

Item available for public inspection in the Clerk's office during regular business hours (Monday - Friday, 9 AM - 5 PM)

December 10, 2024

Regular Meeting

**Item #9a. - Updated
Presentation by Janet
Dutcher**

Deferred Compensation Plan Contract Agreements with Empower

Recommended Action

Approve all legal documents included herein and authorize the plan administrator, the Finance Director, to sign all forms, agreements, and documents on behalf of the County.

Authorize the Plan Administrator to sign any documents or changes ministerial in nature pertaining to the implementation of these contracts and agreements, with the review and approval of County Counsel.

Discussion

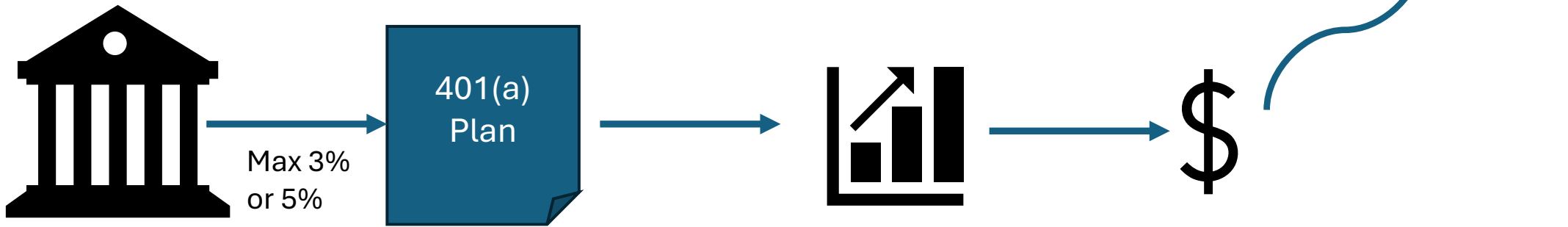
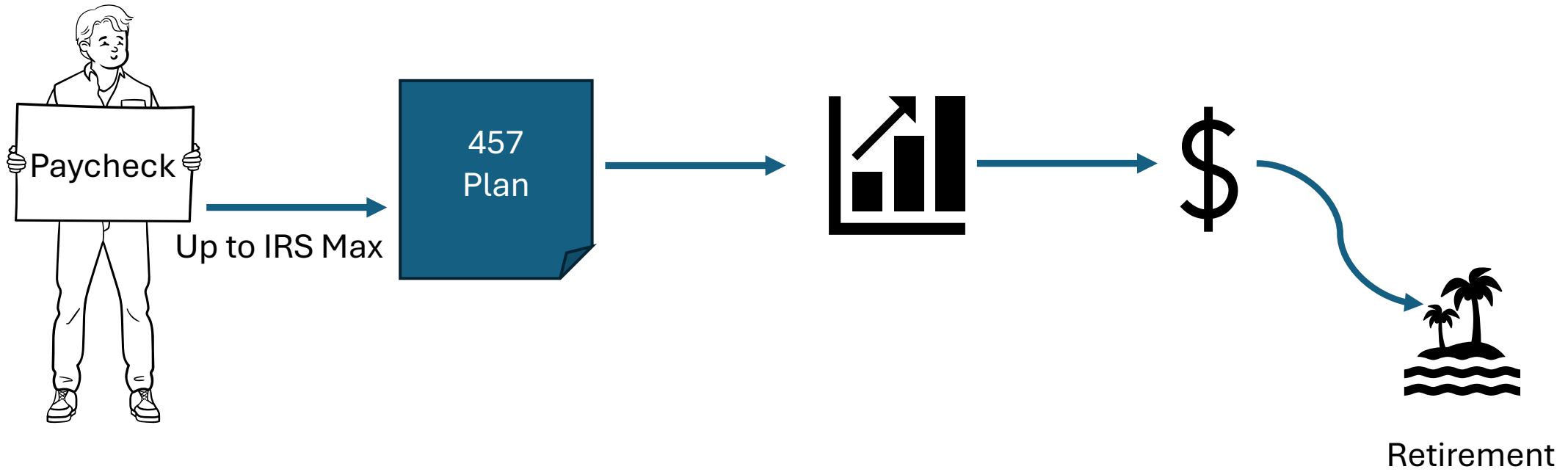
- Background
- Existing plan recordkeepers and profile
- Request for Information
- Selected Vendor: Empower
- Legal Documents ← *This agenda item*
- Next Steps

Introducing The Team

- Mono County
 - Janet Dutcher, Finance Director
 - Gerald Frank, Assistant Finance Director
- Fiduciary Consultant
 - Maribel Larios, Fiduciary Experts
- Recordkeeper
 - Patrick Washington, Empower

Key Characteristics of Our Deferred Compensation Plans

- Voluntary
- Contribution Sources:
 - % of Employee pay – no income tax, Medicare tax (pre-tax)
 - Matching Employer contributions (3% or 5%, depending on bargaining unit)
- Deposit with Service Provider (aka Recordkeeper)
- All funds held in trust and managed by trustee
- Participants direct investments from Employer selected available investments according to their risk tolerance
- Access to registered financial advisor
- Costs paid from participants' accounts
 - Recordkeeper administrative costs
 - Investment advisory fees
 - Expense ratios



Service Provider (Recordkeeper)	Year Added by Mono County	Investment Advisor (contract with Service Provider)	Asset Value (from Dec 2023)	Plan Fees (charged as % of Plan Assets)	Total Estimated Fees
Orion (Formerly FTJ)	2006	Oram & Kaylor (Darin Kaylor & Greg Bokenkamp)	\$18,152,000	0.25% = Admin 0.37% = Advisor	\$112,500
VALIC (aka AIG / Corebridge)	2001	Kim Short (Corebridge Financial)	\$3,500,000	1% = Admin	\$35,000
Empower (Formerly Hartford, Mass Mutual)	Pre - 2001	Eric P. Wasserman (Wells Fargo Advisors Financial Network)	\$3,000,000	1.01% = Admin	\$30,300
Nationwide Retirement Solutions (aka PEBSCO)	Pre - 2001		\$1,300,000	Inactive – no contributions 9 participants	N/A
			\$24,652,000	0.72%	\$177,800

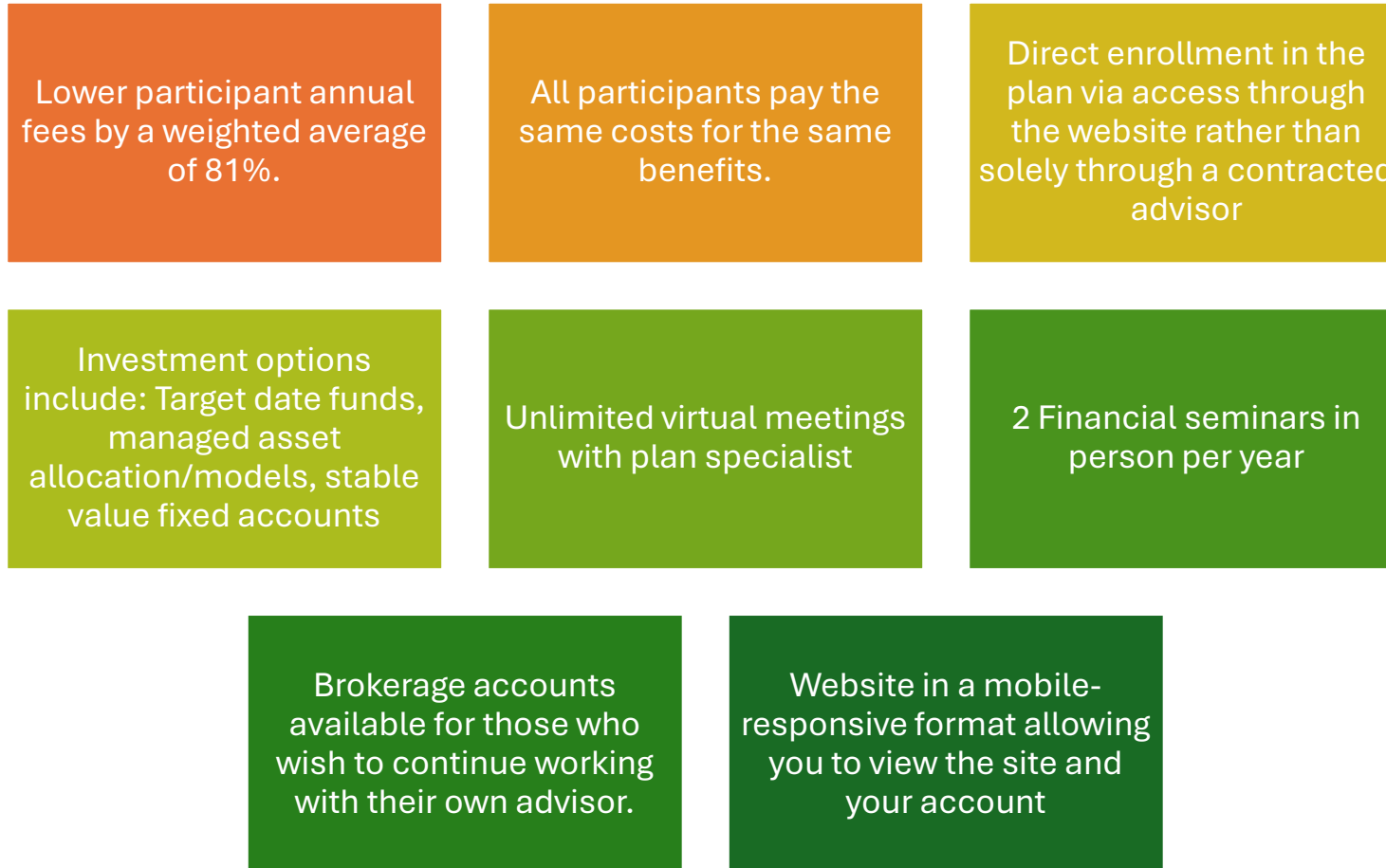
Results of RFI

Proposer	Basis Points	Estimated Fees	Annual Savings to Participants	Average % Fee Reduction
Vendor 1	18 (0.18%)	\$44,374	\$133,426	75%
Vendor 2	15 (0.15%)	\$36,978	\$140,822	79%
Vendor 3	35 (0.35%)	\$86,282	\$91,518	51%
Vendor 4	14 (0.14%)	\$34,513	\$143,287	81%
Vendor 5	28 (0.28%)	\$69,026	\$108,774	61%

Selected Vendor

Bid Result	Empower
Fee proposal	0.14% for all services
Credit rate on proprietary fixed accounts	4% (currently 3%)
Managed Accounts fee	0.65% < \$100,000 0.55% next \$150,000 0.45% next \$150,000 0.35% > \$400,000
Site Visits	2 per year
Migration process	Map to the target date fund and Empower fixed account fund
Additional services	Brokerage account for self-investment and hiring own advisor

Empower Summary



Approval of Legal Documents

1. QDIA – Plan Reset and Default Fund Selection Form: electing the Life-Cycle or Target Date Asset Allocation Investment Options, one for 457 and one for 401(a)
2. Custodial Agreement: Establishing the custodial account, one for 457 and one for 401(a)
3. ISA Contract – establishing guaranteed income fund (annuities), one for 457 and one for 401(a)
4. LOI – Investment line-up and mapping, one for 457 and one for 401(a)
5. Great Gray Trust American Funds – Participation in this investment Trust, one for 457 and one for 401(a)

Next Steps

Sign documents and send to Empower

60 – 90 days for setup process

Information, messaging, webinars, correspondence, and participant meetings

Migrate from existing recordkeepers to Employer

10 day blackout period

Cancel agreements with existing recordkeepers

Operational

- Online access to resources

Implementation

- Assets will be converted to Target Date Funds
 - After 10-day black out period employees can stay in the Target Date Funds or move into managed asset allocation/models, any of the investments in the approved fund line up or a Brokerage account.
- Fixed Accounts will be converted to Empower's Fixed Account
- Pre and post implementation meetings and communications will be held with employees

Participants may have questions ...

- Email
 - jdutcher@mono.ca.gov
 - Provide best way for me to reach you to provide answers

