



CITY OF SAN MATEO

City Hall
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Agenda Report

Agenda Number: {{item.number}}

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Human Resources Department
MEETING DATE: July 20, 2020
SUBJECT:
VOYA Financial Retirement Solutions – Amendments

RECOMMENDATION:

Adopt a Resolution to use an alternative purchasing method to approve amendments with VOYA Financial Retirement Solutions to administer the City's deferred compensation program for employees and retirees for the period of May 1, 2020 to April 30, 2025, and authorize the City Manager to sign the amendments in substantially the form presented.

BACKGROUND:

On March 16, 2015, the City Council adopted a resolution approving a service agreement with Voya Financial Retirement Solutions (Voya) to provide the City's deferred compensation program for employees and retirees. The original agreement between the City of San Mateo and Voya was for a five-year term from May 1, 2015 to April 30, 2020.

The Deferred Compensation Committee was formed in 2016 and consists of representatives from Human Resources, Finance, miscellaneous employees, safety employees, and retirees. The Committee's purpose is to monitor the ongoing plan compliance and benefits of the Deferred Compensation Plan, and it unanimously decided to begin a renegotiation process with Voya. After analyzing the results of the questionnaire we sent to Voya, we were satisfied with the enhancements Voya proposed regarding their record-keeping, employee education, and customer services. They also offered a slightly lower overall fee for our employees.

Staff requests approval of the purchase pursuant to SMMC 3.60.070(h)(3), which allows the Council to use any purchasing process that is in the best interest of the City. With the advisement of our insurance broker, the Deferred Compensation Committee believes the proposed enhancements and the lower fee are strong enough that we do not need to go out for a Request for Proposal. We recommend continuing with Voya to administer the City's deferred compensation program for our employees and retirees for the period of May 1, 2020 to April 30, 2025.

BUDGET IMPACT:

There is no budget impact for approving the agreement with Voya Financial Retirement Solutions. The service costs are paid by the plan participants.

ENVIRONMENTAL DETERMINATION:

This agreement is not a project subject to CEQA, because it can be seen with certainty that it will not cause a physical change in the environment. (Public Resources Code Section 21065.)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Proposed Resolution

Att 2 - Voya 2020 Amendment- 457(b) Deferred Compensation Plan and OBRA 3121 Social Security Replacement Plan

Att 3 - Voya 2020 Amendment- 401(a) Governmental Plan

Att 4 - Voya 2015 Administrative Services Agreement

STAFF CONTACT

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