



## Inter Office Memo

DEPARTMENT OF  
HUMAN RESOURCES

### ITEM 8

DATE: December 9, 2020  
TO: Deferred Compensation Management Council  
FROM: Hollis Magill, Human Resources Manager *Hollis Magill*  
SUBJECT: 2020-21 Fiscal Year 1<sup>st</sup> 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. On June 24, 2020, your Council approved a Fiscal Year 2020-21 budget for Plan expenses and set an administrative fee of 0.19%.

#### **ISSUE**

Staff has prepared a Fiscal Year 2020-21 budget report for the three-month period that ended September 30, 2020 (Attachment A). The Fiscal Year 2020-21 Deferred Compensation Plan budget was approved by your Council on June 24, 2020 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 24, 2020 meeting.
2. "Year to Date" provides the revenue and expenses received/incurred between July 1, 2020 and September 30, 2020.
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.**

## County of Fresno Deferred Compensation Plan

**Fiscal Year 2020-21 Revenue & Expenses as of September 30, 2020**

Revenue	Approved	Year to Date	Projected
Administrative Fees	\$ 225,000	\$ 65,484	\$ 261,000
<b>Totals:</b>	<b>\$ 225,000</b>	<b>\$ 65,484</b>	<b>\$ 261,000</b>

Discretionary Expenses	Approved	Year to Date	Projected
County Staff	\$ 139,000	\$ 28,709	\$ 137,000
Consultant	\$ 40,000	\$ 10,000	\$ 41,250
Fiduciary Liability Insurance	\$ 11,000	\$ -	\$ 11,000
Off-Site Training	\$ 2,000	\$ -	\$ 600
Contingencies	\$ 33,000	\$ -	\$ -
<b>Totals:</b>	<b>\$ 225,000</b>	<b>\$ 38,709</b>	<b>\$ 189,850</b>

	Year to Date	Projected
<b>Surplus (Deficit):</b>	<b>\$ 26,776</b>	<b>\$ 71,150</b>

Mandatory Expenses	Approved	Year to Date	Projected
Record-keeping Fees	\$ 277,000	\$ 74,013	\$ 297,000

## Item 8 - Attachment B

### Discretionary Items

Revenue Source	2020-21 Budget	% of Revenue	2019-20 Budget	\$ Change from 2019-20	% Change from 2019-20
Administrative Fee	\$225,000	100%	\$230,000	-\$5,000	-2%
FY 2019-20 Carryover	\$0	0%	\$15,000	-\$15,000	-100%
<b>Total Revenue:</b>	<b>\$225,000</b>	<b>100%</b>	<b>\$245,000</b>	<b>-\$20,000</b>	<b>-8%</b>
Expense	2020-21 Budget	% of Expenses	2019-20 Budget	\$ Change from 2019-20	% Change from 2019-20
County Staff	\$139,000	62%	\$121,000	\$18,000	15%
Consultant	\$40,000	18%	\$70,000	-\$30,000	-43%
Fiduciary Liability Insurance	\$11,000	5%	\$11,000	\$0	0%
Off-Site Training	\$2,000	1%	\$10,000	-\$8,000	-80%
Retiree Outreach	\$0	0%	\$8,000	-\$8,000	-100%
Contingencies	\$33,000	15%	\$25,000	\$8,000	32%
<b>Total Expenses:</b>	<b>\$225,000</b>	<b>100%</b>	<b>\$245,000</b>	<b>-\$20,000</b>	<b>-8%</b>

### Mandatory Items

Revenue Source	2020-21 Budget	2019-20 Budget	\$ Change from 2019-20	% Change from 2019-20
Nationwide Fee	\$277,000	\$260,000	\$17,000	7%
Expense	2020-21 Budget	2019-20 Budget	\$ Change from 2019-20	% Change from 2019-20
Record-keeping	\$277,000	\$260,000	\$17,000	7%