



Agenda Item No. _____

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
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DATE: April 18, 2012
TO: Trustees, Board of Retirement
FROM: Becky Van Wyk
Assistant Retirement Administrator
SUBJECT: Budget Status for the Quarter Ended March 31, 2012

The attached report (Exhibit A) represents the Retirement Association's Fiscal Year 2011-12 administrative budget, on a cash basis at March 31, 2012. The total expenditures reported as of March 31, 2012 were 66% of the adopted budget.

Expenditures were less than the expected 75%, primarily due to the timing of purchases that will occur later in the year as explained below.

Expenditures for Services and Supplies were 51% of the budget. Insurance premiums were at 10% because most insurance premiums renew in the fourth quarter of the fiscal year. Board Travel and Education was 55% and Staff Travel and Education is 52% with the upcoming SACRS Spring Conference expected to increase both of the Travel and Education expenditures in the fourth quarter. Expenditures for the implementation of the IT Roadmap, IT Conversion, Process Documentation and the Pension Administration System are processing with the Professional and Specialized expenditures at 52%. The majority of the appropriated funds for the Pension Administration System have not had expenditures processed through the third quarter. Unlike the other expenditures, the majority of the memberships have renewed with CALAPRS and NCPERS memberships renewing 50% higher than anticipated at the time the budget was prepared, resulting in the expenditures at 119%. With the implementation of the iPADS for the Board of Retirement, the additional amounts for mobile internet access has increased the Telephone expenditures to 106%.

As requested by your Board previously, I have included additional information on the amounts paid to the investment managers and other investment related professionals (Exhibit B) and expenditures for maintenance of the Administrative Building (Exhibit C).

Please note that investment related expenses are not part of the administrative budget and are therefore not included in the analysis of the administrative budget. The information is presented as informational only.

Please contact me if you have any questions. Thank you.

FCERA
 Budget Status Report
 Fiscal Year 2011-12
 For the Quarter Ended March 31, 2012

	ADOPTED	ADJUSTED	UNEXPENDED	%		%
	APPROPRIATIONS	APPROPRIATIONS	EXPENDITURES	APPROPRIATIONS	USED	APPROP COMMITTED
SALARIES & BENEFITS						
Salaries	\$ 1,220,957.00	\$ 1,220,957.00	\$ 913,269.32	\$ 307,687.68	75%	75%
Extra Help	65,716.00	65,716.00	38,426.78	27,289.24	58%	58%
Overtime	61,096.00	61,096.00	26,061.94	35,034.06	43%	43%
Unemployment Insurance	7,975.00	7,975.00	5,981.25	1,993.75	75%	75%
Retirement	593,829.00	593,829.00	434,562.24	159,266.76	73%	73%
FICA Contribution	95,997.00	95,997.00	65,901.73	30,095.27	69%	69%
Workers' Compensation	4,174.00	4,174.00	3,130.50	1,043.50	75%	75%
Health Insurance	174,690.00	174,690.00	117,578.57	57,111.43	67%	67%
Management Life and Disability	1,279.00	1,279.00	722.02	556.98	56%	56%
Benefit Administration	2,901.00	2,901.00	2,175.75	725.25	75%	75%
TOTAL SALARIES AND BENEFITS	2,228,614.00	2,228,614.00	1,607,810.08	620,803.92	72%	72%
SERVICES & SUPPLIES						
Telephone	3,200.00	3,200.00	3,407.72	(207.72)	106%	(1) 106%
Liability Insurance	115,386.00	115,386.00	11,215.68	104,170.32	10%	(2) 10%
Maintenance-Bldgs and Grounds	37,557.00	37,557.00	28,221.81	9,335.19	75%	75%
Memberships	6,015.00	6,015.00	7,165.00	(1,150.00)	119%	(3) 119%
Office Expense	50,423.00	50,423.00	37,256.79	13,166.21	74%	74%
Postage	32,334.00	32,334.00	22,623.35	9,710.65	70%	70%
PeopleSoft Human Resources	4,724.00	4,724.00	3,022.99	1,701.01	64%	(4) 64%
PeopleSoft Financials	14,659.00	14,659.00	10,193.23	4,465.77	70%	70%
Professional & Specialized	1,200,150.00	1,200,150.00	619,389.42	580,760.58	52%	(4) 52%
Data Processing	118,160.00	118,160.00	63,320.24	54,839.76	54%	(4) 54%
Other Computer Equipment	18,000.00	18,000.00	13,365.00	4,635.00	74%	74%
Utilities	27,211.00	27,211.00	16,668.35	10,542.65	61%	(4) 61%
Commissions/Advisory Boards	18,000.00	18,000.00	10,600.00	7,400.00	59%	59%
Trans, Travel & Education	31,960.00	31,960.00	16,730.71	15,229.29	52%	(5) 52%
Travel-Board	23,100.00	23,100.00	12,658.30	10,441.70	55%	(5) 55%
TOTAL SERVICES & SUPPLIES	1,700,879.00	1,700,879.00	875,838.59	825,040.41	51%	51%
TOTAL SALARIES, BENEFITS, SERVICES AND SUPPLIES	3,929,493.00	3,929,493.00	2,483,648.67	1,445,844.33	63%	63%
FIXED ASSETS						
Pension System, Computers, Furnishings,	825,000.00	825,000.00	645,133.72	179,866.28	78%	78%
TOTAL FIXED ASSETS - FURNITURE AND EQUIPMENT	825,000.00	825,000.00	645,133.72	179,866.28	78%	78%
TOTAL BUDGET	\$ 4,754,493.00	\$ 4,754,493.00	\$ 3,128,782.39	\$ 1,625,710.61	66%	66%

(1) Telephone has an additional expenditure for the Board iPADS internet service, that was not anticipated at the time the budget was prepared.

(2) Insurance premiums renew in the fourth quarter.

(3) CALAPRS and NCPERS memberships were each 50% higher than anticipated at the time the budget was prepared.

(4) Third quarter billings not all received by the end of the accounting period.

(5) Expenditures for the second major travel and education expense in the fiscal year, the SACRS Spring Conference will occur in the fourth quarter.

FCERA
Budget Status Report
Schedule of investment Expenditures through March 31, 2012

Detail - 7564		Paid Quarter ended 9/30/2011	Paid Quarter ended 12/31/2011	Paid Quarter ended 3/31/2012	Paid Quarter ended 6/30/2012	Estimate for Prior Unpaid Quarters	Budget Year 2011-12 Expenditures	Actual Budget Year 2010-11 Expenditures*
Blackrock Institutional Trust	Alternative Investment		83,836.24	78,281.98		70,803.20 (4)	232,901.42	283,212.79 ^
Blackstone	Alternative Investment					41,100.75 (6)(1)	41,100.75	54,801.00 ^
Hamilton Lane	Investment					356,400.00 (5)(1)	356,400.00	475,200.00 ^
KKR Mezzanine Partners I	Private Equity Alternative Investment		112,510.00			- (2)(1)	112,510.00	-
New Mountain (all)	Investment		90,063.00			134,137.50 (5)(1)	224,200.50	288,275.00 ^
Wartburg (all)	Investment					266,323.75 (6)(1)	266,323.75	341,765.00 ^
Remaining Managers Net Fees with Earnings	Alternative Investment					2,641,452.51 (65)	2,641,452.51	3,521,936.66 ^
	Alternative and Private Equity Investment		286,409.24	78,261.98		3,500,217.71	3,864,888.93	4,945,190.45 ^
Aronson, Johnson & Ortiz	Equity		107,070.00	111,265.00		108,140.50 (4)	326,475.50	432,662.00 ^
Intech	Equity					- (9)	-	324,778.96 ^ Closed FY 2011
Kalmar Investments	Equity	172,120.00	141,081.00	159,035.00		- (3)	472,236.00	967,778.00 ^
Mondrian Investment Group (All)	Equity		229,337.78	620,307.39		537,999.27 (4)	1,387,644.44	2,151,997.07 ^
Oechsle International Advisors	Equity		311,812.58	313,211.05		229,461.56 (4)	854,485.17	917,846.24 ^
Research Affiliates	Equity		33,271.64	36,158.41		5,764.22 (13)	75,194.27	23,056.88 ^ New Manager
State Street (S&P500, TIPS, Russell 1000, 2000)	Equity			31,223.50		47,348.46 (5)	78,571.96	94,696.92 ^ Closed FY 2011 Russell 1000,2000
Systematic Financial Management	Equity		69,801.16	55,432.18		102,127.15 (12)	227,360.49	408,508.60 ^
Templeton	Equity					- (9)	-	715,253.08 ^ Closed FY 2011
Waddell & Reed Investment Manag	Equity		94,882.90	104,545.15		52,872.52 (4)	282,300.57	211,490.00 ^
Wellington	Equity		109,722.44	112,289.79		113,784.84 (4)	335,797.07	455,139.37 ^
Winslow Capital Management	Equity		95,616.32	91,959.59		53,738.76 (4)	241,314.67	214,955.05 ^
	Equity Total	172,120.00	1,192,595.80	1,635,427.06		1,251,237.28	4,251,380.14	6,918,062.25 ^
BlackRock	Fixed Income		91,852.80	93,052.06		87,848.60 (4)	272,753.46	351,394.39 ^
Loomis Sayles & Co. (All)	Fixed Income		179,609.11	185,375.35		164,193.47 (4)	529,177.93	658,773.86 ^
Met West TALF Mgmt fees netted out of earnings	Fixed Income					188,011.20 (6)	188,011.20	250,881.60 ^
Pimco	Fixed Income					25,717.25 (9)	25,717.25	102,669.00 ^ Closed FY 2011
Slandish Mellon	Fixed Income		85,399.87	86,243.96		87,176.53 (4)	258,820.36	348,706.12 ^
Western Asset Management Co.	Fixed Income		73,808.91	70,342.89		85,041.01 (4)	229,192.81	340,164.03 ^
	Fixed Income Total		430,670.69	435,014.26		637,988.06	1,503,673.01	2,050,589.00
Wurts and Associates	Consulting	55,833.32	84,583.32	86,250.00		- (3)	226,666.64	331,666.65 ^
	Consulting Total	55,833.32	84,583.32	86,250.00		-	226,666.64	331,666.65
Segal Company	Actuary			62,000.00		30,500.00 (5)	92,500.00	61,000.00 ^
	Actuary Total			62,000.00		30,500.00	92,500.00	61,000.00
Foster Pepper Attorneys	Investment Legal Fees	4,507.00	10,895.00	5,285.00		- (3)	20,687.00	91,069.50 ^
	Investment Legal Fees Total	4,507.00	10,895.00	5,285.00		-	20,687.00	91,069.50
Salaries and Benefits	Fresno Station	1,146.04	873.77	102.75		- (2)	2,122.56	12,983.12 ^
	Fresno Station Total	1,146.04	873.77	102.75	0.00	-	2,122.56	12,983.12
Due Diligence Visits	Other					- (2)	-	2,748.63 ^
State Street - Custodial	Other		28,924.79	28,864.56		31,201.26 (4)	88,990.61	124,805.05 ^
	Other Total		28,924.79	28,864.56		31,201.26	88,990.61	127,553.68
Fresno County wire fees	Investment Wire Fees					- (2)	-	60.00 ^
	Investment Wire Fees Total					-	-	60.00
Federal Express	Delivery of Investment Documents	28.00				- (2)	28.00	298.17 ^
Golden State Overnight	Delivery of Investment Documents			12.58		- (2)	12.58	-
	Delivery of Investment Documents Total	28.00		12.58		-	40.58	298.17
Grand Total		233,634.36	2,034,952.61	2,331,218.19		5,451,144.31	10,050,949.47	14,538,472.82

* The information reported for Fiscal Year 2010-11 is presented on a cash basis with most including the fourth quarter accrual.

^ Alternative investment totals adjusted to actual expenditures at 6/30/2011, management fees with earnings, so

which are reported in the Comprehensive Annual Financial Report each year are typically within 1-2% of the total commitment.

- (2) No accrual is estimated, use actual expenditures
- (3) Paid through current quarter, no accrual needed
- (4) Accrual is for one quarter based on prior year fees
- (5) Accrual is for two quarters based on prior year fees
- (6) Accrual is for three quarters based on prior year fees
- (7) Accrual is for four quarters based on prior year fees
- (8) New contract or existing, accrual is for one quarter, based on actual invoice for two quarters
- (9) No accrual due to closing of the contract
- (10) No fees submitted through Sept 2011, executed agreement not yet received unable to accrue.
- (11) Accrual is for two quarters based on an average of the prior amounts paid.
- (12) Accrual is for one quarter based on an average of prior amounts paid.
- (13) Accrual is for one quarter based on actual invoice
- (14) Accrual is for one month based on actual invoice
- (15) Accrual is for one quarter based on prior year fees less amount paid in September

Fresno County Employees' Retirement Association
 Budget Status Report
 For quarter ended March 31, 2012

Exhibit C

	ACCOUNT 7220 MAINTENANCE DETAIL		
	1st qtr	2nd qtr	3rd qtr
Janitorial	\$ 3,597.00	\$ 3,597.00	\$ 3,597.00
Pest Control	97.02	145.53	145.53
Security	1,608.55	1,328.95	1,613.73
Landscaping	-		3,550.00
Other (itemized below)	3,925.32	2,219.03	2,501.90
	<u>\$ 9,227.89</u>	<u>\$ 7,290.51</u>	<u>\$ 11,408.16</u>
Other - Itemized			
Kertel Communications - labor and materials for rewiring phone lines for cubicle remodel and repair conference room phone.	\$ 1,489.86		
GSA labor - change A/C filters and stock clerk fee	282.21	\$ 291.57	\$ 247.24
GSA material - Air Conditioner Filters	62.34		57.99
GSA labor - sidewalk and parking improvements	610.83		1,277.19
Hirsch Charges - Access control	442.48	294.98	442.48
Hirsch Charges - Reset the hirsch panels			45.41
Superior Hardware materials and labor to repair door using a Dorma low energy operator	495.65		
Superior Hardware materials and labor to repair the lock on the front interior door.		884.69	
Semi-Annual test and inspection of the backup batteries in the Hirsch controller labor and material		90.82	
Patton Air Conditioning labor to repair air conditioner.		476.5	295.25
Kims Plumbing Toilet Repair- Womens' Restroom	482.49		
GSA - labor billing to replace lights, adjust light fixtures, and diagnose the need for ballast replacement.	45.13		
Howe Electric repair lighting ballast		180.47	
Material - paint for shelves	14.33		
Jorgensen Co.- annual fire extinguisher maintenance and repair			48.00
GSA - labor to replace water damaged ceiling tiles			88.34
	<u>\$ 3,925.32</u>	<u>\$ 2,219.03</u>	<u>\$ 2,501.90</u>