



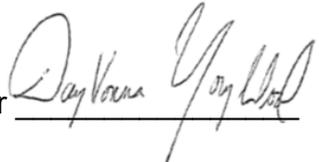
Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 8

DATE: March 26, 2026

TO: Deferred Compensation Management Council

FROM: DayVonna Youngblood, Human Resources Manager 

SUBJECT: Proposed Fiscal Year 2026-27 457(b) Deferred Compensation Plan & 401(a) Defined Contribution Plan Budget

Discussion

1. Fiscal Year 2026-27 Budget and Revenue

Pursuant to Section 8.02 of the County of Fresno 457(b) Deferred Compensation Plan Document and County of Fresno Board of Supervisors Resolution No. 22-114, the Deferred Compensation Management Council (the "Council") shall determine the reasonable expenses of the 457(b) Deferred Compensation Plan and the 401(a) Defined Contribution Plan (the "Plans"), such as consulting, legal and County staff costs.

In addition, the Council shall determine the administrative fee charged to participants to pay for such reasonable expenses of the Plans, on an annual basis. This administrative fee is deducted monthly from participant accounts on a prorated basis.

On April 10, 2025, the Council approved a Fiscal Year ("FY") 2025-26 budget for the Plans' expenses and set the total administrative fee at 0.15% of the Plans' assets, which included 0.08% for record-keeping fees, pursuant to Agreement No. 24-670, and 0.07% for the County's administrative expenses. Exhibit B includes the approved FY 2025-26 budget for reference.

The proposed FY 2026-27 budget of **\$300,000** represents a \$36,000 or 14% increase from FY 2025-26. Staff based the proposed budget on the resource needs of the Plans', as well as anticipated asset-based fees, for FY 2026-27.

Staff is recommending a 0.065% administrative fee on the total assets of the Plans, which is a 7% decrease from the current administrative fee of 0.07%. The total assets of the Plans are anticipated to be approximately \$463 million for FY 2026-27. Exhibit A includes the full proposed budget for FY 2026-27.

**March 26, 2026 Deferred Compensation Management Council Meeting
Item 8: Proposed Fiscal Year 2026-27 457(b) Deferred Compensation Plan &
401(a) Defined Contribution Plan Budget
Page Two**

2. Record-keeping Fees

Recordkeeping services include, but are not limited to:

- Record-keeping and administration of participants' accounts.
- Processing enrollments, contribution changes, and distributions pursuant to requests from participants in the Plans.
- Provision of a full-time retirement specialist for participants in the Plans.

On December 17, 2024, the Board of Supervisors approved Agreement No. 24-670 with Nationwide, which included record-keeping fees to 0.08%. Staff is anticipating approximately **\$395,000** in record-keeping expenses, which represents a \$57,000 or 17% increase from FY 2025-26. Nationwide deducts this fee from participant accounts monthly, on a prorated basis.

3. County Staff & Legal

This budget item includes costs related to Human Resources and County Counsel staff, outside legal counsel, and participant communication. The proposed budget of **\$205,000** represents a \$22,000 or 12% increase from FY 2025-26. The anticipated increase in costs is primarily due to –

- Multiple projects requiring legal review from County Counsel and outside counsel;
- Increases in the amount of time spent by staff servicing the Plans; and
- Increases in hourly billing rates for staff.

4. Consultant

The Consultant to the Plans provides objective and independent advice to your Council and staff, solely in the interest of participants in the Plans and their beneficiaries. Such advice includes, but is not limited to, investment oversight, monitoring the performance of the Plans' record-keeper, and administering the record-keeper RFP process.

On December 9, 2025, the Board of Supervisors approved Agreement No. 25-625 with Northwest Capital Management, which increased their annual compensation from \$42,500 to \$50,000. The proposed budget of **\$50,000** represents a \$5,000 or 11% increase from FY 2025-26.

March 26, 2026 Deferred Compensation Management Council Meeting
Item 8: Proposed Fiscal Year 2026-27 457(b) Deferred Compensation Plan &
401(a) Defined Contribution Plan Budget
Page Three

5. Fiduciary Liability Insurance

Fiduciary liability insurance protects the Plan and your Council from lawsuits related to the management of the Plans. Staff has included the anticipated cost of a \$5 million fiduciary liability insurance policy. The current policy expires July 1, 2026. The proposed budget of **\$18,000** represents a \$4,000 or 29% increase from FY 2025-26.

6. Off-Site Training

Off-site training is utilized to bring innovative administrative practices to the Plans. This item includes the cost to –

- Send three (3) members of your Council and/or staff to the 2026 National Association of Governmental Defined Contribution Administrators (NAGDCA) conference held September 27-30 in Orlando, FL; and
- Send Member Kendig to the 2026 Defined Contribution Institute Symposium, held September 15-16 in Half Moon Bay, CA.

Any unused funds may be allocated to additional training that your Council deems appropriate. The proposed budget of **\$12,000** represents a \$3,000 or 33% increase from FY 2025-26.

7. Contingencies

The contingency budget allows for stability in the event of lower revenues than expected and/or higher expenses than expected. The proposed budget of **\$15,000** represents a \$2,000 or 15% increase from FY 2025-26.

Recommended Actions

1. **Approve the FY 2026-27 total administrative fee of 0.145%, which is comprised of 0.08% for record-keeping fees, pursuant to Agreement No. 24-670, and 0.065% for County administrative expenses.**
2. **Approve the FY 2026-27 budget, either as submitted or with amendments.**
3. **Approve Member Kendig's attendance at the 2026 Defined Contribution Institute Symposium held September 15-16 in Half Moon Bay, CA.**
4. **Select up to two (2) members of the Deferred Compensation Management Council to join County staff (three (3) total attendees) in attending the 2026 National Association of Governmental Defined Contribution Administrators conference held September 27-30 in Orlando, FL.**

ITEM 8 - Exhibit A

County of Fresno 457(b) Deferred Compensation Plan

County of Fresno 401(a) Defined Contribution Plan

Discretionary Items

Revenue Source	2026-27 Budget	% of Revenue	2025-26 Budget	\$ Change from 2025-26	% Change from 2025-26
Administrative Fee	\$300,000	100%	\$264,000	\$36,000	14%
Total Revenue:	\$300,000	100%	\$264,000	\$36,000	14%
Expense	2026-27 Budget	% of Expenses	2025-26 Budget	\$ Change from 2025-26	% Change from 2025-26
County Staff & Legal	\$205,000	68%	\$183,000	\$22,000	12%
Consultant	\$50,000	17%	\$45,000	\$5,000	11%
Fiduciary Liability Insurance	\$18,000	6%	\$14,000	\$4,000	29%
Off-Site Training	\$12,000	4%	\$9,000	\$3,000	33%
Contingencies	\$15,000	5%	\$13,000	\$2,000	15%
Total Expenses:	\$300,000	100%	\$264,000	\$36,000	14%

Mandatory Items

Revenue Source	2026-27 Budget	2025-26 Budget	\$ Change from 2025-26	% Change from 2025-26
Nationwide Fee	\$395,000	\$338,000	\$57,000	17%
Expense	2026-27 Budget	2025-26 Budget	\$ Change from 2025-26	% Change from 2025-26
Record-keeping	\$395,000	\$338,000	\$57,000	17%

ITEM 8 - Exhibit B

County of Fresno 457(b) Deferred Compensation Plan

County of Fresno 401(a) Defined Contribution Plan

Discretionary Items

Revenue Source	2025-26 Budget	% of Revenue	2024-25 Budget	\$ Change from 2024-25	% Change from 2024-25
Administrative Fee	\$264,000	100%	\$265,000	-\$1,000	-0.4%
FY 2023-24 Carryover	\$0	0%	\$15,000	-\$15,000	-100%
Total Revenue:	\$264,000	100%	\$280,000	-\$16,000	-6%
Expense	2025-26 Budget	% of Expenses	2024-25 Budget	\$ Change from 2024-25	% Change from 2024-25
County Staff & Legal	\$183,000	69%	\$165,000	\$18,000	11%
Consultant	\$45,000	17%	\$72,500	-\$27,500	-38%
Fiduciary Liability Insurance	\$14,000	5%	\$15,000	-\$1,000	-7%
Off-Site Training	\$9,000	3%	\$12,500	-\$3,500	-28%
Contingencies	\$13,000	5%	\$15,000	-\$2,000	-13%
Total Expenses:	\$264,000	100%	\$280,000	-\$16,000	-6%

Mandatory Items

Revenue Source	2025-26 Budget	2024-25 Budget	\$ Change from 2024-25	% Change from 2024-25
Nationwide Fee	\$338,000	\$383,000	-\$45,000	-12%
Expense	2025-26 Budget	2024-25 Budget	\$ Change from 2024-25	% Change from 2024-25
Record-keeping	\$346,000	\$383,000	-\$37,000	-10%