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COUNTY DEPARTMENT AGENDA REQUEST

Department/Division: Human Resources

Department Head: Connie Boehnke

Presenter, if needed: Allen McCullough

Preferred Meeting Date: Thursday, March 12, 2009

Wording for the Agenda:

Consideration of recommendation from the Retirement Study Committee to award the bid for managing the County's employee deferred compensation plan and the defined contribution retirement plan to Mass Mutual/Am Ret.

Background/History/Details:

In August, 2006, the Board of Commissioners asked the County Administrator to establish a committee to review the County's existing employee retirement plan benefit. The Committee has met regularly to evaluate the existing plan and to develop a recommendation for amendments/improvements to the benefit. At this time, the Committee has made a recommendation for a vendor for managing the County's employee deferred compensation plan and the defined contribution retirement plan elements. The recommendation was made to the Board at its March 4 Workshop to award the bid to Mass Mutual/Am Ret.

(The Committee is continuing to prepare to make a recommendation to the Board for a vendor for a defined benefit plan element, which was approved to add by the Board on December 5, 2007.)

What action are you seeking from the Board of Commissioners?

The recommendation of the Retirement Committee is ready for action by the Board of Commissioners. The recommendation of the Committee is to award a contract for management of the county's employee deferred compensation and defined contribution retirement services to Mass Mutual/Am Ret. The effective date will be established when a vendor for the defined benefit plan element is selected so that all changes for employees in the retirement benefit can be made at one time.

If this item requires funding, please describe:

No funding is required for this request.

Has this issue come before the Commissioners in the past? Yes

If so, when? Wednesday, March 4, 2009

Do you need audio-visual for the presentation? No

Back-up Material Submitted? Yes

STAFF USE ONLY

Approved by Finance? Yes

Reviewed by Legal? Yes

Approved by Purchasing? Yes

Approved by Administrative Staff? Yes

Staff Notes

Administrator's Approval Yes

Confirmed Meeting Date Thursday, March 12, 2009

- ○ Recognition/ Presentation
- ○ Public Hearing
- ◉ Old Business
- ○ New Business
- ○ Consent
- ○ Report
- ○ Other

Fayette County GEORGIA

Where Quality Is A Lifestyle

To: Board of Commissioners
Jack Krakeel, County Administrator

From: Retirement Study Committee: Allen McCullough, Connie Boehnke, Linda Jones, Mary Holland, Toni Jo Howard, Lewis Patterson, Lori Smith, Pete Frisina, and Tony Parrott

Date: March 3, 2009

Subject: Defined Contribution and Deferred Compensation Vendor Recommendation

It is the unanimous recommendation of the Fayette County Retirement Study Committee to award the bid for the Defined Contribution and Deferred Compensation Retirement Plans to Mass Mutual/AmRet. In an objective review of the various vendors who responded to the Request for Proposal, Mass Mutual/AmRet ranked the highest based on the following criteria: quality of investment offerings, knowledge, experience and depth of proposing firm, fees and expenses, customer service and vendor stability.

Mass Mutual has access to a wide array of funds, firms and quality managers to oversee and proactively manage investments. The company has been managing investments for over 160 years, giving it the knowledge and experience to effectively provide a high level of expertise to the employees of Fayette County in helping them achieve their retirement goals. It was determined that Mass Mutual/AmRet provided overall superior returns with no hidden or additional administrative fees and would be the provider most suited to manage the 401(a) and 457 accounts for Fayette County employees. Reference checks from other governmental providers have demonstrated a strong show of support and confidence in Mass Mutual, as their preferred provider for their defined contribution and deferred compensation plan, citing among other things their quality level of customer service through their partnership with AmRet. During these turbulent economic times, Mass Mutual has been able to maintain their AAA credit rating and has not, and is not projected in the future, to receive any federal bailout monies in order to maintain financial stability.

The committee believes that the services offered by Mass Mutual/AmRet will best serve both the employees and Fayette County Government for the future. Mass Mutual/AmRet does not charge surrender fees and thus avoids future penalties with any future changes which could negatively impact employees. Mass Mutual is owned by the customer and is not in a situation of having to report to share holders. They have committed to a zero blackout period for fund transitions. Mass Mutual is willing to invest considerable time and effort in employee education at no additional cost and will work to achieve a target date portfolio plan for each employee. In addition, Mass Mutual offers full indemnity to the county for administrative and management functions through a fiduciary warranty which is part of their comprehensive package at no additional cost.

In summary, based upon extensive objective review, reference checks and interviews with various providers the Retirement Study Committee recommends Mass Mutual/AmRet as the preferred Defined Contribution and Deferred Compensation Retirement Plans provider for the Fayette County Retirement Program. Thank you for your patience in allowing the committee the necessary time to methodically analyze and critically evaluate the tremendous volume of information which was presented to us in this important process which provides an essential benefit for our county employee workforce.