

RESOLUTION NO. RES-2023-176

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING FREEZE AND CORRECTION OF MISSIONSQUARE “OPT-IN” PLANS, AUTHORIZATION TO DEVELOP AND IMPLEMENT REPLACEMENT PLANS, AND DESIGNATION OF FIDUCIARY

WHEREAS, the City currently maintains among others, two retirement plans: an Executive Management Plan and a City Manager’s Plan (the Plans) with the assistance and advice of MissionSquare (formerly ICMA); and

WHEREAS, a compliance review of these Plans, conducted by Outside employee benefits counsel from Best Best & Krieger LLP (Outside Counsel), has revealed that the Plans were improperly designed and administered so as to violate certain plan qualification rules under the Internal Revenue Code (Plan Failures); and

WHEREAS, following receipt and careful analysis of legal and tax advice from Outside Counsel, City Staff is recommending that the Plan Failures be self-corrected, in accordance with the recently issued IRS Guidance, and with the assistance of Outside Counsel; and

WHEREAS, the proper correction of the Plan Failures will require the “freezing” of the affected Plans and the development and implementation of one or more replacement plans (Replacement Plans), and may include the consolidation of the corrected Plans into other plans of the City; and

WHEREAS, the Chief Financial Officer (CFO) and the Human Resource Director (HRD), with the assistance of Outside Counsel, are recommending and seeking Council approval for the following “plan of action” (Plan of Action), which grants authority and discretion to the CFO and HRD to:

- plan and implement correction of the Plan Failures;
- investigate, develop and implement appropriate Replacement Plans, without further Council action, provided that the adoption and implementation of such plans do not involve any significant additional costs or contributions for the City;
- terminate and consolidate the corrected Plans, with other plans of the City, if and when that makes sense; and

WHEREAS, Outside Counsel recommends that the City confirm and designate the Chief Financial Officer, or designee, as the individual responsible for fiduciary oversight for all of the City’s retirement plans, with responsibility for their administration, in accordance with the terms of the plans, including responsibility for the selection and monitoring of the various plan’s advisors, consultants and recordkeepers.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa approves and adopts the Plan of Action.

BE IT FURTHER RESOLVED that the Council confirms and designates the Chief Financial Officer, or designee, as the individual with fiduciary oversight of all of the City's retirement plans, with responsibility for their administration, in accordance with the terms of the plans, including responsibility for the selection and monitoring of the various plan's advisors, consultants and recordkeepers.

BE IT FURTHER RESOLVED that the Council authorizes the City Manager, Assistant City Manager, the Chief Financial Officer, and the Human Resources Director, as the appropriate officers to execute the necessary documents and agreements to carry out the Plan of Action and the purposes of this Resolution.

BE IT FURTHER RESOLVED that the Council approves, ratifies, and confirms the actions taken to date by such officers in connection with the review and correction of the Plan Failures.

BE IT FURTHER RESOLVED that the Council certifies that at the time of adoption of said resolutions had, full power and lawful authority to adopt the foregoing resolution and to confer the powers therein granted to the persons named, and that such persons have full power and authority to exercise the same.

BE IT FURTHER RESOLVED that the Council certifies that the employees whose names appear on the Authorized Signers Certification now hold the offices in the Employer noted below their respective names, that the signatures appearing below their names are the authentic, official signatures of the said respective officers, that the authority of such persons may be relied upon until further notice is received from me, and that any other employees whose names appear on the Authorized Signers Certification are current employees and that the signatures appearing opposite their names are the authentic, official signatures of the said respective employees.

IN COUNCIL DULY PASSED this 10th day of October, 2023.

AYES: (7) Mayor N. Rogers, Vice Mayor MacDonald, Council Members Alvarez, Fleming, Okrepkie, C. Rogers, Stapp

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST: \_\_\_\_\_ APPROVED: \_\_\_\_\_  
City Clerk Mayor

APPROVED AS TO FORM: \_\_\_\_\_  
Assistant City Attorney