

7.A Change in 401(k) Fiduciary Advising Services – (Action)
(Approve Recommendation from Executive Committee)

SWWDB currently offers employees a 401(k) plan through The Hartford Retirement Plan. The Hartford Retirement Plan contracted with Neuberger-Berman to provide Plan IQ. This is a fund advisement service that offers the following benefits: 1) tracking and professional guidance on fund performance and 2) assumes responsibility of fiduciary liability exposure for recommended investment funds for the employees of SWWDB. The Neuberger-Berman service cost was \$400.00 annually.

The relationship between Neuberger-Berman and The Hartford has ended. Ibbotson and Associates has been selected to provide this service to The Hartford for their 401K plans. Ibbotson and Associates is very highly regarded for their consulting advice and, in fact, won a Nobel Prize for their Modern Portfolio Theory and their Asset Allocation models. The cost of the Ibbotson and Associates service will be \$650.00 annually.

SWWDB provides 16 funds and funds included in the SWWDB plan would change with the move to the Ibbotson and Associates service. Mr. Ginzi will work with staff to make the needed changes. Ibbotson and Associates has a wider range in funds choices compared to Neuberger-Berman. Staff participating in the 401(k) program will be required to select funds from the list recommended by Ibbotson and Associates.

Mr. Bruce Ginzi, Johnson Insurance, has mapped out fund options for staff based on the Ibbotson and Associates recommendations and will assist staff in making the necessary changes. Mr. Ginzi will be available to answer any questions Committee members have.

SWWDB has a fiduciary responsibility to ensure that 401(k) plan funds are managed properly. However, SWWDB does not have the expertise or staff time to monitor fund performance as part of this responsibility. Therefore, the Executive Committee is recommending that SWWDB contract with The Hartford Retirement Plan and Ibbotson and Associates for the fund advising service which will protect the organization in its fiduciary liability responsibility for investment funds recommended to employees.

Board action on the recommendation is requested.