

DATE SUBMITTED 06/14/2019
 SUBMITTED BY Finance
 DATE ACTION REQUIRED 06/19/2019

Agenda Item No E-11
 CITY COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION (X)
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS *h*

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

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|---|----------------------------|
| SUBJECT: DISCUSSION/ACTION: ESTABLISH AN ADDITIONAL DEFERRED 457 COMPENSATION PLAN WITH CalPERS. | |
| 1. APPROVAL OF RESOLUTION NO. 2019-XX, A RESOLUTION APPROVING ADOPTION OF CalPERS SUPPLEMENTAL INCOME 457 PLAN. | |
| DEPARTMENT INVOLVED: Finance | |
| BACKGROUND/SUMMARY: The City of Imperial currently offers eligible employees the option of participating in two deferred compensation plans through Lincoln and/or ICMA. Staff has looked into providing another option for eligible employees through CalPERS. | |
| FISCAL IMPACT None | |
| STAFF RECOMMENDATION Council approves the Resolution approving adoption of the CalPERS Supplemental Income 467 Plan. | |
| MANAGER'S RECOMMENDATION: | MANAGER'S INITIAL <i>h</i> |
| MOTION: SECONDED; APPROVED () REJECTED () AYES; DISAPPROVED () DEFERRED () NAYES; ABSENT; REFERRED TO: | |

Employer Adoption Agreement

The employer identified below (the "Employer") adopts the CalPERS Supplemental Income 457 Plan (the "CalPERS 457 Plan" or the "Plan") for the benefit of its employees and agrees to be bound by and subject to the terms of the Plan, as it may be amended from time to time. The Employer further agrees and represents as follows:

1. The Employer is a political subdivision of the State of California and is eligible to adopt the Plan.
2. The Employer has duly adopted a resolution (copy attached) or taken such other official action as required for its lawful adoption and implementation of the Plan and has authorized the undersigned to execute this Agreement on its behalf.
3. The Employer has received and has had the opportunity to review the following documents and information:
 - The Plan document;
 - A description of the optional provisions of the Plan;
 - A description of the investment options available to Plan participants and historical performance data for those investment options;
 - A complete description of fees and expenses that will or may be charged to Plan participants including, but not limited to, investment fees and administrative expenses; and
 - The Enrollment Kit for eligible employees, which includes forms and information for employees to participate in the Plan.

Contributions

4. The Employer understands that its employees will have the opportunity to defer their own compensation by designating an amount or percentage to be withheld from each paycheck and contributed to the Plan on the employee's behalf.
5. The Employer understands that the Plan must be made available to all employees and agrees to offer all employees the opportunity to participate in the Plan.
6. The Employer understands that the Plan cannot be made available to individuals who are not the Employer's common law employees and agrees not to offer such individuals the opportunity to participate in the Plan.
7. The Employer understands that each employee's deferrals under the Plan and any other eligible deferred compensation plan maintained by the Employer are subject to certain limits imposed by the Plan and the federal tax code. The Employer agrees to limit employees' deferrals under all plans maintained by the Employer to amounts that do not exceed applicable limitations.
8. The Employer agrees to deduct deferral amounts from employees' salaries and wages in accordance with the employees' elections, to remit all amounts deducted to the Plan as soon as reasonably practicable after such amounts are withheld, and to accurately report the amounts remitted.
9. The Employer understands and agrees that all amounts deferred under the Plan shall be 100% vested and shall be deposited in the Public Employees' Deferred Compensation Fund (the "Fund"), a trust established to hold such amounts, for the exclusive benefit of participants and their beneficiaries. The Employer shall have no right to Fund assets or to sell, redeem, or otherwise liquidate Fund assets, except as provided Plan section 10.6.

Investments

- 10. The Employer understands and agrees that employees who defer compensation under the Plan will have the right to direct the investment of their individual Plan accounts by choosing among the investment options selected by the CalPERS Board of Administration (the "Board") and offered under the Plan. The Employer further understands and agrees that any employee who does not provide timely directions for investing his or her account will be deemed to have selected the Plan's default investment. The Plan's default investment is currently the CalPERS Target Retirement Fund designated for an employee, based on his or her expected retirement date. The Employer understands and agrees that the Board, in its sole discretion, may add, eliminate, or consolidate investment options offered under the Plan, including the Plan's default investment option.
- 11. The Employer further understands and agrees that certain fees are charged to Plan participants for investment and administration expenses, and that such fees will be offset against investment returns or deducted from participants' Plan accounts periodically.

Administration

- 12. The Employer understands and agrees that, except as specifically set forth in the Plan, the administration of the Plan and Fund is subject to the exclusive control of the Board and that the Board has the authority to retain third parties to provide investment services, record keeping, accounting, or other services for the Plan.
- 13. The Employer agrees to assist and cooperate in providing Plan information to employees and to follow administrative procedures established by the Board or its designee(s) from time to time.
- 14. The Employer has completed the attached New Employer Data Sheet, which is incorporated by reference. The Employer hereby certifies that all information provided in connection with its adoption of the Plan is true and accurate.
- 15. The Employer understands and agrees that the Board has retained the power and authority to amend the Plan from time to time, subject to limitations set forth in the California Government Code and the Plan. The Employer may not amend the Plan.
- 16. The Employer understands and agrees that its participation in the Plan may be terminated by the Employer or by the Board upon sixty (60) days advance written notice. Upon termination, all amounts held for participants will continue to be held in the Fund for the exclusive benefit of participants and their beneficiaries, except for distributions or transfers permitted under the Plan terms.

Name of Employer: _____

By: _____ Title: _____

Date: _____

Accepted by CalPERS (or an agent duly appointed by the Board) on behalf of the Board of Administration of the California Public Employees' Retirement System

Name of Employer: _____

By: _____ Title: _____

Date: _____

RESOLUTION NO. 2019-31

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL,
CALIFORNIA APPROVING ADOPTION OF CalPERS SUPPLEMENTAL INCOME
457 PLAN**

WHEREAS, the City of Imperial desires to establish an additional deferred compensation plan for the benefit of its employees; and

WHEREAS, the Board of Administration (the “Board”) of the California Public Employees’ Retirement System (“CalPERS”) has established the CalPERS Supplemental Income 457 Plan (the “CalPERS 457Plan”) which may be adopted by a governmental employer the employees of which are public employees; and

WHEREAS, the City of Imperial believes that the CalPERS 457 Plan and the investment options available thereunder will provide valuable benefits to its employees; and

WHEREAS, the Board has appointed VOYA Financial (the Plan Recordkeeper) to perform recordkeeping and administrative services under the CalPERS 457 Plan and to act as the Board’s agent in all matters relating to the administration of the CalPERS 457 Plan.

NOW, THEREFORE, BE IT RESOLVED that the City of Imperial adopts the CalPERS 457 Plan for the benefits of its employees and authorizes and directs the City Manager to execute the attached adoption agreement on behalf of City of Imperial and to provide CalPERS or any successor agent duly appointed by the Board with such information and cooperation as may be needed on an ongoing basis in the administration of the CalPERS 457 Plan. A copy of this resolution, the agreement, and any attachments thereto shall be on file in the office of the City Clerk.

PASSED AND ADOPTED as a resolution of the City Council of the City of Imperial at a meeting held on June 19, 2019.

P. Robert Amparano
Mayor, City of Imperial

ATTEST:

Debra Jackson, City Clerk