



STAFF REPORT
January 28, 2026

TO: Honorable Mayor and City Council Members

FROM: Lincoln Bogard, Finance Director
Yolanda Lopez, Human Resources

SUBJECT: Resolution No. 2026-08 Approving a Contract with The Baldwin Group to Conduct a Fiduciary Review of the City's 457 Deferred Compensation Plan

STAFF RECOMMENDATION:

Staff recommends that the City Council approve Resolution 2026-08, authorizing the City Manager, or designee, to enter into an agreement with The Baldwin Group, a qualified fiduciary consulting firm, to conduct an independent review of the City's 457 deferred compensation plan. The results of this analysis will be presented to the City Council upon completion.

BACKGROUND:

The City offers employees a voluntary 457 deferred compensation plan as part of its comprehensive benefits package. The plan supports employees in building long-term retirement savings through tax-advantaged contributions and a variety of investment options. As fiduciary expectations and industry standards evolve—including best practices for governance, investment oversight, fee transparency, and participant communication—periodic independent review has become a widely recognized best practice for public agencies.

While the City and its plan administrator provide ongoing monitoring, partnering with The Baldwin Group will ensure the plan remains competitive, compliant, and aligned with the City's responsibility to act in the best interests of plan participants. The Baldwin Group specializes in fiduciary consulting for governmental retirement programs and brings expertise in plan benchmarking, fee assessment, and investment oversight.

DISCUSSION/ANALYSIS:

The Baldwin Group will perform an objective and comprehensive analysis of the City's 457 deferred compensation plan. Their scope of work includes:

- Plan Governance Review: Evaluation of administrative procedures, oversight processes, and fiduciary documentation.
- Investment Menu Evaluation: Review of investment performance, diversification, and benchmarking relative to industry standards.

- Fee and Cost Assessment: Analysis of provider fees, revenue-sharing practices, share classes, and overall fee transparency.
- Service and Vendor Review: Assessment of participant education, communication materials, technology tools, and service standards.
- Fiduciary Best Practices: Recommendations to strengthen plan governance, improve participant outcomes, and enhance long-term oversight.

This independent review will support the City's commitment to maintaining a high-quality, cost-effective retirement program for employees.

ALTERNATIVES:

1. Approve the action.
2. Do not approve the action.

FISCAL IMPACT:

There is no cost to the City for engaging The Baldwin Group. All consulting fees will be paid from the plan's existing fee structure and allocated proportionally across participant accounts.

Additionally, any expense savings or fee reductions identified through the review will be passed directly to plan participants, improving their long-term retirement outcomes and reducing their overall cost of participation.

Attachments:

Resolution 2026-08

Benefits of Engaging The Baldwin Group as Fiduciary Consultant for the City's 457 Deferred Compensation Plans

Sample Non-ERISA Plan Agreement