

PLYMOUTH COUNTY RETIREMENT ASSOCIATION 2019 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 27, 2018

PCRA 2019 OPERATING BUDGET OVERVIEW

The total administrative operating cost for the Plymouth County Retirement Association (“PCRA”) is anticipated to be **\$2,498,716.33** for 2019. Given continued sensitivity regarding ongoing costs as it relates to our member units, PCRA has increased active monitoring and remains vigilant over every expense. All efforts will continue to be taken to effectuate any cost savings methodology that will directly benefit PCRA, its members, and member units. Ongoing efforts continue regarding more accurately aligning expenses with budget categories based on historic and current year observations. A detailed breakdown of the proposed 2019 budget follows:

PERSONNEL COSTS

Expenditures in this budget category are expected to total **\$1,034,273.33**. 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>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
Employee Salaries	\$731,973.92	\$737,446.28	\$730,792.52	\$734,716.40	\$774,000.00
Health, Life, & Dental Insurance	137,544.17	160,088.09	168,092.25	200,000.00	185,000.00
Reserve – Vacation Buyout	22,772.40	23,110.00	18,674.30	25,000.00	20,000.00
Reserve – Salaries	In salaries	In salaries	In salaries	In salaries	23,273.33
Board Stipend	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Medicare Insurance	12,376.00	12,521.00	7,171.51	15,000.00	10,000.00
Sick Time & Vacation Buyback	0.00	91,166.00	36,368.55	10,000.00	1,000.00
Unemployment Insurance	945.00	686.12	666.96	1,000.00	1,000.00
Longevity Payments	<u>7,250.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL Personnel Costs	\$932,861.49	\$1,051,017.49	\$981,766.09	\$1,028,407.89	\$1,034,273.33

Professional Services

The 2019 operating budget includes **\$745,500.00** for Professional Services. Continued improvement in Custodian Fees should be realized in 2019 as a result of a recent request for proposal issued by the board. The breakdown for Professional Services is as follows:

<u>Account</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
Investment Consultant Fees	\$218,750.00	\$261,424.64	\$328,666.60	\$368,000.00	\$368,000.00
Custodian Fee	282,068.73	254,325.63	228,713.75	250,000.00	225,000.00
Fiduciary Insurance	68,122.50	70,206.00	71,215.00	75,000.00	75,000.00
Auditing Services	45,500.00	30,184.00	37,000.00	37,000.00	39,000.00
IT Consulting Services	13,763.25	10,336.50	14,033.94	15,000.00	15,000.00
Actuarial Fees	7,750.00	8,000.00	21,000.00	15,000.00	21,000.00
Employee Payroll Services	<u>1,685.25</u>	<u>2,150.00</u>	<u>2,595.12</u>	<u>2,400.00</u>	<u>2,500.00</u>
TOTAL Professional Services	\$637,639.73	\$636,626.77	\$703,224.41	\$762,400.00	\$745,500.00

Legal Expenses

Our Legal Expense line item is **\$89,000.00** for 2019, a ten percent reduction in amount approved for 2018. Mitigation efforts have been implemented through the use of additional service providers. However, regulations, filing requirements, contractual negotiations, compliance, and other legal complexities warrant maintaining a similar financial allocation as previously approved. Additional longer-term mitigation strategies are being undertaken to more permanently constrain this line item.

Office Lease

We have budgeted the Office Lease in 2019 at **\$147,750.00**. This budget reflects a CPI adjustment included in our lease for 2019 and the cost of insurance.

<u>Account</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
Monthly Rent/CAM Charges	\$136,857.88	\$137,681.76	\$122,523.00	\$125,400.00	\$146,000.00
Insurance	<u>1,227.00</u>	<u>1,288.00</u>	<u>\$1,105.67</u>	<u>1,750.00</u>	<u>1,750.00</u>
TOTAL	\$138,084.88	\$138,969.76	\$123,628.67	\$127,150.00	\$147,750.00

Administrative Expenses

An increase in Administrative Expenses is forecast in 2019 as a result of recent retirements which necessitate retirement appropriations. Additionally, there will be a board member election requiring additional postage and mailing expenses and the biannual mailing of newsletters to membership. Below are line-item descriptions of Administrative Expenses for 2019:

<u>Account</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
Retirement Appropriation	\$102,565.00	\$132,047.00	\$139,663.00	\$140,000.00	\$195,993.00
Postage	14,971.98	14,797.91	15,342.47	20,000.00	20,000.00
Electricity Expense	14,532.72	16,852.00	13,294.79	17,500.00	17,500.00
Travel	7,991.80	14,353.65	9,627.49	15,000.00	15,000.00
Education/Training	16,132.51	14,635.17	14,978.09	15,000.00	15,000.00
Office Supplies	9,982.83	13,373.53	10,778.86	10,000.00	10,000.00
Election Expense	6,520.82	0.00	0.00	10,000.00	10,000.00
Annual Statements	4,044.73	5,538.31	5,504.69	6,000.00	6,000.00
Cleaning Service	5,220.00	4,880.00	5,110.00	5,000.00	5,000.00
MISC Expenses	3,861.93	8,126.83	4,996.30	5,000.00	5,000.00
News Letter Expense	0.00	0.00	0.00	3,000.00	13,000.00
Data/Document MGMT	2,404.66	2,451.07	2,218.89	3,000.00	4,000.00
Annual Membership Dues	<u>1,170.00</u>	<u>850.00</u>	<u>1,100.00</u>	<u>1,200.00</u>	<u>1,200.00</u>
Total Administrative Expenses	\$189,398.98	\$227,905.47	\$222,614.58	\$250,700.00	\$317,693.00

Computer and Office Equipment

There is a moderate decrease in this portion of the budget for 2019 to reflect accurate expenditures and objectives. It is forecast that there will be an additional Computer Equipment Upgrade expense. Below is a breakdown of Computer and Office Equipment expenses for 2019:

<u>Account</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
Pension Technology Group	\$24,800.00	\$50,051.08	\$43,925.00	\$55,500.00	\$45,500.00
Rental of Equipment	7,270.23	9,139.23	7,947.11	10,000.00	10,000.00
Tyler Technologies	7,724.84	8,111.08	8,516.64	9,000.00	9,000.00
Telephone/Internet	13,353.47	13,644.10	17,155.51	7,500.00	7,500.00
Computer Equipment Upgrade	1,278.05	3,590.18	4,978.43	7,500.00	7,500.00
MISC Services/Supplies	2,351.60	2,278.40	1,284.32	3,000.00	3,000.00
E-mail/Website Hosting	<u>1,995.00</u>	<u>1,995.00</u>	<u>\$6,300.00</u>	<u>2,000.00</u>	<u>2,000.00</u>
TOTAL	\$58,773.19	\$88,809.07	\$90,107.01	\$94,500.00	\$84,500.00

RESERVE ACCOUNT

The Reserve Account for 2019 includes **\$80,000.00** lower than the amount budgeted in the last fiscal year as a result of the completion of certain projects. This budgetary item has been proposed for three potential projects in 2019: The continuation of a disaster recovery program for internal documents, a potential move to a new location, and the purchase of additional shelving, filing cabinets, electronic storage, and security.

<u>Account</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
Reserve Fund	<u>\$7,436.79</u>	<u>\$0.00</u>	<u>\$26,100.09</u>	<u>\$100,000.00</u>	<u>\$80,000.00</u>
TOTAL Reserve Account	\$7,436.79	\$0.00	<u>\$26,100.09</u>	\$100,000.00	\$80,000.00

TOTAL OPERATING EXPENSES

<u>Account</u>	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
TOTAL OPERATING EXPENSES	\$1,986,740.46	\$2,213,739.17	\$2,235,926.99	\$2,462,157.89	\$2,498,716.33

**PLYMOUTH COUNTY RETIREMENT
ASSOCIATION 2019 BUDGET**

Personnel Costs	<u>EXPENDED</u> 2015	<u>EXPENDED</u> 2016	<u>EXPENDED</u> 2017	<u>APPROVED</u> 2018	<u>PROPOSED</u> 2019
Employee Salaries	\$731,973.92	\$737,446.28	\$730,792.52	\$734,716.40	\$774,000.00
Health, Life, Dental Insurance	137,544.17	160,088.09	168,092.25	200,000.00	185,000.00
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Sick Time & Vacation Buyback	0.00	91,166.00	36,368.55	10,000.00	1,000.00
Unemployment Insurance	945.00	686.12	666.96	1,000.00	1,000.00
Longevity Payments	<u>7,250.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL Personnel Costs	\$932,861.49	\$1,051,017.49	\$981,766.09	\$1,028,407.89	\$1,034,273.33
Professional Services	<u>EXPENDED</u> 2015	<u>EXPENDED</u> 2016	<u>EXPENDED</u> 2017	<u>APPROVED</u> 2018	<u>PROPOSED</u> 2019
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TOTAL Professional Services	\$637,639.73	\$636,626.77	\$703,224.41	\$762,400.00	\$745,500.00
Legal Expense	<u>EXPENDED</u> 2015	<u>EXPENDED</u> 2016	<u>EXPENDED</u> 2017	<u>APPROVED</u> 2018	<u>PROPOSED</u> 2019
Other Legal Expense	\$22,545.40	\$70,410.61	\$88,486.14	\$99,000.00	\$89,000.00
Total Legal Expense	\$22,545.40	\$70,410.61	\$88,486.14	\$99,000.00	\$89,000.00
Office Lease	<u>EXPENDED</u> 2015	<u>EXPENDED</u> 2016	<u>EXPENDED</u> 2017	<u>APPROVED</u> 2018	<u>PROPOSED</u> 2019
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Total Administrative Expenses	\$189,398.98	\$227,905.47	\$222,614.58	\$250,700.00	\$317,693.00
Computer and Office Equipment	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
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TOTAL	\$58,773.19	\$88,809.07	\$90,107.01	\$94,500.00	\$84,500.00
Reserve Account	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
Reserve Fund	<u>\$7,436.79</u>	<u>\$0.00</u>	<u>\$26,100.09</u>	<u>\$100,000.00</u>	<u>\$80,000.00</u>
TOTAL Reserve Account	\$7,436.79	\$0.00	\$26,100.09	\$100,000.00	\$80,000.00
TOTAL OPERATING EXPENSES	<u>EXPENDED</u> <u>2015</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>
	\$1,986,740.46	\$2,213,739.17	\$2,235,926.99	\$2,462,157.89	\$2,498,716.33