Mendocino County Employees Retirement Association

Date:	May 20, 2026
To:	Board of Retirement
From:	Doris L. Rentschler, Executive Director F. Robert Reveles, Retirement Financial Investment Officer
Subject:	Fiscal Year 2027 Proposed Budget

OVERVIEW

The attached schedules detail the proposed budget for MCERA for fiscal year 2027 (FY-27). The first schedule compares the FY-27 budget proposal to the FY-26 MCERA budget. The second schedule compares the FY-27 budget proposal to the FY-26 projected actual expenditures. The third compares the FY-26 projected actual expenditures to the FY-26 adopted budget. The third schedule is meant as a preview of the fourth quarter budget update. A more detailed analysis of the actual FY-26 budget will be provided with the fourth quarter budget update report. The fourth schedule compares the proposed FY-27 budget and the adopted budget for the prior five fiscal years. The fifth schedule compares the proposed FY-27 budget against the actual expenditures in prior years, including the FY-26 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-27 budget proposal to provide context and information beyond the numbers provided in the schedules.

PERSONNEL

The County Executive Office provides simple salary projections to MCERA. MCERA staff then make adjustments for known bargaining unit increases, changes in retirement rates and expected health insurance increases.

The FY-27 budget includes 7.0 FTEs: three Benefits Specialists, an Accountant, an Analyst, a Financial Investment Officer, and an Executive Director.

Personnel costs for FY27 are less than prior year FY26. Gross Regular Salaries include only merit increases for newer staff because longer tenured staff are all at the maximum step. Though the current labor union agreements are set to expire on June 30, 2026, we don't have any knowledge of potential bargaining unit pay increases. Retirement rates are lower due to contribution rates decreasing and payoff of the County POBs. Vacation cash-outs are also included. Health Insurance premiums, Workers Comp, Unemployment and General Liability insurance are calculated by the Executive Office. Because MCERA is fully staffed the proposed budget includes no overtime.

ADMINISTRATIVE

The Administrative category decreased compared to last year's budget. Office Expense is higher due to increased mail supplies for an expected Board seat election, new IRS filing costs, updates to laptops, scanners, and financial software licenses. Legal Expense increased because of new tax counsel. Audit expense is unchanged from the prior year. Contracts decreased due to the second year of Agreed Upon Procedures audit costs being lower. Consulting – Actuary costs are lower with the new actuary. Costs include the GAS 67/68 report ($15,000) and monthly services ($36,600). GASB 68 report expenses are reimbursed by the plan sponsors. Staff Education and Training rose compared to the prior year because of increased attendance at events. Primary Staff Training events include:

- CALAPRS Administrators Institute, General Assembly, and Roundtables
- Investment consultant conferences and workshops
- SACRS Spring/Fall Conferences
- LRS Teaming Conference
- NCPERS Communication and Member Services Summit
- Markets Group Northern CA Institutional Forum
- GFOA Budget Academy

BOARD EXPENSE

Board Expense is flat compared to last year. Fiduciary Insurance is expected to increase about 6%. Board meeting expense, including stipends for five appointed trustees and two audit committee members, decreased due to no planned off-site meeting. Board training decreased because of no planned attendance at the Callan National Conference and a reduced registration fee for the CALAPRS Principle of Governance course. Trustee training events included in FY27 budget are:

- 5 Trustees at SACRS Conference Fall (Rancho Mirage)
- 5 Trustees at SACRS Conference Spring (Monterey)
- 3 Trustees at CALAPRS Principle of Governance (Santa Barbara)
- 10 Trustees at CALAPRS Trustee Roundtable (Virtual)

DISABILITY

Disability Expense budget did not change from last year. Disability expenses are difficult to estimate because costs depend on the number of applications and severity of each member's case.

625-B KINGS COURT

The imputed rent for MCERA's office building will increase by 1.33% in FY-27. The increase is based on the historical methodology used by the Department of Rehabilitative Services to adjust rents.

TECHNOLOGY

The Technology budget grew compared to last year. LRS – Pension Gold increased because of our anticipated migration away from LRS hosting to Microsoft Azure hosting. Change orders were reduced from 31 hours per month to 13. The Business Continuity Plan increased 5%, per our contract. County IT Project expenses increased due to higher service rates from County IT staff. The line also includes the Enterprise Internal Service Fund expense (ISF). This expense rose from $10,579 in FY-26 to $19,867 this year. The purpose of the fund is to support the ongoing maintenance of County IT infrastructure. Scan Station expenses will increase per our contract.

INVESTMENT

Investment expenses are higher than the prior year. Investment Manager Fees include:

- Brandes International Small Cap Value
- J.P. Morgan Infrastructure Investment Fund
- LaSalle Property Fund
- Kayne Anderson Core Real Estate
- Nintey-One Emerging Markets Equity Fund
- RREEF America II Real Estate
- SSGA World ex-US Index Fund
- T. Rowe Price International Small Cap

Overall, investment management fees for each manager increased by 7% to 10%. The managers we pay directly with a check are Brandes, Ninety-One, and T. Rowe Price. All other manager fees are paid via unit sales of the fund. The fee amounts and dollars for each manager are shown below:

Manager	Asset Class	Fee (bps)	Est. Annual Cost
Brandes	Equity	75	$86,500
J.P Morgan	Infrastructure	132*	$419,200
LaSalle	Real Estate	100	$302,400
Kayne	Real Estate	113	$371,500
Ninety-One	Equity	73	$256,600
RREEF	Real Estate	68	$249,300
SSGA	Equity	2.5	$39,000
T. Rowe Price	Equity	104	$119,900

*Includes 82 bps base fee and 50 bps estimated incentive fee

Fees for J.P. Morgan are composed of two parts, management fees and incentive fees. Management fees are 82 bps per year, or approximately $260,400. Incentive fees, performance-based fees paid when the manager outperforms specific return hurdles, are estimated at 50 bps per year, or approximately $159,000. In our case, Incentive fees are 15% of the return above 7%, capped at 13.5%. The Incentive fees are dependent on sustained performance.

While we are still funding our new real estate investments, the budget assumes a full transition away from Barings to Kayne and LaSalle. Trustees should note that full funding for LaSalle will not be complete until mid-2027 or later, pending the final closure of the Barings investment. Once finalized, each strategy will be about $33 million.

Investment Consulting services are budgeted similar to prior years.

Actuary Services – Cheiron includes the annual valuation, which costs less than our previous actuary's fee.

Custodian Bank – State Street is higher than prior years because we expect the total portfolio to continue growing. The budget assumes portfolio growth from $916 Million to $946 Million.

Internal Investment Monitoring increased this year. Funds include two distinct areas: due diligence meetings with our current investment managers/consultant ($4,000), and software to access investment data from an external provider ($16,650). The software is Morningstar Direct (MD), an institutional database independent of our investment consultant. The MD software supports review of our investment managers, financial markets, and forward-looking risk scenarios.

CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan includes: $100,500 for a new roof, $25,000 for full gutter replacements, $18,500 to paint the building, $15,000 roof drainage replacement, and $12,600 for light/ballast replacements. The total expense is an estimate. We will need to RFP for some of these services.

TOTAL COMPARISONS

The first schedule shows the proposed FY-27 budget includes a total increase of $512,039 over the approved FY-26 budget. Across the various budget categories, we see roughly a $23,500 decrease in Personnel, an $87,700 decrease in Administrative, a $400 decrease in Board Expense, an $800 increase in Imputed Rent, a $28,400 increase in Technology, a $423,000 increase in Investments, and a $171,600 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 (adjusted for inflation) 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 $2,000,000 (adjusted for inflation).

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-27, the AAL is $996,881,999 based on June 30, 2025, actuarial valuation. This AAL results in the MCERA Policy based budget limit for Administrative Expenses of $2,093,452.

The total Administrative Expenses in the proposed FY-27 budget are $1,818,190. This proposal is $275,262 below the limit specified by the Board in policy.

Mendocino County Employees Retirement Association
Fiscal Year 2027
Proposed Budget vs Prior Year Adopted Budget

Schedule 1

	FY 2025/2026 Adopted Budget	FY 2026/2027 Proposed Budget	Difference $	Difference %
Personnel (BU 1920)				
Gross Regular Salaries	$ 746,399	$ 760,719	$ 14,320	1.92%
Extra Help	-	-	-	0.00%
Retirement	229,009	194,771	(34,238)	-14.95%
FICA	41,562	43,233	1,671	4.02%
Medicare	10,068	10,401	333	3.31%
Retirement Cola	57,887	39,354	(18,533)	-32.02%
Health Insurance	113,597	126,222	12,625	11.11%
Unemployment Insurance	-	-	-	0.00%
Workers Comp	873	1,193	320	36.60%
Subtotal	**$ 1,199,395**	**$ 1,175,893**	$ (23,502)	-1.96%
Administrative				
Office Expense	$ 33,904	$ 41,907	$ 8,003	23.60%
Legal Expense	155,000	162,500	7,500	4.84%
Audit	50,500	50,500	-	0.00%
Contracts	51,568	49,600	(1,968)	-3.82%
Consulting - Actuary	158,172	44,100	(114,072)	-72.12%
Staff Education and Training	32,747	45,330	12,583	38.42%
Membership	6,645	6,880	235	3.54%
Subtotal	**$ 488,537**	**$ 400,817**	$ (87,720)	-17.96%
Board Expense				
Fiduciary Insurance	$ 74,026	$ 78,430	$ 4,404	5.95%
Board Meeting Expense	8,575	6,600	(1,975)	-23.03%
Board Education and Training	38,990	36,150	(2,840)	-7.28%
Subtotal	**$ 121,591**	**$ 121,180**	$ (411)	-0.34%
Total Personnel, Administrative & Board Expense	**$ 1,809,523**	**$ 1,697,890**	$ (111,633)	-6.17%
Disability				
Administrative Review	$ 20,000	$ 20,000	-	0.00%
Hearings	40,000	40,000	-	0.00%
Subtotal	**$ 60,000**	**$ 60,000**	$ -	0.00%
625-B Kings Court				
Imputed Rent	$ 59,511	$ 60,300	$ 789	1.33%
Subtotal	**$ 59,511**	**$ 60,300**	$ 789	
Total Administration Expense	**$ 1,929,034**	**$ 1,818,190**	$ (110,844)	-5.75%

Mendocino County Employees Retirement Association
Fiscal Year 2027
Proposed Budget vs Prior Year Adopted Budget

Schedule 1

	FY 2025/2026 Adopted Budget	FY 2026/2027 Proposed Budget	Difference $	Difference %
Technology				
LRS - Pension Gold	$ 139,734	$ 156,208	$ 16,474	11.79%
County IT Project Expenses	19,887	31,245	11,358	57.12%
PCX Scan Station	12,095	12,700	605	5.00%
Subtotal	**$ 171,716**	**$ 200,153**	$ 28,437	16.56%
Investment				
Investment Manager Fees	$ 1,418,139	$ 1,844,400	$ 426,261	30.06%
Investment Consultant - Callan	200,471	200,500	29	0.01%
Actuary Services - Cheiron	81,000	64,000	(17,000)	-20.99%
Custodian Bank - State Street	80,154	92,900	12,746	15.90%
Internal Investment Monitoring	19,840	20,650	810	4.08%
Subtotal	**$ 1,799,604**	**$ 2,222,450**	$ 422,846	23.50%
Capital Improvement Plan	**$ -**	**$ 171,600**	$ 171,600	100.00%
Total MCERA	**$ 3,900,354**	**$ 4,412,393**	$ 512,039	13.13%
Total Administrative Expenses	**$ 1,929,034**	**$ 1,818,190**		
(Total ex Technology & Investment)				
CERL Administrative Budget Limit	**$ 2,000,000**	**$ 2,000,000**		
(Over)/Under CERL Limit	**$ 70,966**	**$ 181,810**		
MCERA Policy Administrative Budget Limit	**$ 2,022,894**	**$ 2,093,452**		
(Over)/Under Policy Limit	**$ 93,860**	**$ 275,262**		
Basis Points Test	**0.21%**	**0.21%**		
AAL	**$ 963,282,735**	**$ 996,881,999**		
Date	**6/30/2024**	**6/30/2025**		

Mendocino County Employees Retirement Association
Fiscal Year 2027
Proposed Budget vs Prior Year Projected Actual

Schedule 2

	FY 2025/2026 Projected Actual	FY 2026/2027 Proposed Budget	Difference $	Difference %
Personnel (BU 1920)				
Gross Regular Salaries	$ 738,861	$ 760,719	$ 21,858	2.96%
Extra Help	-	-	-	0.00%
Retirement	220,983	194,771	(26,212)	-11.86%
FICA	40,989	43,233	2,244	5.47%
Medicare	9,980	10,401	421	4.22%
Retirement Cola	56,829	39,354	(17,475)	-30.75%
Health Insurance	102,883	126,222	23,339	22.69%
Unemployment Insurance	-	-	-	0.00%
Workers Comp	873	1,193	320	36.60%
Subtotal	**$ 1,171,398**	**$ 1,175,893**	$ 4,495	0.38%
Administrative				
Office Expense	$ 30,132	$ 41,907	$ 11,775	39.08%
Legal Expense	129,304	162,500	33,196	25.67%
Audit	50,500	50,500	-	0.00%
Contracts	36,371	49,600	13,229	36.37%
Consulting - Actuary	162,396	44,100	(118,296)	-72.84%
Staff Education and Training	27,493	45,330	17,837	64.88%
Membership	6,880	6,880	-	0.00%
Subtotal	**$ 443,075**	**$ 400,817**	$ (42,258)	-9.54%
Board Expense				
Fiduciary Insurance	$ 76,007	$ 78,430	$ 2,423	3.19%
Board Meeting Stipends	4,620	6,600	1,980	42.86%
Board Education and Training	18,199	36,150	17,951	98.64%
Subtotal	**$ 98,826**	**$ 121,180**	$ 22,354	22.62%
Total Personnel, Administrative & Board Expense	**$ 1,713,299**	**$ 1,697,890**	$ (15,409)	-0.90%
Disability				
Administrative Review	$ 34,370	$ 20,000	$ (14,370)	-41.81%
Hearings	10,000	40,000	30,000	300.00%
Subtotal	**$ 44,370**	**$ 60,000**	$ 15,630	35.23%
625-B Kings Court				
Imputed Rent	$ 59,512	$ 60,300	$ 788	1.32%
Subtotal	**$ 59,512**	**$ 60,300**	$ 788	1.32%
Total Administration Expense	**$ 1,817,181**	**$ 1,818,190**	$ 1,009	0.06%

Mendocino County Employees Retirement Association
Fiscal Year 2027
Proposed Budget vs Prior Year Projected Actual

Schedule 2

	FY 2025/2026 Projected Actual	FY 2026/2027 Proposed Budget	Difference $	Difference %
Technology				
LRS - Pension Gold	$ 101,516	$ 156,208	$ 54,692	53.88%
County IT Project Expenses	9,750	31,245	21,495	220.46%
PCX Scan Station	12,096	12,700	605	5.00%
Subtotal	**$ 123,361**	**$ 200,153**	**76,792**	**62.25%**
Investment				
Investment Manager Fees	$ 1,185,126	$ 1,844,400	$ 659,274	55.63%
Investment Consultant - Callan	200,472	200,500	28	0.01%
Custodian Bank - State Street	84,185	92,900	8,715	10.35%
Actuary Services - Cheiron	81,000	64,000	(17,000)	-20.99%
Internal Investment Monitoring	27,089	20,650	(6,439)	-23.77%
Subtotal	**$ 1,577,871**	**$ 2,222,450**	$ 644,579	40.85%
Capital Improvement Plan	-	**$ 171,600**	$ 171,600	100.00%
Total MCERA	**$ 3,518,414**	**$ 4,412,393**	$ 893,979	25.41%
Total Administrative Expenses	**$ 1,817,181**	**$ 1,818,190**		
(Total ex Technology & Investment)				
CERL Administrative Cap	**$ 2,000,000**	**$ 2,000,000**		
(Over)/Under Cap	**$ 182,819**	**$ 181,810**		
MCERA Policy Cap	**$ 2,022,894**	**$ 2,093,452**		
Balance	**$ 205,712**	**$ 275,262**		
Basis Points Test	**0.21%**	**0.21%**		
AAL	**$ 963,282,735**	**$ 996,881,999**		
Date	**6/30/2024**	**6/30/2025**		

Mendocino County Employees Retirement Association
Fiscal Year 2027
Prior Year Projected Actual vs Prior Year Adopted Budget

Schedule 3

	FY 2025/2026 Adopted Budget	FY 2025/2026 Projected Actual	Difference $	Difference %
Personnel (BU 1920)				
Gross Regular Salaries	$ 746,399	$ 738,861	$ 750	-1.01%
Extra Help	-	-	-	0.00%
Retirement	229,009	220,983	247	-3.50%
FICA	41,562	40,989	44	-1.38%
Medicare	10,068	9,980	10	-0.87%
Retirement Cola	57,887	56,829	55	-1.83%
Health Insurance	113,597	102,883	180	-9.43%
Unemployment Insurance	-	-	-	0.00%
Workers Comp	873	873	-	0.00%
Subtotal	**$ 1,199,395**	**$ 1,171,398**	$ (27,997)	-2.33%
Administrative				
Office Expense	$ 33,904	$ 30,132	$ (3,772)	-11.13%
Legal Expense	155,000	129,304	(25,696)	-16.58%
Audit	50,500	50,500	-	0.00%
Contracts	51,568	36,371	(15,197)	-29.47%
Consulting - Actuary	158,172	162,396	4,224	2.67%
Staff Education and Training	32,747	27,493	(5,255)	-16.05%
Membership	6,645	6,880	235	3.54%
Subtotal	**$ 488,537**	**$ 443,075**	$ (45,461)	-9.31%
Board Expense				
Fiduciary Insurance	$ 74,026	$ 76,007	$ 1,981	2.68%
Board Meeting Stipends	8,575	4,620	(3,955)	-46.13%
Board Education and Training	38,990	18,199	(20,791)	-53.32%
Subtotal	**$ 121,591**	**$ 98,826**	$ (22,765)	-18.72%
Total Personnel, Administrative & Board Expense	**$ 1,809,523**	**$ 1,713,299**	$ (96,223)	-5.32%
Disability				
Administrative Review	$ 20,000	$ 34,370	$ 14,370	71.85%
Hearings	40,000	10,000	(30,000)	-75.00%
Subtotal	**$ 60,000**	**$ 44,370**	$ (15,630)	-26.05%
625-B Kings Court				
Imputed Rent	$ 59,511	$ 59,512	$ 0	0.00%
Subtotal	**$ 59,511**	**$ 59,512**	$ 0	0.00%
Total Administration Expense	**$ 1,929,034**	**$ 1,817,181**	$ (111,853)	-5.80%

Mendocino County Employees Retirement Association
Fiscal Year 2027
Prior Year Projected Actual vs Prior Year Adopted Budget

Schedule 3

	FY 2025/2026 Adopted Budget	FY 2025/2026 Projected Actual	Difference $	Difference %
Technology				
LRS - Pension Gold	$ 139,734	$ 101,516	$ (38,218)	-27.35%
County IT Project Expenses	19,887	9,750	(10,137)	-50.97%
PCX Scan Station	12,095	12,096	0	0.00%
Subtotal	**$ 171,716**	**$ 123,361**	**$ (48,354)**	**-28.16%**
Investment				
Investment Manager Fees	$ 1,418,139	$ 1,185,126	$ (233,013)	-16.43%
Investment Consultant - Callan	200,471	200,472	0	0.00%
Actuary Services - Cheiron	81,000	81,000	-	0.00%
Custodian Bank - State Street	80,154	84,185	4,031	5.03%
Internal Investment Monitoring	19,840	27,089	7,249	36.54%
Subtotal	**$ 1,799,604**	**$ 1,577,871**	$ (221,733)	-12.32%
Capital Improvement Plan	**$ -**	**$ -**	$ -	0.00%
Total MCERA	**$ 3,900,354**	**$ 3,518,414**	$ (381,940)	-9.79%
Total Administrative Expenses	**$ 1,929,034**	**$ 1,817,181**		
(Total ex Technology & Investment)				
CERL Administrative Cap	**$ 2,000,000**	**$ 2,000,000**		
(Over)/Under Cap	**$ 70,966**	**$ 182,819**		
MCERA Policy Cap	**$ 2,022,894**	**$ 2,022,894**		
Balance	**$ 93,860**	**$ 205,712**		
Basis Points Test	**0.21%**	**0.21%**		
AAL	**$ 963,282,735**	**$ 963,282,735**		
Date	**6/30/2024**	**6/30/2024**		

Mendocino County Employees Retirement Association
Fiscal Year 2027
Proposed Budget vs Prior 5 Years Adopted Budgets

Schedule 4

	FY 2021/2022 Amended Budget Revised (Dec '21)	FY 2022/2023 Amended Budget Revised (Oct '22)	FY 2023/2024 Amended Budget Revised (Jan '24)	FY 2024/2025 Adopted Budget	FY 2025/2026 Adopted Budget	FY 2026/2027 Proposed Budget
Personnel (BU 1920)						
Gross Regular Salaries[1]	$ 549,218	$ 539,819	$ 579,407	$ 602,282	$ 746,399	$ 760,719
Extra Help	14,914	-	-	-	-	-
Retirement	182,553	191,030	169,501	178,230	229,009	194,771
Social Security	31,599	30,580	32,592	35,049	41,562	43,233
Medicare	7,850	7,552	7,937	8,195	10,068	10,401
Retirement Cola	26,914	12,197	38,903	42,194	57,887	39,354
Health Insurance	56,032	73,809	93,512	94,149	113,597	126,222
Unemployment Insurance	271	267	-	-	-	-
Workers Comp	540	389	322	317	873	1,193
Subtotal	**$ 869,890**	**$ 855,644**	**$ 922,174**	**$ 960,415**	**$ 1,199,395**	**$ 1,175,893**
Administrative						
Office Expense	$ 30,252	$ 27,987	$ 46,989	$ 36,384	$ 33,904	$ 41,907
Legal Expense	358,000	258,000	225,500	210,000	155,000	162,500
Audit	41,200	41,200	50,500	50,500	50,500	50,500
Contracts	47,100	100,910	63,908	33,428	51,568	49,600
Consulting - Actuary	103,340	152,840	68,341	93,502	158,172	44,100
Staff Education and Training	13,934	16,463	22,502	32,635	32,747	45,330
Membership	5,920	6,170	6,170	6,475	6,645	6,880
Subtotal	**$ 599,746**	**$ 603,570**	**$ 483,910**	**$ 462,924**	**$ 488,537**	**$ 400,817**
Board Expense						
Fiduciary Insurance	$ 63,732	$ 70,105	$ 77,116	$ 79,044	$ 74,026	$ 78,430
Board Meeting Expense	7,900	7,900	8,100	9,225	8,575	6,600
Board Education and Training	32,014	39,166	40,109	38,382	38,990	36,150
Subtotal	**$ 103,646**	**$ 117,171**	**$ 125,324**	**$ 126,651**	**$ 121,591**	**$ 121,180**
Total Personnel, Administrative & Board Expense	**$ 1,573,282**	**$ 1,576,385**	**$ 1,531,409**	**$ 1,549,990**	**$ 1,809,523**	**$ 1,697,890**
Disability						
Administrative Review	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 20,000	$ 20,000
Hearings	80,000	80,000	80,000	80,000	40,000	40,000
Subtotal	**$ 120,000**	**$ 120,000**	**$ 120,000**	**$ 120,000**	**$ 60,000**	**$ 60,000**
625-B Kings Court						
Imputed Rent	$ 54,645	$ 56,339	$ 58,055	$ 58,826	$ 59,511	$ 60,300
	$ 54,645	**$ 56,339**	**$ 58,055**	**$ 58,826**	**$ 59,511**	**$ 60,300**
Total Administrative Expense	**$ 1,747,927**	**$ 1,752,724**	**$ 1,709,464**	**$ 1,728,816**	**$ 1,929,034**	**$ 1,818,190**

Mendocino County Employees Retirement Association
Fiscal Year 2027
Proposed Budget vs Prior 5 Years Adopted Budgets

Schedule 4

	FY 2021/2022 Amended Budget Revised (Dec '21)	FY 2022/2023 Amended Budget Revised (Oct '22)	FY 2023/2024 Amended Budget Revised (Jan '24)	FY 2024/2025 Adopted Budget	FY 2025/2026 Adopted Budget	FY 2026/2027 Proposed Budget
Technology						
LRS - Pension Gold	$ 172,552	$ 190,289	$ 206,535	$ 214,988	$ 139,734	$ 156,208
County IT Project Expenses	19,083	16,131	25,035	20,721	19,887	31,245
PCX Scan Station	10,059	10,361	10,671	10,991	12,095	12,700
Subtotal	**$ 201,694**	**$ 216,780**	**$ 242,241**	**$ 246,700**	**$ 171,716**	**$ 200,153**
Investment						
Investment Manager Fees	$ 907,100	$ 788,365	$ 1,315,657	$ 1,465,293	$ 1,418,139	$ 1,844,400
Investment Consultant - Callan	181,617	186,158	190,812	195,582	200,471	200,500
Actuary Services - Cheiron	70,000	72,000	75,000	78,000	81,000	64,000
Custodian Bank - State Street	72,000	70,800	70,200	75,066	80,154	92,900
Internal Investment Monitoring	11,500	11,500	18,100	19,100	19,840	20,650
Subtotal	**$ 1,242,217**	**$ 1,128,822**	**$ 1,669,769**	**$ 1,833,041**	**$ 1,799,604**	**$ 2,222,450**
Capital Improvement Plan	**$ 25,000**	**$ 25,000**	**$ 292,690**	**$ 587,935**	**$ -**	**$ 171,600**
Total MCERA	**$ 3,216,838**	**$ 3,123,326**	**$ 3,914,164**	**$ 4,396,492**	**$ 3,900,354**	**$ 4,412,393**
Total Administrative Expenses (Total ex Technology & Investment)	**$ 1,747,927**	**$ 1,752,724**	**$ 1,709,464**	**$ 1,728,816**	**$ 1,929,034**	**$ 1,818,190**
CERL Administrative Cap	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**
(Over)/Under Cap	**$ 252,073**	**$ 247,276**	**$ 290,536**	**$ 271,184**	**$ 70,966**	**$ 181,810**
MCERA Policy Cap	**$ 1,670,336**	**$ 1,721,965**	**$ 1,830,341**	**$ 1,945,925**	**$ 2,022,894**	**$ 2,093,452**
Balance	**$ (77,590)**	**$ (30,758)**	**$ 120,877**	**$ 217,109**	**$ 93,860**	**$ 275,262**
Basis Points Test	**0.21%**	**0.21%**	**0.21%**	**0.21%**	**0.21%**	**0.21%**
AAL	**$ 795,398,180**	**$ 819,983,481**	**$ 871,590,734**	**$ 926,631,003**	**$ 963,282,735**	**$ 996,881,999**
Date	**6/30/2020**	**6/30/2021**	**6/30/2022**	**6/30/2023**	**6/30/2024**	**6/30/2025**

Mendocino County Employees Retirement Association

Fiscal Year 2027

Proposed Budget vs Prior 4 Years Actual Expenditures (or Projected)

Schedule 5

	FY 2022/2023 Actual Expense	FY 2023/2024 Actual Expense	FY 2024/2025 Actual Expense	FY 2025/2026 Projected Actual	FY 2026/2027 Proposed Budget
Personnel (BU 1920)					
Gross Regular Salaries[1]	$ 547,378	$ 533,978	$ 562,611	$ 738,861	$ 760,719
Extra Help	-	-	-	-	-
Retirement	170,282	152,219	167,555	220,983	194,771
Social Security	30,690	30,731	31,922	40,989	43,233
Medicare	7,639	7,444	7,798	9,980	10,401
Retirement Cola	10,259	34,626	39,811	56,829	39,354
Health Insurance	77,738	78,399	84,285	102,883	126,222
Unemployment Insurance	267	-	-	-	-
Workers Comp	389	322	317	873	1,193
Subtotal	**$ 844,640**	**$ 837,721**	**$ 894,299**	**$ 1,171,398**	**$ 1,175,893**
Administrative					
Office Expense	$ 22,711	$ 48,854	$ 26,253	$ 30,132	$ 41,907
Legal Expense	126,497	168,527	168,146	129,304	162,500
Audit	41,200	50,500	43,500	50,500	50,500
Contracts	164,044	48,873	12,720	36,371	49,600
Consulting - Actuary	40,002	105,897	35,212	162,396	44,100
Staff Education and Training	12,189	13,231	14,882	27,493	45,330
Membership	6,170	6,475	6,485	6,880	6,880
Subtotal	**$ 412,813**	**$ 442,357**	**$ 307,198**	**$ 443,075**	**$ 400,817**
Board Expense					
Fiduciary Insurance	$ 69,793	$ 73,201	$ 73,667	$ 76,007	$ 78,430
Board Meeting Expense	4,800	5,350	4,487	4,620	6,600
Board Education and Training	5,788	3,365	8,463	18,199	36,150
Subtotal	**$ 80,381**	**$ 81,916**	**$ 86,617**	**$ 98,826**	**$ 121,180**
Total Personnel, Administrative & Board Expense	**$ 1,337,834**	**$ 1,361,994**	**$ 1,288,114**	**$ 1,713,299**	**$ 1,697,890**
Disability					
Administrative Review	$ 22,250	$ 35,011	$ 11,850	$ 34,370	$ 20,000
Hearings	353	71	-	10,000	40,000
Subtotal	**$ 22,603**	**$ 35,082**	**$ 11,850**	**$ 44,370**	**$ 60,000**
625-B Kings Court					
Imputed Rent	56,339	58,056	58,824	59,512	60,300
Subtotal	**$ 56,339**	**$ 58,056**	**$ 58,824**	**$ 59,512**	**$ 60,300**
Total Administrative Expense	**$ 1,416,776**	**$ 1,455,132**	**$ 1,358,788**	**$ 1,817,181**	**$ 1,818,190**

Mendocino County Employees Retirement Association

Fiscal Year 2027

Proposed Budget vs Prior 4 Years Actual Expenditures (or Projected)

Schedule 5

	FY 2022/2023 Actual Expense	FY 2023/2024 Actual Expense	FY 2024/2025 Actual Expense	FY 2025/2026 Projected Actual	FY 2026/2027 Proposed Budget
Technology					
LRS - Pension Gold	$ 177,764	$ 228,251	$ 192,709	$ 113,612	$ 156,208
Linea Solutions Consultant	16,131				31,245
County IT Project Expenses	14,567	28,656	17,879	9,750	12,700
Subtotal	**$ 208,462**	**$ 256,907**	**$ 210,588**	**$ 123,361**	**$ 200,153**
Investment					
Investment Manager Fees	$ 1,104,102	$ 1,678,776	$ 1,492,934	$ 1,185,126	$ 1,844,400
Investment Consultant - Callan	186,158	190,812	195,582	200,472	200,500
Actuary Services - Cheiron	72,000	69,239	78,000	84,185	64,000
Custodian Bank - State Street	63,493	75,000	75,965	81,000	92,900
Internal Investment Monitoring	249	14,631	15,194	27,089	20,650
Subtotal	**$ 1,426,002**	**$ 2,028,458**	**$ 1,857,675**	**$ 1,577,871**	**$ 2,222,450**
Capital Improvement Plan	**$ -**	**$ 64,055**	**$ 563,464**	**$ -**	**$ 171,600**
Total MCERA	**$ 2,842,778**	**$ 3,804,552**	**$ 3,990,515**	**$ 3,518,414**	**$ 4,412,393**
Total Administrative Expenses (Total ex Technology & Investment)	**$ 1,416,776**	**$ 1,455,131**	**$ 1,358,788**	**$ 1,817,181**	**$ 1,818,190**
CERL Administrative Cap	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**
(Over)/Under Cap	**$ 583,224**	**$ 544,869**	**$ 641,212**	**$ 182,819**	**$ 181,810**
MCERA Policy Cap	**$ 1,721,965**	**$ 1,830,341**	**$ 1,945,925**	**$ 2,022,894**	**$ 2,093,452**
Balance	**$ 305,189**	**$ 375,210**	**$ 587,137**	**$ 205,712**	**$ 275,262**
Basis Points Test	**0.21%**	**0.21%**	**0.21%**	**0.21%**	**0.21%**
AAL	**$ 819,983,481**	**$ 871,590,734**	**$ 926,631,003**	**$ 963,282,735**	**$ 996,881,999**
Date	**6/30/2021**	**6/30/2022**	**6/30/2023**	**6/30/2024**	**6/30/2025**