

RESOLUTION NUMBER R- 287054

ADOPTED ON MAR 18 1996

WHEREAS, The City of San Diego ("City") maintains and administers a number of tax qualified defined contribution savings plans ("Plans") and trust funds ("Trust Funds") for the welfare and benefit of City officers and employees ("Plan Participants"); and

WHEREAS, the Plans serve the interests of the City by enabling the City to provide reasonable retirement security for employees, providing increased flexibility in personnel management and assisting in the attraction and retention of competent personnel; and

WHEREAS, Plan Participants are able to enjoy the substantial advantage of deferring payment of income taxes on compensation already earned and being saved for retirement; and

WHEREAS, the Plans maintained and administered by the City include: the Supplemental Pension and Savings Plan ("SPSP"), SPSP-M, SPSP-H and 401(K); and

WHEREAS, the Plans were amended pursuant to Resolution No. R-285505 to allow for third party administration and investment services to be funded by a "net fee" charge offset against Trust Fund assets at no cost to City taxpayers; and

WHEREAS, the Plan Documents specify that before the Plans are amended by the Plan Sponsor, the amendments are subject to a vote of approval by the Plan Participants; and

WHEREAS, upon participant approval the Plans are to be

administered by a third party administrator to allow participants greater diversification of their investments.

WHEREAS, in order to diversify and enhance the range of expertise for monitoring and oversight of plan administration and investment services provided by a third party administrator, it is prudent to amend the Plan Documents to create Co-Trustees to manage the Trust Fund to include, the City Treasurer, the City Manager and the Retirement Administrator or their designees and one employee participant trustee for the SPSP Plans and one employee participant trustee for the 401(K) Plan; and

WHEREAS, in order to allow participants to borrow against their SPSP or 401(K) balance without diminishing their savings balance a loan program administered by the selected Third Party Administrator, must be instituted; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that the plans be amended to allow a participant trustee to be appointed for the SPSP Plan and a participant trustee to be appointed for the 401(K) Plan and that a loan program, administered by the Third Party Administrator be instituted.

APPROVED: JOHN W. WITT, City Attorney

By Sharon A. Marshall
Sharon A. Marshall
Deputy City Attorney

SAM:jrl
02/20/96
Or.Dept:Risk Mgmt.
R-96-970
Form=r-t