



TO: Mayor and Councilmembers

SUBMITTED BY: Luke B. Rioux, Finance Director

SUBJECT: Deferred Compensation Plan Update – 457(b) Recordkeeper Transition, Establishment of a 401(a) Defined Contribution Retirement Plan, Plan Administrator Designation, Indemnification, and Ongoing Fiduciary Advisory Services

RECOMMENDATION:

- A. Approve the transition of the City’s 457(b) Deferred Compensation Plan recordkeeping from MissionSquare Retirement to Empower Retirement; and
- B. Adopt Resolution No. 26-__ entitled, “A Resolution of the City Council of the City of Goleta, California, Appointing the Finance Director as the Plan Administrator for the Prudent Management of the City of Goleta’s 457(b) Deferred Compensation Plan Administration and Investment Portfolio; and
- C. Adopt Resolution No. 26-__, entitled, “A Resolution of the City Council of the City of Goleta, California, Approving the Establishment of a 401(a) Defined Contribution Retirement Plan for City Employees, and Appointing the Finance Director as Plan Administrator, and Authorizing the Finance Director to Execute All Necessary Documents to Establish Such Plan”; and
- D. Adopt Resolution No. 26-__ entitled, “A Resolution of the City Council of the City of Goleta, California, Indemnifying the City Council, Plan Administrator and their Designees, While Acting in their Official Capacities in the Administration of the 457(b) Deferred Compensation Plan and the 401(a) Defined Contribution Retirement Plan”; and
- E. Authorize the Finance Director, as Plan Administrator, to Execute a Professional Services Agreement with SageView Advisory Group, LLC for ongoing fiduciary investment advisory services (3(21) co-fiduciary model), in substantially the form attached, in an amount not to exceed annually of 0.25% of Plan assets, subject to final approval as to form by the City Attorney.

BACKGROUND:

The City of Goleta established its 457(b) Deferred Compensation Plan on August 19, 2002, through City Council Resolution No. 02-62, contracting with the ICMA Retirement Corporation (now MissionSquare) as the plan's sole provider. The plan was implemented shortly after the City's incorporation to provide retirement security and support recruitment and retention.

For over two decades, MissionSquare has served as the City's provider. Over that period, the retirement plan industry has evolved significantly: institutional recordkeeping costs have compressed, open-architecture investment platforms have become the market standard, and financial wellness technology has improved substantially. Consistent with the City's fiduciary duty to act in the best interest of plan participants and to ensure that plan fees are reasonable, the City Manager's Office, Human Resources, and Finance Department initiated a comprehensive review of the City's retirement offerings.

Employer Matching Contribution and the Need for a 401(a) Plan

On April 16, 2024, Council approved amended and restated Memoranda of Understanding (Agreement Nos. 2018-037.1 and 2018-038.1) with SEIU Local 620 and adopted Resolution No. 24-20 extending the same package to confidential, management, and executive employees. Among the changes was an employer matching contribution of up to \$25 per pay period (\$650 annually) to participating employees' deferred compensation accounts, effective the first pay period in January 2025. Because the City did not yet sponsor a 401(a) plan, these matching contributions have been remitted to the existing 457(b) plan since that date.

Benefits Committee, Independent Advisor, and RFP Process

To support the review, the City formed an ad hoc Benefits Committee comprised of the Assistant City Manager, Finance Director, HR Manager, HR Analyst, and one representative from each bargaining group (the Senior Planner and the Assistant Planner). The Committee, with input from bargaining unit representatives, recommended SageView Advisory Group, LLC — an independent registered investment adviser with no affiliation to any plan provider — based on SageView's local public-sector experience advising the City of Santa Barbara and the County of Santa Barbara. On August 12, 2025, the City entered into a Professional Services Agreement with SageView (not to exceed \$3,500) pursuant to Goleta Municipal Code Section 3.05.260. The RFP scope was structured to evaluate providers for both the existing 457(b) plan and a new Start-Up 401(a) plan, so that a single provider could administer both plans in a coordinated manner.

The RFP was issued in November 2025:

- **Responded:** MissionSquare (incumbent), Corebridge, Empower, Nationwide, TIAA, and Voya.

- **Declined to bid** (citing plan-size minimums or platform fit): Charles Schwab, Fidelity, Principal, T. Rowe Price, and Vanguard.

The Benefits Committee, with SageView, reviewed the responses on December 22, 2025, and based on fees, services, administrative support, and platform capabilities, advanced Empower, Voya, and TIAA to the finalist round. TIAA withdrew prior to finalist presentations after determining it could not provide a dedicated Relationship Manager or in-person education support at the City's plan size. On February 2, 2026, the Committee interviewed Empower and Voya. Following the presentations, the Committee voted unanimously to recommend Empower as the City's new recordkeeper for both the 457(b) plan and the new 401(a) plan.

DISCUSSION:

The purpose of this report is to obtain Council authority to proceed with the transition of the City's 457(b) recordkeeper, establish a 401(a) plan, formally designate the Plan Administrator, and engage SageView for ongoing fiduciary advisory services. This report outlines multiple concurrent actions designed to modernize the City's retirement benefits program, reduce participant costs, improve fiduciary governance, and maintain regulatory compliance. Each action is described below, followed by a discussion of plan eligibility, employee communications, the projected transition timeline, and next steps.

1. Transition of the 457(b) Plan to Empower

Following a rigorous evaluation of the RFP responses, the selection committee unanimously recommended Empower Retirement as the Plan recordkeeper. Empower is the second-largest retirement plan provider in the United States, serving more than 18 million participants and over \$1.7 trillion in plan assets. The transition offers significant improvements over the current MissionSquare arrangement:

- **Substantially Reduced Fees:** MissionSquare currently charges plan participants an annual recordkeeping fee of approximately 0.80% (80 basis points) of plan assets. Empower's proposed all-in recordkeeping fee is 0.10% (10 basis points) a reduction of approximately 70 basis points. At current plan asset levels of \$8.7 million, this represents annual fee savings of approximately \$60,900 that will remain in participant accounts rather than being paid to the recordkeeper. Over a 5-year period at projected asset levels, this is expected to produce \$300,000 to \$400,000 in cumulative participant savings.
- **Five-Year Fee Guarantee:** Empower's proposed pricing is contractually guaranteed for the initial five-year term, providing the City and Plan participants with rate stability and protection against fee increases.
- **Lower Investment Expenses:** The proposed Empower investment lineup carries a weighted average net expense ratio of approximately 0.02%, reflecting the use of low-cost institutional-class index funds and target-date funds. Lower investment expenses directly translate to higher participant returns over time.

- **Open Architecture Investment Menu:** Unlike the current arrangement, the Empower platform is not limited to proprietary funds. The City and SageView can select investment options from across the universe of mutual funds and collective investment trusts, allowing the Plan to offer the lowest-cost, best-performing share class available in any given asset category.
- **Modern Participant Experience:** Empower provides a contemporary online and mobile participant interface, including retirement income modeling tools, outside-account aggregation, personalized financial guidance, and bilingual customer support. Empower will also conduct on-site educational sessions for City employees as part of the transition and on an ongoing basis.
- **Trust and Custodial Services Included:** Empower Trust Company will serve as Plan trustee and full custodian, with these services included in the proposed fee structure at no additional cost to the City.

2. Establishment of a 401(a) Defined Contribution Plan

A 401(a) plan is a tax-qualified governmental defined contribution retirement plan authorized under Section 401(a) of the Internal Revenue Code. Unlike a 457(b) plan, which is funded primarily by voluntary employee salary deferrals, a 401(a) plan is the standard vehicle California public agencies use to make employer-funded retirement contributions on behalf of employees. Importantly, the Internal Revenue Code applies separate, independent contribution limits to 457(b) and 401(a) plans, meaning an employee may participate in both simultaneously without contributions to one reducing the limit available in the other. This structural separation is the primary reason California cities increasingly establish dual-plan structures.

Establishing a 401(a) plan now provides the City of Goleta with several strategic advantages:

- **Recruitment and Retention:** A 401(a) plan provides a flexible vehicle for employer retirement contributions, including matching contributions, fixed-dollar contributions, and contributions tied to specific positions or service milestones. This expands the City's tools for attracting and retaining qualified employees in a competitive labor market, should the City pursue this in the future.
- **Vesting Flexibility:** Unlike 457(b) contributions, which belong to the employee immediately, 401(a) employer contributions may be subject to a vesting schedule that requires continued service before full ownership. This provides a direct incentive for long-term retention. At this time, the contributions are immediately available with no vesting schedule.
- **Future MOU and Personnel Rule Flexibility:** Establishing the 401(a) plan document now provides the City Council and management with an immediate, flexible mechanism available for use during future Memoranda of Understanding (MOU) negotiations with bargaining units and updates to the

City's Personnel Rules. The plan can be utilized lightly at first and expanded over time as compensation strategy evolves.

- **Appropriate Vehicle for Existing Employer Contributions:** The City currently provides certain employer matching contributions to eligible employees pursuant to the Personnel Rules and applicable MOUs, and the City Manager's contract. At conversion, the existing employee match will be administratively redirected from the 457(b) plan to the new 401(a) plan, where it is more properly housed under federal tax law. This redirection does not increase or decrease the dollar amount of any contribution and does not require modification to existing labor agreements, as the underlying authorities reference "deferred contribution accounts" generically. Cleanup language to the City Manager's contract will occur at a future date.
- **Tax Savings for both Employee and City:** Employer contributions to a governmental 457(b) plan are subject to Medicare tax at the time of contribution, where the employee is immediately vested, as is the case under the City's plan (IRC § 3121(v)(2)). By contrast, employer contributions to a governmental 401(a) plan that are not made pursuant to a salary reduction agreement are statutorily exempt from Social Security and Medicare tax (IRC § 3121(a)(5)). Redirecting the City's existing matching contributions and the employer-funded retirement contribution under the City Manager's contract from the 457(b) to the 401(a) therefore eliminates the 1.45% employee and 1.45% employer Medicare tax on those amounts going forward, producing a recurring payroll-tax savings for both the participating employees and the City with no change to the underlying contribution amounts.

3. Plan Sponsor and Plan Administrator Designation

The Plan Sponsor is the City of Goleta. As the sponsoring employer of the governmental 457(b) and 401(a) plans, the City Council serves as the plans' governing body and retains ultimate authority over plan establishment and termination, recordkeeper and fiduciary investment consultant selection, fee structure, and any substantive plan design changes that materially alter participant rights or City obligations.

Resolution 02-62 originally designated the Administrative Services Director as the program coordinator. Over the intervening years, as the City's organizational structure evolved, day-to-day operational responsibility for the Plan was administratively transferred to the Finance Director. However, no subsequent Council action formally documented this transition, and the original 2002 resolution did not clearly delineate the modern roles of plan sponsor, plan administrator, and named fiduciary in a manner consistent with current best practices for governmental plan governance. Adoption of the proposed Resolution provides legal clarity by formally appointing the Finance Director as Plan Administrator and superseding Section 6 of Resolution 02-62 to the extent inconsistent.

Staff recommends the Finance Director because the role of Plan Administrator now requires technical expertise in investment oversight, fiduciary management, fee analysis, and quarterly performance benchmarking. The Finance Director is the senior executive within the City's organizational structure with the financial training and ongoing fiduciary responsibilities required by current best practices for governmental retirement plan administration. As Plan Administrator, the Finance Director would be authorized to:

- Execute and manage service-provider agreements, including the recordkeeper administrative services agreement;
- Administer participant transactions consistent with plan documents, including enrollment, contributions, distributions, rollovers, loans (if authorized), and beneficiary designations;
- Approve administrative amendments to the plan documents that do not materially alter plan design (e.g., updates required by changes in law, correction of errors, administrative clarifications), subject to City Attorney review as to form, and ensure plan compliance with Internal Revenue Code Sections 457(b) and 401(a), applicable Treasury Regulations, and related IRS guidance;
- Coordinate with SageView and staff on investment menu review and ongoing fiduciary oversight, manage the transition from MissionSquare to Empower, and report to the City Council annually or as needed on participation, assets, investment performance, fees, and any material developments

This delegation structure allows day-to-day plan administration to proceed efficiently without requiring Council action for routine operational decisions, while preserving Council authority over substantive plan design, vendor relationships, and fee structures.

4. Ongoing Fiduciary and Transition Support from SageView

SageView Advisory Group, LLC is a registered investment advisor under the Investment Advisers Act of 1940 that specializes in governmental retirement plan consulting. The City retained SageView in August 2025 under a limited Professional Services Agreement to advise the Benefits Committee on the recordkeeper RFP process, and SageView is currently providing transition support for the MissionSquare to Empower conversion. With the recordkeeper transition now in place, staff recommends that the Council authorize SageView's retention as the ongoing fiduciary investment consultant for both the 457(b) and 401(a) Plans under a 3(21) co-fiduciary advisory model.

What SageView Does

Under the proposed agreement, SageView will:

- Recommend, monitor, and (when warranted) replace the investment options offered through the Plans;
- Maintain a written Investment Policy Statement (IPS) that governs how investments are selected and reviewed;
- Provide semi-annual investment performance analysis covering market context, manager performance against benchmarks, asset allocation, and individual fund evaluation;
- Benchmark Plan fees annually against comparable governmental plans to confirm the Plans remain competitively priced;
- Advise on plan design changes and federal regulatory developments, including SECURE 2.0 Act implementation;
- Support the MissionSquare-to-Empower conversion through fund mapping, blackout-period coordination, and participant communication review; and
- Report at least annually to the Plan Administrator on Plan performance, fees, and administration, and to the City Council as needed.

All of SageView's recommendations require Plan Administrator acceptance to take effect. SageView does not have the authority to change investments or move Plan assets on its own.

Why the Engagement Is Necessary

California public agencies are not legally required to retain a third-party investment fiduciary. Staff recommends the engagement because it is the prevailing practice among comparable California municipal employers and because it directly supports the City's discharge of its prudent person duties as Plan Sponsor under Government Code § 53609 and Article XVI, Section 17(c) of the California Constitution. Four practical considerations support the engagement:

- **Staff capacity and specialized expertise.** Selecting, monitoring, and replacing institutional investment options requires sustained, specialized focus on investment analysis, manager evaluation, and retirement plan economics. While City finance staff have the relevant financial background, performing this work in-house at the level expected of a plan fiduciary would consume significant staff capacity, and building a dedicated internal function would cost materially more than SageView's fee. The alternative, relying on the recordkeeper's investment recommendations, presents an inherent conflict of interest where recordkeeper-affiliated funds are offered, and the City's fiduciary duty would still require independent staff analysis to evaluate them.
- **A documented record of prudent process.** California's prudent person standard is process-based: fiduciaries are evaluated on whether they followed a prudent process, not on whether investment outcomes were favorable in hindsight. SageView's IPS-driven, structured, and documented methodology

creates the concurrent record that demonstrates compliance with that standard.

- **Shared fiduciary responsibility.** As a 3(21) co-fiduciary, SageView shares responsibility for investment recommendations alongside the Plan Administrator. This both improves the quality of decisions and provides meaningful evidence of prudent process if a participant or auditor ever questions an investment decision.
- **Sustaining the RFP-driven fee reductions.** The recent RFP reduced participant-paid recordkeeping fees from approximately 0.80% to 0.10%, a savings of roughly 70 basis points annually for participants. Without ongoing fiduciary oversight, fee creep and lineup degradation can erode those gains over time.

Why 3(21), Not 3(38)

Under the recommended 3(21) co-fiduciary model, SageView recommends investment changes and the Plan Administrator decides whether to accept them. An alternative arrangement under 3(38) would delegate full investment discretion to SageView, removing the Plan Administrator from the decision. Staff recommends the 3(21) model because it preserves City decision-making authority while still providing professional fiduciary guidance.

Cost and Payment

SageView's proposed fee is 0.25% (25 basis points) of Plan assets, invoiced quarterly in arrears. At the current Plan asset level of approximately \$8.7 million, that equates to approximately \$21,750 per year. Staff recommends the City pay this fee directly from the Finance Department operating budget rather than charging it to participant accounts, for the reasons discussed below in the Fiscal Impact section of the report. The Service Agreement may be amended or terminated by either party with 90 days' written notice, providing flexibility to revisit the fee structure or service scope as Plan needs evolve.

5. Indemnification of Plan Administration and Plan Officials

Under California Government Code § 53609, deferred compensation funds are subject to the fiduciary standards of Article XVI, Section 17 of the California Constitution. Council members, the Plan Administrator, and any designees who exercise authority over the Plans are therefore subject to the prudent person standard and may face potential personal liability for routine decisions made in good faith.

The proposed Resolution applies the City's existing indemnification framework under Government Code §§ 825 and 995 et seq. to the specific context of Plan administration, and is a Government Finance Officers Association (GFOA) recommended best practices. It covers Council members, the Plan Administrator, and designees, and is structured to extend to any future Plan Committee should the Council later establish one. The indemnification expressly excludes willful misconduct, gross negligence, and fraud, and prohibits payment of indemnification or defense

costs from Plan assets. The Resolution does not expand the City's liability beyond what already exists for officials acting in their official capacities.

Plan Eligibility

The plan documents define which individuals are eligible to participate in each plan. The framework summarized below balances broad access for the City’s workforce with practical administrative considerations and reflects standard practice among California cities of similar size.

Employee Class	457(b) Eligible	401(a) Eligible	Notes
Full-Time Regular Employees	Yes (immediate)	Yes (immediate)	Eligible on date of hire; no waiting period.
Part-Time Benefits-Eligible Employees	Yes (immediate)	Yes (pro-rated)	Same terms as full-time employees; eligible compensation limited to actual City compensation.
City Manager	Yes	Yes	Eligible on date of hire, subject to contract terms
City Council Members	Yes	No	Permitted under IRC §457(b); not employees per Personnel Rules §1.2; no employer match. In addition a match would be considered deferred wages.
Hourly, Temporary, and Seasonal Employees	No	No	Excluded; administrative burden disproportionate to short-duration appointments.
Interns (Paid or Unpaid)	No	No	Excluded; limited duration and scope.
Appointed Commission and Board Members	No	No	Stipend-only; minimal compensation does not justify administrative cost.

Commission members or other excluded individuals who are also City employees in another capacity remain eligible through their employment. The Plan Administrator is responsible for determining eligibility consistent with the plan documents and applicable City personnel classifications. Eligibility for employer matching contributions, if any, is governed separately by the Personnel Rules and applicable MOUs.

Employee Communications and Transition Support

A successful plan conversion depends heavily on clear, timely participant communication. The City, Empower, and SageView will jointly execute a comprehensive communications plan that includes: (i) the legally required 30-day Advance Blackout Notice distributed to all eligible employees; (ii) on-site educational sessions held at City Hall in advance of the conversion; (iii) live and recorded webinars covering enrollment, beneficiary designation, investment options, and the new participant interface; (iv) one-on-one consultations available to all participants during the transition window; and (v) ongoing access to bilingual (English/Spanish) customer support and educational materials post-conversion. The City Manager’s Office, Human Resources, and Finance will coordinate scheduling, venue logistics, internal and external communications.

Projected Transition Timeline & Next Steps

Phase	Estimated Timing	Key Actions
1. Council Approval & Kickoff	Early May 2026	Council approves transition, 401(a) establishment, Plan Administrator designation, indemnification, and SageView agreement; staff executes professional services agreement; staff formally notifies MissionSquare of recordkeeper termination.
2. Plan Design & Investment Selection	May 2026	Staff and SageView map existing MissionSquare funds to the new Empower open-architecture lineup; finalize and execute the new 401(a) Plan Document and the 457(b) Adoption Agreement; establish specific dates for the Blackout Period.
3. Employee Communications	June - July 2026	Distribute 30-Day Advance Blackout Notice to all eligible employees; Empower and SageView host educational webinars and on-site sessions; employees verify contact information and review beneficiary designations.
4. Blackout Period & Asset Transfer	Late June - July 2026	Blackout period begins (typically runs 2-3 weeks); MissionSquare accounts frozen for allocation changes, loans, and distributions; payroll deductions continue routed to Empower; plan assets securely wired and reconciled.
5. Go-Live & Ongoing Administration	Early August 2026	Blackout ends; full account access restored on Empower platform; participants receive welcome communications; SageView begins quarterly fiduciary monitoring and reporting.

FISCAL IMPACTS:

457(b) Recordkeeper Transition: There is no direct General Fund cost associated with changing the 457(b) recordkeeper. Recordkeeping fees are borne by plan participants and are deducted from participant accounts. The transition will reduce participant-paid recordkeeping fees from approximately 0.80% to 0.10% of plan assets, producing approximately \$60,900 in annual participant savings at current asset levels.

401(a) Plan Establishment: There is no direct General Fund cost to establish the legal framework of the 401(a) Plan. The existing employee matching contribution will be administratively redirected from the 457(b) to the 401(a) at conversion with no change in dollar amount, no impact on participant compensation, and no impact on the City's budgeted personnel costs. Routing matching contributions through the 401(a) also produces a small recurring Medicare tax savings of approximately \$2,200 for both the City and participating employees, reflecting the proper tax treatment of qualified plan contributions under federal tax law. Any future expansion of employer contributions, vesting schedules, or eligibility beyond the existing levels would be a separate decision of the City Council, subject to budget appropriation and, where applicable, collective bargaining.

SageView Fiduciary Advisory Services: The annual fee for SageView's ongoing fiduciary advisory services is 0.25% of plan assets, equating to approximately \$21,750 per year at current asset levels of \$8.7 million. This cost will be paid by the City directly from the Finance Department professional services operating budget. Adequate funding is available within the current fiscal year budget and will be programmed accordingly in the upcoming FY 2026/27 budget. Future-year costs will scale with plan asset growth and will be incorporated into annual budget development.

While the annual cost is based on a percentage of assets, staff anticipate returning to Council with a recommendation to convert SageView's compensation to a fixed annual fee with a cost-of-living adjustment when annual costs approach \$35,000, which corresponds to plan assets of approximately \$14 million. This would mirror the fee structure used by comparable California public agencies.

Funding Mechanism Flexibility: In addition, it should be noted that the staff's recommendation to have the City pay SageView fees directly reflects the most appropriate approach under current circumstances and does not prohibit alternative structures in the future. The future Plan documents and the SageView Service Agreement permit any funding mechanism (direct City payment, Plan-asset payment, or a hybrid) at the City's election.

Staff does not recommend cost-sharing or participant funding at this time, given the relatively recent transition to a low-cost recordkeeping arrangement and the importance of sustaining the participant-paid fee reduction achieved through the RFP process. SageView functions as specialized contract staff performing fiduciary oversight that would otherwise fall on the Plan Administrator and City staff. Because the City is the principal beneficiary of that work, direct City payment is the appropriate funding mechanism. Staff

will monitor industry trends and Plan circumstances, however, and will return to the City Council with a recommendation should a change in funding structure become advisable.

Net Fiscal Position: The City will incur approximately \$21,750 in new annual fiduciary advisory expense, paid directly from the Finance Department operating budget, to help ensure ongoing fiduciary duties are met. City employees will collectively save approximately \$60,900 annually in reduced recordkeeping fees, with additional benefits through access to lower-expense investment options.

ALTERNATIVES:

The City Council could choose not to approve the agreement, suggest modifications to the agreement, or ask staff to return at a later date. However, doing so will result in ongoing delays.

LEGAL REVIEW BY: Isaac Rosen, City Attorney

APPROVED BY: Robert Nisbet, City Manager

ATTACHMENTS:

1. Resolution No. 26-__ entitled, “A Resolution of the City Council of the City of Goleta, California, Appointing the Finance Director as the Plan Administrator for the Prudent Management of the City of Goleta’s 457(b) Deferred Compensation Plan Administration and Investment Portfolio”
2. Resolution No. 26-__, entitled, “A Resolution of the City Council of the City of Goleta, California, Approving the Establishment of a 401(a) Defined Contribution Retirement Plan for City Employees, and Appointing the Finance Director as Plan Administrator, and Authorizing the Finance Director to Execute All Necessary Documents to Establish Such Plan”
3. Resolution No. 26-__ entitled, “A Resolution of the City Council of the City of Goleta, California, Indemnifying the City Council, Plan Administrator and their Designees, While Acting in their Official Capacities in the Administration of the 457(b) Deferred Compensation Plan and the 401(a) Defined Contribution Retirement Plan”
4. Draft Retirement Plan Investment Advisory Services Agreement – 3(21) with SageView Advisory Group, LLC

ATTACHMENT 1

Resolution No. 26-__ entitled, "A Resolution of the City Council of the City of Goleta, California, Appointing the Finance Director as the Plan Administrator for the Prudent Management of the City of Goleta's 457(b) Deferred Compensation Plan Administration and Investment Portfolio"

RESOLUTION NO. 26-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, APPOINTING THE FINANCE DIRECTOR AS THE PLAN ADMINISTRATOR FOR THE PRUDENT MANAGEMENT OF THE CITY OF GOLETA'S 457(b) DEFERRED COMPENSATION PLAN ADMINISTRATION AND INVESTMENT PORTFOLIO

WHEREAS, the City of Goleta ("City") offers its eligible employees a deferred compensation plan pursuant to Section 457(b) of the Internal Revenue Code (the "Plan"), into which employees may make tax-deferred contributions to provide a vehicle to save for retirement; and

WHEREAS, the City Council, by adoption of Resolution No. 02-62 on August 19, 2002, originally established the Plan and designated the Administrative Services Director as the Plan Coordinator, with the City contracting with the ICMA Retirement Corporation (now MissionSquare Retirement) to provide recordkeeping and administrative services; and

WHEREAS, the role of Plan Coordinator was administratively transitioned over time from the Administrative Services Director to the Finance Director, who has since been performing the operational duties of the Plan Administrator; and

WHEREAS, the Plan provides that the City has the authority to make decisions affecting the rights and benefits of Plan participants, and that the Plan Administrator, as agent for the City, shall perform all nondiscretionary administrative functions in connection with the Plan; and

WHEREAS, the duties of the Plan Administrator include, but are not limited to, executing all necessary agreements; selecting, retaining, and removing recordkeepers and other professional advisors; performing administrative duties to carry out the Plan; obtaining professional and/or legal advice as necessary to ensure compliance with federal and state laws affecting deferred compensation plans; and overseeing the prudent management of Plan investments; and

WHEREAS, the City has legal and fiduciary obligations to its employees who participate in the Plan, including the obligations imposed under Article XVI, Section 17(c) of the California Constitution (the Prudent Person Rule) and California Government Code Section 53609; and

WHEREAS, the laws and regulations governing deferred compensation plans have evolved substantially since the Plan was established in 2002, requiring technical knowledge and expertise in finance to administer the Plan in a prudent manner; and

WHEREAS, best practices in governmental retirement plan administration support designating the Finance Director, as the most qualified executive within the City's organizational structure with the technical knowledge and expertise in finance, to serve as the Plan Administrator and to ensure prudent fiscal management and oversight of the Plan,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOLETA, AS FOLLOWS:

SECTION 1.

The City Council, as Plan Sponsor, hereby appoints the Finance Director to serve as the Plan Administrator for the City of Goleta's 457(b) Deferred Compensation Plan, with full authority to take all actions deemed necessary to carry out the prudent management of the Plan, including but not limited to: executing all necessary agreements; selecting, retaining, and removing recordkeepers, fiduciary investment advisers, custodians, and other professional advisors at fees as determined appropriate; performing all administrative duties required to operate the Plan in compliance with applicable law; processing participant enrollment, contributions, distributions, rollovers, and beneficiary designations consistent with the Plan documents; approving administrative plan amendments that do not materially alter Plan design (including amendments required by changes in federal or state law, corrections, and administrative clarifications), subject to the City Attorney's approval as to form; managing transitions of records and assets between recordkeepers; and obtaining professional and/or legal advice as necessary to ensure compliance with federal and state laws affecting deferred compensation plans.

SECTION 2.

To the extent inconsistent with this Resolution, Section 6 of Resolution No. 02-62 (adopted August 19, 2002), and any other prior resolution or administrative action of the City designating a different officer as Plan Coordinator or Plan Administrator for the 457(b) Deferred Compensation Plan, is hereby superseded.

SECTION 3.

The Plan Administrator shall report to the City Council as needed on Plan participation, assets, investment performance, fees, and any material developments affecting the Plan.

SECTION 4.

The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this ___ day of _____ 2026.

PAULA PEROTTE
MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

ISAAC ROSEN
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF GOLETA)

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO
HEREBY CERTIFY that the foregoing Resolution No. 26-__ was duly adopted by
the City Council of the City of Goleta at a regular meeting held on the __ day of
_____ 2026, by the following roll call vote of the Council:

AYES:

NOES:

ABSENT:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

ATTACHMENT 2

Resolution No. 26-___, entitled, "A Resolution of the City Council of the City of Goleta, California, Approving the Establishment of a 401(a) Defined Contribution Retirement Plan for City Employees, and Appointing the Finance Director as Plan Administrator, and Authorizing the Finance Director to Execute All Necessary Documents to Establish Such Plan"

RESOLUTION NO. 26-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, APPROVING THE ESTABLISHMENT OF A 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN FOR CITY EMPLOYEES, APPOINTING THE FINANCE DIRECTOR AS PLAN ADMINISTRATOR, AND AUTHORIZING THE FINANCE DIRECTOR TO EXECUTE ALL NECESSARY DOCUMENTS TO ESTABLISH SUCH PLAN

WHEREAS, the City of Goleta (“City”) currently provides its employees with retirement benefits through the California Public Employees’ Retirement System (CalPERS) and a 457(b) Deferred Compensation Plan; and

WHEREAS, in furtherance of the City’s ongoing efforts to provide a comprehensive and competitive employee benefits program and to support recruitment and retention of qualified employees, City staff has evaluated, and the City Council now desires to approve, the establishment of a 401(a) Defined Contribution Retirement Plan (the “401(a) Plan”); and

WHEREAS, a 401(a) plan is a tax-qualified governmental defined contribution retirement plan authorized under Section 401(a) of the Internal Revenue Code, into which contributions may be made on a pre-tax basis by the employer, the employee, or both, depending on plan design; and

WHEREAS, 401(a) plans are commonly used by public-sector employers to provide retirement benefits, including matching contributions, employer base contributions, and lump-sum contributions in lieu of other benefits, and to facilitate vesting structures that incentivize long-term service; and

WHEREAS, contributions to a 401(a) plan and contributions to a 457(b) plan are subject to separate, independent contribution limits under the Internal Revenue Code, such that employees who maximize their 457(b) contributions may participate concurrently in a 401(a) plan and thereby gain an additional tax-advantaged retirement savings vehicle; and

WHEREAS, the establishment of the 401(a) Plan will, at conversion, accommodate the redirection from the City’s 457(b) Plan of the existing employer matching contribution provided to eligible employees pursuant to the City’s Personnel Rules and applicable Memoranda of Understanding; and

WHEREAS, the City has legal and fiduciary obligations to its employees who participate in the City’s retirement plans, including the obligations imposed under Article XVI, Section 17(c) of the California Constitution (the Prudent Person Rule) and California Government Code Section 53609; and

WHEREAS, best practices in governmental retirement plan administration support designating the Finance Director, as the most qualified executive within the City's organizational structure with the technical knowledge and expertise in finance, to serve as the Plan Administrator of the 401(a) Plan and to oversee the prudent management of the Plan,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOLETA, AS FOLLOWS:

SECTION 1.

The City Council, as Plan Sponsor, hereby approves the establishment of a 401(a) Defined Contribution Retirement Plan for the benefit of eligible City employees, effective July 1, 2026, or such other date as the Plan Administrator may determine in connection with the recordkeeper conversion.

SECTION 2.

The City Council hereby appoints the Finance Director to serve as the Plan Administrator for the 401(a) Plan, with full authority to take all actions deemed necessary to carry out the prudent management of the Plan, including but not limited to: executing all necessary plan documents, agreements, and amendments; selecting, retaining, and removing recordkeepers, fiduciary investment advisers, custodians, and other professional advisors at fees as determined appropriate; performing all administrative duties required to operate the Plan in compliance with applicable law; processing participant enrollment, contributions, distributions, rollovers, and beneficiary designations consistent with the Plan documents; approving administrative plan amendments that do not materially alter Plan design (including amendments required by changes in federal or state law, corrections, and administrative clarifications), subject to the City Attorney's approval as to form; and obtaining professional and/or legal advice as necessary to ensure compliance with federal and state laws affecting defined contribution retirement plans.

SECTION 3.

The Finance Director, as Plan Administrator, is hereby authorized to execute on behalf of the City all documents necessary or appropriate to establish, implement, and administer the 401(a) Plan, including but not limited to: the 401(a) plan document; service agreements with the Plan recordkeeper; trust agreements; custodial agreements; participation agreements; and any subsequent amendments thereto, in each case subject to the City Attorney's approval as to form.

SECTION 4.

Adoption of this Resolution and establishment of the 401(a) Plan does not, by itself, obligate the City to make any contributions to the Plan beyond those existing employer contributions redirected from the 457(b) Plan at conversion. Any expansion of employer contributions, vesting schedules, or eligibility beyond the levels existing on the effective date shall be a separate decision of the City Council, subject to budget appropriation and, where applicable, collective bargaining.

SECTION 5.

The Plan Administrator shall report to the City Council as needed on 401(a) Plan participation, assets, investment performance, fees, and any material developments affecting the Plan.

SECTION 6.

The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this ___ day of _____ 2026.

PAULA PEROTTE
MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

ISAAC ROSEN
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)
CITY OF GOLETA)

ss.

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 26-__ was duly adopted by the City Council of the City of Goleta at a regular meeting held on the __ day of _____ 2026, by the following roll call vote of the Council:

AYES:

NOES:

ABSENT:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

ATTACHMENT 3

Resolution No. 26-__ entitled, "A Resolution of the City Council of the City of Goleta, California, Indemnifying the City Council, Plan Administrator and their Designees, While Acting in their Official Capacities in the Administration of the 457(b) Deferred Compensation Plan and the 401(a) Defined Contribution Retirement Plan"

RESOLUTION NO. 26-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, INDEMNIFYING THE CITY COUNCIL, PLAN ADMINISTRATOR, AND THEIR DESIGNEES, WHILE ACTING IN THEIR OFFICIAL CAPACITIES IN THE ADMINISTRATION OF THE 457(b) DEFERRED COMPENSATION PLAN AND THE 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN

WHEREAS, the City of Goleta (“City”) presently provides its employees with the opportunity to participate in a deferred compensation plan in accordance with Section 457(b) of the Internal Revenue Code (the “457(b) Plan”); and

WHEREAS, by separate Resolution adopted concurrently herewith, the City Council has approved the establishment of a 401(a) Defined Contribution Retirement Plan (the “401(a) Plan,” and together with the 457(b) Plan, the “Plans”); and

WHEREAS, the Finance Director serves as Plan Administrator of both Plans, and in such capacity acts as the coordinator of the City’s deferred compensation and defined contribution retirement programs; receives reports, notices, and other communications relating to the Plans or to trusts created to maintain Plan funds; executes all necessary agreements; determines whether to add, maintain, or eliminate a Plan-related service provider; performs administrative duties to carry out the Plans; serves as the City’s representative for any trust created or maintained in conjunction with or in relation to the Plans; obtains such professional and/or legal advice as may be necessary to ensure compliance with federal and state laws affecting deferred compensation and defined contribution retirement plans; and, at the Plan Administrator’s discretion, delegates any or all of the foregoing responsibilities to other City employees; and

WHEREAS, the City Council may, by separate resolution, form a Deferred Compensation or Retirement Plan Committee to assist in the management of the Plans, and any such Committee will exercise discretion and independent judgment in the performance of its duties and will act prudently and in the best interest of participants and beneficiaries of the Plans; and

WHEREAS, California Government Code §§ 825 and 995 et seq. authorize and, in many circumstances, require public entities to defend and indemnify their officers and employees against claims arising from acts or omissions within the scope of their official duties; and

WHEREAS, Government Code § 53609 establishes that deferred compensation funds are subject to the fiduciary standards of Article XVI, Section 17 of the California Constitution; and

WHEREAS, the City desires to indemnify, defend, and hold harmless members of the City Council, the Plan Administrator and the Plan Administrator's designees, and any future Plan Committee or member thereof, with respect to any liability, loss, damage, or expense resulting from any act or omission while acting in their official capacities in the administration of the Plans, and excluding willful misconduct, gross negligence, and fraud,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOLETA, AS FOLLOWS:

SECTION 1.

The City shall indemnify, defend, and hold harmless members of the City Council, the Plan Administrator, and the Plan Administrator's designees who are designated in writing by the Plan Administrator who have administrative responsibility under the 457(b) Plan or the 401(a) Plan, and any future Deferred Compensation or Retirement Plan Committee or member thereof appointed by separate Council action, with respect to any and all liability, loss, damage, or expense (including, but not limited to, attorney, accountant, and advisory fees and all other expenses reasonably incurred in their defense) resulting from any act or omission while acting in their official capacities in the administration of the 457(b) Plan or the 401(a) Plan, excluding willful misconduct, gross negligence, and fraud.

SECTION 2.

In no event shall the City pay such indemnification or defense costs provided herein using assets of the 457(b) Plan or the 401(a) Plan.

SECTION 3.

The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this ___ day of _____ 2026.

PAULA PEROTTE
MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

ISAAC ROSEN
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF GOLETA)

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO
HEREBY CERTIFY that the foregoing Resolution No. 26-__ was duly adopted by
the City Council of the City of Goleta at a regular meeting held on the __ day of
_____ 2026, by the following roll call vote of the Council:

AYES:

NOES:

ABSENT:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

ATTACHMENT 4

Draft Retirement Plan Investment Advisory Services Agreement – 3(21) with SageView Advisory Group, LLC

RETIREMENT PLAN INVESTMENT ADVISORY SERVICES AGREEMENT – 3(21)

Name of Plan: City of Goleta Deferred Compensation Retirement Plans

Name of Employer: City of Goleta

Effective Date: April 1, 2026

This Agreement is entered into between SageView Advisory Group, LLC, (“SageView”), having its principal offices at 4000 MacArthur Blvd., Suite 1050, Newport Beach, CA 92660, and the employer named above (“Client”), having its principal place of business at 130 Cremona Dr, Goleta, CA 93117. The Agreement is effective as of the date set forth above, with respect to Services to be provided by SageView for the benefit of the above named plan (the “Plan”) in accordance with the terms and conditions of this Agreement. In the event of any conflict between the provisions contained in the body of this Agreement and in the Schedules, the provisions in the Schedules shall control.

Client sponsors and maintains the Plan, which may or may not be qualified under Section 401(a) and 457(b) of the Internal Revenue Code of 1986, as amended, and/or subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

1. SERVICES & COMPENSATION

• SERVICES

Client authorizes and engages SageView to render the Plan the Non-Discretionary and/or Discretionary Fiduciary Services described on Schedule A (collectively, “Fiduciary Services”) and/or Non-Fiduciary Services (described on Schedule B the “Non-Fiduciary Services,” and referred to collectively with the Fiduciary Services as the “Services”).

(a) In providing Services, Client acknowledges that SageView has no responsibility to provide any Services hereunder with respect to the following types of assets: employer securities, real estate (but excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets (other than Collective Investment Funds or non-publicly traded securities or assets recommended by SageView), other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). Non-Excluded Assets are “Included Assets”.

Client further acknowledges that SageView shall have no authority or responsibility to provide Services with respect to voting proxies for securities held by the Plan or take other action related to the exercise of shareholder rights regarding such securities.

(b) In performing the Non-Discretionary Fiduciary Services under this Agreement, SageView has agreed to act as a fiduciary and non-discretionary investment adviser of the Plan as provided for in Section 3(21)(A)(ii) of ERISA, and as a registered investment adviser under the Investment Advisers Act of 1940, as amended (“Act”). If Client has engaged SageView to perform the Discretionary Fiduciary Services under this Agreement as shown on Schedule A, SageView has agreed to act as a fiduciary and discretionary investment manager of the Plan as provided for in Sections 3(21)(A)(i) and 3(38) of ERISA, and as a registered investment adviser under the Act. In performing any of the Fiduciary Services, SageView does not act as, nor has SageView agreed to assume the duties of, a trustee of the Plan or as Plan Administrator (as such term is defined under ERISA), and SageView’s discretion, if any, is limited to the functions set forth on Schedule A with respect to investments but no discretion to interpret the



Plan documents, to determine eligibility or participation under the Plan, or to take any other action with respect to the management, administration or any other aspect of the Plan.

In performing the Non-Fiduciary Services under this Agreement, SageView will not act as a fiduciary. Further, SageView does not serve as a custodian for the Plan and does not take custody of Plan assets.

SageView will perform the Fiduciary Services described in Schedule A to the Plan in accordance with the standard of care of the prudent man rule set forth in ERISA Section 404(a)(1)(B), provided, however, that nothing in this Agreement shall be deemed to limit any responsibility that SageView may have to Client to the extent such limitation would be inconsistent with applicable laws, including securities laws.

(c) SageView shall not, and cannot, provide legal or tax advice to Client or the Plan. Client agrees to seek the advice of its legal counsel as to matters that might arise relating to the operations and administration of the Plan.

(d) Client acknowledges that SageView is entitled to rely upon all information necessary for it to carry out its duties hereunder that is provided by Client, Client's representatives or Client's other service providers without independent verification by SageView. Client represents that all such information provided to SageView is and shall be true, correct and complete in all material respects. Client agrees to promptly notify SageView in writing of any material change in the information provided to SageView and to promptly provide any such additional information as may be reasonably requested by SageView.

- **DISCRETIONARY AUTHORITY**

If SageView is acting to provide Discretionary Fiduciary Services, the following shall apply to the discretionary power and authority granted to SageView:

(a) SageView shall have full power and authority to select, monitor, remove and replace the investment options offered under the Plan, consistent with the objectives, written guidelines and/or investment objectives set forth in the written investment policy statement ("IPS") accepted and adopted by Client.

(b) SageView is not responsible for placing trades or entering orders for securities transactions with respect to Plan assets or for the execution of any such orders. The placing and execution of trades in Plan assets will be the responsibility of the Plan recordkeeper or custodian. SageView may direct the custodian or recordkeeper, as the case may be, to replace an investment option offered under the Plan.

- **FEES AND EXPENSES**

(a) Client authorizes SageView to charge the fees associated with the selected Services described in Schedules A and B as either (i) a percentage of assets or (ii) an annual flat fee, as mutually agreed (the "Fees"). The Plan will be obligated to pay SageView's Fees unless the Client determines to pay the Fees directly.

Fees paid as a percentage of assets are based on the fair market value of the Included Assets on the last trading day of the quarter to be billed as reported by the Plan custodian, and will be paid quarterly in arrears. Fees paid as an annual flat fee shall be paid quarterly in arrears. Fees may be paid (i) by Client directly, or (ii) paid out of Plan assets pursuant to Client's written instructions to the Plan recordkeeper or custodian to calculate and remit fees directly to SageView. All Fees shall be prorated for partial quarters or applicable fee calculation periods.



(b) Client acknowledges that certain mutual funds, investment funds, other investment companies or their distributors which offer investment alternatives under the Plan may from time to time pay fees such as 12b-1 fees, sub-transfer agency fees and/or similar fees to service providers to the Plan. SageView charges and receives only the fees as set forth in this Agreement and does not receive any additional direct or indirect fees or compensation from any mutual fund, investment company, investment fund, fund distributor, or other third party in connection with the performance of the Services. If SageView receives any other compensation for Services, SageView will disclose the amount of such compensation, the services provided for such compensation and the payer of such compensation to Client in accordance with Section 5 and will offset that compensation against its stated fees.

(c) Client agrees to reimburse SageView for all reasonable out of pocket expenses incurred by it in connection with the Services provided hereunder. All expenses must be approved in advance by Client, including legal and travel costs.

2. TERMINATION

This Agreement shall continue until terminated by either party with or without cause upon 90 days prior written notice to the other party. The effective date of the termination will be effective 90 days after written notification is given. In the event of a termination by either party, SageView's annual compensation will be deemed earned on a pro-rata basis and SageView will be entitled to receive compensation up to the date the termination takes effect. In the event of termination, SageView will use reasonable efforts to assist Client in arranging a smooth transition process to a new investment manager and/or advisor. Upon termination, SageView will have no further obligation under this Agreement to act or advise Client with respect to Services.

3. BOOKS AND RECORDS

Client is entitled to copies of all reports and/or documents relating to its account. SageView will not, however, retain files (other than contracts) for more than seven years. Client shall provide SageView with any information it reasonably requests, and SageView may rely on information received from Client, Client's representatives or Client's other service providers without independent verification.

4. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to agreements executed and to be performed entirely within California, without regard to its conflicts of law provisions, except to the extent state law is preempted by federal law.

5. REPRESENTATIONS AND ADDITIONAL COVENANTS

Representations of Client. Client represents and warrants as follows:

(a) It is the "Responsible Plan Fiduciary" (unless another person has been designated as such by Client and is identified on the signature page) with respect to the control and/or management of the assets of the Plan, in accordance with the requirements of ERISA. As such, Client has the power and authority to appoint SageView as an advisor under the terms of the Plan, and to enter into contractual arrangements with third parties to assist in the discharge of these and related duties.

(b) The person signing the Agreement on behalf of Client has been delegated all necessary authority to do so.



(c) The execution of this Agreement and the performance thereof is within the scope of the investment authority authorized by the governing instrument and/or applicable laws. If Client is a corporation, the signatory on behalf of such Client represents that the execution of the Agreement has been duly authorized by appropriate corporate action and agrees to provide such supporting documentation as may be reasonably required by SageView.

(d) Client (and the Responsible Plan Fiduciary, if different than the Client) undertake to review and consider the disclosures made by SageView (including in this Agreement and the Form ADV Part 2), in particular the portions related to services, compensation, and potential conflicts of interest, as well as the remainder of the disclosures concerning, among other matters, background information such as educational and business history, business practices such as the types of advisory services provided, the methods of securities analysis used, and the like. Client (and the Responsible Plan Fiduciary, if different than Client) acknowledges receipt of this Agreement, which contains the disclosures required by ERISA Regulation Section 2550.408b-2(c), including the disclosure as to SageView's status as a fiduciary and a registered investment adviser under the Act, and SageView's Form ADV Part 2 reasonably in advance of entering into this Agreement.

(e) Client acknowledges that investments fluctuate in value and the value of investments when sold may be more or less than when purchased, and that past investment performance does not necessarily guarantee any level of future investment performance. SageView does not guarantee the future performance of the Plan investments or of any Participant account, or any specific level of performance, or the success of any investment decision or strategy that SageView may use, or the overall success of SageView's management of the Plan.

(f) The Plan and related Trust permit payment of Fees out of Plan assets. Client has determined that the Fees charged by SageView are reasonable and, if paid out of Plan assets, are a proper obligation of the Plan.

Representations of SageView. SageView represents and warrants as follows:

(a) It is registered as an investment adviser under the Act.

(b) It has the power and authority to enter into and perform this Agreement, and there are no authorizations, permits, certifications, licenses, filings, registrations, approvals or consents which must be obtained by it from any third party, including any governmental authority, in connection with this Agreement that have not been obtained.

(c) It will disclose to the Client any change to the information in this Agreement required to be disclosed by SageView under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable but no later than sixty (60) days from the date on which SageView is informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond SageView's control, in which case the information will be disclosed as soon as practicable).

(d) It will disclose within thirty (30) days following receipt of a written request of the Responsible Plan Fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond SageView's control, in which case the information will be disclosed as soon as practicable) all information related to this Agreement and any compensation or fees received in connection with this Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title I of ERISA and the regulations, forms and schedules issued thereunder, as required under ERISA Regulation Section 2550.408b-2(c)(1)(vi)(A).



(e) If SageView makes an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), SageView will disclose to Client the corrected information as soon as practicable but no later than thirty (30) days from the date on which SageView knows of such error or omission.

6. ARBITRATION CLAUSE

To the extent permitted by law, all controversies between Client and SageView, which may arise out of or relate to any of the Services provided by SageView under this Agreement, or the construction, performance or breach of this or any other Agreement between SageView and Client, whether entered into prior to, on or subsequent to the date hereof, shall be settled by binding arbitration in Orange County, California, under the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) shall be final, and may be entered into any court having jurisdiction.

7. MISCELLANEOUS

(a) This Agreement contains the entire understanding of the parties with respect to the subject matter contained herein, superseding all prior agreements, understandings and negotiations with respect to such matters.

(b) This Agreement may be modified or otherwise amended and the observance of any term of this Agreement may be waived, only if such modification, amendment or waiver is (i) in writing and signed by the party agreeing to the modification, or (ii) in the manner set forth in Section 7(c).

(c) SageView may propose to increase or otherwise change the Fees charged, or to change the Services provided by giving Client at least sixty (60) days advance notice of the proposed change. The notice shall be given in the manner described in Section 7(g) below. The notice will (1) explain the proposed modification of the Fees or Services; (2) fully disclose any resulting changes in the Fees to be charged as a result of any proposed change in the Services; (3) identify the effective date of the change; (4) explain Client's right to reject the change or terminate this Agreement; and (5) state that pursuant to the provisions of this Agreement, if Client fails to object to the proposed change(s) before the date on which the change(s) become effective Client will be deemed to have consented to the proposed change(s).

If Client rejects any change to this Agreement proposed by SageView, SageView shall not be authorized to make the proposed change. In that event Client shall have an additional sixty (60) days from the proposed effective date (or such additional time beyond 60 days as may be agreed by SageView) to locate a service provider in place and instead of SageView. If at the end of such additional sixty (60) day period (or such additional time period as agreed by SageView), the parties have not reached agreement on the proposed changes, this Agreement shall automatically terminate.

(d) Neither party shall have any liability for any failure or delay in performance of its obligations under this Agreement because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, acts of war or terrorism, civil disturbances, sabotage, accidents, unusually severe weather, governmental actions, power failures, computer/network viruses that are not preventable through generally available retail products, catastrophic hardware failures or attacks on its server.

(e) Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which the Client or the Plan or any other party may have under ERISA or federal or state securities laws.



(f) Neither SageView nor Client may assign this Agreement without the consent of the other party; provided, however, that in the event of a change in control or ownership of SageView that would result in an “assignment” of this Agreement under the Advisers Act, SageView will provide written notice to Client, and Client will be deemed to consent to the assignment unless Client notifies SageView otherwise within 30 days from the date of SageView’s notice.

(g) Any and all notices, advice, or reports required or permitted under this Agreement shall be in writing and shall be sufficient in all respects if (i) delivered personally, (ii) mailed by registered or certified mail, return receipt requested and postage prepaid, (iii) sent via a nationally recognized overnight courier service, (iv) sent via email, or (v) sent via facsimile.

Electronic Communications: Client expressly agrees to accept electronic communication of any notice, advice, or report in lieu of a printed copy, including applicable disclosure documents and disclosures required under ERISA section 408(b)(2) at the email address listed on the signature page or such other email address as Client may designate in writing to SageView. Client may revoke this consent at any time by providing notice to SageView pursuant to this Section 7(g).

(h) Client understands that SageView performs, among other things, retirement plan investment consulting, retirement plan fiduciary consulting, retirement plan design consulting, and portfolio management services for other clients. Client recognizes that SageView may give advice and take action in the performance of its duties for such other clients (including those who may have similar retirement plan arrangements as Client) that may differ from advice given, or in the timing and nature of action taken, with respect to Client. Nothing in this Agreement shall be deemed to impose on SageView any obligation to advise Client with respect to the Plan, including the Services provided by SageView under this Agreement in the same manner as it may advise any of its other clients. Client also acknowledges that SageView may, by reason of its other such activities as described above, from time to time acquire confidential information. Client acknowledges and agrees that SageView is unable to divulge to the Client or any other party, or to act upon, any such confidential information with respect to its performance of this Agreement.

8. INDEMNIFICATION

Each party, to the fullest extent permitted by law, hereby agrees to indemnify and hold the other party harmless from and against any claims, actions, damages, liabilities or obligations of any kind and nature (including, without limitation, reasonable legal fees, costs of court and costs of any investigation or administrative proceeding brought by any governmental agency) ("Liabilities") to the extent that such Liabilities arise from or are in connection with the party's negligence, willful misconduct, bad faith, failure to perform or breach of any of its obligations under this Agreement, ERISA, or other applicable federal or state law. Notwithstanding the foregoing, unless otherwise required by ERISA or other applicable law, in no event shall SageView (i) be liable to Client, (ii) have any obligation to indemnify Client, or (iii) have any liability to any Plan participants, with respect to (A) any general market decline, (B) investment losses directly resulting from either Client's failure to follow SageView 's investment advice, or (C) a Plan participant's claim of breach of fiduciary duty committed by Client or any other Plan fiduciary; provided, however, that nothing in this Section or the Agreement shall be construed to relieve SageView of any liability for its own failure to fulfill its obligations under applicable federal and state law (including ERISA), any breach of its fiduciary duty in performing services contemplated by this Agreement, or for its acts or omissions that are the result of SageView's gross negligence, willful misconduct or bad faith. Each party shall cooperate with the other party in connection with the defense of any matter subject to indemnification hereunder. Additionally Client agrees to indemnify SageView from any claims related to the Client’s decision to use plan revenue sharing to pay plan expenses. Client acknowledges that



SageView does not have the authority or control over the Client’s decisions as it relates to the use of plan revenue sharing.

9. CONFIDENTIAL INFORMATION

All information and advice furnished by either of the parties to the other will be treated as confidential and will not be disclosed to third parties except as required by law, as required to perform the Services, as described in SageView’s Privacy Notice, or as otherwise mutually agreed upon in writing by SageView and Client. Client acknowledges receipt of SageView’s Privacy Notice.

10. EXECUTION

IN WITNESS WHEREOF, the Parties have hereunto executed this Agreement as of the date first written above.

By: _____ Date: _____
Name: Jon Upham, President
Company: SageView Advisory Group, LLC.
Email: jupham@sageviewadvisory.com

ACCEPTED AND AGREED:

By: _____ Date: _____
Name: Luke Rioux
Client: City of Goleta
Email: Irioux@cityofgoleta.org
Title: Finance Director

DRAFT



SageView Fees

The services listed on Schedule A and B are included in the below fee unless specifically listed under the respective service being provided.

The Fee shall be an annual fee of 0.25% (25 basis points) of plan assets, invoiced quarterly in arrears, due upon receipt.

SCHEDULE A FIDUCIARY SERVICES

SageView shall perform the following core Non-Discretionary Fiduciary Services for the Plan.

NON-DISCRETIONARY FIDUCIARY SERVICES

Non-Discretionary Investment Advice Services: SageView ____ Client ____

SageView will provide investment selection, analysis and oversight and make recommendations to Client to select, monitor, remove and replace investment options to be offered to the participants in the Plan. In performing this service, SageView will not exercise discretionary authority to change the investment options within the platform selected by Client and the Investment Policy Statement (IPS) adopted by the Client. All recommendations must be accepted and implemented by and at the sole discretion of Client.

SageView will also provide a comprehensive semi-annual investment analysis review of all plan investment options, including:

- Market overview addressing the major markets, indices, sectors and the economic statistics that are affecting them.
- An in-depth portfolio summary, including fund and benchmark returns, style analysis and overall portfolio return.
- Analyzing the plan asset allocation by fund and underlying sectors. The fund lineup will also be analyzed to determine the amount of investment overlap that is occurring.
- A detailed examination of each investment option within the plan, including performance numbers versus the category and index, manager style drift, risk/return, standard deviation, Sharpe ratio, upside and downside capture, expense ratio and fund allocation.

Investment Policy Services (IPS): SageView ____ Client ____

SageView will gather information regarding the Plan's investment policies and objectives and provide Client with information to be used in developing a written IPS. Alternatively, if the Plan has an existing IPS, SageView will review the existing IPS and assist Client in determining whether the Plan is performing consistent with the IPS and/or whether the IPS needs to be revised, based on an analysis of the Plan's asset class and risk tolerance guidelines, liquidity requirements, and performance goals. The IPS shall be based on generally accepted investment theories and prevailing industry practices. Client must consider the demographics and needs of its workforce when considering the objectives of the IPS. Client retains sole discretion to accept and adopt the IPS.

Fee: *Included in fee*



SCHEDULE B NON-FIDUCIARY SERVICES

In performing the following additional Non-Fiduciary Services, SageView will not be acting as a fiduciary under ERISA or the Investment Advisers Act of 1940 and will not be held to a fiduciary standard of care.

Strategic Planning: SageView ____ Client ____

SageView will conduct strategic planning sessions to assist Client in reviewing current performance and plan structure (periodic reports), and assist Client in establishing future objectives and strategies for the Plan, but SageView shall not be responsible for whether the plan complies with legal requirements in form or operation. SageView will also identify and assist with vendors and service providers and keep Client informed of all developments in this regard. Client hereby authorizes SageView to assist Client in discussions and transactions with Plan service providers.

***Fee:** Included in fee*

Plan Fee Benchmarking/Review: SageView ____ Client ____

SageView will conduct a periodic annual review of plan fees and costs charged to the Plan by all service providers to assist Client in discharging its duty to monitoring the reasonableness of fees and costs paid by the Plan. SageView will not render individualized investment advice to the Plan for services rendered hereunder and, thus, will not be held to an ERISA fiduciary standard with respect to such services.

***Fee:** Included in fee*



**SCHEDULE M
MARKETING PERMISSION**

City of Goleta is granting SageView permission the use of its name and logos in SageView marketing materials and information disclosure during the marketing process.

SageView prepares marketing materials to show to potential clients that may include logos of current clients. The use of these names and logos is to show representative clients based on various factors including industry or size. City of Goleta grants permission to SageView to utilize its logo and name in marketing pieces.

At various times, SageView may receive requests to provide representative client names based on size or particular industry by prospective clients during the marketing and sales process. City of Goleta agrees to allow SageView to provide its name to SageView prospects when requested to show current SageView clients with similar characteristics.

ACCEPTED AND AGREED:

By: _____ Date: _____

Client: City of Goleta
Name: Luke Rioux
Email: Irioux@cityofgoleta.org
Title: Finance Director

DRAFT



SageView Advisory Group, LLC
PRIVACY NOTICE

Effective Date: November 2023

Maintaining the trust and confidence of our clients is a high priority at SageView Advisory Group. This Privacy Policy is provided to you on behalf of SageView Advisory Group, LLC, AQ Sage Personnel, LLC, New SIS, LLC, SageView Private Client Group, LLC and SageView Consulting Group, LLC (collectively with SageView Advisory Group, LLC and its affiliates, “SageView”, or “we”, “us” or “our”). This privacy policy (“Privacy Policy”) describes the data collection and privacy practices of our businesses, including in situations in which we provide services directly to individuals and in the context of programs we offer to institutions, such as through a retirement plan sponsor client, and/or directly to clients through our wealth advisory and financial planning services (collectively, the “Services”), and the steps that we take to safeguard that information. and applies to information collected through our websites that link to this policy (the “Websites”) which include: www.sageviewadvisory.com, www.sageviewwealth.com, www.mypersonalsage.com, www.sage411.com, www.usarsp.com, and www.integrityira.com.

If you are a California resident, please see our [California Privacy Policy](#).

Changes to this Privacy Policy: We may change this Privacy Policy at any time. The most recent version of the Privacy Policy is reflected by the Effective Date at the top of this Privacy Policy. All amendments to this Privacy Policy will be effective immediately upon providing notice thereof.

Personal Information We Collect: In connection with providing our Services, we obtain non-public personal information about you, including:

- Information we receive from you or from a third party whom you have authorized to disclose to us information needed to set up your account, such as your name, address, date of birth, Social Security Number, occupation, financial goals, assets and income;
- Information about your transactions with us, our affiliates, or others;
- Information received from credit or service bureaus or other third parties, such as your credit history or employment status as needed for KYC/CIP background checks; and
- Other information we are required to collect by law or regulation in order to provide the Services.

Categories of Personal Information We Disclose: We may disclose any of the categories of personal information listed above that we collect in accordance with this Privacy Policy.

Categories of Parties to Whom We Disclose Personal Information: We will not disclose personal information collected in connection with our Services, except under the following circumstances:

- To entities that perform services for us or function on our behalf, including financial service providers, such as a clearing broker-dealer, plan sponsor, record keeper, investment company, insurance company, or other advisers;
- To consumer reporting agencies;
- To third parties who provide services with client resource management, who assist us with managing your account or who provide marketing, lead generation and other marketing services;
- To your attorney, trustee or anyone else who represents you in a fiduciary capacity or whom you have authorized to take action or receive information about your account;
- To our attorneys, accountants or auditors;



- To government entities or other third parties in response to subpoenas or other legal process as required by law or to comply with regulatory inquiries; and
- To our affiliates in order to service accounts, improve Services or for other purposes permissible under applicable law and regulation.

How We Use Personal Information: Personal information may be used by us and the third parties listed above for a number of purposes, such as:

- To protect your accounts/non-public information from unauthorized access or identity theft;
- To authenticate identity;
- To process your requests such as securities purchases and sales;
- To establish or maintain an account with an unaffiliated third party, such as a clearing broker-dealer providing services to you and/or SageView;
- To service your accounts, such as by issuing checks and account statements;
- To comply with federal, state, and self-regulatory organization requirements;
- To keep you informed about financial services of interest to you.
- To conduct marketing activity, such as developing marketing strategies, identifying marketing recipients, creating marketing materials and disseminating communications about our services through email, webinar, direct phone call, mail or text/SMS; and
- To monitor activity on our website.

We may also use your personal information for any other reason that we disclose at the time you provide, or when we collect, your information, and other purposes permitted by applicable law.

Limiting Sharing: Federal law gives you the right to limit only: (1) sharing for affiliates' everyday business purposes – information about your creditworthiness; (2) affiliates from using your information to market to you; and (3) sharing for nonaffiliates to market to you. SageView does not share information with its affiliates, so (1) and (2) above don't apply to us. To limit our sharing of nonpersonal information to nonaffiliates to market to you, please send an email to Data@Sageviewadvisory.com with your request to opt-out or contact us at (800) 814-8742.

Personal Information Protection: Federal law requires our firm to have an Identity Theft Protection Program (ITPP) that controls reasonably foreseeable risks to customers or to the safety and soundness of our firm from identity theft. We have developed an ITPP to adequately identify and detect potential red-flags to prevent and mitigate identity theft. In addition, we restrict access to nonpublic personal information about you to those individuals who need to know that information to provide products or services to you and perform their respective duties. We maintain physical, electronic, and procedural security measures that are designed to comply with federal law to safeguard confidential client information.

California Privacy Policy:

This portion of our Privacy Policy (the "[California Privacy Policy](#)") applies exclusively to California residents and provides California residents with certain information under the California Consumer Privacy Act, as amended by the California Privacy Rights Act (collectively, the "CCPA"). As a financial services organization, much of the information we collect is exempt from the CCPA because it is covered by a federal or state financial privacy laws, such as the Gramm-Leach-Bliley Act and the Fair Credit Reporting Act.

Categories of Personal Information Collected: SageView may collect the following categories of personal information from you:



- Identifiers, such as name, address, online identifier, IP address, email address, account name, social security number, or other similar identifiers;
- Additional personal information, such as telephone number and financial information;
- Internet or other electronic activity information, such as browsing history and information regarding your interaction with an internet website applicable or advertisement; and
- Professional or employment information.

Categories of Sources of Personal Information: SageView may have collected the categories of personal information listed above either directly from you, from your devices, from our third-party service providers, or from data brokers.

Business or Commercial Purposes for Collecting Personal Information: SageView may have collected the categories of personal information listed above for any of the business or commercial purposes listed in the “How We Use Personal Information” section of this Privacy Policy.

“Sale” or “Sharing” of Personal Information: SageView does not “sell” or “share” (as such terms are defined under the CCPA) your personal information. Accordingly, we have not “sold” or “shared” your personal information to third parties, and we do not have actual knowledge that we “sell” or “share” the personal information of consumers under the age of 16.

Personal Information Retention: SageView will only keep your personal information for so long as it is necessary for the purposes set out in this Privacy Policy, unless a longer retention period is permitted or required by law (such as tax, accounting, investment advisor, ERISA or other legal requirements).

Categories of Personal Information Disclosed to Third Parties: SageView may have disclosed the categories of personal information listed above to the third parties listed in the “Categories of Whom We Disclose Personal Information” section above in this Privacy Policy for the business or commercial purposes” listed in the “How We Use Personal Information” section above in this Privacy Policy.

CCPA Rights: To the extent that we collect personal information that is subject to the CCPA, your rights as a California resident under the CCPA are described below.

- Right to Know: If you are a California resident, you have the right to know the categories of personal information collected about you, the categories of sources of that information, the business or commercial purposes for which we collect it, the categories of third parties with whom we disclose it, and the specific pieces of Personal Information we have collected about you.
- Right to Delete: If you are a California resident, and subject to certain exemptions, you have the right to request that we delete any personal information that we have collected from you.
- Right to Correct: If you are a California resident, you have the right to correct personal information that we maintain about you.
- Right Not to Receive Discriminatory Treatment: If you are a California resident, you have the right not to receive discriminatory treatment for the exercise of your privacy rights under this section of our Privacy Policy.

SageView does not use or disclose “sensitive personal information” (as defined under the CCPA) of California residents outside of the following purposes: (1) performing our service or providing goods; (2) detecting security incidents; (3) resisting malicious, deceptive, fraudulent, or illegal actions; (4) ensuring physical safety; (5) for short-term transient use, including certain non-personalized advertising; (6) maintaining or servicing accounts, providing customer service, verifying customer information, or



providing similar services; and (7) verifying and maintaining the quality or safety of a service or product to improve, upgrade, or enhance a service or product. Accordingly, we do not provide the right to limit the use or disclosure of your sensitive personal information under the CCPA.

How to Submit a Request: You may submit a request to exercise your California privacy rights by contacting us at (800) 814-8742, or by completing the form located [here](#). You may also authorize an agent to make such a request by contacting us through our form, disclosing that they are your “authorized agent” and providing your last and first name in connection with the request. Before we can honor your requests, we may confirm that you or your authorized agent are the requesting party. In addition, depending on the type of request and the categories of the information subject to the request, we may request verifying information from the requesting party, such as identifiers already known to or collected by us.

Questions: If you have any questions concerning this Privacy Policy, please contact us at: SageView Advisory Group, LLC, 4000 MacArthur Blvd., Suite 1050, Newport Beach, CA 92660; (800) 814-8742.

