

Date: May 15, 2024
To: Board of Retirement
From: Doris L. Rentschler, Executive Director
F. Robert Reveles, Retirement Financial Investment Officer
Subject: Fiscal Year 2025 Proposed Budget

OVERVIEW

The attached schedules detail the proposed budget for MCERA for fiscal year 2025. (FY-25) The first schedule compares the FY-25 budget proposal to the FY-24 amended MCERA budget. The second schedule compares the FY-25 budget proposal to the FY-24 projected actual expenditures. The third compares the FY-24 projected actual expenditures to the FY-24 adopted budget. The third schedule is meant as a preview of the fourth quarter budget update. A more detailed analysis of the actual FY-24 budget will be provided with the fourth quarter budget update report. The fourth schedule compares the FY-25 proposed budget and the adopted budget for the prior five fiscal years. The fifth schedule compares the FY-25 proposed budget against the actual expenditures in prior years, including the FY-24 year-end projection. The last two schedules provide historical perspective in viewing the budget proposal.

This overview provides additional detail on some of the differences in each section of the FY-25 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 Executive Office of the County based on current staffing levels. Adjustments are made by MCERA to reflect new hires, bargaining unit increases, and health insurance premium increases.

The FY-25 budget includes 6.0 FTE's. We've filled one Retirement Specialist I position and expect to have the second position filled around mid year.

Personnel costs have increased over the prior year due to bargaining unit negotiations. Gross salaries include a COLA increase of 2.5%. Total retirement contribution rates increased approximately 5.75% from the prior year. Health Insurance rates increased over the prior year and are expected to increase 8.0% at the start of calendar year 2025. Vacation cash-out totals were increased in recent bargaining unit negotiations and are reflected in gross regular salaries. Workers Comp expense is calculated by the Auditor-Controller. There is no Unemployment Insurance expense per the Auditor-Controller's Office.

The FY-25 Proposed Budget continues to include funding for 100 hours of staff overtime to address the ongoing Historical Benefit Review Project. The total funds for staff overtime included in the proposed budget are \$5,211 including FICA and Medicare taxes. The FY-24 budget included a total of \$5,265 for staff overtime. The OT budget is lower in FY-25 because 2 staff members (new hires) have lower base wages than the 2 staff members in the FY-24 budget.



ADMINISTRATIVE

The proposed budget for FY-25 in the Administrative category is lower than the FY-24 budget. Office Expense has decreased due to a lack of office equipment. FY-24 included funds for upgrades to the conference room. The lower office equipment expense is offset by modest increases to software licenses and copier/paper expense. Legal Expense has been lowered due to the expectation of completion of the Historical Benefit Review Project. Contracts are lower than the prior year because the prior year included funds for an enterprise-wide risk assessment and a member survey. FY-25 Contracts includes funds for death audits, the communications consultant, and consultant support for development of an internal audit plan. The Consulting – Actuary line-item budget estimate uses prior year service needs to estimate the upcoming years’ service needs. Consulting – Actuary includes funds for the yearly valuation (\$78,000 in Investment subsection), the GAS 67 report (\$9,500), the quarterly retainer (\$6,000) and monthly services (\$78,002). GAS 68 report expenses are charged to the plan sponsors. Staff Education and Training increased due to a greater number of events and increased transportation/hotel costs. With the resumption of in-person CALAPRS Roundtables the registration costs are expected to increase by more than 60%. CALAPRS registrations have gone from \$125 in 2019, to \$50 between 2020 and 2024, to now \$300 for late 2024 and beyond. Staff Training events include the LRS Teaming Conference, NCPERS Public Pension Funding Forum, SACRS Spring and Fall Conferences, CALAPRS General Assembly, Roundtables, and Administrators Institute, Callan’s National Conference, Markets Group Northern CA Institutional Forum, and multiple GFOA trainings.

BOARD EXPENSE

Board Expense is more than the prior year. After years of Fiduciary Insurance expense increases, hopefully, this year the increase is closer to the budget estimate. Board meeting expense budget is greater than the prior year due to funds for an alternate meeting site. (City of Ukiah Conference Center) Board meeting expense includes funds for five appointed trustees, one audit committee member, BOS chamber usage fees through December 2024, and an optional alternative meeting site. Board training increases over the prior year are due to the addition of in person CALAPRS Trustee Roundtable for three trustees. Training events included are:

Number of Trustees Attending

4	SACRS Conference Fall (Monterey)
6	SACRS Conference Spring (TBD)
5	Callan National Conf (San Francisco)
3	CALAPRS Trustee Roundtable (San Jose)
3	CALAPRS Principles of Pension Mgmt (Pepperdine)

DISABILITY

Disability Expense remains unchanged from prior years.

625-B KINGS COURT

The imputed rent for the office space occupied by MCERA in the building the Association owns is proposed to increase 1.33% in FY-25. 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**

Technology budget is greater than the prior year. A portion of the technology expense is specified in the contract with Levi, Ray and Shoup (LRS), the provider of the Pension Gold system. This contract specified a 10 Year fee schedule and FY-25 is year ten. Based on that schedule, the FY-25 Pension Gold fee is \$151,684. An additional \$63,304 is included in the proposed budget for change orders that will be needed to the system because of the ongoing updates to the pension environment and the Business Continuity Plan. Change orders are estimated at 31 hours per month. County IT Project expense is lower than the prior year primarily due to the County Enterprise Internal Service Fund expense. (ISF) The purpose of the fund is to support the ongoing maintenance of County IT infrastructure. The FY-25 ISF expense is \$9,846.00. The FY-24 ISF was \$14,770.50. County IT labor is estimated to increase 5.0%. Scan Station expenses are expected to increase three percent.

INVESTMENT

Investment expense is greater than the prior year. Investment management fees include JP Morgan, Mondrian, Ninety One, RREEF, and T. Rowe Price.

The managers we pay via Accounts Payable are Mondrian, Ninety One, and T. Rowe Price. Fees for RREEF and JP Morgan are paid via unit sales of the fund. Management fees include an estimated 7% increase in Net Asset Values (NAV) for Ninety One and JP Morgan, a 5% increase in NAV for T. Rowe Price and Mondrian, and a 6% increase in NAV for RREEF. Though the managers have exceeded the assumed asset growth in the FY-24 budget staff do expect slower growth in the international portfolio over the next year.

Fees for Mondrian are approximately 68 basis points, or \$218,000. Fees for Ninety One are 73 basis points, or \$134,000. Fees for T. Rowe Price are 104 basis points, or \$303,000.

Fees for JP Morgan are estimated at 86 basis points per year, or approximately \$248,000. Incentive Fees, performance-based fees paid when the manager outperforms specific return hurdles, are estimated at 105 basis points per year, or approximately \$300,000. The Incentive fees are dependent on sustained performance, so they could end up being lower than estimated. In our case, Incentive fees are paid as 15% of the adjusted time weighted return above 7% up to an adjusted time weighted return of 13.5%.

RREEF Partnership fees are estimated at 68 basis points per year, or approximately \$268,000.

Investment Consulting services provided by Callan, LLC have increased per the contract. FY-25 is the second year of the current contract, which runs from July 1, 2023, through June 30, 2026.

The increase in the item Actuary Services – Segal is a contractual increase for the June 30, 2024, valuation.

Internal Investment Monitoring has increased over the prior year. This sub-category includes funds for two distinct areas: due diligence meetings with our current investment managers/consultant (\$4,000), and access to investment data from an external provider. (\$14,945) The investment database software is Morningstar Direct. Morningstar Direct is an institutional database software (independent of our investment consultant) meant for independent investment advisors. The database provides access to Morningstar's entire universe of market information and allows staff the ability to do individual company equity and credit research, review alternative



asset allocations, view detailed peer universe comparisons between managers, review market asset flows and performance attribution, and run forward-looking risk scenarios. Over the last year the software has provided a major increase in efficiency for manager research and review. Staff would like to sign to a two-year contract (FY-25 and FY-26) for the database software, which would save around 2.0%, with approval from Trustees.

CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan is greater than the prior year. The FY-24 amount of \$292,690 was a placeholder composed of staff estimates and only \$2,743 was spent on capitalizable building upgrades. The FY-25 amount of \$587,935 is a combination of our recent Request For Bid, \$64,510 for architect services/project management, and an additional \$50,000 for possible change orders.

TOTAL COMPARISONS

The first schedule shows the proposed FY-25 budget includes a total increase of \$494,041 over the amended (Jan '24) FY-24 budget. Across the various budget categories, we see roughly a \$38,000 increase in Personnel, a \$21,000 decrease in Administrative, a \$4,000 increase in Board Expense, no change in Disability, an \$800 increase in Imputed Rent, a \$4,000 increase in Technology, a \$172,000 increase in Investments, and a \$295,000 increase in the Capital Improvement Plan.

Much more relevant for a 1937 Act Plan is the Administrative Expenses Sub-Total. The County Employees' Retirement Law of 1937 (CERL or 1937 Act), defines and specifies a limit on these expenses for all plans organized under the act. Administrative Expenses includes any MCERA expenses except for Technology and Investment expenses.

The Administrative Expenses statutory limit is the greater of \$2,000,000 or 21 basis points (0.21%) of the most recent Actuarial Accrued Liabilities (AAL) of the plan. For MCERA, the statutory limit on Administrative Expenses is the \$2,000,000.

The MCERA Board, in the Budget Adoption Policy, specifies that the budget limit for MCERA shall be 21 basis points (0.21%) of the most recent Actuarial Accrued Liabilities of the plan. For FY-25, the AAL is \$926,631,003 based on the June 30, 2023, actuarial valuation. This AAL results in the MCERA Policy based budget limit for Administrative Expenses of \$1,945,925.

The total Administrative Expenses in the proposed FY-25 budget are \$1,731,606. This proposal is \$268,394 below the statutory limit and \$214,319 below the limit specified by the Board in policy.

Mendocino County Employees Retirement Association
Fiscal Year 2025
Proposed Budget vs Prior Year Amended Budget

Schedule 1

	FY 2023/2024		FY 2024/2025		Difference	
	Amended Budget Revised (Jan '24)		Proposed Budget		\$	%
Personnel (BU 1920)						
Gross Regular Salaries ¹	\$ 579,407	\$	602,282	\$	22,875	3.95%
Extra Help	-		-		-	0.00%
Retirement	169,501		178,230		8,728	5.15%
FICA	32,592		35,049		2,456	7.54%
Medicare	7,937		8,195		258	3.25%
Retirement Cola	38,903		42,194		3,291	8.46%
Health Insurance	93,512		94,149		638	0.68%
Unemployment Insurance	-		-		-	0.00%
Workers Comp	322		317		(5)	-1.46%
Subtotal	\$ 922,174	\$	960,415	\$	38,241	4.15%
Administrative						
Office Expense	\$ 46,989	\$	36,384	\$	(10,604)	-22.57%
Legal Expense	225,500		210,000		(15,500)	-6.87%
Audit	50,500		50,500		-	0.00%
Contracts	63,908		33,428		(30,480)	-47.69%
Consulting - Actuary	68,341		93,502		25,160	36.82%
Staff Education and Training	22,502		32,635		10,133	45.03%
Membership	6,170		6,475		305	4.94%
Subtotal	\$ 483,910	\$	462,924	\$	(20,986)	-4.34%
Board Expense						
Fiduciary Insurance	\$ 77,116	\$	79,044	\$	1,928	2.50%
Board Meeting Expense	8,100		9,225		1,125	13.89%
Board Education and Training	40,109		41,172		1,063	2.65%
Subtotal	\$ 125,324	\$	129,440	\$	4,116	3.28%
Total Personnel, Administrative & Board Expense	\$ 1,531,409	\$	1,552,780	\$	21,371	1.40%
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	\$ 58,055	\$	58,826	\$	771	1.33%
Subtotal	\$ 58,055	\$	58,826	\$	771	1.33%
Total Administration Expense	\$ 1,709,464	\$	1,731,606	\$	22,142	1.30%

Mendocino County Employees Retirement Association
Fiscal Year 2025
Proposed Budget vs Prior Year Amended Budget

Schedule 1

	FY 2023/2024		FY 2024/2025		Difference		
	Amended Budget Revised (Jan '24)		Proposed Budget		\$	%	
Technology							
LRS - Pension Gold	\$	206,535	\$	214,988	\$	8,453	4.09%
County IT Project Expenses		25,035		20,721		(4,314)	-17.23%
PCX Scan Station		10,671		10,991		320	3.00%
Subtotal	\$	242,241	\$	246,700	\$	4,459	1.84%
Investment							
Investment Manager Fees	\$	1,315,657	\$	1,474,371	\$	158,714	12.06%
Investment Consultant - Callan		190,812		195,582		4,770	2.50%
Actuary Services - Segal		75,000		78,000		3,000	4.00%
Custodian Bank - State Street		70,200		75,066		4,866	6.93%
Internal Investment Monitoring		18,100		18,945		845	4.67%
Subtotal	\$	1,669,769	\$	1,841,964	\$	172,195	10.31%
Capital Improvement Plan	\$	292,690	\$	587,935	\$	295,245	100.87%
Total MCERA	\$	3,914,164	\$	4,408,205	\$	494,041	12.62%
Total Administrative Expenses	\$	1,709,464	\$	1,731,606			
(Total ex Technology & Investment)							
CERL Administrative Budget Limit	\$	2,000,000	\$	2,000,000			
(Over)/Under CERL Limit	\$	290,536	\$	268,394			
MCERA Policy Administrative Budget Limit	\$	1,830,341	\$	1,945,925			
(Over)/Under Policy Limit	\$	120,877	\$	214,319			
Basis Points Test		0.21%		0.21%			
AAL	\$	871,590,734	\$	926,631,003			
Date		6/30/2022		6/30/2023			

¹ Includes 100 Hours in Benefits staff overtime for projects in FY25.

Mendocino County Employees Retirement Association
Fiscal Year 2025
Proposed Budget vs Prior Year Projected Actual

Schedule 2

	FY 2023/2024		FY 2024/2025		Difference		
	Projected Actual		Proposed Budget		\$	%	
Personnel (BU 1920)							
Gross Regular Salaries	\$	567,507	\$	602,282	\$	34,776	6.13%
Extra Help		-		-		-	0.00%
Retirement		164,037		178,230		14,192	8.65%
FICA		31,538		35,049		3,511	11.13%
Medicare		7,796		8,195		399	5.12%
Retirement Cola		37,118		42,194		5,075	13.67%
Health Insurance		82,202		94,149		11,947	14.53%
Unemployment Insurance		-		-		-	0.00%
Workers Comp		322		317		(5)	-1.46%
Subtotal	\$	890,520	\$	960,415	\$	69,896	7.85%
Administrative							
Office Expense	\$	43,603	\$	36,384	\$	(7,218)	-16.55%
Legal Expense		229,120		210,000		(19,120)	-8.34%
Audit		50,500		50,500		-	0.00%
Contracts		17,051		33,428		16,377	96.05%
Consulting - Actuary		69,792		93,502		23,710	33.97%
Staff Education and Training		16,586		32,635		16,049	96.76%
Membership		7,335		6,475		(860)	-11.72%
Subtotal	\$	433,986	\$	462,924	\$	28,938	6.67%
Board Expense							
Fiduciary Insurance	\$	73,246	\$	79,044	\$	5,798	7.92%
Board Meeting Stipends		6,350		9,225		2,875	45.28%
Board Education and Training		18,924		41,172		22,248	117.57%
Subtotal	\$	98,520	\$	129,440	\$	30,921	31.39%
Total Personnel, Administrative & Board Expense	\$	1,423,026	\$	1,552,780	\$	129,754	9.12%
Disability							
Administrative Review	\$	44,600	\$	40,000	\$	(4,600)	-10.31%
Hearings		40,071		80,000		39,929	99.65%
Subtotal	\$	84,671	\$	120,000	\$	35,329	41.73%
625-B Kings Court							
Imputed Rent		58,056	\$	58,826	\$	771	1.33%
Subtotal	\$	58,056	\$	58,826	\$	771	1.33%
	\$	1,565,752	\$	1,731,606	\$	165,853	10.59%

Mendocino County Employees Retirement Association
Fiscal Year 2025
Proposed Budget vs Prior Year Projected Actual

Schedule 2

	FY 2023/2024		FY 2024/2025		Difference	
	Projected Actual		Proposed Budget		\$	%
Technology						
LRS - Pension Gold	\$	204,657	\$	214,988	\$	10,331 5.05%
County IT Project Expenses		25,077		20,721		(4,355) -17.37%
PCX Scan Station		10,671		10,991		320 3.00%
Subtotal	\$	240,405	\$	246,700	\$	6,295 2.62%
Investment						
Investment Manager Fees	\$	1,442,579	\$	1,474,371	\$	31,793 2.20%
Investment Consultant - Callan		190,812		195,582		4,770 2.50%
Custodian Bank - State Street		69,634		75,066		5,432 7.80%
Actuary Services - Segal		75,000		78,000		3,000 4.00%
Internal Investment Monitoring		16,349		18,945		2,596 15.88%
Subtotal	\$	1,794,373	\$	1,841,964	\$	47,591 2.65%
Property Maintenance Plan	\$	292,690	\$	587,935	\$	295,245 100.87%
Total MCERA	\$	3,893,220	\$	4,408,205	\$	514,985 13.23%
Total Administrative Expenses	\$	1,565,752	\$	1,731,606		
(Total ex Technology & Investment)						
CERL Administrative Cap	\$	2,000,000	\$	2,000,000		
(Over)/Under Cap	\$	434,248	\$	268,394		
MCERA Policy Cap	\$	1,830,341	\$	1,945,925		
Balance	\$	264,588	\$	214,319		
Basis Points Test		0.21%		0.21%		
AAL	\$	871,590,734	\$	926,631,003		
Date		6/30/2022		6/30/2023		

Mendocino County Employees Retirement Association
Fiscal Year 2025
Prior Year Projected Actual vs Prior Year Adopted Budget

Schedule 3

	FY 2023/2024		FY 2023/2024		Difference	
	Amended Budget Revised (Jan '24)	Projected Actual			\$	%
Personnel (BU 1920)						
Gross Regular Salaries	\$ 579,407	\$ 567,507	\$		(11,900)	-2.05%
Extra Help	-	-			-	0.00%
Retirement	169,501	164,037			(5,464)	-3.22%
FICA	32,592	31,538			(1,055)	-3.24%
Medicare	7,937	7,796			(141)	-1.78%
Retirement Cola	38,903	37,118			(1,785)	-4.59%
Health Insurance	93,512	82,202			(11,310)	-12.09%
Unemployment Insurance	-	-			-	0.00%
Workers Comp	322	322			-	0.00%
Subtotal	\$ 922,174	\$ 890,520	\$		(31,655)	-3.43%
Administrative						
Office Expense	\$ 46,989	\$ 43,603	\$		(3,386)	-7.21%
Legal Expense	225,500	229,120			3,620	1.61%
Audit	50,500	50,500			-	0.00%
Contracts	63,908	17,051			(46,857)	-73.32%
Consulting - Actuary	68,341	69,792			1,451	2.12%
Staff Education and Training	22,502	16,586			(5,916)	-26.29%
Membership	6,170	7,335			1,165	18.88%
Subtotal	\$ 483,910	\$ 433,986	\$		(49,924)	-10.32%
Board Expense						
Fiduciary Insurance	\$ 77,116	\$ 73,246	\$		(3,870)	-5.02%
Board Meeting Stipends	8,100	6,350			(1,750)	-21.60%
Board Education and Training	40,109	18,924			(21,185)	-52.82%
Subtotal	\$ 125,324	\$ 98,520	\$		(26,805)	-21.39%
Total Personnel, Administrative & Board Expense	\$ 1,531,409	\$ 1,423,026	\$		(108,383)	-7.08%
Disability						
Administrative Review	\$ 40,000	\$ 44,600	\$		4,600	11.50%
Hearings	80,000	40,071			(39,929)	-49.91%
Subtotal	\$ 120,000	\$ 84,671	\$		(35,329)	-29.44%
625-B Kings Court						
Imputed Rent	\$ 58,055	\$ 58,056	\$		0	0.00%
Subtotal	\$ 58,055	\$ 58,056	\$		0	0.00%
	\$ 1,709,464	\$ 1,565,752	\$		(143,712)	-8.41%

Mendocino County Employees Retirement Association
Fiscal Year 2025
Prior Year Projected Actual vs Prior Year Adopted Budget

Schedule 3

	FY 2023/2024		FY 2023/2024		Difference	
	Amended Budget Revised (Jan '24)		Projected Actual		\$	%
Technology						
LRS - Pension Gold	\$ 206,535		\$ 204,657		\$ (1,878)	-0.91%
County IT Project Expenses	25,035		25,077		42	0.17%
PCX Scan Station	10,671		10,671		0	0.00%
Subtotal	\$ 242,241		\$ 240,405		\$ (1,836)	-0.76%
Investment						
Investment Manager Fees	\$ 1,315,657		\$ 1,442,579		\$ 126,921	9.65%
Investment Consultant - Callan	190,812		190,812		0	0.00%
Actuary Services - Segal	75,000		75,000		-	0.00%
Custodian Bank - State Street	70,200		69,634		(566)	-0.81%
Internal Investment Monitoring	18,100		16,349		(1,751)	-9.67%
Subtotal	\$ 1,669,769		\$ 1,794,373		\$ 124,604	7.46%
Property Maintenance Plan	\$ 292,690		\$ 292,690		\$ -	0.00%
Total MCERA	\$ 3,914,164		\$ 3,893,220		\$ (20,943)	-0.54%
Total Administrative Expenses	\$ 1,709,464		\$ 1,565,752			
(Total ex Technology & Investment)						
CERL Administrative Cap	\$ 2,000,000		\$ 2,000,000			
(Over)/Under Cap	\$ 290,536		\$ 434,248			
MCERA Policy Cap	\$ 1,830,341		\$ 1,830,341			
Balance	\$ 120,877		\$ 264,588			
Basis Points Test		0.21%		0.21%		
AAL	\$ 871,590,734		\$ 871,590,734			
Date		6/30/2022		6/30/2022		

Mendocino County Employees Retirement Association
Fiscal Year 2025
Proposed Budget vs Prior 5 Years Adopted Budgets

Schedule 4

	FY 2019/2020 Amended Budget (May '20)	FY 2020/2021 Amended Budget Revised (Oct '20)	FY 2021/2022 Amended Budget Revised (Dec '21)	FY 2022/2023 Amended Budget Revised (Oct '22)	FY 2023/2024 Amended Budget Revised (Jan '24)	FY2025 Proposed Budget
Personnel (BU 1920)						
Gross Regular Salaries ¹	\$ 459,403	\$ 461,502	\$ 549,218	\$ 539,819	\$ 579,407	\$ 602,282
Extra Help	-	21,349	14,914	-	-	-
Retirement	122,748	141,214	182,553	191,030	169,501	178,230
Social Security	23,944	26,729	31,599	30,580	32,592	35,049
Medicare	6,554	6,727	7,850	7,552	7,937	8,195
Retirement Cola	27,966	26,324	26,914	12,197	38,903	42,194
Health Insurance	54,106	57,401	56,032	73,809	93,512	94,149
Unemployment Insurance	272	272	271	267	-	-
Workers Comp	321	321	540	389	322	317
Subtotal	\$ 695,314	\$ 741,839	\$ 869,890	\$ 855,644	\$ 922,174	\$ 960,415
Administrative						
Office Expense	\$ 28,266	\$ 29,215	\$ 30,252	\$ 27,987	\$ 46,989	\$ 36,384
Legal Expense	325,000	358,000	358,000	258,000	225,500	210,000
Audit	40,000	41,200	41,200	41,200	50,500	50,500
Contracts	46,500	13,510	47,100	100,910	63,908	33,428
Consulting - Actuary	-	40,500	103,340	152,840	68,341	93,502
Staff Education and Training	16,800		13,934	16,463	22,502	32,635
Membership	5,500	5,870	5,920	6,170	6,170	6,475
Subtotal	\$ 462,066	\$ 488,295	\$ 599,746	\$ 603,570	\$ 483,910	\$ 462,924
Board Expense						
Fiduciary Insurance	\$ 45,000	\$ 42,000	\$ 63,732	\$ 70,105	\$ 77,116	\$ 79,044
Board Meeting Expense	8,100	8,300	7,900	7,900	8,100	9,225
Board Education and Training	26,070	32,617	32,014	39,166	40,109	41,172
Subtotal	\$ 79,170	\$ 82,917	\$ 103,646	\$ 117,171	\$ 125,324	\$ 129,440
Total Personnel, Administrative & Board Expense	\$ 1,236,550	\$ 1,313,051	\$ 1,573,282	\$ 1,576,385	\$ 1,531,409	\$ 1,552,780
Disability						
Administrative Review	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Hearings	80,000	80,000	80,000	80,000	80,000	80,000
Subtotal	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
625-B Kings Court						
Imputed Rent	\$ 55,089	\$ 54,363	\$ 54,645	\$ 56,339	\$ 58,055	\$ 58,826
	\$ 55,089	\$ 54,363	\$ 54,645	\$ 56,339	\$ 58,055	\$ 58,826
Total Administrative Expense	\$ 1,411,638	\$ 1,487,414	\$ 1,747,927	\$ 1,752,724	\$ 1,709,464	\$ 1,731,606

Mendocino County Employees Retirement Association
Fiscal Year 2025
Proposed Budget vs Prior 5 Years Adopted Budgets

Schedule 4

	FY 2019/2020 Amended Budget (May '20)	FY 2020/2021 Amended Budget Revised (Oct '20)	FY 2021/2022 Amended Budget Revised (Dec '21)	FY 2022/2023 Amended Budget Revised (Oct '22)	FY 2023/2024 Amended Budget Revised (Jan '24)	FY2025 Proposed Budget
Technology						
LRS - Pension Gold	\$ 159,940	\$ 164,626	\$ 172,552	\$ 190,289	\$ 206,535	\$ 214,988
County IT Project Expenses	5,000	9,026	19,083	16,131	10,671	20,721
PCX Scan Station	9,000	9,000	10,059	10,361	242,241	10,991
Subtotal	\$ 173,940	\$ 182,652	\$ 201,694	\$ 216,780	\$ 484,482	\$ 246,700
Investment						
Investment Manager Fees	\$ 720,000	\$ 691,349	\$ 907,100	\$ 788,365	\$ 1,315,657	\$ 1,474,371
Investment Consultant - Callan	175,000	177,188	181,617	186,158	190,812	195,582
Actuary Services - Segal	120,000	68,000	70,000	72,000	75,000	78,000
Custodian Bank - State Street	60,000	60,000	72,000	70,800	70,200	75,066
Internal Investment Monitoring	11,550	11,500	11,500	11,500	18,100	18,945
Subtotal	\$ 1,086,550	\$ 1,008,036	\$ 1,242,217	\$ 1,128,822	\$ 1,669,769	\$ 1,841,964
Capital Improvement Plan	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 292,690	\$ 587,935
Total MCERA	\$ 2,697,129	\$ 2,703,102	\$ 3,216,838	\$ 3,123,326	\$ 4,156,405	\$ 4,408,205
Total Administrative Expenses (Total ex Technology & Investment)	\$ 1,411,638	\$ 1,487,414	\$ 1,747,927	\$ 1,752,724	\$ 1,709,464	\$ 1,731,606
CERL Administrative Cap	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
(Over)/Under Cap	\$ 588,362	\$ 512,586	\$ 252,073	\$ 247,276	\$ 290,536	\$ 268,394
MCERA Policy Cap	\$ 1,506,670	\$ 1,568,837	\$ 1,670,336	\$ 1,721,965	\$ 1,830,341	\$ 1,945,925
Balance	\$ 95,032	\$ 81,423	\$ (77,590)	\$ (30,758)	\$ 120,877	\$ 214,319
Basis Points Test	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
AAL	\$ 717,461,993	\$ 747,065,374	\$ 795,398,180	\$ 819,983,481	\$ 871,590,734	\$ 926,631,003
Date	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023

¹ Includes Staff overtime for projects in FY-20, FY-21, FY-22, FY-23, FY-24, and FY-25.

Mendocino County Employees Retirement Association
Fiscal Year 2025
Proposed Budget vs Prior 4 Years Actual Expenditures (or Projected)

Schedule 5

	FY 2020/2021		FY 2021/2022		FY 2022/2023		FY 2023/2024		FY 2024/2025	
	Actual Expense		Actual Expense		Actual Expense		Projected Expense		Proposed Budget	
Personnel (BU 1920)										
Gross Regular Salaries ¹	\$	467,177	\$	493,181	\$	547,378	\$	567,507	\$	602,282
Extra Help		5,074		12,306		-		-		-
Retirement		141,822		151,051		170,282		164,037		178,230
Social Security		27,857		27,644		30,690		31,538		35,049
Medicare		6,588		7,084		7,639		7,796		8,195
Retirement Cola		26,548		22,274		10,259		37,118		42,194
Health Insurance		51,373		49,610		77,738		82,202		94,149
Unemployment Insurance		273		271		267		-		-
Workers Comp		406		540		389		322		317
Subtotal	\$	727,118	\$	763,961	\$	844,640	\$	890,520	\$	960,415
Administrative										
Office Expense	\$	23,346	\$	26,950	\$	22,711	\$	43,603	\$	36,384
Legal Expense		179,795		194,285		126,497		229,120		210,000
Audit		39,981		41,200		41,200		50,500		50,500
Contracts		11,085		37,611		164,044		17,051		33,428
Consulting - Actuary		100,681		85,327		40,002		69,792		93,502
Staff Education and Training				3,177		12,189		16,586		32,635
Membership		5,883		5,920		6,170		7,335		6,475
Subtotal	\$	360,771	\$	394,470	\$	412,813	\$	433,986	\$	462,924
Board Expense										
Fiduciary Insurance	\$	51,164	\$	63,641	\$	69,793	\$	73,246	\$	79,044
Board Meeting Expense		5,800		5,000		4,800		6,350		9,225
Board Education and Training		3,030		5,065		5,788		18,924		41,172
Subtotal	\$	59,994	\$	73,706	\$	80,381	\$	98,520	\$	129,440
Total Personnel, Administrative & Board Expense	\$	1,147,883	\$	1,232,137	\$	1,337,834	\$	1,423,026	\$	1,552,780
Disability										
Administrative Review	\$	17,655	\$	17,500	\$	22,250	\$	44,600	\$	40,000
Hearings		19,095		-		353		40,071		80,000
Subtotal	\$	36,750	\$	17,500	\$	22,603	\$	84,671	\$	120,000
625-B Kings Court										
Imputed Rent		54,363		54,645		56,339		58,056		58,826
Subtotal	\$	54,363	\$	54,645	\$	56,339	\$	58,056	\$	58,826
	\$	1,238,996	\$	1,304,282	\$	1,416,776	\$	1,565,752	\$	1,731,606

Mendocino County Employees Retirement Association
Fiscal Year 2025
Proposed Budget vs Prior 4 Years Actual Expenditures (or Projected)

Schedule 5

	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025
	Actual Expense	Actual Expense	Actual Expense	Projected Expense	Proposed Budget
Technology					
LRS - Pension Gold	\$ 166,866	\$ 193,508	\$ 177,764	\$ 204,657	\$ 214,988
County IT Project Expenses	5,918	18,546	14,567	25,077	20,721
PCX Scan Station	9,766	10,076	10,458	10,671	10,991
Subtotal	\$ 182,550	\$ 222,130	\$ 202,789	\$ 240,405	\$ 246,700
Investment					
Investment Manager Fees	\$ 791,647	\$ 811,767	\$ 1,104,102	\$ 1,442,579	\$ 1,474,371
Investment Consultant - Callan	177,188	181,617	186,158	190,812	195,582
Actuary Services - Segal	68,000	66,346	72,000	69,634	78,000
Custodian Bank - State Street	62,407	70,000	63,493	75,000	75,066
Internal Investment Monitoring	-	-	249	16,349	18,945
Subtotal	\$ 1,099,242	\$ 1,129,730	\$ 1,426,002	\$ 1,794,373	\$ 1,841,964
Capital Improvement Plan	\$ -	\$ -	\$ -	\$ 292,690	\$ 587,935
Total MCERA	\$ 2,520,788	\$ 2,656,142	\$ 3,045,567	\$ 3,893,220	\$ 4,408,205
Total Administrative Expenses (Total ex Technology & Investment)	\$ 1,238,996	\$ 1,304,282	\$ 1,416,776	\$ 1,565,752	\$ 1,731,606
CERL Administrative Cap	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
(Over)/Under Cap	\$ 761,004	\$ 695,718	\$ 583,224	\$ 434,248	\$ 268,394
MCERA Policy Cap	\$ 1,568,837	\$ 1,670,336	\$ 1,721,965	\$ 1,830,341	\$ 1,945,925
Balance	\$ 329,842	\$ 366,054	\$ 305,189	\$ 264,588	\$ 214,319
Basis Points Test	0.21%	0.21%	0.21%	0.21%	0.21%
AAL	\$ 747,065,374	\$ 795,398,180	\$ 819,983,481	\$ 871,590,734	\$ 926,631,003
Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023

¹ Includes \$20,000 in staff overtime for projects in FY-21-22. FY-23 includes \$4,828 in staff overtime. FY-24 includes \$5,265 in staff overtime. FY-25 includes \$5,211 in staff overtime