



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Treasurer-Tax Collector
Department No.: 065
For Agenda Of: August 14, 2007
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Bernice James, Treasurer-Tax Collector-PA x2490
Director(s)
Contact Info: Debra D. Dell, Business Manager x2938

SUBJECT: Great-West Retirement Services Deferred Compensation Plan Contract

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: Deferred Compensation Oversight
Committee

As to form:

Recommended Actions:

That the Board of Supervisors authorize the Treasurer-Tax Collector to:

1. Execute the following agreements:
 - a) Deferred compensation Plan Administrative Services Agreements with Great-West Retirement Services implementing the County's Deferred Compensation Plan and any other necessary documents.
 - b) Necessary documents to set up Schwab Self-Directed Brokerage Account option under Great-West Retirement Services.
2. Update the Deferred Compensation Plan documents to conform with the recent Pension Reform legislation.

Summary Text:

With the selection of Great-West Retirement Services as the new provider of services under the Deferred Compensation Plan, the execution of the following documents by the Treasurer-Tax Collector is necessary.

Summary Text (continued):

Deferred Compensation Plan Contract: The Administrative Services Agreement and Master Funding Agreement application transferring the Deferred Compensation Plan to Great-West Retirement Services.

Self-Directed Brokerage Account Option: The Administrative Services Agreement using the Schwab Self-Directed Brokerage Account.

Pension Reform: The County's current Plan Document must be amended to conform to recent federal pension reform legislation.

After the Plan Document has been reviewed and approved by the Deferred Compensation Oversight Committee and County Counsel, we will return to your Board with the amended plan documents.

Background: Under Government Code Section 53213, the County established a deferred compensation plan for its officers and employees. Under the Plan, County officers and employees may defer payment of a portion of their current compensation until retirement, death, unforeseeable emergency or other enumerated events. Participants may direct that their deferred compensation be invested among a variety of options. Deferred compensation and gains from investments in the plan are not subject to tax until withdrawn.

The Plan is administered by the County Treasurer-Tax Collector with consultation from an advisory committee consisting of the Auditor-Controller, Human Resources, County Administrator, Treasurer-Tax Collector, Retirement Administrator, one representative from each of the recognized employee bargaining units, one from each of the non-represented bargaining units, and one retiree.

In November 2006, a Request for Proposal was issued by the Committee for recordkeeping, education, and investment management services. Six responses were received. Three finalists were selected including the current service provider, Hartford. These finalists made presentations to the Committee on April 30, 2007. After the presentations, the Committee requested follow up information from each finalist.

In June, by unanimous vote of all members present, the Committee selected Great-West Retirement Services (GWRS). Committee members agreed that the level of customer service, communication, education, customized internet site capabilities and investment options will be enhanced with this change. GWRS also offered the best pricing.

Background (continued):

A Self-Directed Brokerage Account (SDBA) has been offered to 457 participants since June, 2002. The SDBA provides participants the opportunity to select and manage investment options from a larger universe of investment alternatives.

The SDBA is available through Charles Schwab & Co.'s Personal Choice Retirement Account (PCRA). Participants are responsible for the ongoing research, trading, and risk management responsibilities associated with their specific investment choices.

Performance Measure: Conducting a Request for Proposal satisfies due diligence for the County's deferred compensation benefit options.

Fiscal and Facilities Impacts: The 457 Deferred Compensation plan has nearly 3,500 participants and \$150 million in assets. The target date for transitioning the plan is November 1, 2007. This will allow ample time to communicate changes with County employees and retirees.

Staffing Impacts: No additional staffing is requested.

Special Instructions: Please send a copy of the Minute Order to Debra D. Dell, Treasurer-Tax Collector Department.

Attachments: Draft Service Agreements.

Authored by: Bernice James.

cc: