

RESOLUTION NO. 2016-041

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE CITY MANAGER TO APPOINT A RETIREMENT PLAN
COMMITTEE TO PROVIDE OVERSIGHT OF THE ADMINISTRATION OF THE CITY OF
ELK GROVE'S DEFERRED COMPENSATION PLANS AND ADOPT A RETIREMENT
PLAN COMMITTEE FORMATION, DUTIES, AND PROCEDURES POLICY**

WHEREAS, the City Council of the City of Elk Grove previously approved and adopted the City of Elk Grove Deferred Compensation Plan ("Plan") to provide employees of the City with retirement benefits; and

WHEREAS, the City has a fiduciary responsibility to oversee the governance of the plan; and

WHEREAS, the City desires to update and review the Plan's investment menus and fees structures; and

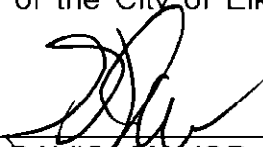
WHEREAS, the City Council desires to delegate authority to the City Manager to appoint a Retirement Plan Committee to provide oversight of the administration of the City's deferred compensation plan; and

WHEREAS, the roles and responsibilities of the Retirement Plan Committee are outlined in the Retirement Plan Committee Formation, Duties and Procedures Policy (attached as Exhibit A).

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove approves the City of Elk Grove Retirement Plan Committee Formation, Duties, and Procedures Policy, attached hereto as Exhibit A; and

BE IT FURTHER RESOLVED that the City Council of the City of Elk Grove authorizes the City Manager to appoint a Retirement Plan Committee as outlined in the Retirement Plan Committee Formation Duties, and Procedures Policy; and

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 9th day of March 2016.



GARY DAVIS, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,
CITY ATTORNEY

EXHIBIT A

CITY OF ELK GROVE, CALIFORNIA

RETIREMENT PLAN COMMITTEE FORMATION, DUTIES, AND PROCEDURES POLICY

I. INTRODUCTION

The City of Elk Grove (the "City") City Council has approved certain benefits for City employees stipulated in Internal Revenue Code Sections 401(a) and 457, hereafter referred to as the City of Elk Grove 401(a) Defined Contribution Plan and 457 Deferred Compensation Plan (the "Plan" or "Plans"). This Policy sets forth the rights, powers, responsibilities, and obligations of the Retirement Plan Committee (the "Committee") for the Plans. The Committee is charged under this Policy with carrying out its fiduciary duties and advising the Named Fiduciary for the Plans (the City Council) as originally established pursuant to authorization contained in Council Resolution No. 2000-28 and applicable provisions of the Plan Document.

II. MEMBERSHIP OF THE COMMITTEE

The Committee shall be comprised of at least five (5) voting members selected by the City Manager and must contain at least one (1) representative from the City's represented employment groups. Committee members shall serve without a set term limit and can resign at any time. The City Manager can also replace any member at any time with or without cause. A vacancy due to resignation, removal, death or other cause must be filled as soon as reasonably possible by the City Manager. Members shall serve without compensation. All reasonable out-of-pocket expenses of the Committee shall be paid by the City in accordance with its standard reimbursement policies unless paid from Plan assets.

III. COMMITTEE ACTION

The Committee shall meet at least annually to review Plan performance and to review the Plans' investment options offered in accordance with the Plans' Statement of Investment Guidelines. The Committee will also make changes to the investment offerings as provided under the Statement of Investment Guidelines and as warranted. The Committee may appoint a Committee Chairperson who shall run each Committee meeting and/or a Secretary who shall keep minutes of the Committee's proceedings and be responsible for the data, records, and documents pertaining to the Committee's duties associated with the Plans. The Secretary need not be a voting member of the Committee.

With respect to any matter brought to the Committee for a vote, each voting member who is present shall be entitled to one vote. The Committee shall act only by a majority of its overall members, regardless of the number of members present.

The Chairperson is authorized to execute any document or documents on behalf of the Committee.

IV. RIGHTS AND DUTIES

The Committee shall act with the authority and discretion to control oversight of the administration of the Plans and shall have all powers necessary to accomplish these purposes. The responsibility and authority of the Committee shall include, but shall not be limited to, the following:

- A. To modify, amend or alter the provisions of the Plans in whole or in part to remain compliant with Internal Revenue Code Sections 401(a) and 457 and regulations thereunder.
- B. To determine the investment options offered to participants of the Plans pursuant to Section VIII Plan Investments.
- C. To make determinations relating to the eligibility of employees to participate.
- D. To calculate and certify to the amount and kind of benefits payable to any participant, spouse or beneficiary.
- E. To authorize disbursements from and transfer of the Plan assets.
- F. To maintain all necessary records for the administration of the Plans.
- G. To interpret the provisions of the Plans and publication of rules and regulations that are deemed necessary, within the scope of the committee, and not inconsistent with the terms of the Plans.
- H. To let contracts with all service providers necessary or desirable for the administration of the Plans including a consultant, record keeper(s), third-party administrator(s), trustee(s), custodian(s), insurance company(ies), regulated investment company(ies) and/or other such service provider(s) as shall be necessary or appropriate for the administration and operation of the Plans.
- I. To review the performance of all service providers engaged in the administration of the Plans.
- J. To prepare and monitor a Plan-related budget to identify the appropriate use of excess revenue generated by the Plans, which could include, but is not limited to, training, promotion of plan participation, consultant/legal/audit fees.
- K. To maintain an excess revenue account on behalf of the Plans, prepare financial statements, and review the investment of the excess revenue account.
- L. To disseminate Plan benefit information to all current and prospective Plan participants and inform all eligible City employees of the benefits of the Plans.

V. ALLOCATION AND DELEGATION OF RESPONSIBILITY

The Committee may, by written rule or by its minutes, allocate responsibilities among Committee members and may delegate to persons and/or entities other than Committee members the authority to carry out responsibilities under the Plans. In the event that a responsibility is allocated to a Committee member, or delegated to a non-Committee member, no other Committee member shall be liable for any act or omission of that person in carrying out such responsibility except as may otherwise be required by law.

VI. OTHER PLANS

This Policy is designed to cover other benefit plans offered by the City which currently includes a Section 414(h) plan as well as a health reimbursement arrangement or HRA. The Committee shall have fiduciary oversight over these plans in addition to the Plans referenced above and shall make administrative decisions on behalf of these plans' participants and beneficiaries.

VII. INDEMNIFICATION

The City shall indemnify and defend individual Committee members pursuant to Government Code Sections 825 and 995.

VIII. PLAN INVESTMENTS

The Committee shall have the following responsibilities related to Plan investments:

- A. Selecting the investment design features of the Plans. This includes establishing:
 1. The investment guidelines and objectives,
 2. The number and types of investment alternatives available to Plan participants, and
 3. Participant investment procedures;
- B. Appointing, monitoring and evaluating all investment fund options in accordance with guidelines and benchmarks established within this document and consistent with applicable laws;
- C. Monitoring Plan costs which are charged to Plan assets and/or paid by Plan participants, including, but not limited to, investment management fees, trustee fees and fees paid to other Plan service providers;
- D. Providing general investment information to Plan participants regarding the procedures for making investment choices under the Plans and general investment information regarding each of the investment options offered under the Plans; and
- E. Ensuring the service providers to the Plans are offering education to plan participants.

IX. STANDARD OF CARE

The Committee shall discharge its duties with respect to the Plans in such a manner as to comply with applicable law and regulations including Internal Revenue Code Sections 401 and 457 and regulations thereunder. Generally, all assets and income of the Plans shall be held in trust for the exclusive benefit of participants and their beneficiaries.

X. PLAN DOCUMENTS

The Plans shall be governed by and administered under one or more plan documents and trust agreements. These Plan documents and trust agreements, together with any other formal documents maintained for the operation and administration of the Plans, shall be on file in the permanent records of the Committee and shall be available for inspection by Plan participants during business hours within the Human Resources Department.

XI. AMENDMENT

This Policy may be amended by a majority vote of the Elk Grove City Council at any of its regular or special meetings.

DATED this ____ day of _____, 2016.

CITY OF ELK GROVE, CALIFORNIA

Approved by the City Council on _____

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2016-041**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

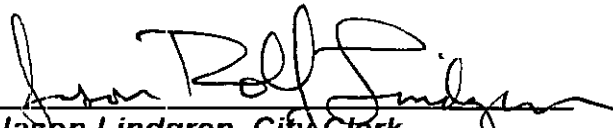
I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on March 9, 2016 by the following vote:

AYES : **COUNCILMEMBERS:** *Davis, Ly, Detrick, Hume, Suen*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN : **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



Jason Lindgren, City Clerk
City of Elk Grove, California