

**BUSINESS OF THE CITY COUNCIL
WINDSOR HEIGHTS, IOWA
AGENDA STATEMENT**

Item No. 6
For Meeting of 3/03/08

ITEM TITLE: Consideration of a resolution revising the personnel policies manual for the City of Windsor Heights and approving a letter of agreement with ICMA-RC to allow employees to utilize a payroll deduction to purchase an IRA and to allow employees with single health insurance coverage to choose between placing his/her \$75 benefit into an annuity or deferred compensation program.


CONTACT PERSON(S): Marketa George Oliver, City Administrator

SUMMARY EXPLANATION

These two minor changes will just give city employees more options for saving money for their future retirement. Neither of these changes has any cost to the City. The deposit of funds into an IRA is completely at the discretion of the employee and the funds deposited are all the personal funds of the employees. There is no City contribution.

The second change relates to how employees can choose to direct their benefit for having single health insurance. Employees who have single health insurance currently receive a \$75 monthly annuity. The change would allow those employees to direct those funds into a deferred compensation program instead of being deposited into an annuity.

The Policy and Administration Committee has reviewed the proposed changes recommends its adoption as a prudent and timely update for the City's personnel policies.

<input checked="" type="checkbox"/> Resolution _____ Ordinance ____ Contract _____ Other (Specify) _____
Funding Source _____
APPROVED FOR SUBMITTAL  _____
City Administrator

COMMITTEE RECOMMENDATION: Passage of the updates recommended by the Policy and Administration Committee. By motion and roll call vote, adopt the resolution.

COUNCIL ACTION:

RESOLUTION NO. 08-00303/

A RESOLUTION ADOPTING REVISIONS TO THE PERSONNEL POLICIES
MANUAL FOR THE CITY OF WINDSOR HEIGHTS

WHEREAS, the City of Windsor Heights has a number of full and part-time employees and has created a Personnel Policy for its employees; and

WHEREAS, the City of Windsor Heights works diligently to maintain a safe and professional workplace; and,

WHEREAS, the Personnel Policy for the City of Windsor Heights is the governing manual for each employee; and,

WHEREAS, the City finds it desirable to make changes and appropriate updates to the City's policies from time to time and,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Windsor Heights, Iowa, that the following changes be made to the personnel policy manual.

Section 8.2(b) is changed to read as follows:

8.2(b) Annuity: The City pays \$75.00 per month towards an annuity or deferred compensation account for employees who have employee-only health insurance coverage.

and

Section 6.13 is added and reads as follows:

6.13 Individual Retirement Account (IRA)

Employees may voluntarily utilize a payroll deduction to fund a qualified individual retirement account (IRA) approved by the city.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Windsor Heights, Iowa, that the attached letter of agreement with ICMA-RC is approved.

PASSED AND APPROVED THIS 3rd DAY OF MARCH, 2008.

David J. Sullivan, Mayor

ATTEST:

Marketa George Oliver, City Administrator/Clerk

January 9, 2008

Ms. Colleen Pingrey
City of Windsor Heights
1133 66th St.
Windsor Heights, Iowa 50311

Re: ICMA Retirement Corporation
Vantagepoint Payroll Deduct IRA Program

Dear Ms. Pingrey:

This letter agreement will serve to amend the existing Agreement between **City of Windsor Heights** and the ICMA-RC to provide for payroll deduction Individual Retirement Accounts ("IRAs") for Employer's employees ("IRA accountholders".)

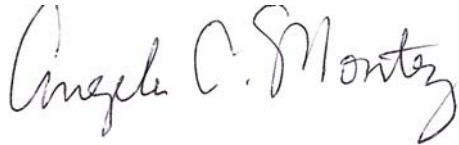
The existing Agreement between Employer and ICMA-RC is hereby amended as follows:

1. Employer desires to allow IRAs for its employees to be administered by ICMA-RC. Employer agrees to send checks or wire the assets to ICMA-RC for IRA accountholders. The details of the submission of IRA contributions shall be as mutually agreed between Employer and ICMA-RC, but in general shall be as set forth in the IRA program materials developed by ICMA-RC and provided to Employer.
2. Absent an explicit provision to the contrary, account fees and expenses payable by IRA Accountholders shall be as set forth in the IRA program materials.
3. Each IRA Accountholder will receive a consolidated quarterly statement providing information for any deferred compensation plan, qualified plan or IRA maintained by each IRA Accountholder and administered by ICMA-RC.
4. ICMA-RC will provide tax withholding and reporting for each IRA account administered by ICMA-RC.
5. Unless ICMA-RC and Employer agree otherwise, the details of ICMA-RC's administration of the IRA program, as well as other features of the IRA program, shall be as set forth in ICMA-RC's IRA program materials. The IRA program materials are hereby incorporated by reference and made a part of this Agreement, except that Employer and ICMA-RC may from time to time mutually agree in writing to terms that vary from the IRA program materials.

6. To assure IRA Accountholders of confidentiality, ICMA-RC will only provide Employers with such account information as is necessary to reconcile Employer's payroll deduction submittals.
7. It is agreed that ICMA-RC will not be responsible for ensuring that annual IRA contributions by each IRA Accountholder are within applicable annual contribution limits, and that this will be the responsibility of the IRA Accountholder.
8. It is understood that the year in which the payroll deduction occurs shall constitute the tax year in which the contribution is considered to be made to the IRA Accountholder's IRA.

If **City of Windsor Heights** finds these terms agreeable, please so indicate by having the appropriate person sign and date this letter agreement in the space indicated below.

Very truly yours,



By _____

Angela C. Montez
Corporate Secretary

Agreed: _____ / _____
Signature of Authorized Official Date