



Inter Office Memo

DEPARTMENT OF
PERSONNEL SERVICES

ITEM 8

DATE: March 16, 2015

TO: Deferred Compensation Management Council

FROM: Paul Nerland, Personnel Services Manager

SUBJECT: Fiscal Year 2014-15 Deferred Compensation Plan Budget Report

Background

Pursuant to Section 9.5 of the County of Fresno 457(B) Deferred Compensation Plan Document, any reasonable expenses related to the operation of the Deferred Compensation Plan (Plan), such as third-party administration, consulting, legal and County staff costs, shall be charged to Plan participants. The County currently charges the Plan for the cost of the Plan Record-keeper (Great-West/Nationwide) and for consulting services (Heintzberger-Payne), as well as time spent by County staff (including Personnel Services and County Counsel staff) in support of Plan activities and for outside legal counsel to review Plan-related documents.

Issue

Staff has prepared a Fiscal Year 2014-15 budget report for the six-month period that ended December 31, 2014 (Attachment "A"). Staff would like to note and explain the following:

- Staff anticipates that actual expenditures will exceed the appropriation for the County Staff Cost line-item, due to the amount of time spent by staff on the Plan Record-keeper RFP process and transition from Great-West to Nationwide.
- Heintzberger-Payne's RFP process fee was budgeted for FY 2013-14. However, as the Plan Record-keeper RFP process and transition were incomplete prior to the end of FY 2013-14, the Plan will be billed for this cost in FY 2014-15.
- In light of these issues, staff has placed a budget amendment on today's agenda (Item No. 7); requesting approval of the following:
 - Transfer \$25,000 from the Contingency appropriation to the County Staff Cost appropriation.
 - Payment of the \$27,000 Heintzberger-Payne RFP process fee from the Contingency appropriation.

Item 8 - Attachment "A"

County of Fresno Deferred Compensation Plan

Actual vs. Budgeted Revenues & Expenses as of December 31, 2014

<u>Revenue</u>	Actual	Budget	(Deficit)/Surplus
Administrative Fees	\$ 234,448	\$ 460,000	\$ 225,552
Great-West Reimbursement	\$ 35,000	\$ 70,000	\$ 35,000
Totals:	\$ 269,448	\$ 530,000	\$ 260,552

<u>Expenses</u>	Actual	Budget	(Deficit)/Surplus
Consultant Fees	\$ (25,000)	\$ 50,000	\$ 25,000
Record-keeping Fees	\$ (152,328)	\$ 300,000	\$ 147,672
Fiduciary Liability Insurance Policy	\$ (9,749)	\$ 11,000	\$ 1,251
Staff Costs	\$ (43,404)	\$ 56,500	\$ 13,096
Legal fees	\$ (2,599)	\$ 25,000	\$ 22,401
NAGDCA	\$ (4,161)	\$ 5,500	\$ 1,339
Lunch & Learn	\$ -	\$ 8,000	\$ 8,000
Contingencies	\$ -	\$ 74,000	\$ 74,000
Totals:	\$ (237,241)	\$ 530,000	\$ 292,759