

PLYMOUTH COUNTY RETIREMENT ASSOCIATION 2018 BUDGET



Retirement Board Members

Thomas J O'Brien, Chairman
Joseph McDonough, Elected Member
John F. Sciara, Elected Member
James Harrington, Appointed Member
Marybeth Carter, Advisory Council Member

David Sullivan, Executive Director

APPROVED
November 29, 2017

PCRA 2017 OPERATING BUDGET OVERVIEW

The total administrative operating cost for the Plymouth County Retirement Association (“PCRA”) is anticipated to be **\$2,462,157.89** for 2018. Given continued sensitivity to ongoing costs associated with operations, specifically as it relates to our member units, the PCRA is actively monitoring and remains sensitive to its expenses. Every effort will continue to be taken to effectuate all cost savings methods and methodology that will be a direct benefit to PCRA, its members, and member units. Efforts have been put forth to more accurately align expenses with budget categories based on historic and current year observations. A detailed breakdown of the proposed 2018 budget follows:

PERSONNEL COSTS

Expenditures in this budget category are expected to total **\$1,028,407.89**. This expense encompasses all full-time PCRA salaries and benefits. A breakdown of this total is listed below:

<u>Account</u>	<u>EXPENDED</u> <u>2014</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>APPROVED</u> <u>2017</u>	<u>PROPOSED</u> <u>2018</u>
Employee Salaries	\$723,818.96	\$731,973.92	\$737,446.28	\$744,748.03	\$734,716.40
Health, Life, Dental Insurance	127,734.58	137,544.17	160,088.09	215,000.00	200,000.00
Reserve – Vacation Buyout	21,670.68	22,772.40	23,110.00	21,000.00	25,000.00
Reserve – Salaries	In salaries	In salaries	In salaries	In salaries	22,691.49
Board Stipend	18,333.20	20,000.00	20,000.00	20,000.00	20,000.00
Medicare Insurance	17,788.78	12,376.00	12,521.00	17,500.00	15,000.00
Sick Time & Vacation Buyback	22,715.20	0.00	91,166.00	20,000.00	10,000.00
Unemployment Insurance	588.07	945.00	686.12	1,000.00	1,000.00
Longevity Payments	<u>10,500.00</u>	<u>7,250.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL Personnel Costs	\$943,149.47	\$932,861.49	\$1,051,017.49	\$1,039,248.03	\$1,028,407.89

Professional Services

The 2018 operating budget includes **\$762,400.00** for Professional Services. The breakdown for professional services is as follows:

<u>Account</u>	<u>EXPENDED</u> <u>2014</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>APPROVED</u> <u>2017</u>	<u>PROPOSED</u> <u>2018</u>
Investment Consultant Fees	\$162,600.00	\$218,750.00	\$261,424.64	\$350,000.00	\$368,000.00
Custodian Fee	\$275,982.55	\$282,068.73	\$254,325.63	\$350,000.00	\$250,000.00
Fiduciary Insurance	66,859.00	68,122.50	70,206.00	75,000.00	75,000.00
Auditing Services	14,125.00	45,500.00	30,184.00	25,000.00	37,000.00
IT Consulting Services	12,707.00	13,763.25	10,336.50	15,000.00	15,000.00
Actuarial Fees	1,061.02	7,750.00	8,000.00	20,000.00	15,000.00
Employee Payroll Services	<u>1,927.06</u>	<u>1,685.25</u>	<u>2,150.00</u>	<u>2,400.00</u>	<u>2,400.00</u>
TOTAL Professional Services	\$535,261.63	\$637,639.73	\$636,626.77	\$837,400.00	\$762,400.00

Legal Expenses

Our Legal Expense line item is **\$99,000.00** for 2018. Historically, the PCRA has been consistent in its attempts to hold down its legal expenditures. However, regulations, filing requirements, contractual negotiations, and compliance have increased and bear close monitoring coupled with implementation of a long-term mitigation strategy.

<u>Account</u>	<u>EXPENDED</u> <u>2014</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>APPROVED</u> <u>2017</u>	<u>PROPOSED</u> <u>2018</u>
Murphy, Hesse, Toomey	\$7,515.00	\$17,402.40	\$68,642.11	\$35,000.00	\$85,000.00
Other Legal Expense	32,110.44	459.00	494.50	1,000.00	6,500.00
Law Offices of Gregory Galvin	2,543.56	450.00	620.00	2,500.00	5,000.00
Law Offices of Michael Sacco	<u>7,133.34</u>	<u>4,234.00</u>	<u>654.00</u>	<u>2,500.00</u>	<u>2,500.00</u>
Total Legal Expense	\$49,302.34	\$22,545.40	\$70,410.61	\$41,000.00	\$99,000.00

Office Lease

We have budgeted the Office Lease in 2018 at **\$125,400.00**. This net amount reflects a reduction in total cost of **\$17,599.20** paid to PCRA under a lease agreement with the Mayflower Municipal Health Group. This budget also reflects a reduction and an estimated CPI adjustment that we anticipate before the end of 2017.

<u>Account</u>	<u>EXPENDED</u> <u>2014</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>APPROVED</u> <u>2017</u>	<u>PROPOSED</u> <u>2018</u>
Monthly Rent/CAM Charges	\$131,395.28	\$136,857.88	\$137,681.76	\$128,000.00	\$125,400.00
Insurance	<u>1,177.00</u>	<u>1,227.00</u>	<u>1,288.00</u>	<u>1,750.00</u>	<u>1,750.00</u>
TOTAL	\$132,572.28	\$138,084.88	\$138,969.76	\$129,750.00	\$127,150.00

Administrative Expenses

An increase in Administrative Expenses is forecasted in 2018 because of a board member election resulting in increased postage and mailing expenses. Below are line-item descriptions of administrative expenses for 2018:

<u>Account</u>	<u>EXPENDED</u> <u>2014</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>APPROVED</u> <u>2017</u>	<u>PROPOSED</u> <u>2018</u>
Retirement Appropriation	\$95,361.00	\$102,565.00	\$132,047.00	\$140,000.00	\$140,000.00
Postage	15,111.17	14,971.98	14,797.91	20,000.00	20,000.00
Electricity Expense	16,041.49	14,532.72	16,852.00	18,500.00	17,500.00
Travel	5,841.33	7,991.80	14,353.65	15,000.00	15,000.00
Education/Training	7,451.25	16,132.51	14,635.17	15,000.00	15,000.00
Office Supplies	9,670.28	9,982.83	13,373.53	10,000.00	10,000.00
Election Expense	0.00	6,520.82	0.00	0.00	10,000.00
Annual Statements	6,037.64	4,044.73	5,538.31	6,000.00	6,000.00
Cleaning Service	4,855.00	5,220.00	4,880.00	5,000.00	5,000.00
MISC Expenses	4,160.95	3,861.93	8,126.83	5,000.00	5,000.00
News Letter Expense	0.00	0.00	0.00	1,000.00	3,000.00
Data/Document MGMT	2,971.06	2,404.66	2,451.07	3,000.00	3,000.00
Annual Membership Dues	<u>980.00</u>	<u>1,170.00</u>	<u>850.00</u>	<u>1,200.00</u>	<u>1,200.00</u>
Total Administrative Expenses	\$168,481.17	\$189,398.98	\$227,905.47	\$239,700.00	\$250,700.00

Computer and Office Equipment

There is a moderate increase in this portion of the budget for 2018 to reflect accurate expenditures and objectives. It is forecasted that there will be an additional Computer Equipment Upgrade expense and that Telephone/Internet expenses will be reduced in 2018. Below is a breakdown of computer and office equipment estimated expenses for 2018:

<u>Account</u>	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>APPROVED</u>	<u>PROPOSED</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Pension Technology Group	\$21,914.00	\$24,800.00	\$50,051.08	\$35,000.00	\$55,500.00
Rental of Equipment	7,106.20	7,270.23	9,139.23	7,500.00	10,000.00
Tyler Technologies	7,356.99	7,724.84	8,111.08	9,000.00	9,000.00
Telephone/Internet	13,405.26	13,353.47	13,644.10	17,500.00	7,500.00
Computer Equipment Upgrade	6,211.19	1,278.05	3,590.18	5,000.00	7,500.00
MISC Services/Supplies	1,369.36	2,351.60	2,278.40	2,500.00	3,000.00
E-mail/Website Hosting	<u>1,495.00</u>	<u>1,995.00</u>	<u>1,995.00</u>	<u>6,300.00</u>	<u>2,000.00</u>
TOTAL	\$58,858.00	\$58,773.19	\$88,809.07	\$82,800.00	\$94,500.00

RESERVE ACCOUNT

The Reserve Account for 2018 includes **\$100,000.00**. This budgetary item has been proposed for three potential projects in 2018: The implementation of a disaster recovery program for internal documents, a potential move to a new location, and the purchase of additional shelving and filing cabinets in our storage room.

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Reserve Fund	<u>\$0.00</u>	<u>\$7,436.79</u>	<u>\$0.00</u>	<u>\$113,100.44</u>	<u>\$100,000.00</u>
TOTAL Reserve Account	\$0.00	\$7,436.79	\$0.00	\$113,100.44	\$100,000.00

TOTAL OPERATING EXPENSES

<u>Account</u>	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>APPROVED</u>	<u>PROPOSED</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL OPERATING EXPENSES	\$1,887,624.89	\$1,986,740.46	\$2,213,739.17	\$2,482,998.47	\$2,462,157.89

**PLYMOUTH COUNTY RETIREMENT
ASSOCIATION 2018 BUDGET**

Personnel Costs	<u>EXPENDED</u> 2014	<u>EXPENDED</u> 2015	<u>EXPENDED</u> 2016	<u>APPROVED</u> 2017	<u>PROPOSED</u> 2018
Employee Salaries	\$723,818.96	\$731,973.92	\$737,446.28	\$744,748.03	\$734,716.40
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Unemployment Insurance	588.07	945.00	686.12	1,000.00	1,000.00
Longevity Payments	<u>10,500.00</u>	<u>7,250.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL Personnel Costs	\$943,149.47	\$932,861.49	\$1,051,017.49	\$1,039,248.03	\$1,028,407.89
Professional Services	<u>EXPENDED</u> 2014	<u>EXPENDED</u> 2015	<u>EXPENDED</u> 2016	<u>APPROVED</u> 2017	<u>PROPOSED</u> 2018
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Insurance	<u>1,177.00</u>	<u>1,227.00</u>	<u>1,288.00</u>	<u>1,750.00</u>	<u>1,750.00</u>
TOTAL	\$132,572.28	\$138,084.88	\$138,969.76	\$129,750.00	\$127,150.00
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Total Administrative Expenses	\$168,481.17	\$189,398.98	\$227,905.47	\$239,700.00	\$250,700.00
Computer and Office Equipment	<u>EXPENDED</u> <u>2014</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>APPROVED</u> <u>2017</u>	<u>PROPOSED</u> <u>2018</u>
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E-mail/Website Hosting	<u>1,495.00</u>	<u>1,995.00</u>	<u>1,995.00</u>	<u>6,300.00</u>	<u>2,000.00</u>
TOTAL	\$58,858.00	\$58,773.19	\$88,809.07	\$82,800.00	\$94,500.00
Reserve Account	<u>EXPENDED</u> <u>2014</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>APPROVED</u> <u>2017</u>	<u>PROPOSED</u> <u>2018</u>
Reserve Fund	<u>\$0.00</u>	<u>\$7,436.79</u>	<u>\$0.00</u>	<u>\$113,100.44</u>	<u>\$100,000.00</u>
TOTAL Reserve Account	\$0.00	\$7,436.79	\$0.00	\$113,100.44	\$100,000.00
TOTAL OPERATING EXPENSES	<u>EXPENDED</u> <u>2014</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>APPROVED</u> <u>2017</u>	<u>PROPOSED</u> <u>2018</u>
	\$1,887,624.89	\$1,986,740.46	\$2,213,739.17	\$2,482,998.47	\$2,462,157.89