



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 7

DATE: February 23, 2017

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager

SUBJECT: Distribution of Fiscal Year 2015-16 Budget Surplus

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. In order to offset the costs of these Plan-related expenses, the County directs the Plan Record-keeper to charge an administrative fee to each participant. For Fiscal Year 2015-16, that fee was 0.19%.

Issue

As your Council is aware, in fiscal years where there was a surplus of funds in the Plan, your Council has approved a pro rata distribution of funds to participants based on each participant's percentage of Plan assets. As your Council can see from Attachment A, there was a surplus of approximately \$80,000 in fiscal year 2015-16.

Therefore, staff is recommending that your Council approve a pro rata distribution of these funds to current participants who had a Plan account balance as of June 30, 2016. Each participant's share of the distribution will be based on their June 30, 2016 Plan account balance. As of January 31, 2017, the Plan Expense Account balance was \$250,847.66.

Recommended Action

Approve a pro rata distribution of \$80,000 to current Deferred Compensation Plan participants based on each participant's percentage of Deferred Compensation Plan assets as of June 30, 2016.

ITEM 7 - ATTACHMENT A**County of Fresno Deferred Compensation Plan****Fiscal Year 2015-16 Revenue & Expenses as of June 30, 2016****Revenue**

Category	Year to Date	Projected	YTD vs. Projected
Administrative Fees	\$213,434	\$195,000	\$18,434
Totals:	\$213,434	\$195,000	\$18,434

Discretionary Expenses

Category	Year to Date	Budgeted	YTD vs. Budgeted
Consultant Fees	(\$45,000)	\$50,000	\$5,000
Fiduciary Liability Insurance Policy	(\$10,134)	\$12,000	\$1,866
Staff Costs	(\$72,072)	\$106,000	\$33,928
NAGDCA	(\$5,703)	\$7,000	\$1,297
Contingencies	\$0	\$20,000	\$20,000
Totals:	(\$132,909)	\$195,000	\$62,091

Discretionary Totals

Expenses vs. Revenue	YTD Expenses	YTD Revenue	Difference
Grand Totals:	(\$132,909)	\$213,434	\$80,525

Mandatory Expenses

Category	Year to Date	Projected	YTD vs. Projected
Record-keeping Fees	(\$203,385)	\$220,000	\$16,615