



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: January 08, 2019

DATE: Thursday, December 20, 2018

TO: Board of County Commissioners

FROM: Patricia Hurley, Director of Human Resources
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THROUGH: Christine Vuletich, Assistant County Manager
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SUBJECT: Recommendation to (1) accept the Deferred Compensation Committee's recommendation, based on a competitive bidding process, that Voya Financial be the record-keeper for the Washoe County deferred-compensation plans, effective June 1, 2019; and (2) authorize the Director of Human Resources/Labor Relations to execute a five-year Administrative Services Agreement and other documents or agreements necessary to engage Voya. (All Commission Districts.)

SUMMARY

Staff is requesting that the Board of County Commissioners accept the recommendation of the Deferred Compensation Committee to select, based on a competitive bidding process, Voya as the record-keeper for the Washoe County deferred-compensation plans, effective June 1, 2019. Staff further requests that the Board authorize the Director of Human Resources/Labor Relations to execute a five-year Administrative Services Agreement and other documents or agreements necessary to engage Voya.

Washoe County Strategic Objective supported by this item: Valued, Engaged Employee Workforce

PREVIOUS ACTION

On October 23, 2018, the Board approved a Resolution Amending existing Resolution 06-326 to end, at the Washoe County District Attorney Investigators' Association's request, the Association's representation on the Deferred Compensation Committee; allow the Committee to appoint one voting member who is a retired former Washoe County employee; and clarify that a quorum of the Committee is a simple majority.

On September 27, 2016, the Board approved the amendment to the Washoe County 457(b) Deferred Compensation Plan Document and MassMutual Administrative Services Agreement to allow an employee who does not make an affirmative election to defer or not to defer a portion of his or her compensation under the deferred-compensation plan to be automatically enrolled in the County's 457(b) deferred-compensation plan if the employee is covered by a collective bargaining agreement that authorizes automatic enrollment in the County's 457(b) deferred-compensation plan.

AGENDA ITEM # _____

On October 27, 2015, the Board approved the five-year Administrative Services Agreement with MassMutual to continue to provide Washoe County's deferred-compensation plan recordkeeping and administrative services.

BACKGROUND

MassMutual acquired The Hartford's Retirement Group division in January 2013. The Hartford had been the deferred-compensation plan provider for Washoe County since 1979. The Deferred Compensation Committee was established to assist Washoe County in the administration of its Deferred Compensation Program under NRS 287.440. In 1998, the Committee engaged a third-party consultant, Bidart & Ross, now AndCo, to perform plan reviews, provide full analysis of investment option performance, contract and administration review, and to assist the Committee to carry out their fiduciary responsibilities in providing oversight for the County's deferred compensation plans.

Washoe County provides the opportunity for employees to participate in two deferred-compensation plans. The first, a 457 deferred-compensation plan, is a supplemental retirement-savings program that allows employees to make contributions on a pre-tax basis. Federal income taxes are deferred until the assets are withdrawn, usually during retirement when in a lower tax bracket. Our 457 plan also has a ROTH feature with post-tax contributions, and tax-free qualified withdrawals. The County also offers a 401(a) plan, as an additional retirement savings plan that also allows employees to make contributions on a pre-tax basis.

The existing Administrative Services Agreement (ASA) with MassMutual expires December 31, 2020. Based on the number of problems experienced at the participant and Plan Sponsor level, the Deferred Compensation Committee voted unanimously to move forward with a Request for Proposal (RFP) to determine if another provider would meet the expectations of the Washoe County Deferred Compensation Program.

AndCo issued the RFP on behalf of Washoe County and received responses from ten different providers, all of whom had various levels of competitive offerings. After review and analysis of the responses, ICMA-RC and Voya were selected as the two finalists and were asked to present to the Committee.

After thorough review and discussion of the two finalists, the Committee recommends that Voya be the new record keeper and administrative services provider for the Washoe County deferred-compensation plans.

Some of the highlights of the plan changes/improvements are:

- Reduced fees for record-keeping and administrative services from 8 basis points to 3 basis points.
- Reinstating a dedicated local education specialist, a service that MassMutual recently eliminated.
- Maintaining the General Account structure, while accommodating a large Market Value Adjustment.

FISCAL IMPACT

No Fiscal Impact.

RECOMMENDATION

It is recommended that the Board of County Commissioners (1) accept the Deferred Compensation Committee's recommendation, based on a competitive bidding process, that Voya Financial be the record-keeper for the Washoe County deferred-compensation plans, effective June 1, 2019; and (2) authorize the Director of Human Resources/Labor Relations to execute a five-year Administrative Services Agreement and other documents or agreements necessary to engage Voya.

POSSIBLE MOTION

Should the Board agree with Staff's recommendation, a possible motion would be:

"Move to (1) accept the Deferred Compensation Committee's recommendation, based on a competitive bidding process, that Voya Financial be the record-keeper for the Washoe County deferred-compensation plans, effective June 1, 2019; and (2) authorize the Director of Human Resources/Labor Relations to execute a five-year Administrative Services Agreement and other documents or agreements necessary to engage Voya."