

**AUDITOR-CONTROLLER**

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TACY ONETO ROUEN, AUDITOR-CONTROLLER

**MEMO**

**To:** Administrative Committee

**From:** Tacy Oneto Rouen, Auditor-Controller *JOR*

**Date:** September 13, 2018

**Subject:** Retirement Plan (Deferred Compensation) Oversight Committee

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Amador County has one 457 (b) Deferred Compensation Plan, and we have three different service providers for our "Plan." Based on my research over the last year, I found that while the provider statements are being sent to the County, they are being filed away, and no one at the County is monitoring or reviewing the investment activity performance, reviewing benchmarks, or making any peer comparisons. I believe that an Oversight Committee should be established to monitor and analyze investment activity and results, so that the County can fulfill its basic due diligence obligations of prudence, loyalty, and care for our employees. Further, the County Oversight Committee should analyze the various provider fees that are being charged to employees for investment services. During my research, I found that most employees are paying excessive fees to our providers, some to the extent of three times as much as they should be paying. There were also a couple of 457(b) items negotiated with our Unions in recent months that had unanticipated results due to a lack of understanding of our Plan, Plan rules, and provider rules, which I will discuss in detail.

Ultimately, the County needs to gain a better understanding of its Deferred Compensation Plan, its provider rules, and to monitor the Plan and providers to fulfill its fiduciary responsibilities for employees, providing greater transparency. I would appreciate your support in my endeavor to ensure that County fiduciary responsibilities are met, while also better serving our employees in creating a Retirement Plan Oversight Committee. I further ask that you recommend bringing this item to the full Board of Supervisors at an upcoming regular meeting.