



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 6

DATE: December 19, 2019
TO: Deferred Compensation Management Council
FROM: Hollis Magill, Human Resources Manager *Hollis Magill*
SUBJECT: 2019-20 Fiscal Year 1st Quarter Budget Report

BACKGROUND

Pursuant to Section 8.02 of the County of Fresno 457(B) Deferred Compensation Plan Document, your Council shall determine the reasonable Deferred Compensation Plan (Plan) expenses, such as third-party administration, consulting, legal and County staff costs. In addition, your Council shall determine the administrative fee charged to Participants to pay for such reasonable Plan expenses, on an annual basis. For Fiscal Year 2019-20, that fee is 0.19%.

ISSUE

Staff has prepared a Fiscal Year 2019-20 budget report for the three-month period that ended September 30, 2019 (Attachment A). The Fiscal Year 2019-20 Deferred Compensation Plan budget was approved by your Council on May 23, 2019 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 May 23, 2019 meeting.
2. "Year to Date" provides the revenue and expenses received/incurred between July 1, 2019 and September 30, 2019.
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 2019-20 Revenue & Expenses as of September 30, 2019

Revenue	Approved	Year to Date	Projected
Administrative Fees	\$ 230,000	\$ 60,601	\$ 249,000
FY 2018-19 Carryover	\$ 15,000	\$ 15,000	\$ 15,000
Totals:	\$ 245,000	\$ 75,601	\$ 264,000

Discretionary Expenses	Approved	Year to Date	Projected
County Staff	\$ 121,000	\$ 23,731	\$ 112,000
Consultant	\$ 70,000	\$ 10,000	\$ 70,000
Fiduciary Liability Insurance	\$ 11,000	\$ -	\$ 11,000
Off-Site Training	\$ 10,000	\$ 4,408	\$ 9,600
Retiree Outreach	\$ 8,000	\$ -	\$ 8,000
Contingencies	\$ 25,000	\$ -	\$ -
Totals:	\$ 245,000	\$ 38,139	\$ 210,600

	Year to Date	Projected
Surplus (Deficit):	\$ 37,462	\$ 53,400

Mandatory Expenses	Approved	Year to Date	Projected
Record-keeping Fees	\$ 260,000	\$ 66,329	\$ 266,000

Item 6 - Attachment B

Discretionary Items

Revenue Source	2019-20 Budget	% of Revenue	2018-19 Budget	\$ Change from 2018-19	% Change from 2018-19
Administrative Fee	\$230,000	94%	\$202,000	\$28,000	14%
FY 2018-19 Carryover	\$15,000	6%	n/a	n/a	n/a
Total Revenue:	\$245,000	100%	\$202,000	\$43,000	21%
Expense	2019-20 Budget	% of Expenses	2018-19 Budget	\$ Change from 2018-19	% Change from 2018-19
County Staff	\$121,000	49%	\$107,000	\$14,000	13%
Consultant	\$70,000	29%	\$40,000	\$30,000	75%
Fiduciary Liability Insurance	\$11,000	4%	\$11,000	\$0	0%
Off-Site Training	\$10,000	4%	\$9,000	\$1,000	11%
Retiree Outreach	\$8,000	3%	n/a	n/a	n/a
Contingencies	\$25,000	10%	\$35,000	-\$10,000	-29%
Total Expenses:	\$245,000	100%	\$202,000	\$43,000	21%

Mandatory Items

Revenue Source	2019-20 Budget	2018-19 Budget	\$ Change from 2018-19	% Change from 2018-19
Nationwide Fee	\$260,000	\$240,000	\$20,000	8%
Expense	2019-20 Budget	2018-19 Budget	\$ Change from 2018-19	% Change from 2018-19
Record-keeping	\$260,000	\$240,000	\$20,000	8%