



CITY OF CARSON

Legislation Text

File #: 2019-1068, Version: 1

Report to Mayor and City Council

Tuesday, December 03, 2019

Consent

SUBJECT:

APPROVE CONTRACT AMENDMENT NO. 2 WITH VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY AND VOYA FINANCIAL PARTNERS, LLC (CITY COUNCIL)

I. SUMMARY

On May 1, 2015, the City of Carson entered into the City of Carson Deferred Compensation Program Administrative Services Agreement with Voya Retirement Insurance and Annuity Company and Voya Financial Partners, LLC to make improvements to the City of Carson's Deferred Compensation Plan and City of Carson 401(a) Retirement Plan, Voya Plan Numbers 666972 and 666973. Shuster Financial Group (SFG) is the Investment Advisor and consulting firm that has been assisting the City in performing its fiduciary responsibilities with respect to the 457(b) and 401(a) plans under California law. SFG conducted an RFP on the City's current plans and presented the City with the results and a recommendation for the City to continue having Voya manage the City's Deferred Compensation and Retirement Plans.

Since the effective date of Amendment No. 1, the cost to administer the Plan has been reduced from .33 basis points to .21 basis points, i.e., 0.21% on all assets. This consists of Voya's revenue requirement of 0.08% on all assets in addition to the SFG fee of 0.13% per year paid to the Registered Investment Advisor (RIA) effective October 1, 2019. The Administrative Service Agreement Amendment implements the reduced fee, investment option changes and adds fee levelization.

II. RECOMMENDATION

WAIVE further reading and APPROVE THE VOYA ADMINISTRATIVE SERVICES CONTRACT AMENDMENT NO. 2 WITH VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY AND VOYA FINANCIAL PARTNERS, LLC."

III. ALTERNATIVES

Take any other action deemed appropriate.

IV. BACKGROUND

On May 1, 2015, the City entered into the City of Carson Deferred Compensation Program Administrative Services Agreement with Voya Retirement Insurance and Annuity Company and Voya Financial Partners, LLC to make improvements to the City of Carson's Deferred Compensation Plan (Exhibit 1). The Agreement contains a section for Reimbursement of Plan Expenses to be withdrawn from the Expense Account for Services of Expenditures ("EASE Account"). The EASE Account is an expense account to be used to defray the reasonable expense of administering this Plan.

On December 15, 2015, the City approved Amendment No. 1 to the Agreement with Voya Retirement Insurance and Annuity Company and Voya Financial Partners, LLC correcting the error regarding the Expense Account for Services of Expenditures ("EASE Account") (Exhibit 2).

Staff is presenting Voya Administrative Services Agreement Amendment No. 2 (Exhibit 3) to City Council for approval.

V. FISCAL IMPACT

Funds for these services are budgeted annually as part of the City employee benefits package.

VI. EXHIBITS

1. City of Carson Deferred Compensation Program Administrative Services Agreement with Voya Retirement Insurance and Annuity Company and Voya Financial Partners, LLC. (pgs. 4-53)
2. Amendment No. 1 to the City of Carson Deferred Compensation Program Administrative Services Agreement with Voya Retirement Insurance and Annuity Company and Voya Financial Partners, LLC. (pgs. 54-61)
3. Amendment No. 2 to the City of Carson Deferred Compensation Program Administrative Services Agreement with Voya Retirement Insurance and Annuity Company and Voya Financial Partners, LLC. (pgs. 62-68)

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