

BOARD OF DEFERRED
COMPENSATION
ADMINISTRATION

EUGENE CANZANO
CHAIRPERSON

BILL STEIN
VICE-CHAIRPERSON

SANGEETA BHATIA
SALLY CHOI
RICHARD KRAUS
MICHAEL A. PEREZ
KURT A. STABEL
MARGARET M. WHELAN

DEFERRED COMPENSATION PLAN BOARD REPORT 08-38



Date: October 3, 2008
To: Board of Deferred Compensation Administration
From: Staff
Subject: Deferred Compensation Plan Budget Status Report - Quarter Ending 06/30/08

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 **06/30/08**; and (b) for this same quarter, approve reimbursements from the Deferred Compensation Plan Reserve Fund accounts to the Personnel Department for **\$104,051.73**; City Attorney for **\$22,578.33**; and DWP for **\$2,795.02**.

Discussion:

Reimbursements - Staff is recommending reimbursement from the Deferred Compensation Plan Reserve Fund accounts to the Personnel Department for **\$104,051.73**; City Attorney for **\$22,578.33**; and DWP for **\$2,795.02**, for the quarter ending 06/30/08. The calculations for the current quarter reimbursement include salaries for the **4.8** positions presently servicing the Plan, including all 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 07/08 fiscal year for Personnel, City Attorney and DWP are 78.22%, 52.63%, 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.

PROJECTED REVENUE/EXPENSES: 07/01/08-06/30/13

Quarter Ending:	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013
Starting Balance	\$ 3,376,643	\$ 3,043,511	\$ 2,760,223	\$ 2,530,192	\$ 2,267,178
Estimated Interest Earnings	\$ 176,088	\$ 176,088	\$ 176,088	\$ 176,088	\$ 176,088
Estimated Total Revenue	\$ 2,296,650	\$ 2,392,847	\$ 2,495,271	\$ 2,604,391	\$ 2,720,712
Estimated Expenses	\$ (2,805,871)	\$ (2,852,223)	\$ (2,901,391)	\$ (3,043,493)	\$ (3,069,328)
Difference	\$ (509,221)	\$ (459,376)	\$ (406,119)	\$ (439,102)	\$ (348,616)
Estimated Surplus Balance	\$ 3,043,511	\$ 2,760,223	\$ 2,530,192	\$ 2,267,178	\$ 2,094,650

PROJECTED FEE REVENUES DETAIL

Account Size	Participants	Account Values	Revenue Estimates				
			6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012
Less than \$25k	17,608	\$ 155,465,011	\$ 167,902	\$ 181,334	\$ 195,841	\$ 211,508	\$ 228,429
\$25k-\$50k	5,944	\$ 215,153,631	\$ 232,366	\$ 250,955	\$ 271,032	\$ 292,714	\$ 316,131
\$50k-\$75k	3,634	\$ 224,060,086	\$ 241,985	\$ 261,344	\$ 282,251	\$ 304,831	\$ 329,218
\$75k-\$100k	2,709	\$ 235,353,237	\$ 254,181	\$ 274,516	\$ 296,477	\$ 320,195	\$ 345,811
\$100k-\$200k	6,251	\$ 881,109,497	\$ 797,003	\$ 812,943	\$ 829,201	\$ 845,785	\$ 862,701
\$200k-\$300k	2,005	\$ 481,316,157	\$ 255,638	\$ 260,750	\$ 265,965	\$ 271,285	\$ 276,710
\$300k-\$400k	757	\$ 258,849,960	\$ 96,518	\$ 98,448	\$ 100,417	\$ 102,425	\$ 104,474
\$400k-\$500k	315	\$ 139,673,606	\$ 40,163	\$ 40,966	\$ 41,785	\$ 42,621	\$ 43,473
Over \$500k	273	\$ 183,159,527	\$ 34,808	\$ 35,504	\$ 36,214	\$ 36,938	\$ 37,677
Total-->	39,496	\$ 2,774,140,712	\$ 2,120,562	\$ 2,216,759	\$ 2,319,183	\$ 2,428,303	\$ 2,544,624

PROJECTED EXPENSES DETAIL

Annual Expenses	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013
Admin Fees Owed to GWRS	\$ 1,601,365	\$ 1,633,393	\$ 1,666,060	\$ 1,699,382	\$ 1,733,369
Salary/Related Costs	\$ 844,505	\$ 886,731	\$ 931,067	\$ 977,620	\$ 997,173
Consulting Costs	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Training/Education	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275
Quarterly-Fee Allocation Funds	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Election Administration	\$ 60,000	\$ 30,000	\$ -	\$ 60,000	\$ 30,000
Office/Admin/Equipment	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510
	\$ 2,805,871	\$ 2,852,223	\$ 2,901,391	\$ 3,043,493	\$ 3,069,328

The Board's targeted surplus level is \$1.5 million. This projection indicates that the target will be met over the next five-year period.

Submitted by: _____
Natasha Zuvich

Reviewed by: _____
Steven Montagna

Approved by: _____
Maryanne Keehn

DEFERRED COMPENSATION PLAN QUARTERLY BUDGET REVIEW	
ADMINISTRATIVE AND OPERATING EXPENSES	
QUARTER ENDING 06/30/08	
STARTING BALANCE	
Payroll Fee Trust Fund Ending Balance - 3/31/08	\$ 283,604
Administrative Fee Reserve Fund Balance - 3/31/08	\$ 3,438,635
Total	\$ 3,722,239
REVENUES/FEES	
Interest Earnings on Payroll Fee Trust Fund	\$ 5,771
Administrative Fee Reserve Fund Deposits	\$ 108,917
Interest Earnings on Administrative Fee Reserve Fund	\$ 38,251
Miscellaneous Revenues	\$ 49
Total Revenue/Fees	\$ 152,988
STARTING BALANCE + REVENUE/FEES	\$ 3,875,227
EXPENDITURES	
Participant Administrative Fees Paid to Great-West	\$ (180,913)
Personnel Department Reimbursements	\$ (229,320)
City Attorney Reimbursements	\$ (47,844)
DWP Reimbursements	\$ -
Consulting Costs	\$ (33,917)
2130 Travel/Training/Education	\$ -
4160 Governmental Meetings	\$ -
6010 Office and Administrative	\$ (40)
7300 Office Furniture & Equipment	\$ -
GWRS Quarterly Fee - Asset Allocation Fund Management	\$ (4,500)
TOTAL EXPENDITURES	\$ (496,534)
Actual Payroll Fee Trust Fund Ending Balance (06/30/08)	\$ 255,466
Actual Administrative Fee Reserve Fund Ending Balance (06/30/08)	\$ 3,404,890
ACTUAL TOTAL BALANCE AS OF 06/30/08	\$ 3,660,356
ENCUMBRANCES/LIABILITIES	
Reimbursements: 3 Mos. Ending 03/31/08	\$ (154,288)
Reimbursements: 3 Mos. Ending 06/30/08	\$ (129,425)
TOTAL LIABILITIES	\$ (283,713)
ASSETS LESS EXPENDITURES/LIABILITIES	\$ 3,376,643
Personnel Reimbursement Summary - 3 Months Ending 06/30/08	
Personnel - Salaries + Related Costs @ 78.22%	\$ 104,051.73
City Attorney - Salaries + Related Costs @ 52.63%	\$ 22,578.33
DWP - Salaries + Related Costs @ 82.00%	\$ 2,795.02
Total Reimbursements	\$ 129,425.08