



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 7

DATE: December 16, 2021
TO: Deferred Compensation Management Council
FROM: David Joseph, Senior Human Resources Analyst
SUBJECT: 2021-22 Fiscal Year 1st Quarter Budget Report

BACKGROUND

Pursuant to Section 8.02 of the County of Fresno 457(b) Deferred Compensation Plan Document, your Council shall determine the reasonable Deferred Compensation Plan (Plan) expenses, such as third-party administration, consulting, legal and County staff costs. In addition, your Council shall determine the administrative fee charged to Participants to pay for such reasonable Plan expenses, on an annual basis. On June 23, 2021, your Council approved a Fiscal Year 2021-22 budget for Plan expenses and set an administrative fee of 0.18%.

ISSUE

Staff has prepared a Fiscal Year 2021-22 budget report for the three-month period that ended September 30, 2021 (Exhibit A). The Fiscal Year 2021-22 Deferred Compensation Plan budget was approved by your Council on June 23, 2021 and is attached to this item (Exhibit B) for reference. Exhibit A has three (3) columns for Revenue, Discretionary Expenses, and Mandatory Expenses:

1. "Approved" provides the dollar amounts that were originally approved by your Council at the June 23, 2021 meeting.
2. "Year to Date" provides the revenue received and expenses incurred between July 1, 2021 and September 30, 2021.
3. "Projected" provides the dollar amounts that staff projects will be the year-end totals.

In addition, staff has provided the surplus or deficit numbers, both year to date and projected for the full year. Please note that the projections are estimates based primarily on the following:

- The trends for this fiscal year, such as increasing/decreasing Plan assets leading to increasing/decreasing revenues and record-keeping fees; and
- Expenses that will be incurred prior to the end of the fiscal year, such as the fiduciary liability insurance policy.

RECOMMENDED ACTION

There are no recommended actions associated with this item.

Item 7 - Exhibit A

County of Fresno Deferred Compensation Plan

Fiscal Year 2021-22 Revenue & Expenses as of September 30, 2021

Revenue	Approved	Year to Date	Projected
Administrative Fees	\$ 239,000	\$ 101,227	\$ 311,000
Totals:	\$ 239,000	\$ 101,227	\$ 311,000

Discretionary Expenses	Approved	Year to Date	Projected
County Staff	\$ 156,000	\$ 31,047	\$ 115,453
Consultant	\$ 42,500	\$ 8,750	\$ 38,750
Fiduciary Liability Insurance	\$ 13,000	\$ -	\$ 13,000
Off-Site Training	\$ 2,500	\$ -	\$ 2,500
Contingencies	\$ 25,000	\$ -	\$ -
Totals:	\$ 239,000	\$ 39,797	\$ 169,703

	Year to Date	Projected
Surplus (Deficit):	\$ 61,431	\$ 141,297



Mandatory Expenses	Approved	Year to Date	Projected
Record-keeping Fees	\$ 350,000	\$ 86,931	\$ 348,000

Item 7 - Exhibit B

Discretionary Items

Revenue Source	2021-22 Budget	% of Revenue	2020-21 Budget	\$ Change from 2020-21	% Change from 2020-21
Administrative Fee	\$239,000	100%	\$225,000	\$14,000	6%
Total Revenue:	\$239,000	100%	\$225,000	\$14,000	6%
Expense	2021-22 Budget	% of Expenses	2020-21 Budget	\$ Change from 2020-21	% Change from 2020-21
County Staff	\$156,000	65%	\$139,000	\$17,000	12%
Consultant	\$42,500	18%	\$40,000	\$2,500	6%
Fiduciary Liability Insurance	\$13,000	5%	\$11,000	\$2,000	18%
Off-Site Training	\$2,500	1%	\$2,000	\$500	25%
Contingencies	\$25,000	11%	\$33,000	-\$8,000	-24%
Total Expenses:	\$239,000	100%	\$225,000	\$14,000	6%

Mandatory Items

Revenue Source	2021-22 Budget	2020-21 Budget	\$ Change from 2020-21	% Change from 2020-21
Nationwide Fee	\$350,000	\$277,000	\$73,000	26%
Expense	2021-22 Budget	2020-21 Budget	\$ Change from 2020-21	% Change from 2020-21
Record-keeping	\$350,000	\$277,000	\$73,000	26%