



City of Grand Island

Tuesday, April 26, 2011

Council Session

Item G19

#2011-108 - Approving Amendment to Deferred Compensation Plan with ICMA-RC

Staff Contact: Brenda Sutherland

Council Agenda Memo

From: Mary Lou Brown, City Administrator

Meeting: April 26, 2011

Subject: Amending the Deferred Compensation Plan with ICMA-RC

Item #'s: G-19

Presenter(s): Mary Lou Brown, City Administrator

Background

The City of Grand Island entered into a contract with ICMA-RC in 1995 to provide administrative services for the City's 457 Plan. ICMA-RC has now made available a Roth alternative as part of their services.

Discussion

As we reviewed the 457 Plan provisions offered to the employees of the City, we looked for ways to enhance the plan by adding investment options to the Plan. The Roth 457 is one such provision. This provision allows participants to make Roth (after-tax) deferrals to their 457 plan. Roth deferrals and associated earnings can be withdrawn tax-free if certain criteria are met. ICMA anticipates the new Roth provisions first being made operational with our 457 plans in the second quarter of 2011. The City would like to offer the employees the Roth 457 option within the plan. There are no additional fees to the City, only to the employees who participate.

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 the Amendment to the Plan Document with ICMA-RC.

Sample Motion

Move to approve the Amended Plan Document with ICMA-RC.

**STATEMENT OF INTENT TO ADD ROTH PROVISIONS TO
ICMA-RC's 457 GOVERNMENTAL DEFERRED COMPENSATION PLAN & TRUST**

Plan Number: 30

Name of Employer: _____ State: _____

I. Employer Intention

The Employer intends to offer the Roth Provisions described in the ICMA Retirement Corporation Governmental 457 Deferred Compensation Amendment to Add Roth Provisions, which added Article X to the ICMA-RC 457 Governmental Deferred Compensation Plan & Trust ("ICMA-RC Roth Amendment").

II. Employer Instructions Regarding Plan Administration

The Employer instructs ICMA-RC to begin administering the Roth Provisions as of the Effective Date of this statement of intent.

III. Effective Date

This statement of intent shall be effective as of the date when ICMA-RC advises that the Roth Provisions are operational or the date specified below, *whichever is later*.

_____ (date)

IV. Employer Signature

NAME OF OFFICIAL PLAN COORDINATOR (PLEASE PRINT): _____

SIGNATURE: _____

TITLE: _____

TELEPHONE NUMBER: _____

DATE: _____

EMAIL ADDRESS: _____

A copy of the completed statement of intent should be returned to ICMA-RC (retain the original for your records):

Fax to:
202-962-4601
ATTN: NBU Analyst

OR

Mail to:
ICMA-RC
ATTN: NBU Analyst
777 North Capitol Street, NE
Washington, DC 20002-4240

RESOLUTION 2011-108

WHEREAS, the City of Grand Island has employees rendering valuable services and

WHEREAS, the City has established a deferred compensation plan for such employees that serves the interest of the City by enabling it to provide reasonable retirement security for its employees, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the City has determined that the continuation of the deferred compensation plan will serve these objectives, and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City hereby amends and restates the deferral compensation plan (City of Grand Island Plan #301716) in the form of:

The ICMA Retirement Corporation 457 Governmental Deferred Compensation Plan & Trust, to include the associated Roth amendment.

BE IT FURTHER RESOLVED that the assets of the Plan shall be held in trust, with the City serving as trustee for the exclusive benefits of Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose. The Trustee's beneficial ownership of Plan held in VantageTrust shall be held for the further exclusive benefit of the Plan participants and their beneficiaries.

BE IT FURTHER RESOLVED that the City hereby agrees to serve as Trustee under the Plan.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 26, 2011.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
April 22, 2011 ☐ City Attorney