



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		9/27/10		
Department:		Purchasing		
Department Head		Mike Ryan		
Agenda Coordinator (include phone #): Sharron Mason x7247				
CAPTION				
To approve the Second Modification of the administrative services agreement by and between the City of Plano and the International City Management Association Retirement Corporation (Plan No. 305870) reducing the investment services fees and changing the renewal term to a fixed three (3) year period plus two (2) additional one-year terms, and authorizing the City Manager or his authorized designee to execute all necessary documents.				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(S):				
COMMENTS: This item has no fiscal impact.				
SUMMARY OF ITEM				
Second Modification to the Administrative Services Agreement for Plan Number 305870 with the International City/County Management Association Retirement Corporation (Contract No. 2005-117-C)				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
Second Modification of Administrative Services Agreement				

THE STATE OF TEXAS § Second Modification of Administrative
 § Services Agreement
 § By and Between City of Plano and The
 § International City Management
 § Association Retirement Corporation
 COUNTY OF COLLIN § (Plan No. 305870)

THIS SECOND MODIFICATION OF Administrative Services Agreement (hereinafter "Second Modification") is made and entered into on this the _____ day of _____, 20____, by and between **THE INTERNATIONAL CITY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION**, a nonprofit corporation organized and existing under the laws of the State of Delaware (hereinafter "Contractor"), Plano, Texas, and the **CITY OF PLANO, TEXAS**, a home rule municipal corporation (hereinafter "City"), acting by and through its City Manager or his designee.

WITNESSETH:

WHEREAS, City and Contractor entered into an Agreement on September 16, 2005 (hereinafter "Agreement") to administer the City's 457 Plan and to perform all non-discretionary functions necessary for the administration of the Plan with respect to assets in the Plan deposited with the Trust (hereinafter "Services"); and

WHEREAS, City and Contractor desire to amend such Agreement in certain respects as set forth herein in this Second Modification.

NOW THEREFORE, the Agreement is incorporated herein as if written word for word. Except as provided below, all other terms and conditions of the Agreement shall remain unchanged and shall remain in full force and effect. In the event of any conflict or inconsistency between the provisions set forth in this Second Modification and the Agreement, priority of interpretation shall be in the following order: Second Modification, Agreement. In consideration of the foregoing, and for other good and valuable consideration, the parties hereto agree as follows:

I.

Beginning on the effective date of this Modification and continuing through the remaining term of the Agreement, the Administrative Services Agreement is hereby modified by the deletion of Exhibit A and by amending Section 7 titled

"Compensation and Payment/Ownership of Documents" by replacing all subsections with the following:

"7. COMPENSATION AND PAYMENT/OWNERSHIP OF DOCUMENTS

- (a)** There shall be no asset-based or per-participant fees charged under this Agreement. ICMA-RC's compensation under this Agreement shall be as set forth in subsection (b) below.
- (b)** Compensation for Management Services to the Trust, Compensation for Advisory and other Services to The Vantagepoint Funds and Payments from Third-Party Mutual Funds. Employer acknowledges that in addition to amounts payable under this Agreement, ICMA-RC receives fees from the Trust for investment management services furnished to the Trust. Employer further acknowledges that certain wholly owned subsidiaries of ICMA-RC receive compensation for advisory and other services furnished to The Vantagepoint Funds, which serve as the underlying portfolios of a number of Funds offered through the Trust. The fees referred to in this subsection are disclosed in the Retirement Investment Guide. These fees are not assessed against assets invested in the Trust's Mutual Fund Series. In addition, to the extent that third party mutual funds are included in the investment line-up for the Plans, ICMA-RC may receive payments from such third party mutual funds or their service providers, which may be in the form of 12b-1 fees, service fees, or compensation for sub-accounting or other services provided by ICMA-RC on behalf of the funds.
- (c)** Revenue Requirement. ICMA-RC shall receive total annual aggregate revenue of no less than 0.23% from funds offered by the Plan. ICMA-RC shall pay an administrative allowance quarterly to the Employer or to the Plan in an amount equal to any revenue in excess of the revenue requirement. In the event that revenue received by ICMA-RC from funds offered by the Plan falls below the revenue requirement, ICMA-RC and the Employer shall mutually agree upon a method to make up the shortfall necessary to meet the revenue requirement. Employer understands that the Plan administrative allowance is to be used only to pay for reasonable plan administrative expenses of the Plan or allocated to Plan participants at the instruction of the EMPLOYER.
- (d)** Redemption Fees. Redemption fees imposed by outside mutual funds in which Plan assets are invested are collected and paid to the mutual fund by ICMA-RC. ICMA-RC remits 100% of redemption fees back to the specific mutual fund to which redemption fees apply. These redemption fees and the individual mutual fund's policy with respect to redemption

fees are specified in the prospectus for the individual mutual fund and referenced in the Retirement Investment Guide.

- (e) Investment Advice Service. The annual fee for the on-line investment advice service made available by ICMA-RC through its arrangement with the current vendor that provides online advice is hereby waived throughout the term of this Agreement.
- (f) Self Directed Brokerage Account (SDBA) Fees. Each participant utilizing the SDBA will be charged a fee for the initial start-up. Other investment specific fees and transaction fees may apply to individual participant account activity. Those fees are charged by UVest Brokerage Services directly against the participant's Self-Directed Brokerage account
- (g) Loan Fees (existing loans). Each participant with an existing loan will be charged an annual maintenance fee per loan. These fees are charged directly against the participant's individual account.
- (h) Payment Procedures. For five years, All payments to ICMA-RC pursuant to this Section 7 shall be paid out of the Plan assets held by the Trust and shall be paid by the Trust, to the extent not paid by the Employer. The amount of Plan assets held in the Trust shall be adjusted by the Trust as required to reflect such payments. In the event that the Employer agrees to pay amounts owed pursuant to this section 7 directly, any amounts unpaid and outstanding after 30 days of invoice to the Employer shall be withdrawn from Plan assets held by the Trust. Employer further acknowledges and agrees that compensation and payment under this Agreement shall be subject to re-negotiation in the event that the Employer chooses to implement additional mutual funds outside of the ICMA-RC Mutual Fund Alliance. The compensation and payment set forth in this section 7 is contingent upon the Employer's use of ICMA-RC's EZLink system for contribution processing and submitting contribution funds by ACH or wire transfer on a consistent basis over the term of this Agreement.
- (i) ICMA-RC shall keep such records, in accordance with its business practices and applicable law, as is advisable for the administration of the plan in the course of the performance of this Agreement and shall make the same available to City for inspection and copying upon five (5) days notice."

II.

Beginning on the effective date of this Modification and continuing through the remaining term of the Agreement, Section 13 of the Agreement, titled "Term" is amended to provide as follows:

13. TERM

This Term of this Agreement shall be extended from the date of the expiration of the initial term (as indicated in the original Administrative Services Agreement) and ending 3 years after such date. This Agreement will be renewed automatically for two additional one year terms and then thereafter for each succeeding year unless written notice of termination is provided by either party to the other no less than 60 days before the end of such Agreement year.”

IN WITNESS WHEREOF, the parties enter into this Second Modification on the date first written above.

**THE INTERNATIONAL CITY MANAGEMENT
ASSOCIATION RETIREMENT CORPORATION**

By: _____
Angela C. Montez
ASSISTANT CORPORATE SECRETARY

CITY OF PLANO, TEXAS

By: _____
Thomas H. Muehlenbeck
CITY MANAGER

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2010 by **ANGELA C. MONTEZ**, Assistant Corporate Secretary of a **THE INTERNATIONAL CITY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION**, a nonprofit corporation organized and existing under the laws of the State of Delaware, on behalf of said nonprofit corporation..

Notary Public, State of Texas

STATE OF TEXAS §
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COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 20____ by **THOMAS H. MUEHLENBECK**, City Manager of the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation, on behalf of said corporation.

Notary Public, State of Texas