

COUNCIL DECISION REQUEST

SUBJECT: Disband Town of Payson 401k Board of Trustees

MEETING DATE: June 22, 2006

CSP ITEM: Yes No **KRA#**

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: Robert Smith

AMOUNT BUDGETED: None

**SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER**

EXPENDITURE REQUIRED: None

CONT. FUNDING REQUIRED: None

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EXHIBITS (If Applicable, To Be Attached): See Attached

RECOMMENDED MOTION

I move to disband the Town of Payson 401k Profit Sharing advisory board and board of trustees.

SUMMARY OF THE BASIS FOR RECOMMENDED MOTION:

On June 8th 1989, by Resolution # 643, the Town Council approved the establishment of a 401k advisory board and board of trustees. On October 19th 2005, by Resolution # 2111, the Town Council terminated the Town of Payson 401k Profit Sharing Plan as part of membership with the Arizona State Retirement System. As a result, there is no longer a need for a 401k advisory board and board of trustees.

PROS: Completes the action taken by the Council in Resolution 2111 to terminate the Town of Payson Profit Sharing Plan.

CONS: None

PUBLIC INPUT (if any): None

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes): None

JUN 22 2006 I.1*

RESOLUTION NO. 2111

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND ADOPTING AN AMENDMENT TO THE TOWN OF PAYSON 401(K) PROFIT SHARING PLAN, PROVIDING FOR TERMINATION OF THE PLAN AND DISTRIBUTION OF ACCOUNT BALANCES TO PARTICIPANTS, AUTHORIZING THE MAYOR TO EXECUTE SAID AMENDMENT, AND DECLARING AN EMERGENCY.

WHEREAS, on June 8, 1989, the Town of Payson adopted Resolution Number 643 which instituted the Town of Payson 401(k) Profit Sharing Plan (the "Plan"); and

WHEREAS, on May 27, 2004, the Town of Payson adopted Resolution Number 1941 which approved an agreement with the Arizona State Retirement System ("ASRS") for participation of the Town in ASRS; and

WHEREAS, in order to facilitate the transition to ASRS and to allow employees to purchase service time pursuant to ASRS, the Town of Payson 401(k) Plan must be terminated and account balances distributed to participants,

NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:

Section 1. The Amendment to the Town of Payson 401(k) Profit Sharing Plan, attached hereto marked Exhibit "A" and made a part hereof by this reference as though set forth in full at this point, be and is hereby approved in substantially the form as attached.

Section 2. That Barbara G. Brewer, Mayor of the Town of Payson, be and is hereby authorized to execute said Amendment to the Town of Payson 401(k) Profit Sharing Plan in substantially the form as attached as Exhibit "A."

Section 3. That the Town of Payson be and is hereby authorized to take and perform such other and further actions as are necessary or appropriate to carrying out the purposes provided for in this Resolution Number 2111.

Section 4. WHEREAS, to accommodate the 401(k) Plan termination date of October 15, 2005; and WHEREAS, the immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health, and safety of the Town of Payson, an EMERGENCY is hereby declared to exist, and this Resolution shall be in full force and effect immediately from and after its passage, adoption, and approval by the Mayor and Common Council of the Town of Payson, and it is hereby exempt from the referendum provisions of the Constitution and Laws of the State of Arizona.

Prepared by Town of Payson Legal Department

SIS:drs October 5, 2005 (3:20PM)

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RESOLUTION NO. 643

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, ADOPTING THE TOWN OF PAYSON EMPLOYEE 401(K) PLAN TO IMPLEMENT THE EMPLOYEE RETIREMENT SELECTION OF THE EMPLOYEES, AND TO ESTABLISH A FOUR MEMBER ~~BOARD~~ OF TRUSTEES AND A FOUR MEMBER ADVISORY ~~BOARD~~, ALL PURSUANT TO EXHIBIT I, ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE; AND DECLARING AN EMERGENCY.

WHEREAS, the Town of Payson has authorized its employees to elect the successor to the Valley National Bank to manage and operate the Employees 401(K) Plan; and

WHEREAS, the employees have duly elected the American Family of Funds to succeed the Valley National Bank as the Plan Manager/Trustee for the 401(K) Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, that the Town of Payson accepts and adopts the attached Exhibit I, to establish the 401(K) Plan, and that the Mayor and the Trustees appointed hereby are authorized to execute Exhibit I.

BE IT FURTHER RESOLVED BY THE COMMON COUNCIL that a four member ~~Board~~ of Trustees is hereby appointed for five year terms, to consist of:

Jack Monschein
William Ingram
Diane Houghton
Linda Foster

and that the Trustees shall duly elect and fill any vacancies for any unexpired term.

That a four member Advisory ~~Board~~ is duly established to serve terms of three years, and the initial elected members shall be:

Robert Olsson
Ron Armstead
Julie Tarpley
Lynn Mayer

All vacancies shall be filled by the list of candidates from the past election, with the highest vote recipient being automatically nominated and appointed to serve the remaining term of that position.

WHEREAS, the immediate operation of the provisions of this resolution is necessary for the preservation of the public peace, health and safety of the Town of Payson, an EMERGENCY is hereby declared to exist, and this resolution shall be in full force and effect from