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# DEFERRED COMPENSATION PLAN BOARD REPORT 05-24



Date: June 29, 2005

To: Board of Deferred Compensation Administration

From: Staff

Subject: Reimbursements From Administrative Fee Trust Fund -  
Reconciliation for Three-Months Ending 3/31/05

Recommendation:

That the Board of Deferred Compensation Administration approve reimbursement from the Deferred Compensation Plan Trust Fund #896 to the Personnel Department for \$50,469.05 for the quarter ending 3/31/05.

Discussion:

Staff has completed its reconciliation of administrative fees/expenses for the quarter ending 3/31/05 and is recommending reimbursement to the Personnel Department in the amount of \$50,469.05. As you review the Administrative Fee Trust Fund and Trust Fund Activity Reports (Attachments I and II), please note the following:

REVENUES/FEES

- Balance ending figures represent actual Trust Fund balances as of the given closing date;
- "Total City Admin Fees" and "Total DWP Admin Fees" represent the total of \$0.50 per payday fees collected from Plan participants during each period;
- "Total Interest Earned" is the amount credited to the trust fund for each period.

EXPENDITURES

This category includes reimbursements made directly from the Trust Fund for Personnel Department/Treasurer reimbursements, NAGDCA conference expenses, consulting services, etc.

ENCUMBRANCES/LIABILITIES

The reimbursement obligations listed under this category are broken down by Department.

- Retirement on salaries uses a percentage (15.54%) derived from the Fringe Benefits CAP rate for retirement costs only for the 04/05 fiscal year (see footnote for "Overhead");
- Office supplies assumes for Personnel staff a standard Department formula (\$1,000 per full-time person annually) for the two and one half positions dedicated to the program;

- Overhead is 3.4% of the expenses listed above that line<sup>1</sup>;
- The Reimbursement Summary totals the reimbursements due City Treasurer and Personnel for the covered time period - it is these amounts that staff is proposing be transferred from the Trust Fund to the Personnel Department and City Treasurer.

Projected Income/Expenses - Next Four Quarters

Following is an updated rolling four-quarter forecast of revenue/expenses for the Trust Fund. The projected surplus in the Fund over a one-year period has risen from \$302,236 from the prior quarterly report to \$318,426 currently. The following table provides a breakdown of estimated revenues/expenses over the next 12-month cycle:

<b>PROJECTED REVENUE/EXPENSES: 4/1/05-3/31/06</b>	
<b>REVENUE</b>	
Fees	\$ 335,000
Interest	\$ 12,000
Total	<b>\$ 347,000</b>
<b>ANNUAL EXPENSES</b>	
Personnel Reimbursements	\$ (191,586)
NAGDCA Dues/Conference Expenses	\$ (25,000)
Consulting Fees	\$ (125,000)
Total	<b>\$ (341,586)</b>
Annual Revenue Less Expenses	<b>\$ 5,414</b>
<b>CURRENT SURPLUS</b>	
Current Surplus	\$ 313,012
Projected Total Surplus:3/31/06	<b>\$ 318,426</b>

Submitted by: \_\_\_\_\_  
Steven Montagna

Approved by: \_\_\_\_\_  
Maryanne Keehn

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<sup>1</sup> This is the last known City overhead rate, since this percentage is no longer computed. As discussed at a Board meeting in October 1997, the General City Overhead rate and Retirement rate were previously supplied on Schedule G of the CAO's Fees for Special Services instructions. Schedule G was one of two methods used in cost accounting for special service programs; the other method involved what are called Cost Allocation Plan ("CAP") rates. Beginning with the 96/97 fiscal year, the Schedule G method was eliminated and all programs were directed to use the CAP rates. Because the Council had previously (in 1993) specified that the Plan would only be billed for direct costs (i.e. retirement and General City overhead), staff recommended, and the Board approved, billing the program for the last known General City Overhead rate and each fiscal year's Retirement rate (which can be derived from the Fringe Benefits CAPS rate) until such time as this matter is revisited by Council.

<b>TRUST FUND SUMMARY REPORT</b>	
3-MONTHS ENDING 3/31/05	
<b>REVENUES/FEES</b>	
Balance Ending 12/31/04	\$ 437,963.93
Total City Admin Fees	\$ 75,536.50
Total DWP Admin Fees	\$ 16,112.50
Total Interest Earned	\$ 3,063.08
<b>TOTAL INCOME</b>	<b>\$ 532,676.01</b>
<b>EXPENDITURES</b>	
Reimbursements: Personnel	\$ (48,163.72)
Consulting-Mercer	\$ (21,445.64)
NAGDCA	\$ 1,552.11
Office & Admin	\$ (199.67)
<b>TOTAL EXPENDITURES</b>	<b>\$ (68,256.92)</b>
<b>ACTUAL BALANCE AS OF 3/31/05</b>	<b>\$ 464,419.09</b>
<b>ENCUMBRANCES/LIABILITIES</b>	
Reimbursements: (Personnel: 3 Mos. Ending 9/30/04)	\$ (50,469.05)
Reimbursements: (City Treasurer: 3 Mos. Ending 12/31/04)	\$ (50,469.05)
Reimbursements: (Personnel: 3 Mos. Ending 3/31/05)	\$ (50,469.05)
<b>TOTAL LIABILITIES</b>	<b>\$ (151,407.15)</b>
<b>ASSETS LESS EXPENDITURES/LIABILITIES</b>	<b>\$ 313,011.94</b>
<b>Personnel Reimbursement Summary - 3 Months Ending 3/31/05</b>	
Personnel - Salaries	\$ 41,595.57
Personnel - FY 04-05 Retirement @ 15.54%	\$ 6,463.95
Personnel - Office Supplies	\$ 750.00
Personnel - Overhead	\$ 1,659.52
<b>Personnel Reimbursements</b>	<b>\$ 50,469.05</b>

<b>TRUST FUND ACTIVITY REPORT</b>			
<b>Quarterly Summary - 3/31/05</b>			
<b>JANUARY '05</b>			
Opening Balance	01/01/05	\$	437,963.93
CR-CITY ADMIN FEES	01/05/05	\$	10,782.00
CR-DWP ADMIN FEES	01/05/05	\$	2,287.50
CR-DWP ADMIN FEES	01/19/05	\$	2,289.50
CR-CITY ADMIN FEES	01/20/05	\$	10,834.00
OFFICE & ADMIN	10/18/04	\$	(199.67)
NAGDCA (refund)	01/12/05	\$	1,352.00
NAGDCA (refund)	01/13/05	\$	328.84
PERSONNEL REIMBURSEMENTS	01/19/05	\$	(48,163.72)
CONSULTING-MERCER	01/05/05	\$	(21,445.64)
NAGDCA (annual membership)	01/24/05	\$	(600.00)
JV-INTEREST	01/21/05	\$	850.63
	Subtotal->	\$	396,279.37
<b>FEBRUARY '05</b>			
CR-DWP ADMIN FEES	02/02/05	\$	2,308.00
CR-CITY ADMIN FEES	02/03/05	\$	10,777.50
CR-DWP ADMIN FEES	02/15/05	\$	2,307.50
CR-CITY ADMIN FEES	02/17/05	\$	10,773.50
NAGDCA (refund)	02/25/05	\$	471.27
JV-INTEREST	02/24/05	\$	907.32
	Subtotal->	\$	423,824.46
<b>MARCH '05</b>			
CR-CITY ADMIN FEES	03/02/05	\$	10,769.50
CR-DWP ADMIN FEES	03/02/05	\$	2,301.00
CR-CITY ADMIN FEES	03/17/05	\$	10,814.50
CR-DWP ADMIN FEES	03/16/05	\$	2,310.50
CR-CITY ADMIN FEES	03/31/05	\$	10,785.50
CR-DWP ADMIN FEES	03/30/05	\$	2,308.50
JV-INTEREST	03/22/05	\$	1,305.13
	Subtotal->	\$	464,419.09
<b>QUARTERLY SUMMARY</b>			
OPENING BALANCE		\$	437,963.93
TOTAL CITY ADMIN FEES		\$	75,536.50
TOTAL DWP ADMIN FEES		\$	16,112.50
TOTAL INTEREST		\$	3,063.08
PERSONNEL REIMBURSEMENTS		\$	(48,163.72)
CONSULTING-MERCER		\$	(21,445.64)
NAGDCA		\$	1,552.11
OFFICE & ADMIN		\$	(199.67)
ENDING BALANCE		\$	464,419.09