

RESOLUTION NO. 2024-032

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE ADMINISTRATIVE SERVICES AGREEMENT BETWEEN THE CITY AND NATIONWIDE RETIREMENT SOLUTIONS, INC., APPROVING THE DELEGATION OF PLAN SPONSOR AND ITS DUTIES OF THE 457(B) AND 401(A) PLANS TO THE DIRECTOR OF FINANCE/TREASURER, AND APPROVING THE ESTABLISHMENT OF AN OVERSIGHT COMMITTEE

WHEREAS, under Section 457(b) and 401(a) of the Internal Revenue Code (“IRC”), government entities may sponsor a deferred compensation plan to allow employees to defer income tax on retirement savings into future years. The City sponsors a Governmental 457(b) Deferred Compensation Plan under Section 457(b) and 401(a) Money Purchase Plan under Section 401(a) of the IRC; and

WHEREAS, under the California State Constitution, Article XVI Section 17, government entities that sponsor a 457(b) and/ or 401(a) plans have fiduciary responsibilities as Plan Sponsors to ensure the operation and investment of their respective public retirement plans for the exclusive purpose of providing benefits to participants and beneficiaries. The fiduciary responsibilities include investing the assets of the plan, administering the plan, and engaging in a prudent process for making all decisions related to the operation of the plan, including decisions related to the plan’s investments and related services; and

WHEREAS, the City reached out to Fiduciary Experts, LLC, the City’s fiduciary retirement plan consulting firm to conduct a blind request for information in late 2023 primarily to evaluate the administrative fees of the Plans but also to review all the terms and conditions, including but not limited to investment options, asset values, fixed account interest rates, and additional fees that may be charged by plan administrators; and

WHEREAS, after evaluations were completed, staff is recommending the City approve a renegotiated agreement with the City’s current plan administrator since 2005, Nationwide Retirement Solutions, Inc., hereinafter known as Nationwide, a Delaware Corporation and an affiliate and subsidiary of Nationwide Financial Services, Inc., under a renegotiated Administrative Services Agreement and other new terms and conditions that allows the City to obtain lower plan fees, higher competitive fixed interest rates, enhanced investment options for plan participants, and a lifetime income product for those who wish to include this into their retirement income planning; and

WHEREAS, the City desires to continue to contract with Nationwide in connection with the administration of the Plan; and

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WHEREAS, the City Council desires to delegate to the Director of Finance/Treasurer the role of Plan Sponsor to carry out the fiduciary responsibilities of the 457(b) and 401(a) plans and authorize the Director of Finance/Treasurer to establish a Deferred Compensation Plan Oversight Committee, hereinafter referred to as “the Committee” to delegate some or all of his or her administrative and fiduciary oversight duties and authority to the Committee.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it delegates to the Director of Finance/Treasurer the role of Plan Sponsor of the 457(b) and 401(a) plans to carry out the fiduciary responsibilities of the plan.

BE IT FURTHER RESOLVED that the City Council may revoke or change such delegation of authority and responsibilities under one or more of the Plans at any time.


BE IT FURTHER RESOLVED by the City Council of the City of Chula Vista, that it approves the Administrative Services Agreement for the Governmental 457(b) Deferred Compensation Plan and 401(a) Money Purchase Plan, between the City and Nationwide in the form presented, with such minor modifications as may be required or approved by the City Attorney, a copy of which shall be kept on file in the Office of the City Clerk, and authorizes the Director of Finance/Treasurer to sign the Agreement as Plan Sponsor.

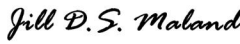
BE IT FURTHER RESOLVED that the Director of Finance/Treasurer is authorized to establish a Deferred Compensation Plan Oversight Committee to delegate some or all of her administrative and fiduciary oversight duties and authority to the Committee.

[SIGNATURES ON THE FOLLOWING PAGE]

Presented by

Approved as to form by

DocuSigned by:

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 Sarah Schoen
 Director of Finance/Treasurer

DocuSigned by:

 EFB949DC9B5747E...
 Jill D.S. Maland
 Lounsbery Ferguson Altona & Peak
 Acting City Attorney


PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 20th day of February 2024 by the following vote:

AYES: Councilmembers: Chavez, Gonzalez, Preciado, and McCann
 NAYS: Councilmembers: None
 ABSENT: Councilmembers: None

DocuSigned by:

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 John McCann, Mayor


ATTEST:

DocuSigned by:

 9805BE9D2D684B0...
 For
 Kerry K. Bigelow, MMC, City Clerk

STATE OF CALIFORNIA)
 COUNTY OF SAN DIEGO)
 CITY OF CHULA VISTA)

I, Kerry K. Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Resolution No. 2024-032 was duly passed, approved, and adopted by the City Council at a regular meeting of the Chula Vista City Council held on the 20th day of February 2024.

Executed this 20th day of February 2024.

DocuSigned by:

 9805BE9D2D684B0...
 For
 Kerry K. Bigelow, MMC, City Clerk