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DATE: September 2, 2020

TO: Board of Retirement

FROM: Donald C. Kendig, CPA, Retirement Administrator

Staff Contact: Conor Hinds, Supervising Accountant

SUBJECT: Budget Status for the Fiscal Year Ended June 30, 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 full four quarters accumulation of the Retirement Association's Fiscal Year 2019-20 administrative budget status at June 30, 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 June 30, 2020 were 89% of the adopted administrative budget limit set by the Board of Retirement. Salaries and Benefits were 93% of budgeted appropriations, while expenditures for Services and Supplies were 83% of budgeted appropriations. Both categories came in below expected expenditures of 100% of budgeted due to salary savings and timing of quarterly billings, respectively.

Areas significantly over the expected 100% include: Liability Insurance at 171%, due to Property and Fiduciary Insurance Policy renewals for fiscal year 20-21 paid in advance; Memberships at 126%, due to SACRS annual dues for fiscal year 20-21 paid in June 2020; Printing at 171%, due to Election Ballots, Newsletters and Annual Benefit Statements. 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 June 30, 2020

	ADJUSTED BUDGET	EXPENDITURES	UNEXPENDED BUDGET	%
<u>SALARIES & BENEFITS</u>				
Salaries	\$ 2,150,289.00	\$ 2,039,882.38	\$ 110,406.62	95%
Overtime	21,661.00	4,230.71	17,430.29	20%
Unemployment Insurance	2,820.00	2,585.00	235.00	92%
Retirement	1,215,089.00	1,121,150.66	93,938.34	92%
FICA Contribution	162,665.00	143,855.79	18,809.21	88%
Workers' Compensation	3,609.00	3,307.00	302.00	92%
Health Insurance	326,599.00	304,702.58	21,896.42	93%
Management Life and Disability	2,811.00	1,661.14	1,149.86	59%
Benefit Administration	4,090.00	3,749.00	341.00	92%
TOTAL SALARIES AND BENEFITS	<u>3,889,633.00</u>	<u>3,625,124.26</u>	<u>264,508.74</u>	<u>93%</u>
<u>SERVICES & SUPPLIES</u>				
Telephone	8,880.00	8,690.93	189.07	98%
Liability Insurance	167,200.00	285,220.32	(118,020.32)	171% (1)
Maintenance-Buildings & Ground	26,100.00	25,514.29	585.71	98%
Memberships	10,155.00	12,805.00	(2,650.00)	126% (2)
Office Expense	96,898.00	55,900.70	40,997.30	58% (3)
Postage	65,000.00	41,979.76	23,020.24	65% (3)
Printing	12,000.00	20,481.06	(8,481.06)	171% (4)
PeopleSoft Human Resources	6,800.00	6,635.53	164.47	98%
PeopleSoft Financials	15,900.00	11,085.17	4,814.83	70% (3)
Professional & Specialized	1,124,500.00	908,992.38	215,507.62	81% (3)
Data Processing	335,225.00	226,265.06	108,959.94	67% (3)
Operating Leases Buildings	165,050.00	163,337.32	1,712.68	99% (5)
Facility Operation & Maint	7,125.00	5,359.43	1,765.57	75%
Commissions/Advisory Boards	12,500.00	11,400.00	1,100.00	91%
Trans, Travel & Education	88,350.00	40,840.90	47,509.10	46% (6)
Travel-Board	80,000.00	10,290.10	69,709.90	13% (6)
Employee Appreciation	360.00	335.77	24.23	93%
Utilities	22,200.00	18,605.85	3,594.15	84%
Security Services	13,500.00	13,556.60	(56.60)	100%
TOTAL SERVICES & SUPPLIES	<u>2,257,743.00</u>	<u>1,867,296.17</u>	<u>390,446.83</u>	<u>83%</u>
TOTAL SALARIES, BENEFITS, SERVICES AND SUPPLIES	<u>6,147,376.00</u>	<u>5,492,420.43</u>	<u>654,955.57</u>	<u>89%</u>
<u>IMPROVEMENTS & 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>5,499,434.46</u>	<u>692,941.54</u>	<u>89%</u>
EXCLUDED ASSETS COSTS	<u>217,760.00</u>	<u>196,429.22</u>	<u>21,330.78</u>	
TOTAL BUDGET	<u>\$ 6,410,136.00</u>	<u>\$ 5,695,863.68</u>	<u>\$ 714,272.32</u>	

(1) Property and Fiduciary Insurance policy renewals on FY 20-21 paid in advance.

(2) SACRS annual membership dues paid in June 2020.

(3) Fourth quarter billings not all received by the end of the accounting period.

(4) Includes Election Ballots, Newsletters and Annual Benefit Statements.

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

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