



FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Donald C. Kendig, CPA, Retirement Administrator

BOARD AGENDA LETTER

DATE: May 03, 2017

TO: Trustees
Board of Retirement

FROM: Donald C. Kendig, CPA
Retirement Administrator

Staff Contact: Doris Rentschler
Assistant Retirement Administrator

SUBJECT: Receipt and filing of Budget Status for the Quarter Ended March 31, 2017 – RECEIVE AND FILE

Recommended Action(s)

1. Receive and file.

Fiscal and Financial Impacts

There are no known financial impacts to receive and file this Budget Status.

Discussion

Under Exhibit A, the total expenditures reported as of March 31, 2017 were 38% of the adopted budget. Salaries and Benefits, at 65%, were below the expected 75% due to delays in filling vacancies and the use of Linea consultants, for system data conversion, which resulted in a reduction of overtime and FICA contributions.

Expenditures for Services and Supplies were 36% of the budget. Office Expense and Professional and Specialized expenditures were at 47% and 29% respectively, primarily due to the invoices not having been received by the end of the accounting period. Insurance premiums were 7% to date due to the fiduciary insurance renewal on fiscal year 2016-17 being paid in advance in June 2016. Memberships were more than the expected 75%, primarily due to the Council of Institutional Investors and International Foundation of Employee Benefit Plans renewing in the second quarter of the fiscal year. PeopleSoft Financials and Human Resources charges were more than the expected 75%, primarily due to a rate increase of 44% and 22% respectively, as of July 1, 2016.

As requested by your Board previously, I have included additional information on expenditures for maintenance of the Administrative Building (Exhibit B).

Attachment(s)

1. Budget Status (Exhibit A)
2. Maintenance Expenditures (Exhibit B)

Background

The attached report (Exhibit A) represents the Retirement Association's Fiscal Year 2016-17 administrative budget status, on a cash basis at March 31, 2017. This report is prepared on a quarterly basis to inform the Board on the progress of the administrative budget for the current fiscal year.

Historically, this item has included an exhibit for excluded information technology expenses and an exhibit for amounts paid to investment managers. On November 2, 2016, the Board directed staff to separate these exhibits from the Administrative Budget Status Report and report on them separately.

The Board approved a mid-year budget adjustment related to exempt IT expenditures, the FCERA Office Construction Project and the investment in Palm Bluffs on December 21, 2016. This is now reflected in the total Appropriations for the quarter ending March 31, 2017.

FCERA
Budget Status Report
 Fiscal Year 2016-17
 For the Quarter Ended March 31, 2017

	ADOPTED APPROPRIATIONS	ADJUSTMENT TO APPROPRIATIONS	ADJUSTED BUDGET	EXPENDITURES	UNEXPENDED BUDGET	%
SALARIES & BENEFITS						
Salaries	\$ 1,549,700.00	\$ -	\$ 1,549,700.00	\$ 1,043,843.20	\$ 505,856.80	67%
Extra Help	20,500.00	-	20,500.00	10,385.43	10,114.57	51%
Overtime	101,000.00	-	101,000.00	17,279.08	83,720.92	17% (1)
Unemployment Insurance	1,100.00	-	1,100.00	813.75	286.25	74%
Retirement	814,200.00	-	814,200.00	527,760.35	286,439.65	65%
FICA Contribution	121,700.00	-	121,700.00	73,976.16	47,723.84	61%
Workers' Compensation	4,900.00	-	4,900.00	3,685.50	1,214.50	75%
Health Insurance	228,800.00	-	228,800.00	157,925.76	70,874.24	69%
Management Life and Disability	2,000.00	-	2,000.00	797.58	1,202.42	40%
Benefit Administration	3,700.00	-	3,700.00	2,747.25	952.75	74%
TOTAL SALARIES AND BENEFITS	2,847,600.00	-	2,847,600.00	1,839,214.06	1,008,385.94	65%
SERVICES & SUPPLIES						
Telephone	14,500.00	-	14,500.00	6,602.15	7,897.85	46% (2)
Liability Insurance	134,000.00	-	134,000.00	8,756.19	125,243.81	7% (3)
Maintenance-Bldgs and Grounds	48,000.00	-	48,000.00	31,597.52	16,402.48	66%
Memberships	15,700.00	-	15,700.00	13,220.00	2,480.00	84%
Office Expense	131,600.00	(25,000.00)	106,600.00	50,631.56	55,968.44	47% (2)
Postage	34,400.00	-	34,400.00	22,561.27	11,838.73	66%
PeopleSoft Human Resources	4,000.00	-	4,000.00	4,233.62	(233.62)	106% (4)
PeopleSoft Financials	12,000.00	-	12,000.00	12,243.22	(243.22)	102% (5)
Professional & Specialized	1,572,000.00	(128,500.00)	1,443,500.00	411,900.76	1,031,599.24	29% (2)
Data Processing	131,000.00	-	131,000.00	100,734.64	30,265.36	77%
Utilities	34,000.00	-	34,000.00	19,036.63	14,963.37	56%
Commissions/Advisory Boards	12,000.00	-	12,000.00	8,200.00	3,800.00	68%
Trans, Travel & Education	68,800.00	-	68,800.00	49,735.17	19,064.83	72% (6)
Travel-Board	72,000.00	-	72,000.00	36,154.07	35,845.93	50% (6)
TOTAL SERVICES & SUPPLIES	2,284,000.00	(153,500.00)	2,130,500.00	775,606.80	1,354,893.20	36%
TOTAL SALARIES, BENEFITS, SERVICES AND SUPPLIES	5,131,600.00	(153,500.00)	4,978,100.00	2,614,820.86	2,363,279.14	53%
IMPROVEMENTS & FIXED ASSETS						
Buildings & Improvements	-	2,168,073.00	2,168,073.00	239,944.56	1,928,128.44	11%
Equipment	-	86,800.00	86,800.00	-	86,800.00	0%
Furnishings	10,000.00	200,000.00	210,000.00	-	210,000.00	0%
TOTAL IMPROVEMENTS & FIXED ASSETS	10,000.00	2,454,873.00	2,464,873.00	239,944.56	2,224,928.44	10%
TOTAL ADMINISTRATIVE BUDGET	5,141,600.00	2,301,373.00	7,442,973.00	2,854,765.42	4,588,207.58	38%
INFRASTRUCTURE						
Improvements	-	3,850,642.00	3,850,642.00	-	3,850,642.00	
Land	-	3,000,000.00	3,000,000.00	700,000.00	2,300,000.00	
Leasing/Legal	-	152,500.00	152,500.00	11,561.00	140,939.00	
TOTAL INFRASTRUCTURE	-	7,003,142.00	7,003,142.00	711,561.00	6,291,581.00	
EXCLUDED ASSETS COSTS	232,200.00	399,700.00	631,900.00	377,194.33	254,705.67	
TOTAL BUDGET	\$ 5,373,800.00	\$ 9,704,215.00	\$ 15,078,015.00	\$ 3,943,520.75	\$ 11,134,494.25	

(1) Reduction due to the hiring of additional staff and use of Linea employees for backlog

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

(3) Driver Alliant Insurance policy renewal on fiscal year 2016-17 paid in advance in June 2016

(4) PeopleSoft Human Resources rate per employee increased 22% as of July 1, 2016

(5) PeopleSoft Financials rate per transaction increased 44% as of July 1, 2016

FCERA
Schedule of Maintenance Expenditures
At March 31, 2017

Exhibit B

ACCOUNT 7220 MAINTENANCE DETAIL				
	1st qtr	2nd qtr	3rd qtr	Total
Janitorial	\$ 5,932.48	\$ 2,966.24	\$ 4,627.34	\$ 13,526.06
Pest Control	97.02	194.04	145.53	436.59
Security	2,529.07	3,005.07	3,453.82	8,987.96
Landscaping			592.00	592.00
Other (itemized below)	952.74	3,734.22	3,367.95	8,054.91
Grand Total	\$ 9,511.31	\$ 9,899.57	\$ 12,186.64	\$ 31,597.52
Other - Itemized				
FSI labor to change air conditioning filters	\$ 304.92	\$ 381.15	\$ 76.23	\$ 762.30
FSI Materials -Air conditioning filters		71.80	143.42	215.22
FSI labor for replacing light bulbs		609.84		609.84
FSI Materials for light replacement throughout the building		1,098.17		1,098.17
Hirsch Charges - Reset Hirsch panels		152.46		152.46
Semi-Annual test of the Hirsch controller		76.23		76.23
Kims Plumbing toilet repair parts and labor		135.77		135.77
Kims Plumbing - install new faucet			389.50	389.50
Jorgensen Co.- annual fire extinguisher maintenance and repair		196.93		196.93
Jorgensen Co.- Fire Sprinkler Inspection		632.00	486.80	1,118.80
Jorgensen Co.- 5 year permit city of Fresno			182.00	182.00
Jorgensen Co.- Fire Sprinkler Installation			1,772.00	1,772.00
Jerico Fire Protection Co - Annual Backflow Inspection	165.00			165.00
Materials to install No Parking signs		74.94		74.94
Labor to install No Parking signs	482.82			482.82
Cubicle overhead compartment door repair		114.35		114.35
Board room roof leak repair		190.58		190.58
Ball Room Rental-Security Services			318.00	318.00
Total Other	\$ 952.74	\$ 3,734.22	\$ 3,367.95	\$ 8,054.91