

DEFERRED COMPENSATION PLAN BOARD REPORT 10-37

Date: October 1, 2010
 To: Board of Deferred Compensation Administration
 From: Staff
 Subject: Deferred Compensation Plan Budget Status Report:
 Quarter Ending 6/30/10

Members
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Recommendation:

That the Board of Deferred Compensation Administration (a) receive and file the following status report on Deferred Compensation Plan budget accounts for the quarter ending **6/30/10**; and (b) for this same quarter, approve reimbursements from the Deferred Compensation Plan Reserve Fund accounts to the Personnel Department for **\$116,569.30**; City Attorney for **\$31,122.77**; and DWP for **\$1,397.51**.

Discussion:

Reimbursements - Staff is recommending reimbursement from the Deferred Compensation Plan Reserve Fund accounts to the Personnel Department for **\$116,569.30**; City Attorney for **\$31,122.77**; and DWP for **\$1,397.51**, for the quarter ending 6/30/10. The calculations for the current quarter reimbursement include salaries for all positions presently servicing the Plan, including direct salary and indirect costs as calculated in the City Controller's Cost Allocation Plan (CAP) rates and by DWP Payroll. Indirect costs for the 09/10 fiscal years for Personnel, City Attorney and DWP are 82.98%, 88.7%, and 82% respectively. Quarterly activity in the Plan's revenue/expenditure accounts is included in Attachment I.

Rolling five-year Projected Income/Expenses - Following is a rolling five-year forecast of revenue/expenses for the Deferred Compensation Plan budget accounts. The long-term surplus amount is still above the Board's target surplus of \$1.5 million.

PROJECTED REVENUE/EXPENSES: 7/01/10-6/30/15

Quarter Ending:	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015
Starting Balance	\$ 3,228,680	\$ 2,957,962	\$ 2,701,338	\$ 2,489,662	\$ 2,243,449
Estimated Interest Earnings	\$ 161,434	\$ 147,898	\$ 135,067	\$ 124,483	\$ 112,172
Estimated Total Revenue	\$ 2,280,244	\$ 2,374,533	\$ 2,477,572	\$ 2,591,598	\$ 2,713,386
Estimated Expenses	\$ (2,712,396)	\$ (2,779,054)	\$ (2,824,316)	\$ (2,962,293)	\$ (2,986,937)
Difference	\$ (432,152)	\$ (404,521)	\$ (346,744)	\$ (370,695)	\$ (273,551)
Estimated Surplus Balance	\$ 2,957,962	\$ 2,701,338	\$ 2,489,662	\$ 2,243,449	\$ 2,082,071

PROJECTED FEE REVENUES DETAIL

Account Size	Participants	Account Values	Revenue Estimates				
			6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014
Less than \$25k	18,479	\$ 173,567,686	\$ 189,189	\$ 206,216	\$ 224,775	\$ 245,005	\$ 267,055
\$25k-\$50k	6,383	\$ 230,223,081	\$ 250,943	\$ 273,528	\$ 298,146	\$ 324,979	\$ 354,227
\$50k-\$75k	3,765	\$ 232,272,442	\$ 253,177	\$ 275,963	\$ 300,800	\$ 327,872	\$ 357,380
\$75k-\$100k	2,538	\$ 221,709,883	\$ 241,664	\$ 263,414	\$ 287,121	\$ 312,962	\$ 341,128
\$100k-\$200k	6,055	\$ 858,261,008	\$ 772,013	\$ 787,453	\$ 803,202	\$ 819,266	\$ 835,651
\$200k-\$300k	1,939	\$ 465,257,548	\$ 247,223	\$ 252,167	\$ 257,210	\$ 262,354	\$ 267,602
\$300k-\$400k	706	\$ 240,687,167	\$ 90,015	\$ 91,815	\$ 93,652	\$ 95,525	\$ 97,435
\$400k-\$500k	282	\$ 124,845,123	\$ 35,955	\$ 36,674	\$ 37,408	\$ 38,156	\$ 38,919
Over \$500k	303	\$ 203,907,910	\$ 38,633	\$ 39,405	\$ 40,193	\$ 40,997	\$ 41,817
Total-->	40,450	\$ 2,750,731,848	\$ 2,118,810	\$ 2,226,634	\$ 2,342,506	\$ 2,467,115	\$ 2,601,214

PROJECTED EXPENSES DETAIL

Annual Expenses	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015
Admin Fees Owed to GWRS	\$ 1,640,045	\$ 1,672,846	\$ 1,706,303	\$ 1,740,429	\$ 1,775,238
Salary/Related Costs	\$ 753,306	\$ 790,971	\$ 830,520	\$ 872,046	\$ 889,487
Consulting Costs	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Training/Education	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703
Quarterly-Fee Allocation Funds	\$ 36,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Election Administration	\$ 60,000	\$ 30,000	\$ -	\$ 60,000	\$ 30,000
Office/Admin/Equipment	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510
	\$ 2,712,396	\$ 2,779,054	\$ 2,824,316	\$ 2,962,293	\$ 2,986,937

The Board's targeted surplus level is \$1.5 million. This projection indicates that the target will be exceeded over each of the next five years.

Submitted by: _____

Natasha Gameroz

Reviewed by: _____

Steven Montagna

Approved by: _____

Alejandrina Basquez

DEFERRED COMPENSATION PLAN QUARTERLY BUDGET REVIEW

ADMINISTRATIVE AND OPERATING EXPENSES

QUARTER ENDING 6/30/10

STARTING BALANCE		
Payroll Fee Trust Fund Ending Balance - 3/31/10	\$	147,162
Administrative Fee Reserve Fund Balance - 3/31/10	\$	3,367,189
Total	\$	3,514,351
REVENUES/FEEES		
Interest Earnings on Payroll Fee Trust Fund	\$	991
Administrative Fee Reserve Fund Deposits	\$	285,137
Interest Earnings on Administrative Fee Reserve Fund	\$	27,812
Miscellaneous Revenues	\$	15
Total Revenue/Fees	\$	313,955
STARTING BALANCE + REVENUE/FEEES		\$ 3,828,307
EXPENDITURES		
Participant Administrative Fees Paid to Great-West	\$	(149,074)
Personnel Department Reimbursements	\$	(212,803)
City Attorney Reimbursements	\$	(61,689)
DWP Reimbursements	\$	-
Consulting Costs	\$	-
2130 Travel/Training/Education	\$	-
4160 Governmental Meetings	\$	-
6010 Office and Administrative	\$	-
7300 Office Furniture & Equipment	\$	-
GWRS Quarterly Fee - Asset Allocation Fund Management	\$	(9,000)
TOTAL EXPENDITURES	\$	(432,566)
Actual Payroll Fee Trust Fund Ending Balance (6/30/10)	\$	29,952
Actual Administrative Fee Reserve Fund Ending Balance (6/30/10)	\$	3,497,964
ACTUAL TOTAL BALANCE AS OF 6/30/10		\$ 3,527,916
ENCUMBRANCES/LIABILITIES		
Reimbursements: 3 Mos. Ending 9/30/09 (City Attorney)	\$	(30,754)
Reimbursements: 3 Mos. Ending 3/31/10	\$	(119,393)
Reimbursements: 3 Mos. Ending 6/30/10	\$	(149,090)
TOTAL LIABILITIES	\$	(299,236)
ASSETS LESS EXPENDITURES/LIABILITIES		\$ 3,228,680
Personnel Reimbursement Summary - 3 Months Ending 6/30/10		
Personnel - Salaries + Related Costs @ 82.98%	\$	116,569.30
City Attorney - Salaries + Related Costs @ 88.7%	\$	31,122.77
DWP - Salaries + Related Costs @ 82.00%	\$	1,397.51
Total Reimbursements	\$	149,089.58