



Legislation Text

File #: 16-1691, **Version:** 1

Resolution Establishing a Defined Contribution Plan for the City and Approving an Administrative Service Agreement for 457 Plan and New 401a Plan with ICMA-RC

The attached resolution authorizes the execution of an Administrative Services Agreement with ICMA Retirement Corporation (ICMA-RC) to establish a 401A Defined Contribution Plan and continue provision of administrative services for the City's 457 Deferred Compensation Plan with ICMA-RC.

The Administrative Services Agreement has been reviewed by the City Attorney's office. Approval of the proposed Administrative Services Agreement is recommended.

Prepared by: Mary Joan Fales, Senior Assistant City Attorney

Reviewed by: Robyn Wilkerson, Human Resources and Labor Relations Director

Approved by: Howard S. Lazarus, City Administrator

Whereas, The ICMA-RC provides a range of services to public employers for the operation of employee retirement plans;

Whereas, The City adopted the ICMA-RC Section 457 Deferred Compensation Plan (457 Plan) effective May 19, 2001;

Whereas, The existing Administrative Services Agreement for the 457 Plan expires June 30, 2017;

Whereas, The City wishes to establish a 401A Defined Contribution Plan ("401A Plan") for new City non-union employees, effective January 7, 2017, and for other new employees in union groups as negotiated, which serves the interest of the City by enabling it to provide reasonable retirement security for new hires and increased flexibility in its personnel management system; and

Whereas, It is recommended that the City appoint ICMA-RC as Administrator of the 457 and 401A Plans;

RESOLVED, That the City Council establishes a 401A Defined Contribution Plan for new non-union hires, effective January 7, 2017, and other new employees in union groups as negotiated, which assets of the Plan shall be held in Trust, with the ICMA-RC as Trustee, for the exclusive benefit of the Plan participants and their beneficiaries;

RESOLVED, That the City Council re-affirms ICMA-RC as Trustee, for its existing 457 Defined Compensation Plan, which assets of the Plan shall be held in Trust for the exclusive benefit of the Plan participants and their beneficiaries;

RESOLVED, That City Council approve the Administrative Service Agreement with ICMA-RC for both Plans, with an effective date of January 1, 2017 for the 401A Plan and an effective date of July 1, 2017 for the 457 Plan, terminating for all Plans on June 30, 2021 unless renewed at the City option for one additional 5-year term;

RESOLVED, That the Mayor and Clerk be authorized and directed to execute the Administrative Services Agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator take all necessary actions to implement this Resolution, including the execution of all necessary documents incidental to the administration of the Plan by ICMA-RC and act as the designated recipient of all necessary reports, notices and similar correspondence from ICMA-RC as administrator.