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**DATE:** May 6, 2020

**TO:** Board of Retirement

**FROM:** Donald C. Kendig, CPA, Retirement Administrator

**Staff Contact:** Doris Rentschler, CFP, Assistant Retirement Administrator

**SUBJECT: Budget Status for the Quarter Ended March 31, 2020 – RECEIVE AND FILE**

**Recommended Action:** Receive and file.

#### **Fiscal and Financial Impacts**

There are no known financial impacts to receive and file this Budget Status.

#### **Background and Discussion**

The attached report (Exhibit A) represents the Retirement Association's Fiscal Year 2019-20 administrative budget status at March 31, 2020. This report is prepared on a quarterly basis to inform the Board on the progress of the administrative budget for the current fiscal year.

The administrative budget includes appropriations for salaries and benefits, services and supplies, and capital improvements. Under Exhibit A, the total expenditures reported as of March 31, 2020 were 65% of the adopted administrative budget limit set by the Board of Retirement. Salaries and Benefits were 67% of budgeted appropriations, while expenditures for Services and Supplies were 63% of budgeted appropriations. Both categories came in below expected expenditures of 75% of budgeted due to salary savings and timing of quarterly billings, respectively.

Areas significantly over the expected 75% include: Liability Insurance at 95%, due to the Fiduciary Insurance Policy renewal for fiscal year 19-20; Printing at 102%, due to Election Ballots, Newsletter and Annual Benefit Statements, Operating Leases at 99% of budgeted reflect appropriations for only half of the fiscal year due to the transfer of the two Palm Bluffs properties back to FCERA in October 2019. Additionally, Staff and Board Travel and Education expenditures were less than appropriated due to variability in travel and training expenses.

The \$217,760 for excludible assets are the appropriations for IT expenses: Software \$194,260 and Equipment \$23,500. The \$217,760 is the amount appropriated after the budget adjustment adopted at the February 5, 2020 regular Board meeting.

**Attachment:** Budget Status (Exhibit A)

FCERA Budget Status Report  
Fiscal Year 2019-20  
For the Period Ended March 31, 2020

	ADJUSTED BUDGET	EXPENDITURES	UNEXPENDED BUDGET	%
<u>SALARIES &amp; BENEFITS</u>				
Salaries	\$ 2,150,289.00	\$ 1,464,649.75	\$ 685,639.25	68%
Overtime	21,661.00	3,757.50	17,903.50	17%
Unemployment Insurance	2,820.00	1,938.75	881.25	69%
Retirement	1,215,089.00	799,515.31	415,573.69	66%
FICA Contribution	162,665.00	102,559.72	60,105.28	63%
Workers' Compensation	3,609.00	2,480.25	1,128.75	69%
Health Insurance	326,599.00	215,848.25	110,750.75	66%
Management Life and Disability	2,811.00	1,203.46	1,607.54	43%
Benefit Administration	4,090.00	2,811.75	1,278.25	69%
TOTAL SALARIES AND BENEFITS	<u>3,889,633.00</u>	<u>2,594,764.74</u>	<u>1,294,868.26</u>	<u>67%</u>
<u>SERVICES &amp; SUPPLIES</u>				
Telephone	8,880.00	6,577.70	2,302.30	74%
Liability Insurance	167,200.00	159,645.25	7,554.75	95% (1)
Maintenance-Buildings & Ground	26,100.00	14,315.02	11,784.98	55%
Memberships	10,155.00	8,035.00	2,120.00	79%
Office Expense	96,898.00	40,927.25	55,970.75	42% (2)
Postage	65,000.00	27,720.85	37,279.15	43% (2)
Printing	12,000.00	12,233.43	(233.43)	102% (3)
PeopleSoft Human Resources	6,800.00	4,428.83	2,371.17	65%
PeopleSoft Financials	15,900.00	7,977.53	7,922.47	50% (2)
Professional & Specialized	1,124,500.00	745,901.55	378,598.45	66% (2)
Data Processing	335,225.00	152,703.14	182,521.86	46% (2)
Operating Leases Buildings	165,050.00	163,337.32	1,712.68	99% (4)
Facility Operation & Maint	7,125.00	2,651.62	4,473.38	37%
Commissions/Advisory Boards	12,500.00	8,200.00	4,300.00	66%
Trans, Travel & Education	88,350.00	40,840.90	47,509.10	46% (5)
Travel-Board	80,000.00	8,846.15	71,153.85	11% (5)
Employee Appreciation	360.00	335.77	24.23	93%
Utilities	22,200.00	9,620.60	12,579.40	43%
Security Services	13,500.00	9,052.80	4,447.20	67%
TOTAL SERVICES & SUPPLIES	<u>2,257,743.00</u>	<u>1,423,350.71</u>	<u>834,392.29</u>	<u>63%</u>
TOTAL SALARIES, BENEFITS, SERVICES AND SUPPLIES	<u>6,147,376.00</u>	<u>4,018,115.45</u>	<u>2,129,260.55</u>	<u>65%</u>
<u>IMPROVEMENTS &amp; FIXED ASSETS</u>				
Buildings & Improvements	45,000.00	7,014.03	37,985.97	16%
TOTAL IMPROVEMENTS & FIXED ASSETS	45,000.00	7,014.03	37,985.97	16%
TOTAL ADMINISTRATIVE BUDGET	<u>6,192,376.00</u>	<u>4,025,129.48</u>	<u>2,167,246.52</u>	<u>65%</u>
EXCLUDED ASSETS COSTS	<u>217,760.00</u>	<u>62,827.22</u>	<u>154,932.78</u>	
TOTAL BUDGET	<u>\$ 6,410,136.00</u>	<u>\$ 4,087,956.70</u>	<u>\$ 2,322,179.30</u>	

(1) Fiduciary Insurance policy renewal on FY 19-20 paid in July 2019.

(2) Third quarter billings not all received by the end of the accounting period.

(3) Includes Election Ballots, Fall & Winter Newsletters and Annual Benefit Statements.

(4) Transfer of properties back to FCERA occurred in October 2019.

(5) Board and Staff travel do not occur uniformly within each quarter.