



**City of Venice**  
*Administrative Services*

**Interoffice Memorandum**

**DATE:** February 24, 2016

**FROM:** Alan Bullock, Director of Administrative Services  
Linda Senne, Acting Finance Director  
Len Bramble, Assistant City Manager

**THROUGH:** Ed Lavallee, City Manager

**TO:** City Council

**SUBJECT:** Proposed Change to 457 and 401(a) Providers

457 and 401(a) Plans are tax advantaged deferred-compensation retirement plans. The city currently has two vendors who provide such plans to the city and its employees:

1. Nationwide – 457 only; employee contributions only; \$7M total invested
2. ICMA-RC – 457 & 401(a); employee and city contributions respectively; \$2M total invested

With its fiduciary responsibility for these investments in mind, the city recently retained the services of Fiduciary First, an independent, fee-only advisor to assess the efficiency of these investments. In brief summary, what they found was that many of the investment options are not top performers and that the administration fees charged are more than ideal.

In order to address these concerns, on the city's behalf, Fiduciary First put out a request for proposals for alternative providers in late 2015 and received 11 responses. A shortlist of three providers made presentations to a city selection panel and the panel selected MassMutual, an organization with 1,800 offices and 13 million clients worldwide, ranked in the top 100 of the Fortune 500 list with assets under management of approximately \$450 billion.

City administration requests that Council approve the attached agreement with MassMutual. All funds with Nationwide and ICMA-RC will be ported to MassMutual. The porting will be handled primarily by MassMutual and Fiduciary First to minimize impact on the city and its employees.