



Agenda Date: 12/5/2006  
Agenda Placement: 6P

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

---

**TO:** Board of Supervisors  
**FROM:** Patricia Tyrrell for Robert Westmeyer - County Counsel  
County Counsel  
**REPORT BY:** Patricia Tyrrell, Attorney IV , 259-8251  
**SUBJECT:** Arnerich Massena Agreement for Deferred Comp Plan Services

---

### **RECOMMENDATION**

County Counsel and the Napa County Deferred Compensation Board of Control request approval of and authorization for the Chair to sign an agreement with Arnerich Massena & Associates, Inc. for a maximum of \$30,000 for the term December 5, 2006 through December 4, 2007 with automatic renewal for investment consulting services.

### **EXECUTIVE SUMMARY**

This is an agreement with Arnerich Massena & Associates, Inc., to provide investment consulting services to the Napa County Deferred Compensation Board of Control.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Central Services
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Obtaining the services of an investment consultant will assist the Napa County Deferred Compensation Board of Control in meeting its fiduciary responsibilities as trustee of the 457, 457-PST, and 401(a) plans.
Is the general fund affected?	Yes
Future fiscal impact:	The agreement is automatically renewed for an additional year at the end of each current term. Central Services will continue to budget \$30,000 per fiscal

year in the future.

Consequences if not approved: The Napa County Deferred Compensation Board of Control will not have the guidance of this investment consulting firm.

Additional Information: Consultant will submit invoices semi-annually. Payment for first 6 months of the current term in the amount of \$15,000 will be made in June 2006 and payment for second 6 months of the current term in the amount of \$15,000 will be made in December 2007. Annual amount of \$30,000 will be paid in same schedule for the following years.

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

The Napa County Deferred Compensation Board of Control recently conducted a Request for Proposals to select a single investment provider for the 457, 457-PST, and 401(a) plans. Arnerich Massena & Associates, Inc., assisted with the process which lead ultimately to the selection of the Hartford as the single investment provider.

Arnerich Massena not only provides consulting services to select investment providers, but also offers ongoing consulting services to assist trustees of plans, such as the Board of Control, with investment decisions.

Due to the high level of service provided by Arnerich Massena during the selection process, the Napa County Deferred Compensation Board of Control, at its November 16, 2006 meeting, voted affirmatively to recommend Arnerich Massena as the firm to provide ongoing consulting services to the County as provided in the proposed agreement.

Further details of the services to be provided are attached electronically to this agenda item and are included in the agreement as Exhibit "A". Exhibit "D" -- the firm's proposal referenced in Exhibit "A" -- is on file with the Clerk of the Board of Supervisors with the proposed agreement.

Also, Paragraph 19.1 of the agreement states that the County acknowledges that it has received and had an opportunity to read the firm's Part II of Form ADV as required by Rule 204-3 of the Investment Advisers Act of 1940 and the firm's privacy notice, both of which are electronically attached, and are included in the proposed agreement as Exhibit "C."

**SUPPORTING DOCUMENTS**

- A . Further details regarding Scope of work
- B . Consultant's Part II of Form ADV and Privacy Notice

CEO Recommendation: Approve

Reviewed By: Maiko Klieman