

PLYMOUTH COUNTY RETIREMENT ASSOCIATION 2020 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 26, 2019

PCRA 2019 OPERATING BUDGET OVERVIEW

The total administrative operating cost for the Plymouth County Retirement Association (“PCRA”) is anticipated to be **\$2,490,947.00** a 0.31% decrease for 2020. 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 that will directly benefit PCRA, its members, and member units. A detailed breakdown of the proposed 2020 budget follows:

PERSONNEL COSTS

Expenditures in this budget category are expected to total **\$1,070,600.00**. 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>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>APPROVED</u> <u>2019</u>	<u>PROPOSED</u> <u>2020</u>
Employee Salaries	\$737,446.28	\$730,792.52	\$760,944.60	\$774,000.00	\$801,000.00
Health, Life, & Dental Insurance	160,088.09	168,092.25	184,261.47	185,000.00	185,000.00
Reserve – Vacation Buyout	23,110.00	18,674.30	26,231.60	20,000.00	20,000.00
Reserve – Salaries	In salaries	In salaries	In salaries	23,273.33	22,400.00
Board Stipend	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Medicare Insurance	12,521.00	7,171.51	17,965.08	10,000.00	20,000.00
Sick Time & Vacation Buyback	91,166.00	36,368.55	0.00	1,000.00	1,000.00
Unemployment Insurance	686.12	666.96	986.00	1,000.00	1,200.00
Longevity Payments	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL Personnel Costs	\$1,051,017.49	\$981,766.09	\$1,010,388.75	\$1,034,273.33	\$1,070,600.00

Professional Services

The 2020 operating budget includes **\$714,600.00** for Professional Services, an approximate decrease of 4% from the amount approved for 2019. The board will continue to monitor the value of these services. The breakdown for Professional Services is as follows:

<u>Account</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>APPROVED</u> <u>2019</u>	<u>PROPOSED</u> <u>2020</u>
Investment Consultant Fees	\$261,424.64	\$328,666.60	\$371,933.28	\$368,000.00	\$375,000.00
Custodian Fee	254,325.63	228,713.75	171,542.75	225,000.00	200,000.00
Fiduciary Insurance	70,206.00	71,215.00	72,813.00	75,000.00	75,000.00
Auditing Services	30,184.00	37,000.00	37,000.00	39,000.00	39,000.00
IT Consulting Services	10,336.50	14,033.94	14,807.22	15,000.00	15,000.00
Actuarial Fees	8,000.00	21,000.00	4,807.77	21,000.00	8,000.00
Employee Payroll Services	<u>2,150.00</u>	<u>2,595.12</u>	<u>2,399.99</u>	<u>2,500.00</u>	<u>2,600.00</u>
TOTAL Professional Services	\$636,626.77	\$703,224.41	\$675,304.01	\$745,500.00	\$714,600.00

Legal Expenses

Our Legal Expense line item is **99,000.00** for 2020, an approximate ten percent increase in the amount approved for 2019. Mitigation efforts have been implemented through the use of additional service

providers. However, regulations, filing requirements, contractual negotiations, compliance, pending litigation matters, and other legal complexities warrant maintaining an increased financial allocation as previously approved. Longer-term mitigation strategies are ongoing to more permanently constrain this line item.

Office Lease

We have budgeted the Office Lease in 2020 at **\$151,750.00**. This budget reflects a CPI adjustment included in our lease, expected increases for a lease extension from 2019, and the cost of insurance.

<u>Account</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>APPROVED</u> <u>2019</u>	<u>PROPOSED</u> <u>2020</u>
Monthly Rent/CAM Charges	\$137,681.76	\$122,523.00	\$129,202.28	\$146,000.00	\$150,000.00
Insurance	<u>1,288.00</u>	<u>\$1,105.67</u>	<u>1,609.00</u>	<u>1,750.00</u>	<u>1,750.00</u>
TOTAL	\$138,969.76	\$123,628.67	\$130,811.28	\$147,750.00	\$151,750.00

Administrative Expenses

A small decrease in Administrative Expenses is forecasted in 2020 as a result of the lack of a board member election and cost controls implemented for biannual mailing of newsletters to membership. Below are line-item descriptions of Administrative Expenses for 2020:

<u>Account</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>APPROVED</u> <u>2019</u>	<u>PROPOSED</u> <u>2020</u>
Retirement Appropriation	\$132,047.00	\$139,663.00	\$195,993.00	\$195,993.00	\$199,497.00
Postage	14,797.91	15,342.47	18,371.47	20,000.00	20,000.00
Electricity Expense	16,852.00	13,294.79	17,872.16	17,500.00	18,000.00
Travel	14,353.65	9,627.49	16,097.00	15,000.00	17,000.00
Education/Training	14,635.17	14,978.09	15,908.75	15,000.00	17,000.00
Office Supplies	13,373.53	10,778.86	9,448.99	10,000.00	10,000.00
Election Expense	0.00	0.00	5,820.73	10,000.00	0.00
Annual Statements	5,538.31	5,504.69	5,732.13	6,000.00	6,000.00
Cleaning Service	4,880.00	5,110.00	4,900.00	5,000.00	5,000.00
MISC Expenses	8,126.83	4,996.30	2,827.78	5,000.00	5,000.00
News Letter Expense	0.00	0.00	2,915.53	13,000.00	10,000.00
Data/Document MGMT	2,451.07	2,218.89	1,839.51	4,000.00	4,000.00
Annual Membership Dues	<u>850.00</u>	<u>1,100.00</u>	<u>1,200.00</u>	<u>1,200.00</u>	<u>1,500.00</u>
Total Administrative Expenses	\$227,905.47	\$222,614.58	\$298,927.05	\$317,693.00	\$312,997.00

Computer and Office Equipment

There is a moderate increase in this portion of the budget for 2020 to reelect the implementation of a new insurance portal that will permit member units to track, change, and implement insurance changes for their retirees directly within the Pension Technology Group's system via a portal. It is also forecast that there will be less Computer Equipment Upgrade expenses. Below is a breakdown of Computer and Office Equipment expenses for 2020:

<u>Account</u>	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>APPROVED</u> <u>2019</u>	<u>PROPOSED</u> <u>2020</u>
Pension Technology Group	\$50,051.08	\$43,925.00	\$45,182.00	\$45,500.00	\$58,000.00
Rental of Equipment	9,139.23	7,947.11	8,620.80	10,000.00	10,000.00
Tyler Technologies	8,111.08	8,516.64	4,805.25	9,000.00	5,000.00

Telephone/Internet	13,644.10	17,155.51	15,086.76	7,500.00	10,000.00
Computer Equipment Upgrade	3,590.18	4,978.43	5,573.06	7,500.00	4,000.00
MISC Services/Supplies	2,278.40	1,284.32	924.50	3,000.00	3,000.00
E-mail/Website Hosting	<u>1,995.00</u>	<u>6,300.00</u>	<u>1,800.00</u>	<u>2,000.00</u>	<u>2,000.00</u>
TOTAL	\$88,809.07	\$90,107.01	\$81,992.37	\$84,500.00	\$92,000.00

RESERVE ACCOUNT

The Reserve Account for 2020 includes **\$50,000.00**, 37.5% 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 2020: The continuation of a disaster recovery program for internal documents, a potential move to a new location, and the purchase of filing cabinets, electronic storage, and security.

	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>APPROVED</u>	<u>PROPOSED</u>
<u>Account</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Reserve Fund	<u>\$0.00</u>	<u>\$26,100.09</u>	<u>\$40,006.71</u>	<u>\$80,000.00</u>	<u>\$50,000.00</u>
TOTAL Reserve Account	\$0.00	\$26,100.09	\$40,006.71	\$80,000.00	\$50,000.00

TOTAL OPERATING EXPENSES

	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>APPROVED</u>	<u>PROPOSED</u>
<u>Account</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
TOTAL OPERATING EXPENSES	\$2,213,739.17	\$2,235,926.99	\$2,306,147.19	\$2,498,716.33	\$2,490,947.00

**PLYMOUTH COUNTY RETIREMENT
ASSOCIATION 2019 BUDGET**

Personnel Costs	<u>EXPENDED</u> 2016	<u>EXPENDED</u> 2017	<u>EXPENDED</u> 2018	<u>APPROVED</u> 2019	<u>PROPOSED</u> 2020
Employee Salaries	\$737,446.28	\$730,792.52	\$760,944.60	\$774,000.00	\$801,000.00
Health, Life, Dental Insurance	160,088.09	168,092.25	184,261.47	185,000.00	185,000.00
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Sick Time & Vacation Buyback	91,166.00	36,368.55	0.00	1,000.00	1,000.00
Unemployment Insurance	686.12	666.96	986.00	1,000.00	1,200.00
Longevity Payments	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL Personnel Costs	\$1,051,017.49	\$981,766.09	\$1,010,388.75	\$1,034,273.33	\$1,070,600.00
Professional Services	<u>EXPENDED</u> 2016	<u>EXPENDED</u> 2017	<u>APPROVED</u> 2018	<u>PROPOSED</u> 2019	<u>PROPOSED</u> 2020
Investment Consultant Fees	\$261,424.64	\$328,666.60	\$371,933.28	\$368,000.00	\$375,000.00
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TOTAL Professional Services	\$636,626.77	\$703,224.41	\$675,304.01	\$745,500.00	\$714,600.00
Legal Expense	<u>EXPENDED</u> 2016	<u>EXPENDED</u> 2017	<u>APPROVED</u> 2018	<u>PROPOSED</u> 2019	<u>PROPOSED</u> 2020
Other Legal Expense	\$70,410.61	\$88,486.14	\$68,717.02	\$89,000.00	\$99,000.00
Total Legal Expense	\$70,410.61	\$88,486.14	\$68,717.02	\$89,000.00	\$99,000.00
Office Lease	<u>EXPENDED</u> 2016	<u>EXPENDED</u> 2017	<u>APPROVED</u> 2018	<u>PROPOSED</u> 2019	<u>PROPOSED</u> 2020
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Computer and Office Equipment	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>	<u>PROPOSED</u> <u>2020</u>
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TOTAL	\$88,809.07	\$90,107.01	\$81,992.37	\$84,500.00	\$92,000.00
Reserve Account	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>	<u>PROPOSED</u> <u>2020</u>
Reserve Fund	<u>\$0.00</u>	<u>\$26,100.09</u>	<u>\$40,006.71</u>	<u>\$80,000.00</u>	<u>\$50,000.00</u>
TOTAL Reserve Account	\$0.00	\$26,100.09	\$40,006.71	\$80,000.00	\$50,000.00
TOTAL OPERATING EXPENSES	<u>EXPENDED</u> <u>2016</u>	<u>EXPENDED</u> <u>2017</u>	<u>APPROVED</u> <u>2018</u>	<u>PROPOSED</u> <u>2019</u>	<u>PROPOSED</u> <u>2020</u>
	\$2,213,739.17	\$2,235,926.99	\$2,306,147.19	\$2,498,716.33	\$2,490,947.00