

FINANCE MEMORANDUM
#17-19

DATE: December 11, 2017

TO: Honorable Mayor Carol Dodge and City Council Members

FROM: James A. Hayes, AICP, City Manager ^{NH}
Jason Loveland, Director of Finance ^{AZ}

SUBJECT: CR-163 General Employee Pension Plan Fifth Amendment
CR-164 Police Money Purchase Pension Plan Fifth Amendment

PURPOSE:

City Council is considering resolutions that will amend pension plan language to allow employees from the Police Plan to participate in the General Plan if an employee's status changes from a sworn police employee while maintaining employment with the City and an update to reference the group trust.

SUMMARY:

Listed below are the recommended Amendments to the General Employee Plan:

1. Section 2.1(gg), Year of Service. Amendment to provide that for an individual who was a sworn Employee of the City of Northglenn Police Department, has or had not terminated employment with the Employer at the time he becomes or became eligible to participate in this Plan, a Year of Service also includes a 12-month period commencing on January 1 and ending on December 31 in which such individual completed 1,000 hours of service for the Employer prior to such individual becoming a Participant in this Plan.
2. Section 4.1, Employer Contributions. Amended to provide that for an individual who was a sworn Employee of the City of Northglenn Police Department who has or had not terminated employment with the Employer at the time he becomes or became eligible to participate under this Plan, years of continuous employment shall include a period of employment for which a contribution was required to be made under the City of Northglenn Police Money Purchase Pension Plan and Trust prior to such individual becoming a Participant in this Plan.
3. Section 6.4(c), Special Vesting. Amended to provide that for an individual who was a sworn Employee of the City of Northglenn Police Department, has or had not terminated employment with the Employer at the time he becomes or became eligible to participate under this Plan, a Year of Service includes any computation period during which such individual completed 1,000 hours of service for the Employer prior to such individual becoming a Participant.
4. Section 6.11, Plan-to-Plan Transfers. Added Section 6.11 to accept a plan-to-plan transfer from another money purchase pension plan maintained by the Employer that is qualified under Code Section 401(a) to this Plan, provided the transfer is made through a written election made by such participant, approved by the Employer or Plan Administrator, and such Participant is fully vested in his accounts under such other plan. The amount transferred shall be deposited in the Trust and shall be allocated to sources that maintain the same attributes as the plan from which they were transferred (i.e., employer contribution account to Employer Contribution Account, employee contribution account to Employee Contribution Account).
5. Section 7.2(c), Retirement Board's Powers and Duties. Amended effective January 1, 2017, to add a reference to the group trust in accordance with Revenue Ruling 2011-1.

Listed below are the recommended Amendments to the Police Employee Plan:

1. Section 6.11, Plan-to-Plan Transfers. Added Section 6.11 effective January 1, 2014, to provide that an individual who previously was a Participant, is fully vested in his Aggregate Account and becomes or became eligible to participate in another qualified money purchase pension plan maintained by the Employer may, at the written election of such individual, and upon approval by the Employer or the Plan Administrator, transfer all or part of such individual's Aggregate Account to such plan, provided that such plan provides for the acceptance of such transfers. The amounts transferred shall be allocated to sources that maintain the same attributes as this Plan (i.e., Employer Contribution Account to employer contribution account, Employee Contribution Account to employee contribution account).

2. Section 7.2(c), Retirement Board's Powers and Duties. Amended effective January 1, 2017, to add a reference to the group trust in accordance with Revenue Ruling 2011-1.

BUDGET/TIME IMPLICATIONS:

None.

RECOMMENDATION:

The General Employee Pension Plan Board and Police Money Purchase Pension Plan Board recommend approval of CR-163 and CR-164, the Fifth Amendment to the Plan.

STAFF REFERENCE:

Contact Jason Loveland at jloveland@northglenn.org or at 303-450-8817.

SPONSORED BY: MAYOR DODGE

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-164
Series of 2017

Series of 2017

A RESOLUTION ADOPTING THE FIFTH AMENDMENT TO THE AMENDED AND RESTATED CITY OF NORTHGLENN POLICE MONEY PURCHASE PENSION PLAN

WHEREAS, the City Council of the City of Northglenn adopted the Amended and Restated City of Northglenn Police Money Purchase Pension Plan and Trust Agreement (the "Police Plan") by Resolution No. 12-119, Series of 2012, as amended by the First Amendment, Second Amendment, Third Amendment, and Fourth Amendment thereto; and

WHEREAS, the City of Northglenn desires to amend the Police Plan to allow a transfer of plan assets to another retirement plan maintained by the City of Northglenn in accordance with the compliance statement issued by the Internal Revenue Service and to reference the group trust.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The Police Money Purchase Pension Plan and Trust Agreement is hereby amended, as more particularly set forth in the Fifth Amendment, attached hereto as **Exhibit A**, to be effective January 1, 2014, except in sections where an alternate effective date is stated.

DATED at Northglenn, Colorado, this ____ day of _____, 2017.

CAROL A. DODGE
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

**FIFTH AMENDMENT
TO THE
CITY OF NORTHGLENN POLICE MONEY PURCHASE
PENSION PLAN AND TRUST**

WHEREAS, the City Council of the City of Northglenn by Ordinance No. 12-119, Series of 2012, adopted The City of Northglenn Police Money Purchase Pension Plan and Trust (the “Plan”), amended and restated effective January 1, 2012, which has been subsequently amended; and

WHEREAS, pursuant to Section 11.1 of the Plan, the City of Northglenn has the authority to amend the Plan (a) without the approval of Participants, solely for the purpose of incorporating minor technical amendments which are required from time to time, by changes in state or federal laws or regulations (Item 2 below) and (b) with consent of at least sixty-five percent (65%) of the total votes cast by actively employed eligible Employees and all former Employees who are entitled to a benefit from the Plan (Item 1 below).

NOW THEREFORE, the Plan is hereby amended, effective January 1, 2014, except as otherwise provided herein, in the following respects:

1. A new Section 6.11 is added to the Plan to read as follows:

“6.11 Plan-to-Plan Transfers: An individual who previously was a Participant, is fully vested in his Aggregate Account and becomes or became eligible to participate in another money purchase pension plan maintained by the Employer that is qualified under Code Section 401(a), may, at the written election of such individual, and upon approval by the Employer or the Plan Administrator, transfer all or part of such individual’s Aggregate Account to such plan, provided such plan provides for the acceptance of such transfers. The amounts transferred shall be allocated to sources that maintain the same attributes as this Plan (i.e., Employer Contribution Account to employer contribution account, Employee Contribution Account to employee contribution account).”

2. Subsection 7.2(c) of the Plan is amended, effective January 1, 2017, by adding the following to the end thereof, to read as follows:

“Furthermore, the Retirement Board may invest any part of the money or property of the Trust Fund in a common trust or collective investment trust or group trust qualifying under Revenue Ruling 81-100, and as subsequently amended, including Revenue Ruling 2011-1. Each such common trust or collective investment trust or group trust is adopted with respect to any monies invested therein, as part of the Plan, Trust (or Trust Fund) and Trust Agreement, and each declaration of trust or trust agreement and related adoption, participation, investment management, or other agreements, as amended from time to time, with respect to any monies invested therein, are incorporated by reference into the Plan, Trust (or Trust Fund) and Trust Agreement upon approval by the Retirement Board, including the group trust created pursuant to the Declaration of Trust of VantageTrust Company dated on May 19, 2001, as amended from time to time.”

The City of Northglenn has adopted this amendment on the _____ day of _____, 2017, subject to approval by the participants to the extent required in Section 11.1 of the Plan.

THE CITY OF NORTHGLENN

By: _____
CAROL A. DODGE, Mayor