



## Inter Office Memo

DEPARTMENT OF  
HUMAN RESOURCES

### ITEM 5

DATE: June 15, 2023

TO: Deferred Compensation Management Council

FROM: DayVonna Youngblood, Human Resources Manager

SUBJECT: 2022-23 Fiscal Year Third Quarter Budget Report for the 457(b) Deferred Compensation Plan and the 401(a) Defined Contribution Plan

#### **BACKGROUND**

Pursuant to Section 8.02 of the County of Fresno 457(b) Deferred Compensation Plan Document and County of Fresno Board of Supervisors Resolution No. 22-114, the Deferred Compensation Management Council shall determine the reasonable expenses of the 457(b) Deferred Compensation Plan and the 401(a) Defined Contribution Plan (the "Plans"), 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 expenses of the Plans, on an annual basis. On June 2, 2022, the Council approved a Fiscal Year 2022-23 budget for the Plans' expenses and set the total administrative fee at 0.18%.

#### **ISSUE**

Staff has prepared a Fiscal Year 2022-23 budget report for the nine-month period that ended March 31, 2023 (Exhibit A). The Fiscal Year 2022-23 budget for the Plans was approved by the Council on June 2, 2022 and is attached to this item (Exhibit B) for reference. Exhibit A has three (3) columns for Revenue, Discretionary Expenses, and Mandatory Expenses:

1. "Approved" provides the dollar amounts that were approved by the Council on June 2, 2022.
2. "Year to Date" provides the revenue received and expenses incurred between July 1, 2022 and March 31, 2023.
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 assets of the Plans 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 5 - EXHIBIT A**

**County of Fresno 457(b) Deferred Compensation Plan**

**County of Fresno 401(a) Defined Contribution Plan**

**Fiscal Year 2022-23 Revenue & Expenses as of March 31, 2023**

<b>Revenue</b>	<b>Approved</b>	<b>Year to Date</b>	<b>Projected</b>
Administrative Fees	\$ 236,000	\$ 188,075	\$ 250,000
<b>Totals:</b>	<b>\$ 236,000</b>	<b>\$ 188,075</b>	<b>\$ 250,000</b>

<b>Discretionary Expenses</b>	<b>Approved</b>	<b>Year to Date</b>	<b>Projected</b>
County Staff	\$ 156,000	\$ 87,762	\$ 134,000
Consultant	\$ 42,500	\$ 29,375	\$ 40,000
Fiduciary Liability Insurance	\$ 15,000	\$ -	\$ 15,000
Off-Site Training	\$ 10,000	\$ 6,381	\$ 8,800
Contingencies	\$ 12,500	\$ -	\$ -
<b>Totals:</b>	<b>\$ 236,000</b>	<b>\$ 123,517</b>	<b>\$ 197,800</b>

	<b>Year to Date</b>	<b>Projected</b>
<b>Surplus (Deficit):</b>	<b>\$ 64,558</b>	<b>\$ 52,200</b>



<b>Mandatory Expenses</b>	<b>Approved</b>	<b>Year to Date</b>	<b>Projected</b>
Record-keeping Fees	\$ 340,000	\$ 228,695	\$ 305,000

## ITEM 5 - EXHIBIT B

### Discretionary Items

Revenue Source	2022-23 Budget	% of Revenue	2021-22 Budget	\$ Change from 2021-22	% Change from 2021-22
Administrative Fee	\$236,000	100%	\$239,000	-\$3,000	-1%
<b>Total Revenue:</b>	<b>\$236,000</b>	<b>100%</b>	<b>\$239,000</b>	<b>-\$3,000</b>	<b>-1%</b>
Expense	2022-23 Budget	% of Expenses	2021-22 Budget	\$ Change from 2021-22	% Change from 2021-22
County Staff	\$156,000	66%	\$156,000	\$0	0%
Consultant	\$42,500	18%	\$42,500	\$0	0%
Fiduciary Liability Insurance	\$15,000	6%	\$13,000	\$2,000	15%
Off-Site Training	\$10,000	4%	\$2,500	\$7,500	300%
Contingencies	\$12,500	5%	\$25,000	-\$12,500	-50%
<b>Total Expenses:</b>	<b>\$236,000</b>	<b>100%</b>	<b>\$239,000</b>	<b>-\$3,000</b>	<b>-1%</b>

### Mandatory Items

Revenue Source	2022-23 Budget	2021-22 Budget	\$ Change from 2021-22	% Change from 2021-22
Nationwide Fee	\$340,000	\$350,000	-\$10,000	-3%
Expense	2022-23 Budget	2021-22 Budget	\$ Change from 2021-22	% Change from 2021-22
Record-keeping	\$340,000	\$350,000	-\$10,000	-3%