

Agenda Item No: CA-d
Meeting Date: January 09, 2023

Subject: RESOLUTION 23-02 CONCERNING THE PENSION PLANS OFFERED TO EMPLOYEES OF THE CITY OF DACONO

Presenter(s): Kelly Stroh, Director of Finance

Background: In an effort to provide the best quality benefits to the employees of the City, staff is recommending that Council approve to switch pension plan service providers from Security Benefit Life Insurance Company to One America Retirement Services LLC. In the last few years, Security Benefit has not been providing the city with the kind of customer service and competitive fee structure that is beneficial to our staff from both a consumer perspective as well as an administrative one. The company has been purchased by another corporation whose primary product offering is no longer directed toward small government organizations. Our financial advisor, Andrew Ahren's of Sage Retirement Solutions received proposals from three top rated retirement service providers, and they have been reviewed by staff. The best fit for the employees of Dacono has been determined to be One America for their flexible fee structure, fund offerings and excellent customer service.

Staff also recommends that the asset-based portion of the annual fees be picked up by the City which equates to .31% of the assets in the plan (currently estimated at \$9,300). Employees will be responsible for their participant fee which is \$40 annually per individual.

Recommendation: Staff recommends approval of Resolution 23-02 concerning the pension plans offered to employees of the City of Dacono.

RESOLUTION NO. 23-02

A RESOLUTION CONCERNING THE PENSION PLANS OFFERED TO EMPLOYEES OF THE CITY OF DACONO

WHEREAS, the City currently offers and contributes to an employer defined contribution money purchase pension plan on behalf of all employees other than police (“non-sworn employees”), and an employee contribution (457) money purchase pension plan option offered to all employees (“the Plans”), which are administered by Security Benefit Life Insurance Company; and

WHEREAS, the City desires to engage a new service provider to administer the Plans in order to provide employees with greater quality of service; and

WHEREAS, the City further desires to assume a portion of the new service provider’s annual fees of the employer defined contribution money purchase pension plan on behalf of non-sworn employees of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DACONO, COLORADO:

Section 1. The City Council hereby authorizes the transition in the administration (the “Transition”) of the City’s employer defined contribution money purchase pension plan for non-sworn employees of the City, and the employee contribution money purchase pension plan option offered to all employees (the “Plans”) from Security Benefit Life Insurance Company to One America Retirement Services LLC (“Service Provider”).

Section 2. The City Council hereby further authorizes the termination of Security Benefit Life Insurance Company’s administration of the Plans, following the Transition (the “Termination”).

Section 3. The City Council hereby further authorizes the City’s assumption of the Service Provider’s asset-based fee (in 2023, charged against assets in the plan at 0.31%) on behalf of all non-sworn employees of the City participating in the employer defined contribution money purchase pension plan (the “Assumption”). Non-sworn employees will be responsible for the annual participation fee (\$40 in 2023).

Section 4. The Finance Director, as the City’s Plan administrator, is hereby authorized to execute and deliver any and all documents, and do all other things necessary on behalf of the City, to effect the Transition, Termination, and Assumption.

INTRODUCED, READ, and ADOPTED this _____ day of _____, 2023.

CITY OF DACONO, COLORADO

Adam Morehead, Mayor

ATTEST:

Valerie Taylor, City Clerk