

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize the City Manger to Execute a Contract with the Hyas Group for Fiduciary Services for the City's 401(a) and 457 Retirement Plans
DEPARTMENT:	City Manager, Administrative Services, City Attorney, and Human Resources
PRESENTED BY:	Debbie Tarry, Assistant City Manager Robert Hartwig, Administrative Services Director Ian Sievers, City Attorney Marci Wright, Human Resources Director

PROBLEM/ISSUE STATEMENT:

On May 23, 2011, the City Council authorized the City Manager to direct TIAA-CREF to collect additional 401(a) and 457 plan expense fees from participant account balances to provide a funding source for consultant services related to the City's retirement plan investment fund analysis and investment fund administration. The consultant services will assist the Retirement Plans Committee ("Committee") in its fiduciary responsibilities. Since then, the Committee has completed the Request for Proposal (RFP) process to select a consultant. The RFP process resulted in the Committee recommending the Hyas Group.

FINANCIAL IMPACT:

There is no direct financial impact to the City budget since plan expenses are paid by the plan participants.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute a contract with the Hyas Group for investment manager, plan oversight, and fiduciary services for the City's 401 and 457 retirement plans. The contract is a five year contract in the amount of \$104,000.

Approved By: City Manager **JU** City Attorney **IS**

INTRODUCTION

In April, 2012, the Retirement Plans Committee issued a Request for Proposal (RFP) seeking an investment advisor/consultant and co-fiduciary to the City's 401(a) and 457 Retirement Plans. After an extensive review process the Committee is recommending the selection of the Hyas Group.

BACKGROUND

Historically, the City used a passive approach to manage plan investments which resulted in a vendor driven investment portfolio. As a result of the change in third party administrator and education the transition committee received last year, staff proposed a different approach with TIAA-CREF. Recognizing the City's fiduciary responsibilities, the Committee was formed to advise the City Manager as Plan Administrator.

In May, 2011, Council authorized the City Manager to collect additional fees of .13% assessed annually against participants' accounts to pay for a consultant who would be an investment advisor and co-fiduciary to the Committee. Staff at the time estimated the Plans would generate approximately \$26,000 for consultant fees.

The City received 8 proposals as part of the RFP process. The Committee held interviews with 4 firms. Following the interviews and reference checking process, the Committee recommended the selection of the Hyas Group to the City Manager. The Hyas Group contract will be for a five year term for \$104,000. For years one through three, the City will pay \$20,000 each year. For years four and five the City will pay \$22,000 each year. The City's purchasing policies require Council to authorize service contracts which exceed \$50,000.

FINANCIAL IMPACT:

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RECOMMENDATION

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