



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 6

DATE: December 13, 2018

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager

SUBJECT: Fiscal Year 2018-19 1st Quarter Budget Report

Background

Pursuant to Section 9.5 of the County of Fresno 457(B) Deferred Compensation Plan Document, any reasonable expenses related to the operation of the Deferred Compensation Plan, such as third-party administration, consulting, legal and County staff costs shall be charged to Plan participants. In order to offset the costs of these Plan-related expenses, your Council directs the Plan Record-keeper to charge an administrative fee to each participant. For Fiscal Year 2018-19, the administrative fee is 0.19%.

Issue

Staff has prepared a Fiscal Year 2018-19 budget report for the three-month period that ended September 30, 2018 (Attachment A). The Fiscal Year 2018-19 Deferred Compensation Plan budget was approved by your Council on June 14, 2018 and is attached to this Item (Attachment B) for reference.

Attachment A has three (3) columns for Revenue, Discretionary Expenses, and Mandatory Expenses:

1. "Approved" provides the dollar amounts that were originally approved by your Council at the June 14, 2018 meeting.
2. "Year to Date" provides the revenue and expenses received/incurred between July 1, 2018 and September 30, 2018.
3. "Projected" provides the dollar amounts that staff projects will be the year-end totals.

In addition, staff has provided the surplus or deficit numbers, both year to date and projected for the full year. Please note that the projections are estimates based primarily on the following:

- The trends for this fiscal year, such as increasing/decreasing Plan assets leading to increasing/decreasing revenues and record-keeping fees; and
- Expenses that will be incurred prior to the end of the fiscal year, such as the fiduciary liability insurance policy.

Recommended Action

There are no recommended actions associated with this Item.

Item 6 - Attachment A

County of Fresno Deferred Compensation Plan

Fiscal Year 2018-19 Revenue & Expenses as of September 30, 2018

Revenue	Approved	Year to Date	Projected
Administrative Fees	\$ 202,000	\$ 58,981	\$ 227,000
Totals:	\$ 202,000	\$ 58,981	\$ 227,000

Discretionary Expenses	Approved	Year to Date	Projected
County Staff	\$ 107,000	\$ 17,641	\$ 100,000
Consultant	\$ 40,000	\$ 10,000	\$ 40,000
Fiduciary Liability Insurance	\$ 11,000	\$ -	\$ 11,000
Off-Site Training	\$ 9,000	\$ 1,100	\$ 4,800
Contingencies	\$ 35,000	\$ -	\$ -
Totals:	\$ 202,000	\$ 28,741	\$ 155,800

	Year to Date	Projected
Surplus (Deficit):	\$ 30,239	\$ 71,200



Mandatory Expenses	Approved	Year to Date	Projected
Record-keeping Fees	\$ 240,000	\$ 65,215	\$ 261,000

**Item 6 - Attachment B: Approved 2018-19 Fiscal Year Deferred
Compensation Plan Budget**

Discretionary Items

Revenue Source	2018-19 Budget	% of Revenue	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
Administrative Fee	\$202,000	100%	\$192,000	\$10,000	5%
Total Revenue:	\$202,000	100%	\$192,000	\$10,000	5%
Expense	2018-19 Budget	% of Expenses	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
County Staff	\$107,000	53%	\$102,000	\$5,000	5%
Consultant	\$40,000	20%	\$40,000	\$0	0%
Fiduciary Liability Insurance	\$11,000	5%	\$11,000	\$0	0%
Off-Site Training	\$9,000	4%	\$7,000	\$2,000	29%
Contingencies	\$35,000	17%	\$20,000	\$15,000	75%
Total Expenses:	\$202,000	100%	\$192,000	\$10,000	5%

Mandatory Items

Revenue Source	2018-19 Budget	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
Nationwide Fee	\$240,000	\$230,000	\$10,000	4%
Expense	2018-19 Budget	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
Record-keeping	\$240,000	\$230,000	\$10,000	4%