



FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Donald C. Kendig, CPA, Retirement Administrator

BOARD AGENDA LETTER

DATE: August 02, 2017

TO: Trustees
Board of Retirement

FROM: Donald C. Kendig, CPA
Retirement Administrator

Staff Contact: Doris Rentschler
Assistant Retirement Administrator

SUBJECT: Budget Status for the Quarter Ended June 30, 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, including encumbrances, were 98% of the adopted budget. Appropriations used for Salaries and Benefits at 94%, were below the expected 100% due to delays in filling vacancies and the use of Linea consultants for system data conversion. The hiring of additional staff in the later part of the fiscal year helped contribute to a reduction of overtime.

Expenditures for Services and Supplies were 48% of the budget, primarily due to the invoices not having been received by the end of the accounting period. In addition, the office relocation, microfiche digitizing, and actuarial audit did not occur in FY 16-17, which contributed to Services and Supplies being less than expected. Printing and System Data Conversion charges were also less than anticipated when the budget was prepared. Insurance premiums were 7% to date due to the fiduciary insurance renewal on fiscal year 2016-17 being paid in advance in June 2016. PeopleSoft Financials and Human Resources charges were more than the expected 100%, 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 June 30, 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.

FCERA
Budget Status Report
Fiscal Year 2016-17
For the Quarter Ended June 30, 2017

	ADOPTED APPROPRIATIONS	ADJUSTMENT TO APPROPRIATIONS	ADJUSTED BUDGET	EXPENDITURES	ENCUMBRANCES	UNEXPENDED BUDGET	%
SALARIES & BENEFITS							
Salaries	\$ 1,549,700.00	\$ -	\$ 1,549,700.00	\$ 1,516,960.53	\$ -	\$ 32,739.47	98%
Extra Help	20,500.00	-	20,500.00	15,080.78	-	5,419.22	74%
Overtime	101,000.00	-	101,000.00	24,641.07	-	76,358.93	24% (1)
Unemployment Insurance	1,100.00	-	1,100.00	434.00	-	666.00	39%
Retirement	814,200.00	-	814,200.00	779,278.45	-	34,921.55	96%
FICA Contribution	121,700.00	-	121,700.00	108,103.18	-	13,596.82	89%
Workers' Compensation	4,900.00	-	4,900.00	4,914.00	-	(14.00)	100%
Health Insurance	228,800.00	-	228,800.00	227,895.80	-	904.20	100%
Management Life and Disability	2,000.00	-	2,000.00	1,150.38	-	849.62	58%
Benefit Administration	3,700.00	-	3,700.00	3,663.00	-	37.00	99%
TOTAL SALARIES AND BENEFITS	2,847,600.00	-	2,847,600.00	2,682,121.19	-	165,478.81	94%
SERVICES & SUPPLIES							
Telephone	14,500.00	-	14,500.00	8,764.69	-	5,735.31	60% (2)
Liability Insurance	134,000.00	-	134,000.00	9,377.44	-	124,622.56	7% (3)
Maintenance-Bldgs and Grounds	48,000.00	-	48,000.00	42,762.10	-	5,237.90	89%
Memberships	15,700.00	-	15,700.00	13,435.00	-	2,265.00	86%
Office Expense	131,600.00	(25,000.00)	106,600.00	59,211.47	-	47,388.53	56% (2), (4)
Postage	34,400.00	-	34,400.00	27,965.57	-	6,434.43	81%
PeopleSoft Human Resources	4,000.00	-	4,000.00	6,302.94	-	(2,302.94)	158% (5)
PeopleSoft Financials	12,000.00	-	12,000.00	17,916.45	-	(5,916.45)	149% (6)
Professional & Specialized	1,572,000.00	(128,500.00)	1,443,500.00	535,724.52	1,114,454.88	(206,679.40)	37% (2), (7), (8)
Data Processing	131,000.00	-	131,000.00	141,557.34	-	(10,557.34)	108%
Utilities	34,000.00	-	34,000.00	24,804.58	-	9,195.42	73% (2)
Commissions/Advisory Boards	12,000.00	-	12,000.00	11,100.00	-	900.00	93%
Trans, Travel & Education	68,800.00	-	68,800.00	62,464.50	-	6,335.50	91% (9)
Travel-Board	72,000.00	-	72,000.00	54,386.18	-	17,613.82	76% (9)
TOTAL SERVICES & SUPPLIES	2,284,000.00	(153,500.00)	2,130,500.00	1,015,772.78	1,114,454.88	272.34	48%
TOTAL SALARIES, BENEFITS, SERVICES AND SUPPLIES	5,131,600.00	(153,500.00)	4,978,100.00	3,697,893.97	1,114,454.88	165,751.15	74%
IMPROVEMENTS & FIXED ASSETS							
Buildings & Improvements	-	2,168,073.00	2,168,073.00	744,940.36	1,423,132.64	-	34%
Equipment	-	86,800.00	86,800.00	-	86,800.00	-	0%
Furnishings	10,000.00	200,000.00	210,000.00	90,143.23	119,856.77	-	43%
TOTAL IMPROVEMENTS & FIXED ASSETS	10,000.00	2,454,873.00	2,464,873.00	835,083.59	1,629,789.41	-	34%
TOTAL ADMINISTRATIVE BUDGET	5,141,600.00	2,301,373.00	7,442,973.00	4,532,977.56	2,744,244.29	165,751.15	61%
INFRASTRUCTURE							
Improvements	-	3,850,642.00	3,850,642.00	-	-	3,850,642.00	(10)
Land	-	3,000,000.00	3,000,000.00	700,000.00	-	2,300,000.00	(10)
Leasing/Legal	-	152,500.00	152,500.00	11,676.00	-	140,824.00	(10)
TOTAL INFRASTRUCTURE	-	7,003,142.00	7,003,142.00	711,676.00	-	6,291,466.00	
EXCLUDED ASSETS COSTS	232,200.00	399,700.00	631,900.00	370,881.83	261,018.17	-	
TOTAL BUDGET	\$ 5,373,800.00	\$ 9,704,215.00	\$ 15,078,015.00	\$ 5,615,535.39	\$ 3,005,262.46	\$ 6,457,217.15	

(1) Reduction due to the hiring of additional staff and the use of Linea consultants for system data conversion

(2) Fourth 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) Printing charges less than anticipated at budget preparation.

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

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

(7) System Data Conversion less than anticipated at budget preparation.

(8) Appropriations not used in FY 16-17 for microfiche digitizing, office relocation & actuarial audit

(9) Board and Staff travel do not occur uniformly within each quarter.

(10) Infrastructure appropriations not encumbered due to the LLC being funded through the Custodian bank

FCERA
Schedule of Maintenance Expenditures
At June 30, 2017

Exhibit B

ACCOUNT 7220 MAINTENANCE DETAIL					
	1st qtr	2nd qtr	3rd qtr	4th qtr	Total
Janitorial	\$ 5,932.48	\$ 2,966.24	\$ 4,627.34	\$ 4,716.33	\$ 18,242.39
Pest Control	97.02	194.04	145.53	150.38	586.97
Security	2,529.07	3,005.07	3,453.82	2,845.68	11,833.64
Landscaping			592.00	906.75	1,498.75
Other (itemized below)	952.74	3,734.22	3,367.95	1,278.80	9,333.71
Grand Total	\$ 9,511.31	\$ 9,899.57	\$ 12,186.64	\$ 9,897.94	\$ 41,495.46
Other - Itemized					
FSI labor to change air conditioning filters	\$ 304.92	\$ 381.15	\$ 76.23	419.27	\$ 1,181.57
FSI Materials -Air conditioning filters		71.80	143.42		215.22
FSI labor for replacing light bulbs		609.84		211.56	821.40
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		38.12	114.35
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		76.23	190.58
Board room roof leak repair		190.58		533.62	724.20
Ball Room Rental-Security Services			318.00		318.00
Total Other	\$ 952.74	\$ 3,734.22	\$ 3,367.95	\$ 1,278.80	\$ 9,333.71