



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

February 23, 2016

SUBJECT: RESTATEMENT OF ICMA MONEY PURCHASE PLAN AGREEMENT

PREPARED BY: Rex E. Miller, Dir. of Administrative Services

Recommendation That the City Council of the City of Wheatland confirm the terms and conditions as they are specified in the attached Trust Adoption Agreement between the City and the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust. This agreement is an amendment and restatement of the existing agreement that is in effect between ICMA-RC and the City. The amendment and restatement of the plan was required by the Internal Revenue Service and it incorporates all legislative and regulatory changes that occurred between 2006 and 2012. This restated agreement makes no changes to the terms and conditions that have been negotiated between the City and the Memorandum's of Understanding that are currently in effect.

Background The City entered into a Section 401(a) Money Purchase Plan with the ICMA Retirement Corporation in 2006 as a vehicle to provide retirement benefits to eligible City employees that would be in addition to the Social Security benefits being earned. The agreement was updated and revised in 2012. Every six years the IRS reviews the basic form of the agreements and makes updates as may be required in the retirement laws and regulations. In this review, the IRS required that all such documents be restated and readopted. The required date for this action is April 30, 2016.

As stated previously, this restatement does not affect any benefit or condition in our existing agreement.

Alternatives The MOU's adopted for the 2015-2016 fiscal year included the provision that the City would request an Actuarial Study be performed by CalPERS on the fiscal feasibility of the City contracting with CalPERS to provide retirement benefits for the City employees. We are in the process of preparing the data for the study but the decision on that possible change is still many months away. Until such time, it is important that we maintain our plan with ICMA-RC. If we did not restate our plan at this time, our existing plan would not be recognized.

Fiscal Impact This restatement will have no fiscal impact on the City. I can report that through our employee's and the City's joint contributions to our 401(a) plan that the plan Total Asset value exceeded \$651,000 as of December 31, 2015.

Attachments

1. Governmental Money Purchase Plan & Trust Adoption Agreement between the City of Wheatland and the ICMA-RC