

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: July 25, 2013**

SUBJECT: Updated Administrative Services Agreement - ICMA

SUBMITTING DEPARTMENT: Human Resources

PREPARED BY: Karen Smith, HR Director

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: a) ICMA Administrative Services Agreement – 401 & 457 Plans

SUMMARY/BACKGROUND: Since 1981 the Town has participated with the International City Manager’s Association (ICMA) to provide retirement plans for both law enforcement and non-law enforcement employees. In 1993, ICMA asked the Town to enter into formal, separate Administrative Services Agreements with ICMA for the 401 and 457 plans. A letter from the ICMA attorney explained the need for such agreements in order to better outline what ICMA would do as administrator and the fees it would charge. In 2007, the Town also entered into a separate Administrative Services Agreement with ICMA for the new Retirement Health Savings Plan it was providing. The three agreements continue to be in force.

Recently, ICMA proposed a single, updated Administrative Services Agreement that would cover both the 401 and 457 plans. Its language describes the current separation between ICMA and VantageTrust Co. and includes more detail about the services ICMA will provide. It also adds language ICMA desires with regard to certain protections for ICMA (including indemnification by the Town). And, certain standard language with regard to administrative fees paid to ICMA has been “crossed-out” with regard to the 401 and 457 plans for 5 years, based on negotiations by the Town Manager and HR Director.

OPTIONS ANALYSIS: Council may approve the proposed Admin Services Agreement as written, propose changes prior to approval, or decline approval of the Admin Services Agreement.

ACTION OPTION: Motion to approve the new Administrative Services Agreement with ICMA for the 401 and 457 Plans, OR Motion not to approve the proposed new Admin Services Agreement. **VOTE.**

RECOMMENDATION: Staff recommends approval of the proposed new Administrative Services Agreement w ICMA for the 401 and 457 plans.

FISCAL ANALYSIS: In return for the Town signing an updated agreement with terms preferable to ICMA, ICMA has agreed to waive the normal administrative fees for a five year period. This benefits the holders of ICMA accounts.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____