

PLYMOUTH COUNTY RETIREMENT ASSOCIATION 2021 BUDGET



Retirement Board Members

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

David J. Sullivan, Executive Director

APPROVED
December 15, 2020

PCRA 2021 OPERATING BUDGET OVERVIEW

The total administrative operating cost for the Plymouth County Retirement Association (“PCRA”) is anticipated to be **\$2,530,500.00** a 1.59% increase from the approved budget 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 2021 budget follows:

PERSONNEL COSTS

Expenditures in this budget category are expected to total **\$1,103,700.00**. 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>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>EXPENDED</u> <u>2019</u>	<u>APPROVED</u> <u>2020</u>	<u>PROPOSED</u> <u>2021</u>
Employee Salaries	\$730,792.52	\$760,944.60	\$759,302.66	\$801,000.00	\$826,500.00
Health, Life, Dental Insurance	168,092.25	184,261.47	178,190.61	185,000.00	190,000.00
Reserve – Vacation Buyout	18,674.30	26,231.60	27,746.25	20,000.00	20,000.00
Reserve – Salaries	In salaries	In salaries	In salaries	22,400.00	25,000.00
Board Stipend	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Medicare Insurance	7,171.51	17,965.08	17,965.08	20,000.00	20,000.00
Sick Time & Vacation Buyback	36,368.55	0.00	0.00	1,000.00	1,000.00
Unemployment Insurance	666.96	986.00	986.00	1,200.00	1,200.00
TOTAL Personnel Costs	\$981,766.09	\$1,010,388.75	\$1,004,190.60	\$1,070,600.00	\$1,103,700.00

Professional Services

The 2021 operating budget includes **\$750,800.00** for Professional Services, an approximate increase of 5.07% from the amount approved for 2020. 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>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>EXPENDED</u> <u>2019</u>	<u>APPROVED</u> <u>2020</u>	<u>PROPOSED</u> <u>2021</u>
Investment Consultant Fees	\$328,666.60	\$371,933.28	\$388,976.39	\$375,000.00	\$390,000.00
Custodian Fee	228,713.75	171,542.75	206,502.46	200,000.00	215,000.00
Fiduciary Insurance	71,215.00	72,813.00	76,208.00	75,000.00	78,000.00
Auditing Services	37,000.00	37,000.00	37,000.00	39,000.00	39,000.00
IT Consulting Services	14,033.94	14,807.22	15,528.80	15,000.00	16,000.00
Actuarial Fees	21,000.00	4,807.77	14,750.00	8,000.00	10,000.00
Employee Payroll Services	<u>2,595.12</u>	<u>2,399.99</u>	<u>2,739.45</u>	<u>2,600.00</u>	<u>2,800.00</u>
TOTAL Professional Services	\$703,224.41	\$675,304.01	\$741,705.10	\$714,600.00	\$750,800.00

Legal Expenses

Our Legal Expense line item is **99,000.00** for 2021, identical to the amount approved for 2020. 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 the same allocation as previously approved.

Office Lease

We have budgeted the Office Lease in 2021 at **\$87,500.00**. This budget reflects an expected elimination of lease costs due to the purchase of and move to our new office building at 60 Industrial Park Road Plymouth, MA 02360.

<u>Account</u>	<u>EXPENDED</u> <u>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>EXPENDED</u> <u>2019</u>	<u>APPROVED</u> <u>2020</u>	<u>PROPOSED</u> <u>2021</u>
Monthly Rent/CAM Charges	\$122,523.00	\$129,202.28	\$158,587.63	\$150,000.00	\$80,000.00
Insurance	<u>\$1,105.67</u>	<u>1,609.00</u>	<u>1,620.00</u>	<u>1,750.00</u>	<u>7,500.00</u>
TOTAL	\$123,628.67	\$130,811.28	\$160,207.63	\$151,750.00	\$87,500.00

Administrative Expenses

A decrease in Administrative Expenses is forecasted in 2021 as a result of the lack of a board member election, elimination of retirement appropriations, and cost controls implemented for biannual mailing of newsletters to membership. Below are line-item descriptions of Administrative Expenses for 2021:

<u>Account</u>	<u>EXPENDED</u> <u>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>EXPENDED</u> <u>2019</u>	<u>APPROVED</u> <u>2020</u>	<u>PROPOSED</u> <u>2021</u>
Retirement Appropriation	\$139,663.00	\$195,993.00	\$199,497.00	\$199,497.00	0.00
Postage	15,342.47	18,371.47	14,410.94	20,000.00	15,000.00
Electricity Expense	13,294.79	17,872.16	13,363.67	18,000.00	18,000.00
Travel	9,627.49	16,097.00	9,524.89	17,000.00	15,000.00
Education/Training	14,978.09	15,908.75	15,517.61	17,000.00	15,000.00
Office Supplies	10,778.86	9,448.99	11,703.47	10,000.00	15,000.00
Election Expense	0.00	5,820.73	9,511.33	0.00	0.00
Annual Statements	5,504.69	5,732.13	7,124.50	6,000.00	7,000.00
Cleaning Service	5,110.00	4,900.00	5,200.00	5,000.00	5,000.00
MISC Expenses	4,996.30	2,827.78	3,640.00	5,000.00	5,000.00
News Letter Expense	0.00	2,915.53	12,885.60	10,000.00	10,000.00
Data/Document MGMT	2,218.89	1,839.51	5,873.92	4,000.00	6,000.00
Annual Membership Dues	<u>1,100.00</u>	<u>1,200.00</u>	<u>600.00</u>	<u>1,500.00</u>	<u>1,500.00</u>
Total Administrative Expenses	\$222,614.58	\$298,927.05	\$308,852.93	\$312,997.00	\$112,500.00

Computer and Office Equipment

A redistribution of costs for this portion of the budget for 2021 has occurred. It is also forecasted that Tyler Technologies will no longer be an expense category as this legacy system has been eliminated. Below is a breakdown of Computer and Office Equipment expenses for 2021:

<u>Account</u>	<u>EXPENDED</u> <u>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>EXPENDED</u> <u>2019</u>	<u>APPROVED</u> <u>2020</u>	<u>PROPOSED</u> <u>2021</u>
Pension Technology Group	\$43,925.00	\$45,182.00	\$52,900.00	\$58,000.00	\$60,000.00
Rental of Equipment	7,947.11	8,620.80	8,392.50	10,000.00	10,000.00
Tyler Technologies	8,516.64	4,805.25	0.00	5,000.00	0.00
Telephone/Internet	17,155.51	15,086.76	15,381.09	10,000.00	12,000.00
Computer Equipment Upgrade	4,978.43	5,573.06	7,438.69	4,000.00	5,000.00
MISC Services/Supplies	1,284.32	924.50	5,502.48	3,000.00	3,000.00

E-mail/Website Hosting	<u>6,300.00</u>	<u>1,800.00</u>	<u>1,800.00</u>	<u>2,000.00</u>	<u>2,000.00</u>
TOTAL	\$90,107.01	\$81,992.37	\$91,414.76	\$92,000.00	\$92,000.00

RESERVE ACCOUNT

The Reserve Account for 2021 includes **\$285,000.00** to cover the cost of renovations and upgrades necessary for the move to the new office.

<u>Account</u>	<u>EXPENDED</u> <u>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>EXPENDED</u> <u>2019</u>	<u>APPROVED</u> <u>2020</u>	<u>PROPOSED</u> <u>2021</u>
Reserve Fund	<u>\$26,100.09</u>	<u>\$40,006.71</u>	<u>\$58,616.66</u>	<u>\$50,000.00</u>	<u>\$285,000.00</u>
TOTAL Reserve Account	<u>\$26,100.09</u>	<u>\$40,006.71</u>	<u>\$58,616.66</u>	<u>\$50,000.00</u>	<u>\$285,000.00</u>

TOTAL OPERATING EXPENSES

<u>Account</u>	<u>EXPENDED</u> <u>2017</u>	<u>EXPENDED</u> <u>2018</u>	<u>EXPENDED</u> <u>2019</u>	<u>APPROVED</u> <u>2020</u>	<u>PROPOSED</u> <u>2021</u>
TOTAL OPERATING EXPENSES	\$2,235,926.99	\$2,306,147.19	\$2,459,115.14	\$2,490,947.00	\$2,530,500.00

**PLYMOUTH COUNTY RETIREMENT ASSOCIATION 2021
BUDGET**

Personnel Costs	<u>EXPENDED</u> 2017	<u>EXPENDED</u> 2018	<u>EXPENDED</u> 2019	<u>APPROVED</u> 2020	<u>PROPOSED</u> 2021
Employee Salaries	\$730,792.52	\$760,944.60	\$759,302.66	\$801,000.00	\$826,500.00
Health, Life, Dental Insurance	168,092.25	184,261.47	178,190.61	185,000.00	190,000.00
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Medicare Insurance	\$7,171.51	17,965.08	17,965.08	20,000.00	20,000.00
Sick Time & Vacation Buyback	36,368.55	0.00	0.00	1,000.00	1,000.00
Unemployment Insurance	666.96	986.00	986.00	1,200.00	1,200.00
TOTAL Personnel Costs	\$981,766.09	\$1,010,388.75	\$1,004,190.60	\$1,070,600.00	\$1,103,700.00
Professional Services	<u>EXPENDED</u> 2017	<u>EXPENDED</u> 2018	<u>EXPENDED</u> 2019	<u>APPROVED</u> 2020	<u>PROPOSED</u> 2021
Investment Consultant Fees	\$328,666.60	\$371,933.28	\$388,976.39	\$375,000.00	\$390,000.00
Custodian Fee	228,713.75	171,542.75	206,502.46	200,000.00	215,000.00
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TOTAL Professional Services	\$703,224.41	\$675,304.01	\$741,705.10	\$714,600.00	\$750,800.00
Legal Expense	<u>EXPENDED</u> 2017	<u>EXPENDED</u> 2018	<u>EXPENDED</u> 2019	<u>APPROVED</u> 2020	<u>PROPOSED</u> 2021
Other Legal Expense	\$88,486.14	\$68,717.02	\$94,127.46	\$99,000.00	\$99,000.00
Total Legal Expense	\$88,486.14	\$68,717.02	\$94,127.46	\$99,000.00	\$99,000.00
Office Lease	<u>EXPENDED</u> 2017	<u>EXPENDED</u> 2018	<u>EXPENDED</u> 2019	<u>APPROVED</u> 2020	<u>PROPOSED</u> 2021
Monthly Rent/CAM charges	\$122,523.00	\$129,202.28	\$158,587.63	\$150,000.00	\$80,000.00
Insurance	<u>1,105.67</u>	<u>1,609.00</u>	<u>1,620.00</u>	<u>1,750.00</u>	<u>7,500.00</u>
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MISC Services/Supplies	1,284.32	924.50	5,502.48	3,000.00	3,000.00
E-mail/Website Hosting	<u>\$6,300.00</u>	<u>1,800.00</u>	<u>1,800.00</u>	<u>2,000.00</u>	<u>2,000.00</u>
TOTAL	\$90,107.01	\$81,992.37	\$91,414.76	\$92,000.00	\$92,000.00
Reserve Account	<u>EXPENDED</u> 2017	<u>EXPENDED</u> 2018	<u>EXPENDED</u> 2019	<u>APPROVED</u> 2020	<u>PROPOSED</u> 2021
Reserve Fund	<u>\$26,100.09</u>	<u>\$40,006.71</u>	<u>\$58,616.66</u>	<u>\$50,000.00</u>	<u>\$285,000.00</u>
TOTAL Reserve Account	\$26,100.09	\$40,006.71	\$58,616.66	\$50,000.00	\$285,000.00
TOTAL OPERATING EXPENSES	<u>EXPENDED</u> 2017	<u>EXPENDED</u> 2018	<u>EXPENDED</u> 2019	<u>APPROVED</u> 2020	<u>PROPOSED</u> 2021
	\$2,235,926.99	\$2,306,147.19	\$2,459,115.14	\$2,490,947.00	\$2,530,500.00