



City of Grand Island

Tuesday, January 24, 2017

Council Session

Item G-3

#2017-10 - Approving Adoption of Alternate 457 Deferred Compensation Plan

Staff Contact: Aaron Schmid, Human Resources Director

Council Agenda Memo

From: Aaron Schmid, Human Resources Director

Meeting: January 24, 2017

Subject: Approving Adoption of Alternate 457 Deferred Compensation Plan

Presenter: Aaron Schmid, Human Resources Director

Background

The City sponsors a deferred compensation plan as established by Code 457 of the 1986 Internal Revenue Code. This is an optional plan City employees may elect, in addition to the mandatory 401(a) deferred compensation plan. There is no City match to the 457 plan.

Discussion

In April of 2016, Police and Fire Department employees selected Union Bank and Trust (UBT) for their retirement plan services. Following adoption of the plan, UBT has requested to also offer a voluntary 457 plan. This would allow employees to participate in both plans using the same vendor. The City currently offers four vendors that employees can choose from if they desire to participate in the 457 plan. Fees and expenses incurred by the plans are paid by participating employees.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve to allow Union Bank and Trust to offer a 457 plan to City employees.

Sample Motion

Move to approve Union Bank and Trust to offer a 457 deferred compensation plan to City employees, in addition to current plan providers.

RESOLUTION 2017-10

WHEREAS, the Grand Island City Council, pursuant to its authority to adopt employee benefit programs, wishes to adopt and approve plan documents to make the benefits of Union Bank and Trust's ("UBT") Deferred Compensation Plan (the "Plan") available to employees of the City of Grand Island; and

WHEREAS, the Council desires to take and authorize action necessary to adopt such trust accounts, annuity contracts or custodial accounts as are necessary to establish funding vehicles with UBT or its affiliates for the Plan and to permit it or them to receive and invest contributions in such investment options as are selected by Employees participating in the Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that:

The form of the plan documents for the Plan provided by UBT is hereby approved and adopted for the benefit of Employees of the City of Grand Island; and

FURTHER RESOLVED, that pursuant to the Plan, the Council further establishes funding accounts with UBT for receipt of the investment contributions made under the Plan, as directed by participating Employees; and

FINALLY RESOLVED, that the City Finance Director in coordination with the Human Resources Department, is hereby authorized and directed to execute the plan documents for the Plan in substantially the form presented to this council, to communicate the terms of the Plan to Employees, to designate Employees as eligible for participation in the Plan in accordance with terms of the Plan, to enter into agreement with the Plan participants for participation, including Salary Reduction Agreements, and to take such further actions as may be necessary and appropriate to implement these Plans and effectuate the terms and intent of the resolution.

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Adopted by the City Council of the City of Grand Island, Nebraska, January 24, 2017.

Jeremy L. Jensen, Mayor

ATTEST:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
January 20, 2017	☐ City Attorney