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Clerk of Circuit Court & Comptroller
Finance Department
1801 27th Street
Vero Beach, FL 32960



TO: Board of County Commissioners

FROM: Diane Bernardo, Soon to be Retired Finance Director

THROUGH: Jeffrey R. Smith, Clerk of Court & Comptroller

DATE: August 9, 2017

SUBJECT: Nationwide Service Administration Contract

At the June 6, 2017 Board meeting, the County Commissioners agreed to proceed with negotiations with Nationwide Retirement Solutions, Inc. (Nationwide). Attached please find a 5-year contract (with two 2-year renewals) between Indian River County and Nationwide to include: BOCC, Clerk of Court and Comptroller, Property Appraiser, Supervisor of Elections, and Tax Collector. The Sheriff elected to keep his existing plans.

Of importance to note is:

- Retention of 3.5% fixed income account
- Bookkeeping fee of .25% (25bps)
- Selection of best in class investment funds, selected by the 457 committee on June 9, 2017, which will result in lower fund fees
- Notices to active participants about the consolidation of providers sent via email and in each offices' newsletter
- Notices sent to home addresses to both active and retired participants of all three providers (Florida League, ICMA, Nationwide) regarding the consolidation process
- Notices to ICMA Roth-IRA active participants sent to home addresses regarding a change in making contributions
- Nationwide received participant files (names and addresses) from ICMA and Florida League and will merge with Nationwide participant files for one database. From this database, Nationwide will be sending another letter to all participants on or before August 18, 2017 explaining the fund mapping and lineup, blackout dates for ICMA and Florida League participants, and a date to access on-line Nationwide accounts.
- Weekly progress meeting by Nationwide's transition team and we are on target for a completion date of November 10, 2017
- An in-service employee meeting with Nationwide executive/staff targeting the importance of saving for retirement has occurred with the Clerk, resulting in 19 new enrollees
- An in-service employee meeting with Nationwide and Tax Collector, Property Appraiser and Supervisor of Elections will occur on October 9th
- Mark Schilling, our Nationwide representative, will be available for sign up and to answer questions during open enrollment August 23-25

In addition to approving the administrative services contract, we are also requesting a change to our ordinance. Our current ordinance reads:

Section 104.05. - Deferred compensation.

Deferred compensation plans are available through ICMA Retirement Corporation, Nationwide Retirement Solutions, Inc., Mass Mutual, Hartford Life Insurance Companies, and John Hancock Financial Services on an optional basis to employees. This program is supplemental to a retirement income and it provides for a tax deferral on income contributed to the plan. For those employees working under the direction of the Board of County Commissioners, the director or manager of human resources shall approve and administer these plans and make determinations required by Section 112.215(6)(b), Florida Statutes. For those employees working under the direction of a constitutional officer, each constitutional officer shall designate an individual responsible for making determinations as required by the aforesaid statute.

Our suggestion to the ordinance is:

Section 104.05. - Deferred compensation.

A deferred compensation plan is offered on an optional basis to employees. The primary purpose of the deferred compensation plan is to provide employees the opportunity to defer and invest a portion of their compensation to the plan, helping to **supplement** retirement income. It also provides for a tax deferral on income contributed to the plan. For those employees working under the direction of the Board of County Commissioners, the Director or Manager of Human Resources shall approve and administer the plan and make determinations required by Section 112.215(6)(b), Florida Statutes. For those employees working under the direction of a constitutional officer, each constitutional officer shall designate an individual responsible for making determinations as required by the aforesaid statute. Each constitutional officer may elect to participate in the deferred compensation plan established by the Board of County Commissioners, participate in a separate plan, or elect not to offer a plan to their employees. The designated representatives from the Board of County Commissioners and the constitutional officers electing to participate in a common plan will comprise a committee and will meet as necessary to approve and administer the plan and make determinations required by Section 112.215(6)(b), Florida Statutes.

RECOMMENDATION

Staff recommends:

1. Approve the Nationwide Services Agreement with a term of five years with two optional 2-year extensions.
2. Give approval to the attorney's office to schedule a public hearing revising Section 104.05 Deferred Compensation of the Indian River County Code of Ordinances.