



Board Agenda Item 58

DATE: December 9, 2025

TO: Board of Supervisors

SUBMITTED BY: Hollis Magill, Director of Human Resources

SUBJECT: Agreement for consulting services to the County of Fresno 457(b) Deferred Compensation Plan and the County of Fresno 401(a) Defined Contribution Plan

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Agreement with Northwest Capital Management, Inc., to provide consulting services to the County of Fresno 457(b) Deferred Compensation Plan and the County of Fresno 401(a) Defined Contribution Plan, effective January 1, 2026, not to exceed five consecutive years, total not to exceed \$285,000.

There is no Net County Cost associated with the recommended action. Approval of the recommended action will allow Northwest Capital Management, Inc. ("Northwest Capital") to continue providing consulting services to the County of Fresno 457(b) Deferred Compensation Plan and the County of Fresno 401(a) Defined Contribution Plan (collectively, the "Plans") at a cost of \$50,000 per year. Northwest Capital will also provide assistance with a Request for Proposal (RFP) process for the Record-keeper to the Plans (the current Record-keeper is Nationwide Retirement Solutions, pursuant to Agreement No. 24-670), upon the County's request, at a one-time fee of \$25,000. The County may also request Northwest Capital to attend in-person Deferred Compensation Management Council (the "Council") meetings, in addition to the four (4) quarterly meetings per calendar year, not to exceed a total of \$10,000 during the five-year term.

The Council is recommending a five-year agreement instead of a three-year agreement with two (2) one-year renewals, as the fee structure for the five-year term will result in a savings of \$25,000 to participants in the Plans. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct staff to consider other proposals received during the RFP process. In addition, your Board may approve a three (3) year agreement with Northwest Capital with two (2) optional one-year extensions. This option would increase the total consulting fee by \$25,000.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. All costs associated with the administration of the Plans will be borne by participants in the Plans. The total maximum compensation of the Agreement is \$285,000, which includes an annual fee of \$50,000, a separate one-time fee of \$25,000 for assistance with the RFP for the Record-keeper to the Plans, and \$10,000 to cover additional in-person Council meetings in excess of the four (4) meetings, scheduled quarterly, per year.

DISCUSSION:

1. General Description of the Plans

The County of Fresno 457(b) Deferred Compensation Plan (the “457(b) Plan”) was adopted by the Board of Supervisors on January 20, 1976. The 457(b) Plan allows employees to defer pre-tax or after-tax dollars into a variety of investment options for the purpose of saving for retirement. As of November 19, 2025, the 457(b) Plan has 8,254 participants (including active and separated County employees) and over \$440 million in assets. As of the pay period ending November 9, 2025, over 72% of active County employees are contributing to the 457(b) Plan.

The County of Fresno 401(a) Defined Contribution Plan (the “401(a) Plan”) was adopted by the Board of Supervisors on April 5, 2022. The 401(a) Plan allows the County to make employer matching contributions to a tax-preferred retirement account on behalf of employees who contribute to their 457(b) Plan account. As of November 19, 2025, the 401(a) Plan has 4,914 participants (including active and separated County employees) and over \$10 million in assets.

2. Oversight of the Plans

The 457(b) Plan Document, most recently amended and restated by the Board of Supervisors on December 14, 2021, and Board Resolution No. 22-114, adopted April 5, 2022, delegated the authority to oversee the Plans to the Council, which is comprised of the County Administrative Officer (CAO), Auditor-Controller/Treasurer-Tax Collector, Director of Human Resources, Retirement Administrator, one (1) Department Head appointed by the CAO and two (2) Members-At-Large appointed by the Board of Supervisors.

The Council is responsible for the selection and oversight of the Plans’ investment options, creating policies and procedures related to the Plans, and making recommendations to the Board of Supervisors regarding the Plans’ Record-keeping and consulting service providers. Therefore, at their April 10, 2025 meeting, the Council appointed an Ad Hoc 457(b) Deferred Compensation Plan and 401(a) Defined Contribution Plan Consultant RFP Evaluation Subcommittee (RFP Subcommittee) to review and evaluate the written proposals submitted, identify the proposals that best meet the needs of the County, interview the top finalists (if necessary), and recommend a winning bidder to the full Council.

3. Expiring Agreement with Northwest Capital

On November 24, 2020, the Board of Supervisors approved Agreement No. 20-462 with Northwest Capital for consulting services related to the County of Fresno 457(b) Deferred Compensation Plan. The Agreement provided for a five (5) year term, ending December 31, 2025.

On April 5, 2022, the Board of Supervisors approved Agreement No. 22-132, which amended Agreement No. 20-462 to allow Northwest Capital to provide consulting services to the County of Fresno 401(a) Defined Contribution Plan.

Pursuant to an April 7, 2023 letter from Northwest Capital, the County was notified that Northwest Capital would become a wholly owned subsidiary of Carson Wealth Management, LLC, effective June 10, 2023. On June 6, 2023, the Board of Supervisors consented to the assignment of Agreement No. 20-462 from Northwest Capital Management, Inc. to Carson Wealth Management, LLC, pursuant to the Investment Advisers Act of 1940. Northwest Capital staff have continued to service County staff and the Plans.

4. Description of Services Under the Proposed Agreement

The proposed agreement with Northwest Capital would provide consulting services to the Plans, which include, but are not limited to:

- Establish and periodically review Investment Policy Statement (IPS) benchmarks and fund performance criteria to guide investment selection, monitoring, and decision-making.
- Deliver quarterly investment reports to the Council, with fund-level summaries, market overviews, performance attribution, and strategic guidance on industry trends and product offerings.
- Recommend Watch List placements and fund replacements per IPS guidelines and coordinate timely implementation of approved investment lineup changes.
- Assume fiduciary responsibility under the Employee Retirement Income Security Act of 1974, and support the Council with ongoing fiduciary education, governance documentation, and compliance guidance.
- Support Council in monitoring and enforcing compliance with record-keeping and third-party service agreements, including vendor performance and participant education standards.
- Lead the end-to-end RFP process for the 457(b) Plan record-keeping services, including benchmarking, vendor selection, proposal evaluation, contract negotiation, and transition oversight.

5. Overview of the RFP and Winning Bidder Selection Processes

On July 22, 2025, the County of Fresno released Request for Proposals (RFP) No. 25-105, for consulting services related to the Plans. Five (5) vendors responded to the RFP:

- Fiduciary Consulting Group;
- NFP;
- Northwest Capital;
- SageView Advisory Group; and
- USI Consulting Group.

All the proposals met the minimum qualifications and were evaluated by the RFP Subcommittee relative to each other generally and to industry standards, in accordance with the following criteria:

- Proposing firm's responsiveness to the RFP.
- Proposing firm's inclination and ability to accept the terms and conditions of the model County of Fresno contract.
- Qualifications and capability of proposing firm and key personnel assigned to the County Plans, as demonstrated in the Scope of Work Proposal Requirements section.
- Demonstrated ability of proposing firm to successfully provide the services outlined in the Scope of Work with emphasis on experience providing these services to 457(b) deferred compensation plans of comparable size and nature in California.
- Cost, as submitted under the Cost Proposal section.

The RFP Subcommittee met on August 13, 14, and 18, 2025 to discuss the proposals, with a County Purchasing Analyst in attendance to observe the proposal evaluation process. Proposals were ranked from #1 through #5. The RFP Subcommittee ranked the bidders as follows:

- #1: Northwest Capital;
- #2: NFP;
- #3 (tie): USI Consulting Group;
- #3 (tie): Fiduciary Consulting Group; and
- #5: SageView Advisory Group.

After discussing each proposal in detail, the RFP Subcommittee determined that Northwest Capital was the strongest candidate to provide consultant services to the Plans, as their bid provided the Plans with the

greatest value. Due to the overall strength of Northwest Capital's proposal, and their standing as the top-rated vendor, the RFP Subcommittee further determined that finalist interviews were not necessary to select the winning bidder. A summary of the key factors leading to the RFP Subcommittee's determination is provided below.

- Northwest Capital demonstrated the most in-depth research and analysis of investments, including conducting on-site visits of major record-keepers and investment managers, and an Investment Committee that meets weekly.
- They demonstrated the strongest strategy for monitoring the performance of the Plans' Record-keeper.
- They demonstrated a strong Plan Record-keeper RFP process.
- They offered the second-lowest five-year cost.

At the September 11, 2025 Council meeting, the RFP Subcommittee presented the information, above, for the Council's consideration. The Council concurred with the RFP Subcommittee's recommendation and voted unanimously to recommend that County of Fresno Purchasing issue a tentative award notice to Northwest Capital for RFP No. 25-105.

The Council also voted unanimously to further recommend that your Board approve a five-year agreement instead of a three-year agreement with two (2) optional one-year extensions. The recommendation was based on Northwest Capital's proposal to decrease their annual fee from \$55,000 for the three-year initial term with two (2) one-year renewals, to \$50,000 for the five-year term with no renewals.

6. Exceptions to the County's Model Agreement

Section 6 of Exhibit E (Data Security) was revised to account for Northwest Capital's legal responsibilities under the Security and Exchange Commission's rules and regulations of the Investment Advisors Act of 1940.

7. Staff Next Steps

Approval of the recommended action will not necessitate any administrative changes or create any disruptions in service to participants in the Plans.

OTHER REVIEWING AGENCIES:

The Council unanimously agreed to recommend retaining Northwest Capital as the consultant to the Plans.

REFERENCE MATERIAL:

BAI #45, December 17, 2024
BAI #31, June 6, 2023
BAI #39, April 5, 2022
BAI #34, December 14, 2021
BAI #40, November 24, 2020
BAI #19b, January 20, 1976

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement

CAO ANALYST:

Sevag Tateosian