



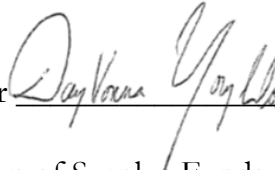
## Inter Office Memo

DEPARTMENT OF  
HUMAN RESOURCES

### ITEM 6

DATE: September 27, 2022

TO: Deferred Compensation Management Council

FROM: DayVonna Youngblood, Human Resources Manager 

SUBJECT: 2021-22 Fiscal Year-End Budget Report & Distribution of Surplus Funds

#### BACKGROUND

Pursuant to Section 2.2 of the County of Fresno Deferred Compensation Management Council Bylaws, the Council shall determine the reasonable Deferred Compensation Plan (Plan) expenses, such as third-party administration, consulting, legal and County staff costs. In addition, the Council shall determine the administrative fee charged to Participants to pay for such reasonable Plan expenses, on an annual basis. On June 23, 2021, the Council approved a Fiscal Year 2021-22 budget for Plan expenses and set an administrative fee of 0.18%.

#### ISSUE

Staff has prepared a 2021-22 Fiscal Year-End budget report for the twelve-month period that ended June 30, 2022 (Exhibit A); the approved FY 2021-22 budget is detailed in Exhibit B. As stated in Exhibit A, there was a surplus of approximately \$145,880 in FY 2021-22. Staff would like to highlight the following:

1. **Total revenues were higher than what was projected.** Plan revenues were higher than what was projected due to higher than expected Plan assets; staff based FY 2021-22 revenues on approximately \$300 million in Plan assets, whereas actual Plan assets were in excess of \$300 million for most of FY 2021-22.
2. **Expenses were less than what was budgeted.**
  - a. **Staff Costs.** Staff costs were less than what was budgeted. This was primarily due to Employee Benefits and County Counsel staff working fewer hours than projected on Plan-related tasks.
  - b. **Contingency.** Funds did not need to be transferred from the Contingency budget in FY 2021-22.

#### Distribution of Surplus Funds

As your Council is aware, in previous fiscal years where Plan revenues exceeded Plan expenses, the Council has approved a pro rata distribution of funds to participants based on

each participant's percentage of Plan assets. As stated on Exhibit A, there was a surplus of approximately \$145,880 in fiscal year 2021-22.

Therefore, staff is recommending that your Council approve a pro rata distribution of \$145,880 to current participants who had a Plan account balance as of June 30, 2022. Each participant's share of the distribution will be based on their June 30, 2022 Plan account balance. As of August 31, 2022, the Plan Expense Account balance was \$256,781.

**RECOMMENDED ACTION**

**Approve a pro rata distribution of \$145,880 to current Deferred Compensation Plan participants based on each participant's percentage of Deferred Compensation Plan assets as of June 30, 2022.**

**County of Fresno Deferred Compensation Plan**

**Fiscal Year 2021-22 Revenue & Expenses as of June 30, 2022**

Revenue	Approved	Year to Date	Surplus (Deficit)
Administrative Fees	\$ 239,000	\$ 304,535	\$ 65,535
<b>Totals:</b>	<b>\$ 239,000</b>	<b>\$ 304,535</b>	<b>\$ 65,535</b>

Discretionary Expenses	Approved	Year to Date	Surplus (Deficit)
County Staff	\$ 156,000	\$ 105,262	\$ 50,738
Consultant	\$ 42,500	\$ 38,750	\$ 3,750
Fiduciary Liability Insurance	\$ 13,000	\$ 12,843	\$ 157
Off-Site Training	\$ 2,500	\$ 1,800	\$ 700
Contingencies	\$ 25,000	\$ -	\$ 25,000
<b>Totals:</b>	<b>\$ 239,000</b>	<b>\$ 158,655</b>	<b>\$ 80,345</b>



<b>Total Surplus (Deficit):</b>	<b>\$ 145,880</b>
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Mandatory Expenses	Approved	Year to Date	Surplus (Deficit)
Record-keeping Fees	\$ 350,000	\$ 336,658	\$ 13,342

## Item 6 - Exhibit B

### Discretionary Items

Revenue Source	2021-22 Budget	% of Revenue	2020-21 Budget	\$ Change from 2020-21	% Change from 2020-21
Administrative Fee	\$239,000	100%	\$225,000	\$14,000	6%
<b>Total Revenue:</b>	<b>\$239,000</b>	<b>100%</b>	<b>\$225,000</b>	<b>\$14,000</b>	<b>6%</b>
Expense	2021-22 Budget	% of Expenses	2020-21 Budget	\$ Change from 2020-21	% Change from 2020-21
County Staff	\$156,000	65%	\$139,000	\$17,000	12%
Consultant	\$42,500	18%	\$40,000	\$2,500	6%
Fiduciary Liability Insurance	\$13,000	5%	\$11,000	\$2,000	18%
Off-Site Training	\$2,500	1%	\$2,000	\$500	25%
Contingencies	\$25,000	11%	\$33,000	-\$8,000	-24%
<b>Total Expenses:</b>	<b>\$239,000</b>	<b>100%</b>	<b>\$225,000</b>	<b>\$14,000</b>	<b>6%</b>

### Mandatory Items

Revenue Source	2021-22 Budget	2020-21 Budget	\$ Change from 2020-21	% Change from 2020-21
Nationwide Fee	\$350,000	\$277,000	\$73,000	26%
Expense	2021-22 Budget	2020-21 Budget	\$ Change from 2020-21	% Change from 2020-21
Record-keeping	\$350,000	\$277,000	\$73,000	26%