

MEMORANDUM OF LAW

DATE: June 30, 1987

TO: Sam Gray, Employee Benefits Administrator -
Risk Management

FROM: City Attorney

SUBJECT: New Investment Option for Deferred Compensation

You indicated in a memorandum dated June 17, 1987, that the Hartford Variable Annuity Life Insurance Company (Hartford) desires to offer a new investment option in The City of San Diego's Deferred Compensation Plan. You requested to know if the City could offer this additional option without amending the basic plan document.

The City Manager was originally authorized to execute the deferred compensation agreement with Hartford by Resolution No. R-224032, dated July 19, 1979, under the terms and conditions set forth in the original agreement, a copy of which is on file in the office of the City Clerk as Document No. 766855. The plan document describes four different funding media accounts offered by Hartford for City employees who participate in the Deferred Compensation Plan. Section 15 of the plan document states that "the parties may amend the agreement only by a written agreement approved by the president or a vice-president of Hartford and an authorized person for the City."

Resolution No. R-224032 authorized the City Manager to execute the basic plan agreement with Hartford in order to provide complete administrative functions and investment media as indicated in the original document and as may be required for the City's Deferred Compensation Plan. Therefore we believe that any additions to the investment options outlined in the plan should be provided for in a written amendment to the basic agreement and executed by an authorized representative of the City Manager's office and Hartford.

JOHN W. WITT, City Attorney

By

John M. Kaheny

Deputy City Attorney

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