



## Staff Report

**TO:** City Council

**FROM:** Kari Mendoza, Administrative Services Director  
Eric Guzman, Human Resources Risk Analyst

**DATE** August 19, 2025

**SUBJECT:** Award of Professional Services Agreement to Voya Financial for Retirement Plan Administration 401(a) and 457 (b) Plans

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**Description:** Change of City's retirement plan administrator and award of professional services agreement to Voya Financial.

### **Background and Analysis:**

The City offers retirement savings plans under Internal Revenue Code Sections 401(a) and 457 (b) to eligible employees. These plans are essential components of the City's employee benefits program and help employees build financial security for retirement.

The City engaged United of Omaha Life Insurance Company and Companion Life Insurance Company—collectively known as Mutual of Omaha—to serve as the recordkeeper and plan administrator for its retirement plans. These entities were acquired by Ascensus. The City's current retirement plan administration contract with Ascensus is due for reconsideration. As such, to ensure continued high-quality service and compliance with evolving regulations, staff initiated a Request for Proposals (RFP) process to compare and identify a qualified vendor to administer these plans.

On March 13, 2025, the City issued RFP #HR-RFP-25-010 seeking qualified retirement plan administrators. The scope of services included, but was not limited to:

- Plan recordkeeping and administration;
- 3(21) and 3(38) fiduciaries;
- Compliance with federal and state retirement plan laws;
- Investment options management;
- Employee education and communication services;
- Online and mobile participant access; and
- Reporting and audit support.

By May 05, 2025, staff received nine (9) bid proposals. A Retirement Investment Committee involving staff from the Finance Department, Public Works, and Human Resources was formed to evaluate all nine proposals. Of the nine proposals, the committee individually evaluated the firms using a rating sheet and decided to schedule an interview with five of the nine firms. Due diligence was completed, and all references returned positive. City staff scored the interviews based on their sealed proposals and their presentations.

The (5) bids are summarized as follows:

1. Empower  
Proposal Score: Average 93 out of 100
2. Voya Financial  
Proposal Score: Average 97 out of 100
3. Lincoln Financial  
Proposal Score: Average 76 out of 100
4. SageView  
Proposal Score: Average 83 out of 100
5. Herrera May Wealth Management  
Proposal Score: Average 71 out of 100

In addition to recordkeeper and plan administrator services, the committee is soliciting an investment manager, otherwise known as a 3(38) fiduciary advisor, to consult employees on sound financial investments and decisions. A 3(38) fiduciary advisor is a financial professional or firm that takes on full discretionary authority and legal responsibility for selecting, monitoring, and replacing investments within a retirement plan. The term 3(38) comes from Section 3 (38) of the Employee Retirement Income Security Act (ERISA). The committee proposed a 3(38) advisor to fully reduce fiduciary risk. This means they can:

- Select, monitor, and replace investment options;
- Make trades and re-balance portfolios;
- Implement investment strategies without needing prior approval from the plan sponsor; and
- Accept full legal and fiduciary liability for investments.

Due to a demonstrated strong track record of managing public sector accounts, pricing differences, and overall score, the retirement investment committee recommends approval of a contract with Voya Financial and their preferred 3 (38) vendor LeafHouse at a cost of 5 basis points (5bps), which is equivalent to .05% in addition to the assets-based fee of plan administration.

**Fiscal Impact:**

The administrative fees for the 401 (a) and 457 (b) plans and the fees for the 3(38) will be paid directly from participant account assets and will not impact the City's general fund. Fees are paid by plan participants, consistent with industry standards.

The estimated cost to prepare this report is \$345.00

**Recommended Action:**

Authorize the Mayor to sign a Professional Services Agreement with Voya Financial for a three-year term to include LeafHouse services.

**Attachments:**

- A. Voya Financial Proposal
- B. Cost Proposal
- C. Professional Services Contract
- D. Levine Act Statement