



City of Grand Island

Tuesday, July 26, 2005

Council Session

Item G17

#2005-213 - Approving Implementation of Wells Fargo Managed Accounts Program for Fire Retirement Plan

Staff Contact: David Springer

Council Agenda Memo

From: Dave Springer, Finance Director

Meeting: July 26, 2005

Subject: Approving Implementation of Wells Fargo Managed Accounts Program for Firefighter Pension Plan

Item #'s: G-17

Presenter(s): Dave Springer, Finance Director

Background

The City Council on January 25, 2005, approved a resolution to move the Firefighter Pension plan from ICMA Retirement Corporation to Wells Fargo, Bank, N.A. At their meeting on May 5, 2005, the Firefighter Pension Committee voted to implement a managed account program for their participants.

Discussion

Under the Managed Accounts Program, Wells Fargo provides certain discretionary investment allocation services and advice to participants who choose to enroll. With the Managed Accounts Program, the asset allocation decision shifts to Wells Fargo, away from the participant. Participants may or may not enroll in the Wells Fargo Managed Accounts Program. Enrollment is available at any time and, similarly, participants may revoke their election to participate at any time. Those participants who choose to utilize this service would pay an annual advisory fee of 0.3% of the assets in their account. There is no cost to the plan sponsor (The City) to offer the Managed Accounts Program and there is no cost to the participants who do not choose the service.

Alternatives

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

1. Approve the implementation of Managed Accounts in the plan.
2. Disapprove or /Deny the implementation
3. Table the issue

Recommendation

City Administration recommends that the Council approve the implementation of Wells Fargo Managed Accounts Program for the Firefighter Pension Plan.

Sample Motion

Approve the implementation of Wells Fargo Managed Accounts Program for the Firefighter Pension plan.

RESOLUTION 2005-213

WHEREAS, the City of Grand Island maintains the City of Grand Island, Nebraska Firefighters' Retirement System Plan and Trust with respect to which Wells Fargo Bank, N.A. acts as a directed, nondiscretionary trustee (the "Plan"); and

WHEREAS, under the terms of the Plan, the participants may direct the investment of all or part of their individual account balances among the investment options available in the Plan; and

WHEREAS, the City of Grand Island desires to introduce a program in the Plan that allows participants to enter into separate arrangements with Wells Fargo Bank, N.A. to manage the allocation of their account balances among the investment options available in the Plan, based on the individual investment profile of each participant and generally accepted investment theories that take into account the historic returns of different asset classes (such as equities, bonds or cash) over defined periods of time ("*Wells Fargo Managed Accounts*").

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that effective as of August 8, 2005, the City of Grand Island implement the *Wells Fargo Managed Accounts* program as a feature of the Plan and allow each participant, in connection with the participant's authority to direct the investment of all or part of his or her own account, to enter into an arrangement with Wells Fargo Bank, N.A. whereby Wells Fargo Bank, N.A. will manage the allocation of the participant's account balance among the investment options available in the Plan.

BE IT FURTHER RESOLVED, that the Mayor of the City of Grand Island is hereby authorized and directed to take all actions necessary and desirable to implement the *Wells Fargo Managed Accounts* program into full force and effect, including execution of the Amendment of Service Agreement to implement the *Wells Fargo Managed Accounts* program and to authorize the payment of fees to Wells Fargo Bank, N.A. as disclosed in the Amendment of Service Agreement.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 26, 2005.

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
July 21, 2005	☐ City Attorney