



Phillip Kapler  
Retirement Administrator

Agenda Item No. \_\_\_\_\_

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
BOARD OF RETIREMENT  
Dr. Rod Coburn, III, Chair  
Alan Cade, Jr., Vice Chair  
Marion Austin  
Laura P. Basua  
Judith G. Case  
Vicki Crow  
Robert Dowell  
Eulalio Gomez  
Steven J. Jolly

**DATE:** November 6, 2013  
**TO:** Trustees, Board of Retirement  
**FROM:** Becky Van Wyk  
Assistant Retirement Administrator  
**SUBJECT:** Budget Status for the Quarter ended September 30, 2013

The attached report (Exhibit A) represents the Retirement Association's Fiscal Year 2013-14 administrative budget, on a cash basis at September 30, 2013. The total expenditures reported as of September 30, 2013 were 16% of the adopted budget.

Salaries and Benefits were below 25% due to vacancies in the Retirement Coordinator, Account Clerk and Office Assistant positions.

Expenditures were less than the expected 25%, primarily due to the timing of purchases that will occur later in the year as explained below.

Expenditures for Services and Supplies were 12% of the budget. Insurance premiums were at 8% because most insurance policies renew in the fourth quarter of the fiscal year. Staff and Board Travel and Education expenditures at 4% and 17% respectively, were due in part to the SACRS conference travel which is one of the largest travel expenditures and occurs in the second and fourth quarters. Professional and Specialized expenditures were at 14% primarily due to the invoices not having been received at the end of the accounting period. Some annual memberships renew in the first quarter which accounts for the used appropriations of 56%.

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). Also included is a report on the excluded costs for information technology related projects.

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

FCERA  
Budget Status Report  
 Fiscal Year 2013-14  
 For the Quarter Ended September 30, 2013

	ADOPTED BUDGET	EXPENDITURES	UNEXPENDED BUDGET	%	
<b>SALARIES &amp; BENEFITS</b>					
Salaries	\$ 1,285,646.00	\$ 235,168.20	\$ 1,050,477.80	18%	(1)
Extra Help	87,756.00	18,868.60	68,887.40	22%	
Overtime	63,099.00	8,578.55	54,520.45	14%	
Unemployment Insurance	1,990.00	497.50	1,492.50	25%	
Retirement	655,070.00	129,230.90	525,839.10	20%	
FICA Contribution	106,092.00	17,725.24	88,366.76	17%	
Workers' Compensation	5,212.00	1,327.25	3,884.75	25%	
Health Insurance	178,885.00	28,917.21	149,967.79	16%	
Management Life and Disability	1,606.00	246.80	1,359.20	15%	
Benefit Administration	3,494.00	797.75	2,696.25	23%	
<b>TOTAL SALARIES AND BENEFITS</b>	<b>2,388,850.00</b>	<b>441,358.00</b>	<b>1,947,492.00</b>	<b>18%</b>	<b>(1)</b>
<b>SERVICES &amp; SUPPLIES</b>					
Telephone	9,690.00	1,907.46	7,782.54	20%	
Liability Insurance	126,680.00	9,633.12	117,046.88	8%	(2)
Maintenance-Bldgs and Grounds	26,337.00	6,446.18	19,890.82	24%	
Memberships	7,165.00	4,000.00	3,165.00	56%	(3)
Office Expense	86,656.00	7,582.42	79,073.58	9%	(4)
Postage	16,926.00	6,160.65	10,765.35	36%	(5)
PeopleSoft Human Resources	5,241.00	795.47	4,445.53	15%	(4)
PeopleSoft Financials	15,497.00	2,258.16	13,238.84	15%	(4)
Professional & Specialized	765,281.00	103,881.39	661,399.61	14%	(4)
Data Processing	137,417.00	23,235.30	114,181.70	17%	(4)
Utilities	23,784.00	5,184.69	18,599.31	22%	(4)
Commissions/Advisory Boards	20,394.00	1,600.00	18,794.00	8%	(4)
Trans, Travel & Education	45,800.00	1,603.76	44,196.24	4%	(6)
Travel-Board	61,350.00	10,451.20	50,898.80	17%	(6)
Depreciation (non cash transaction)	170,814.00	-	-	0%	
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>1,519,032.00</b>	<b>184,739.80</b>	<b>1,163,478.20</b>	<b>12%</b>	
<b>TOTAL SALARIES, BENEFITS, SERVICES AND SUPPLIES</b>	<b>3,907,882.00</b>	<b>626,097.80</b>	<b>3,110,970.20</b>	<b>16%</b>	
<b>FIXED ASSETS</b>					
Furnishings (90985)	10,000.00	-	10,000.00	0%	(7)
<b>TOTAL FIXED ASSETS - FURNITURE AND EQUIPMENT</b>	<b>10,000.00</b>	<b>-</b>	<b>10,000.00</b>	<b>0%</b>	
<b>TOTAL ADMINISTRATIVE BUDGET</b>	<b>3,917,882.00</b>	<b>626,097.80</b>	<b>3,120,970.20</b>	<b>16%</b>	
<b>EXCLUDED ASSETS COSTS</b>	<b>3,808,000.00</b>	<b>341,957.53</b>	<b>3,466,042.47</b>		
<b>TOTAL BUDGET</b>	<b>\$ 7,725,882.00</b>	<b>\$ 968,055.33</b>	<b>\$ 6,587,012.67</b>		

(1) Utilizing temporary workers as extra help to avoid some of the overtime and covering two vacant coordinator positions, one account clerk position and two office assistant positions.

(2) Some insurance policies renew in the fourth quarter.

(3) SACRS membership renewed in the first quarter.

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

(5) Retiree election and newsletter mailings in the first quarter.

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

(7) No office furnishings purchased in the first quarter.

Detail - 7564	Paid Quarter ended 9/30/2013	Estimate for Prior Unpaid Quarters		Budget Year 2013-14 Expenditures	Actual Budget Year 2012-13 Expenditures*	
BlackRock Commodities Index Fund	-	83,154.23	(4)	83,154.23	332,616.90	^
New Mountain (all)	-	42,302.25	(4)	42,302.25	169,209.00	^
Remaining Managers Net Fees with Earnings or Capital Calls	-	1,326,301.55	(4)	1,326,301.55	5,305,206.18	^
<b>Alternative and Private Equity Investment Total</b>	<b>-</b>	<b>1,451,758.03</b>		<b>1,451,758.03</b>	<b>5,807,032.08</b>	<b>^</b>
Artisan		75,534.17	(4)	75,534.17	302,136.66	
Aronson, Johnson & Ortiz		122,989.75	(4)	122,989.75	491,959.00	
Kalmar Investments	211,454.00		(3)	211,454.00	609,741.00	
Mondrian Investment Group (All)		504,779.43	(4)	504,779.43	2,019,117.71	
Oechsle International Advisors		205,761.86	(4)	205,761.86	823,047.44	
Research Affiliates		114,617.51	(4)	114,617.51	458,470.05	
State Street ( S&P500, TIPS, )		15,221.01	(4)	15,221.01	60,884.04	
Systematic Financial Management		73,396.06	(4)	73,396.06	293,584.22	
Waddell & Reed Investment Manager		101,538.25	(4)	101,538.25	406,153.00	
Wellington		132,025.97	(4)	132,025.97	528,103.89	
Winslow Capital Management		100,167.30	(4)	100,167.30	400,669.19	
<b>Equity Investment Total</b>	<b>211,454.00</b>	<b>1,446,031.30</b>		<b>1,657,485.30</b>	<b>6,393,866.20</b>	
BlackRock Fixed Income (Institutional Trust)		157,858.57	(4)	157,858.57	631,434.29	
Loomis Sayles & Co. (All)		191,176.00	(4)	191,176.00	764,704.01	
Met West TALF Mgmt fees netted out of earnings		-	A	-	56,350.71	
Standish Mellon		96,097.38	(4)	96,097.38	384,389.53	
Western Asset Management Co.		146,712.91	(4)	146,712.91	586,851.62	
<b>Fixed Income Total</b>	<b>-</b>	<b>591,844.86</b>		<b>591,844.86</b>	<b>2,423,730.16</b>	
Wurts and Associates	59,166.66	30,266.05	(5)	89,432.71	363,192.64	
<b>Consulting Total</b>	<b>59,166.66</b>	<b>30,266.05</b>		<b>89,432.71</b>	<b>363,192.64</b>	
Foster Pepper Attorneys	1,040.00	-	(2)	1,040.00	35,064.25	
Other Legal Fees (County Counsel) (Notary)	30.00	-	(2)	30.00	2,802.40	
<b>Investment Legal Fees Total</b>	<b>1,070.00</b>	<b>-</b>		<b>1,070.00</b>	<b>37,866.65</b>	
Due Diligence Visits		-	(2)	-	7,853.45	
State Street/ Northern Trust - Custodial		28,463.82	(2)	28,463.82	113,855.27	
Futures Commission Expense		-	(2)	-	6,118.68	
<b>Other Total</b>	<b>-</b>	<b>28,463.82</b>		<b>28,463.82</b>	<b>127,827.40</b>	
Federal Express	247.70	-	(2)	247.70	232.05	
<b>Delivery of Investment Documents Total</b>	<b>247.70</b>	<b>-</b>		<b>247.70</b>	<b>232.05</b>	
<b>Grand Total</b>	<b>271,938.36</b>	<b>3,548,364.07</b>		<b>3,820,302.43</b>	<b>15,153,747.18</b>	

A - MetWest closed February 2013						
* The information reported for Fiscal Year 2011-12 is presented on a cash basis with most including the fourth quarter accrual						
^ Alternative investment totals adjusted to actual expenditures at 6/30/2013.						
(1) Most private markets net management fees with earnings or net from capital calls, so additional payment is not required. The netted management fees 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 one month based on actual invoice						

Fresno County Employees' Retirement Association  
Budget Status Report  
For quarter ended September 30, 2013

Exhibit C

	ACCOUNT 7220 MAINTENANCE DE	
	1st qtr	Total
Janitorial	\$ 3,597.00	\$ 3,597.00
Pest Control	97.02	97.02
Security	1,575.59	1,575.59
Other (itemized below)	1,176.57	1,176.57
Grand Total	\$ 6,446.18	\$ 6,446.18
<b>Other - Itemized</b>		
Haven's door lock repair	\$ 659.25	\$ 659.25
FSI labor to change air conditioning filters	151.69	151.69
Cobb Enterprises - Boardroom projector lift repair	365.63	365.63
Total Other	\$ 1,176.57	\$ 1,176.57

FCERA  
 Budget Status Report  
 Excluded IT Expenditures  
 Fiscal Year 2013-14  
 For the Quarter Ended September 30, 2013

Exhibit D

Account	Excluded Assets Costs	Adopted		Unexpended	Approp %	Approp
		Appropriations	Expenditures	Appropriations	Used	Committed
8300	Replacement Computers,monitors and printers	7,000.00	-	7,000.00	0.00%	0.00%
8300	Replacement PAS and new EDMS	2,764,050.00	-	2,764,050.00	0.00%	0.00%
8300	Consulting Services on New Pensions Administration System	1,014,950.00	339,957.53	674,992.47	33.50%	33.50%
7297	Peter Stadler Software Maintenance	12,000.00	2,000.00	10,000.00	16.67%	16.67%
7297	Wyatt Workorders	10,000.00	-	10,000.00	0.00%	0.00%
		3,808,000.00	341,957.53	3,466,042.47	8.98%	8.98%