



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 2, 2025

FROM: HUMAN RESOURCES DEPARTMENT WARDS: ALL

SUBJECT: APPROVE THE PROFESSIONAL SERVICES AGREEMENT WITH SHUSTER ADVISORY GROUP, LLC AS THE CITY'S DEFINED CONTRIBUTION PLAN CONSULTANT AND INVESTMENT ADVISOR FOR THE PLAN IN ACCORDANCE WITH PURCHASING RESOLUTION NO. 24101 SECTION 702 (F).

ISSUE:

Approve the Professional Services Agreement with Shuster Advisory Group, LLC as the City's Defined Contribution Plan Consultant and Investment Advisor for the Plan in Accordance with Purchasing Resolution No. 24101, Section 702 (f) through December 31, 2028, with an option to extend for two additional one-year terms.

RECOMMENDATIONS:

That the City Council:

1. Approve the Professional Services Agreement with Shuster Advisory Group, LLC., in accordance with Purchasing Resolution No. 24101, Section 702 (f) through December 31, 2028, with an option to extend for two additional one-year terms and;
2. Authorize the City Manager, or designee, to execute the Professional Services Agreement with Shuster Advisory Group, LLC., and all related documents, including making any minor non-substantive changes as necessary to effectuate the Agreement.

BACKGROUND:

The City of Riverside currently offers 457b and 401a deferred compensation plans to all eligible benefited City employees. Since 1988, the contracted providers for these services had been Empower Retirement (formerly Great - West Retirement Services) and ICMA Retirement Corporation, with both contracts expiring on June 30, 2017. In October 2016, the Human Resources Department conducted a Request for Proposal (RFP) for administrative oversight and recordkeeping of the City's 457 and 401a deferred compensation plans. The City's Deferred Compensation (DC) selection committee, comprised of City management and Union represented employees, reviewed the proposals. After a comprehensive and thorough review of the top three vendors, the DC selection committee unanimously decided to select one of the current program

providers, ICMA -RC (currently MissionSquare), as the sole deferred compensation provider for the City of Riverside.

DISCUSSION:

Under Section 457(b) of the Internal Revenue Code, government entities may sponsor a deferred compensation plan, while meeting fiduciary responsibilities under California law, to allow employees to defer income tax on retirement savings into future years. As a fiduciary, the City has a responsibility to control the investment choices made available in the 457(b) and 401(a) plans.

Since December 2020, Shuster Advisory Group, LLC., has successfully proven to deliver the wide range of fiduciary services needed by the City, such as the development of an Investment Policy Statement (IPS), selecting initial investment options, periodically reviewing investments for additions and deletions, providing periodic investment advisory reports, the selection of default investments for participants who fail to make investment elections, and coordinating Deferred Compensation Committee meetings, recording meetings and providing minutes. Additionally, Shuster Advisory Group, LLC. has provided consulting assistance on fiduciary best practices and education, provided assistance with mandatory and optional legislative change, provided compliance updates and best practices, and assists the City with communications to other plan providers.

The City of San Bernardino has a current agreement for a Defined Contribution Plan financial advisor with Shuster Advisory Group, LLC., with the firm offering the same or better price to the City. This acquisition complies with Purchasing Resolution No. 24101, Section 702 (f) which states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: when cooperative purchasing is available and undertaken, or when Services can be obtained through Federal, State, and/or other public entity pricing contracts or price agreements."

The Purchasing Manager concurs that the recommended actions are in accordance with Purchasing Resolution 24101.

FISCAL IMPACT:

The proposed action has no direct fiscal impact to the City. The 457(b) plans earnings belong to the plan's participants and all costs incurred are paid for from the plan resources. This is a three-year contract with an option to extend for two additional one-year terms. Shuster Advisory Group, LLC will be paid \$ 48,000 annually from plan resources.

Prepared by:	Michelle Vizcarra, Principal Human Resources Analyst
Approved by:	Rene Goldman, Human Resources Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer/Treasurer
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments: Professional Services Agreement with Shuster Advisory Group, LLC.