Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 6

DATE: September 24, 2026

TO: Deferred Compensation Management Council

FROM: DayVonna Youngblood, Human Resources Manager

SUBJECT: 2025-26 Fiscal Year-End Budget Report & Distribution of Surplus Funds

DISCUSSION

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 third-party administration, 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. 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%, which is comprised of 0.08% for record-keeping fees, pursuant to Agreement No. 24-670, and 0.07% for County administrative expenses.

Staff prepared a 2025-26 Fiscal Year-End budget report for the twelve-month period that ended June 30, 2026 (Exhibit A). The Plans' approved Fiscal Year 2025-26 budget is attached to this item (Exhibit B) for reference. As stated in Exhibit A, there was a surplus of approximately $140,475 in FY 2025-26. Staff would like to highlight the following:

1. **Total revenues were higher than what was projected.** Revenue from the Plans was expected to be $264,000; however, the final total was $327,956, exceeding expectations by approximately **$63,956**. This was due to higher-than-expected Plan assets throughout the fiscal year.
2. **Expenses were less than what was budgeted.**
   a. **Staff Costs.** The costs of Employee Benefits, County Counsel, and Outside Legal Counsel working for the Plans were estimated to be $183,000; instead, costs were $122,127, as staff and Outside Counsel worked fewer hours than projected on assignments related to the Plans. This resulted in a surplus of **$60,873**.

b. **Consultant Costs.** Consultant costs were estimated to be $45,000. However, the final cost was $46,250, as Agreement No. 25-625 increased Northwest Capital Management's quarterly fee from $10,625 to $12,500. This resulted in a deficit of **$1,250**. Pursuant to Section 4.a of the Deferred Compensation Plan Budget Policy, the difference of $1,250 was transferred from the Contingency line-item to the ***Consultant*** line-item.

c. **Fiduciary Liability Insurance.** Staff estimated the cost of Fiduciary Liability Insurance would be $14,000; instead, the premiums were $14,868, resulting in a deficit of **$868**. Pursuant to Section 4.a of the Deferred Compensation Plan Budget Policy, the difference of $868 was transferred from the Contingency line-item to the ***Fiduciary Liability Insurance*** line-item.

d. **Off-Site Training.** The cost of traveling to and from the National Association of Governmental Defined Contribution Administrators (NAGDCA) conference, such as airfare and hotels was estimated to be $9,000; instead, the costs were $4,237, resulting in a surplus of **$4,763**.

e. **Contingency.** Funds in the amount of $2,118 were transferred from the Contingency budget in FY 2025-26, resulting in a surplus of **$10,882**.

Distribution of Surplus Funds

In previous fiscal years where there was a budget surplus, the Council has approved a pro rata distribution of funds to participants based on each participant's percentage of assets within the Plans. Therefore, staff is recommending that your Council approve a pro rata distribution of **$140,475** of these surplus funds to current 457(b) Deferred Compensation Plan and 401(a) Defined Contribution Plan participants who had an account balance as of June 30, 2026. Each participant's share of the distribution will be based on their percentage of the total assets in the Plans as of June 30, 2026. Impacted participants will see the credit as a "Unit Adjustment" in their 4th quarter statement.

RECOMMENDED ACTION

Approve a pro rata distribution of $140,475 to current 457(b) Deferred Compensation Plan and 401(a) Defined Contribution Plan participants based on each participant's percentage of the total assets of the 457(b) Deferred Compensation Plan and the 401(a) Defined Contribution Plan, as of June 30, 2026.

ITEM 6 - Exhibit A

County of Fresno 457(b) Deferred Compensation Plan

County of Fresno 401(a) Defined Contribution Plan

Fiscal Year 2025-26 Revenue & Expenses as of June 30, 2026

Revenue	Approved	Transfers In/Out	Year to Date	Surplus (Deficit)
Administrative Fee	$ 264,000	$ -	$ 327,956	$ 63,956
Total Revenue:	**$ 264,000**	**$ -**	**$ 327,956**	**$ 63,956**

Discretionary Expenses	Approved	Transfers In/Out	Year to Date	Surplus (Deficit)
County Staff	$ 183,000	$ -	$ 122,127	$ 60,873
Consultant	$ 45,000	$ 1,250	$ 46,250	$ -
Fiduciary Liability Insurance	$ 14,000	$ 868	$ 14,868	$ -
Off-Site Training	$ 9,000	$ -	$ 4,237	$ 4,763
Contingencies	$ 13,000	$ (2,118)	$ -	$ 10,882
Total Expenses:	**$ 264,000**	**$ -**	**$ 187,482**	**$ 76,518**

Surplus (Deficit): $ 140,475

Mandatory Expenses	Approved	Year to Date	Surplus (Deficit)
Record-keeping Fees	$ 383,000	$ 269,896	$ 113,104

ITEM 6 - 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%