ORDINANCE NO. 3395

AN ORDINANCE of the City Council of the City of Kent, Washington, adopting an I.R.C. Section 457 Deferred Compensation Plan with the U.S. Conference of Mayors Deferred Compensation Program and its attendant investment options and authorizing the Mayor, or his/her designate, to execute such agreements and contracts as are necessary to implement the Plan.

WHEREAS, the employees of the City of Kent ("City") render valuable services; and

WHEREAS, the City has considered the establishment of a new Deferred Compensation Plan with the U.S. Conference of Mayors to be made available to all eligible City employees and elected officials pursuant to federal legislation permitting those Plans; and

WHEREAS, certain substantial tax benefits could accrue to employees and elected officials participating in those Deferred Compensation Plans; and

WHEREAS, these tax benefits will act as incentives to City employees to voluntarily set aside and invest portions of their current income to meet their future financial requirements and supplement their City retirement and Social Security, at no cost to the City; and

PEBSCO § 457 Plan
WHEREAS, the U.S. Conference of Mayors has established a master prototype deferred compensation program for cities and political subdivisions permitting its member cities and their employees to enjoy the advantages of this program; and

WHEREAS, the U.S. Conference of Mayors, as Plan Administrator, agrees to hold harmless and indemnify the City, its appointed and elected officers and participating employees from any loss resulting from the U.S. Conference of Mayors or its Agents' failure to perform its duties and services pursuant to the U.S. Conference of Mayors Plan. NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Plan Adopted. The City adopts the U.S. Conference of Mayors Deferred Compensation Program and its attendant investment options and hereby establishes the City of Kent, Washington, Deferred Compensation Plan for the voluntary participation of all eligible City employees and elected officials.

SECTION 2. Mayor and Employee Services Division Director Authorized to Execute Necessary Documents. The Mayor or his designee is hereby authorized (1) to enter into an administrative agreement and any and all agreements necessary to implement the program with the U.S. Conference of Mayors as plan administrator, subject to the terms of this ordinance and further subject to final approval of the City Attorney; (2) to execute, for the City, individual participation agreements with each employee requesting an individual participation agreement, (3) to act as the "Administrator" of the Plan representing the City. Other than the incidental expenses of collecting and disbursing the employees' deferrals and other minor administrative matters, there is to be no cost to the City for the Program.
SECTION 3. **Plan Assets to be Held in Annuity or Custodial Account.** The City and the U.S. Conference of Mayors shall hold the funds applied to this Plan in either a Deferred Compensation Variable Annuity or in an I.R.C. Section 457 Custodial Account for the exclusive benefit of the City's Plan participants.

SECTION 4. **Program Executed.** The City hereby executes the Program.

SECTION 5. **Plan and its Investments not Endorsed.** The City's continuance of the Plan does not constitute an endorsement of the Plan or of any investment options offered through the Plan.

SECTION 6. **Ratification.** Any act consistent with the authority and prior to the effective date of this ordinance is ratified and confirmed.

SECTION 7. **Severability.** If any one or more sections, subsections, or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

SECTION 8. **Effective Date.** This ordinance shall take effect and be in force thirty (30) days from the time of its final passage, as provided by law.

**ATTEST:**

**Brenda Jacober**
BRENSA JACOBER, CITY CLERK

JIM WHITE, MAYOR

PEBSCO § 457 Plan
APPROVED AS TO FORM:

ROGER A. LUBOVICH, CITY ATTORNEY

PASSED: 3 day of March, 1998.
APPROVED: 4 day of March, 1998.

I hereby certify that this is a true copy of Ordinance No. 3395, passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

BRENDA JACOBER, CITY CLERK
(SEAL)