RESOLUTION NO. 042 (2026/2027)

A RESOLUTION APPROVING THE SELECTION OF EDWARD JONES (THOMAS GEIST) AS INVESTMENT ADVISOR AND EMPOWER AS RECORDKEEPER FOR THE CITY OF NEVADA 457(b) DEFERRED COMPENSATION PLAN, AND AUTHORIZING EXECUTION OF THE EMPOWER FEE SCHEDULE AND RELATED PLAN DOCUMENTS

WHEREAS, the City of Nevada, Iowa (the "City") sponsors a 457(b) deferred compensation plan (the "Plan") for the benefit of its employees, currently administered through MissionSquare Retirement; and

WHEREAS, City staff reviewed the Plan and determined that the current all-in cost to participants is approximately 1.23% of plan assets, which is high relative to comparable governmental 457(b) plans, and those fees are borne by participants through their account balances; and

WHEREAS, City staff sought proposals from local fee-based fiduciary advisors who handle governmental 457(b) plans and received two proposals, both from advisors with Edward Jones serving the Nevada and Ames area, with an additional independent fiduciary firm declining to submit a proposal; and

WHEREAS, the proposal from Thomas Geist (Edward Jones), with Empower as recordkeeper, provides a total all-in cost to participants of approximately 0.46% to 0.54% of plan assets depending on the investment mapping option selected, including a 0.35% financial professional advisory fee and no direct cost to the City, and would reduce participant costs by more than half compared to the current Plan while preserving existing allocations through a like-fund mapping; and

WHEREAS, the City's legal counsel has advised that the selection of an investment advisor and recordkeeper is a professional services agreement that is not subject to the lowest responsible bidder standard, and that the City may select a proposal other than the lowest-cost proposal provided it documents the public purpose for its selection; and

WHEREAS, the City Council finds that the selection of Thomas Geist (Edward Jones) and Empower serves a valid public purpose, including the substantial reduction in participant fees, the strong service and responsiveness reported by City employees who work with Mr. Geist, and the local, ongoing fiduciary support and employee education to be provided; and

WHEREAS, the City's legal counsel has reviewed Empower's standard Administrative Services Agreement, which governs the Plan's administration, and the Empower fee schedule is the document to be executed to implement the Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Nevada, Iowa, that the City Council hereby:

1. Approves the selection of Thomas Geist (Edward Jones) as investment advisor and Empower as recordkeeper for the City of Nevada 457(b) deferred compensation plan.

2. Finds and documents that the selection of the proposal with the higher advisory fee serves the public purposes stated above, including reduced participant costs and the local, ongoing fiduciary and educational support valued by City employees.

3. Authorizes and directs the Mayor to execute the Empower fee schedule, and the Finance Director to execute any related plan documents necessary to implement the Plan transition.

4. Authorizes and directs City staff to take all further actions reasonably necessary to carry out the intent of this Resolution.

PASSED AND APPROVED this 9th day of November, 2026.

_____
Ryan Condon, Mayor

ATTEST:

_____
Erin Mousel, City Clerk

CITY OF NEVADA

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MEMORANDUM

TO: Mayor and City Council
FROM: Lucas Battani, Finance Director / Assistant City Administrator
DATE: November 9, 2026
RE: Selection of 457(b) Deferred Compensation Plan Advisor and Recordkeeper

Dear Mayor and Council,

At the upcoming council meeting, staff will present a resolution selecting a new investment advisor and recordkeeper for the City's 457(b) deferred compensation plan. This memo explains why we are recommending the change and the process we followed.

Background

The City sponsors a 457(b) deferred compensation plan for its employees, currently administered through MissionSquare Retirement. In reviewing the plan, staff found that the current all-in cost to participants is approximately 1.23% of plan assets. That is high compared to similar governmental 457(b) plans, and those fees come directly out of employees' account balances, reducing what they keep toward retirement.

Process and Quotes Received

Staff sought quotes from local fee-based fiduciary advisors who handle governmental 457(b) plans. We reached out to the advisors available to us and received two proposals, both from Edward Jones advisors serving the Nevada and Ames area. An independent fee-based fiduciary firm we also contacted declined to submit a proposal. The two proposals received were: Thomas Geist (Edward Jones), paired with Empower as recordkeeper, at a total all-in cost of approximately 0.46% to 0.54%, which includes a 0.35% advisory fee and no direct cost to the City; and a second local Edward Jones advisor, paired with Nationwide, at a total all-in cost of approximately 0.43%, which includes a 0.25% advisory fee.

Recommendation

Staff recommends selecting Thomas Geist (Edward Jones) with Empower as recordkeeper. Both proposals would reduce participant costs by roughly half compared to the current plan, so either option is a significant improvement for employees. The main cost difference between the two proposals is a 0.10% difference in the advisory fee.

Staff believes the modest additional cost is justified by the level of service. City employees have had consistently positive experiences with Mr. Geist, several of whom work with him on their own personal finances. In one instance, he walked a City employee step by step through a major life event, including sitting in on meetings with the employee to ensure everything was handled

correctly. That kind of hands-on, local fiduciary support and employee education is the primary reason staff recommends his selection despite the slightly higher advisory fee.

Legal and Procurement Note

The City's legal counsel has advised that the selection of an investment advisor and recordkeeper is a professional services agreement that is not subject to the lowest responsible bidder standard. The City may select a proposal other than the lowest-cost proposal, provided it documents the public purpose for doing so. This memo and the accompanying resolution serve that purpose. Counsel has reviewed Empower's standard Administrative Services Agreement, which governs the plan's administration.

Transition

Employees' existing investments will carry over through a like-fund mapping, and employees may adjust their allocations afterward as they see fit. Neither the City nor its employees will incur any cost for this change. Upon council approval, the Mayor would execute the Empower fee schedule to begin implementation.

Please let me know if you have any questions before the meeting.

Sincerely,



LUCAS BATTANI, FINANCE DIRECTOR/ASSISTANT CITY ADMINISTRATOR
CITY OF NEVADA, IOWA