,371		6	0.14%
Retirement Cola	35,983		33,631		(2,352)	-6.54%
Health Insurance	77,533		63,870		(13,663)	-17.62%
Unemployment Insurance	1,627		841		(786)	-48.31%
Workers Comp	2,219		2,045		(174)	-7.84%
Subtotal	\$ 559,918		\$ 535,902		\$ (24,016)	-4.29%
Administrative						
Office Expense	\$ 23,000		\$ 22,960		(40)	-0.17%
Legal Expense	115,000		71,000		(44,000)	-38.26%
Audit	45,250		37,000		(8,250)	-18.23%
Contracts	10,700		6,428		(4,272)	-39.93%
Staff Education and Training	22,220		9,209		(13,011)	-58.56%
Community Access ¹	2,500		1,270		(1,230)	-49.20%
General Insurance ¹	1,400		1,400		-	0.00%
Membership	5,000		5,095		95	1.90%
Travel In-County ¹	500		306		(194)	-38.80%
Subtotal	\$ 225,570		\$ 154,668		\$ (70,902)	-31.43%
Board Expense						
Fiduciary Insurance	\$ 42,000		\$ 39,485		\$ (2,515)	-5.99%
Board Meeting Stipends	8,000		6,900		(1,100)	-13.75%
Board Education and Training	30,000		11,927		(18,073)	-60.24%
Subtotal	\$ 80,000		\$ 58,312		\$ (21,688)	-27.11%
Total Personnel, Administrative & Board Expense						
	\$ 865,488		\$ 748,882		\$ (116,606)	-13.47%
Disability						
Administrative Review	\$ 23,970		\$ 22,520		\$ (1,450)	-6.05%
Hearing Preparation	35,000		5,000		(30,000)	-85.71%
Hearings	20,000		5,500		(14,500)	-72.50%
Subtotal	\$ 78,970		\$ 33,020		\$ (45,950)	-58.19%
625-B Kings Court						
Imputed Rent	\$ 52,272		\$ 52,272		-	0.00%
Subtotal	\$ 52,272		\$ 52,272		-	0.00%
Total Administrative Expense	\$ 996,730		\$ 834,174		\$ (162,556)	-16.31%

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Prior Year Projected Actual vs Prior Year Adopted Budget

	FY 2015/2016		FY 2015/2016		Difference	
	Adopted Budget		Projected Actual		\$	%
Technology						
Automation						
LRS - PAS Project	\$ 130,058		\$ 164,458		\$ 34,400	26.45%
Linea Solutions Consultant	201,000		123,175		(77,825)	-38.72%
PAS Project Related Expenses	8,000		29,000		21,000	262.50%
EDMS Project	115,000		-		(115,000)	-100.00%
Subtotal	\$ 454,058		\$ 316,633		\$ (137,425)	-30.27%
Investment						
New Manager/Alliance Bernstein Fees ²	\$ 75,000		\$ 11,274		\$ (63,726)	-84.97%
Mondrian Fees	180,000		165,000		(15,000)	-8.33%
Investment Consultant-Callan	182,000		145,600		(36,400)	-20.00%
Actuary Services-Segal	85,000		88,910		3,910	4.60%
State Street	66,000		31,500		(34,500)	-52.27%
Other Investment Expense	1,000		200		(800)	-80.00%
Subtotal	\$ 589,000		\$ 442,484		\$ (146,516)	-24.88%
Property Maintenance Plan	\$ 50,000		\$ 18,000		\$ (32,000)	-64.00%
Total MCERA	\$ 2,089,788		\$ 1,611,291		\$ (478,497)	-22.90%
Total Administrative Expenses	\$ 996,730		\$ 834,174			
(Total ex Technology & Investment)						
CERL Administrative Cap	\$ 2,000,000		\$ 2,000,000			
(Over)/Under Cap	\$ 1,003,270		\$ 1,165,826			
MCERA Policy Cap	\$ 1,227,301		\$ 1,281,802			
Balance	\$ 230,571		\$ 447,628			
Basis Points Test		0.21%		0.21%		
AAL	\$ 584,428,884		\$ 610,381,849			
Date	6/30/2014 actual		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.

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Proposed Budget vs Prior 4 Year's Adoped Budgets

	FY 2016/2017 Proposed Budget	FY 2015/2016 Adopted Budget	FY 2014/2015 Adopted Budget	FY 2013/14 Adopted Budget	FY 2012/13 Adopted Budget
Personnel (BU 1920)					
Gross Regular Salaries	\$ 338,680	\$ 326,589	\$ 324,550	\$ 309,816	\$ 254,617
Extra Help	-	-	-	-	15,000
Retirement	95,109	92,941	80,935	78,866	59,032
Social Security	19,268	18,662	19,825	16,890	13,599
Medicare	4,587	4,365	4,640	4,270	3,448
Retirement Cola	34,023	35,983	28,075	30,075	27,957
Health Insurance	66,586	77,533	87,580	54,638	51,030
Unemployment Insurance	650	2,219	3,215	3,215	3,215
Workers Comp	1,700	1,627	2,270	1,711	1,711
Subtotal	\$ 560,603	\$ 559,918	\$ 551,090	\$ 499,481	\$ 429,609
Administrative					
Office Expense	\$ 21,644	\$ 23,000	\$ 12,500	\$ 12,000	\$ 13,000
Legal Expense	92,500	115,000	100,000	100,000	100,000
Audit	44,500	45,250	35,250	30,000	30,000
Contracts	900	10,700	20,000	38,200	100,250
Staff Education and Training	20,000	22,220	11,000	15,000	5,000
Community Access ¹	-	2,500	3,000	2,600	2,450
General Insurance ¹	-	1,400	1,500	1,400	1,328
Membership	5,250	5,000	5,000	5,000	6,000
Travel In-County ¹	-	500	1,100	600	300
Subtotal	\$ 184,794	\$ 225,570	\$ 189,350	\$ 204,800	\$ 258,328
Board Expense					
Fiduciary Insurance	42,000	\$ 42,000	\$ 42,000	\$ 37,605	\$ 35,000
Board Meeting Stipends	7,700	8,000	8,000	7,500	-
Board Education and Training	29,040	30,000	20,000	35,000	22,500
Subtotal	\$ 78,740	\$ 80,000	\$ 70,000	\$ 80,105	\$ 57,500
Total Personnel, Adminstrative & Board Expense					
	\$ 824,137	\$ 865,488	\$ 810,440	\$ 784,386	\$ 745,437
Disability					
Administrative Review	\$ 19,480	\$ 23,970	\$ 35,000	\$ 45,000	\$ 35,000
Hearing Preperation	35,000	35,000	35,000	25,000	50,000
Hearings	20,000	20,000	20,000	20,000	20,000
Subtotal	\$ 74,480	\$ 78,970	\$ 90,000	\$ 90,000	\$ 105,000
625-B Kings Court					
Building Expenses	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Imputed Rent	52,800	52,272	53,077	51,531	51,200
Subtotal	\$ 52,800	\$ 52,272	\$ 53,077	\$ 51,531	\$ 76,200
Total Administrative Expense	\$ 951,417	\$ 996,730	\$ 953,517	\$ 925,917	\$ 926,637

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Proposed Budget vs Prior 4 Year's Adoped Budgets

	FY 2016/2017 Proposed Budget	FY 2015/2016 Adopted Budget	FY 2014/2015 Adopted Budget	FY 2013/14 Adopted Budget	FY 2012/13 Adopted Budget
Technology					
Automation					
LRS - PAS Project	\$ 141,579	\$ 130,058	\$ 130,058	\$ -	\$ -
Linea Solutions Consultant	57,420	201,000	235,070	120,000	300,090
PAS Project Related Expenses	10,000	8,000	37,720	-	-
EDMS Project	115,000	115,000	-	-	-
Subtotal	\$ 323,999	\$ 454,058	\$ 402,848	\$ 120,000	\$ 300,090
Investment					
New Manager/Alliance Bernstein Fees ²	\$ 295,000	\$ 75,000	72,000	45000	39000
Mondrian Fees	190,000	180,000	174,000	120000	105000
Investment Consultant-Callan	163,800	182,000	151,060	145600	145600
Actuary Services-Segal	87,000	85,000	127,000	70000	70000
State Street	48,500	66,000	-	-	-
Other Investment Expense	1,000	1,000	-	-	-
Subtotal	\$ 785,300	\$ 589,000	\$ 524,060	\$ 380,600	\$ 359,600
Capitla Improvement Plan	\$ 162,000	\$ 50,000	\$ -	\$ -	\$ -
Total MCERA	\$ 2,222,716	\$ 2,089,788	\$ 1,880,425	\$ 1,426,517	\$ 1,586,327
Total Administrative Expenses (Total ex Technology & Investment)	\$ 951,417	\$ 996,730	\$ 953,517	\$ 925,917	\$ 926,637
CERL Administrative Cap	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
(Over)/Under Cap	\$ 1,048,583	\$ 1,003,270	\$ 1,046,483	\$ 1,074,083	\$ 1,073,363
MCERA Policy Cap	\$ 1,281,802	\$ 1,227,301	\$ 1,077,134	\$ 1,026,930	\$ 992,553
Balance	\$ 330,385	\$ 230,571	\$ 123,617	\$ 101,013	\$ 65,916
Basis Points Test	0.21%	0.21%	0.21%	0.21%	0.21%
AAL	\$ 610,381,849	\$ 584,428,884	\$512,921,000	\$489,014,364	\$472,644,283
Date	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011

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/Liabilty Study.

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Proposed Budget vs Prior 4 Year's Actual Expenditures

	FY 2016/2017 Proposed Budget	FY 2015/2016 Projected Actual	FY 2014/2015 Actual Expense	FY 2013/14 Actual Expense	FY 2012/13 Actual Expense
Personnel (BU 1920)					
Gross Regular Salaries	\$ 338,680	\$ 317,613	\$ 252,119	\$ 225,483	\$ 260,130
Extra Help & Overtime	-	6,766	37,001	23,101	-
Retirement	95,109	88,498	61,665	55,361	60,071
Social Security	19,268	18,268	14,657	12,015	15,138
Medicare	4,587	4,371	3,936	3,369	3,540
Retirement Cola	34,023	33,631	22,094	25,363	28,449
Health Insurance	66,586	63,870	59,038	46,353	42,434
Unemployment Insurance	650	841	1,627	3,200	3,215
Workers Comp	1,700	2,045	2,219	1,321	1,388
Subtotal	\$ 560,603	\$ 535,902	\$ 454,356	\$ 395,566	\$ 414,365
Administrative					
Office Expense	\$ 21,644	\$ 22,960	\$ 26,792	\$ 31,254	\$ 28,031
Recruitment	-	-	39,987	7,720	-
Legal Expense	92,500	71,000	107,838	105,756	119,400
Audit	44,500	37,000	37,877	31,888	27,763
Contracts	900	6,428	16,564	72,991	77,355
Staff Education and Training	20,000	9,209	8,817	8,182	9,565
Community Access ¹	-	1,270	2,020	1,480	2,250
General Insurance ¹	-	1,400	-	-	879
Membership	5,250	5,095	4,665	5,170	5,050
Travel In-County ¹	-	306	299	479	532
Subtotal	\$ 184,794	\$ 154,668	\$ 244,859	\$ 264,920	\$ 270,825
Board Expense					
Fiduciary Insurance	42,000	\$ 39,485	\$ 39,375	\$ 39,385	\$ 37,495
Board Meeting Stipends	7,700	6,900	7,300	7,600	7,000
Board Education and Training	29,040	11,927	14,662	12,997	13,459
Subtotal	\$ 78,740	\$ 58,312	\$ 61,337	\$ 59,982	\$ 57,954
Total Personnel, Administrative & Board Expense					
	\$ 824,137	\$ 748,882	\$ 760,552	\$ 720,468	\$ 743,144
Disability					
Administrative Review	\$ 19,480	\$ 22,520	\$ 18,362	\$ 64,949	\$ 19,199
Hearing Preparation	35,000	5,000	10,826	31,220	12,555
Hearings	20,000	5,500	18,582	17,615	-
Subtotal	\$ 74,480	\$ 33,020	\$ 47,770	\$ 113,784	\$ 31,754
625-B Kings Court					
Building Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Imputed Rent	52,800	52,272	51,756	51,606	51,200
Subtotal	\$ 52,800	\$ 52,272	\$ 51,756	\$ 51,606	\$ 51,200
Total Administrative Expense	\$ 951,417	\$ 834,174	\$ 860,078	\$ 885,858	\$ 826,098

Mendocino County Employees Retirement Association
Fiscal Year 2016/2017
Proposed Budget vs Prior 4 Year's Actual Expenditures

	FY 2016/2017 Proposed Budget	FY 2015/2016 Projected Actual	FY 2014/2015 Actual Expense	FY 2013/14 Actual Expense	FY 2012/13 Actual Expense
Technology					
Automation					
LRS - PAS Project	\$ 141,579	\$ 164,458	\$ -	\$ -	\$ -
Linea Solutions Consultant	57,420	123,175	204,996	75,740	42,756
PAS Project Related Expenses	10,000	29,000	33,604	12,755	-
EDMS Project	115,000	-	-	-	-
Subtotal	\$ 323,999	\$ 316,633	\$ 238,600	\$ 88,495	\$ 42,756
Investment					
New Manager/Alliance Bernstein Fees ²	\$ 295,000	\$ 11,274	\$ 67,150	\$ 64,680	\$ 47,812
Mondrian Fees	190,000	165,000	160,197	159,497	212,436
Cornerstone Fees	-	-	-	-	55,889
Investment Consultant-Callan	163,800	145,600	145,600	145,600	144,200
Actuary Services-Segal	87,000	88,910	155,030	104,190	134,042
State Street	48,500	31,500	-	-	-
Other Investment Expense	1,000	200	(2,253)	(10,110)	505
Subtotal	\$ 785,300	\$ 442,484	\$ 525,725	\$ 463,857	\$ 594,884
Capitol Improvement Plan	\$ 162,000	\$ 18,000	\$ -	\$ -	\$ -
Total MCERA	\$ 2,222,716	\$ 1,611,291	\$ 1,624,403	\$ 1,438,210	\$ 1,463,738
Total Administrative Expenses (Total ex Technology & Investment)	\$ 951,417	\$ 834,174	\$ 860,078	\$ 885,858	\$ 826,098
CERL Administrative Cap	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
(Over)/Under Cap	\$ 1,048,583	\$ 1,165,826	\$ 1,139,922	\$ 1,114,142	\$ 1,173,902
MCERA Policy Cap	\$ 1,281,802	\$ 1,227,301	\$ 1,077,134	\$ 1,026,930	\$ 992,553
Balance	\$ 330,385	\$ 393,126	\$ 217,056	\$ 141,072	\$ 166,455
Basis Points Test	0.21%	0.21%	0.21%	0.21%	0.21%
AAL	\$ 610,381,849	\$ 584,428,884	\$ 512,921,000	\$ 489,014,364	\$ 472,644,283
Date	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011

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.