

RESOLUTION NO. 383

**A RESOLUTION OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AMENDING
THE EMPLOYEE 401(A) RETIREMENT PLAN ADOPTION AGREEMENT TO
EXCLUDE UNION EMPLOYEES**

WHEREAS, the City has employees rendering valuable services; and;

WHEREAS, the City's maintenance workers are represented by the International Union of Operating Engineers; and

WHEREAS, the Operating Engineers have, through recent contract negotiations, requested and gained City approval to exclude the union members from the City's 401(a) retirement plan and apply the same dollars toward the union's pension system; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,
WASHINGTON, AS FOLLOWS:**

Section 1. 401(a) Retirement Plan Adoption Agreement Amended. The City of University Place hereby amends the 401(a) adoption agreement to exclude union employees.

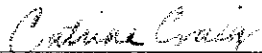
Section 2. Effective Date. This resolution shall take effect on March 1, 2003 (March 20 payroll).

ADOPTED BY THE CITY COUNCIL FEBRUARY 18, 2003.



Jean Brooks, Mayor

ATTEST:



Catrina Craig, City Clerk

ICMA RETIREMENT CORPORATION
GOVERNMENTAL MONEY PURCHASE PLAN & TRUST
ADOPTION AGREEMENT

The Employer hereby establishes a Money Purchase Plan and Trust to be known as

CITY OF UNIVERSITY PLACE MONEY PURCHASE PLAN

This Plan is an amendment and restatement of an existing defined contribution money purchase plan.

Yes No

If yes, please specify the name of the defined contribution money purchase plan which this Plan hereby amends and restates:

PEBSCO MONEY PURCHASE PLAN

- I. Employer: CITY OF UNIVERSITY PLACE
- II. The Effective Date of the Plan shall be the first day of the Plan Year during which the Employer adopts the Plan, unless an alternate Effective Date is hereby specified:
- III. Plan Year will mean:
- The twelve (12) consecutive month period which coincides with the limitation year. (See Section 5.04(i) of the Plan.)
 - The twelve (12) consecutive month period commencing on _____ and each anniversary thereof.
- IV. Normal Retirement Age shall be age 59 1/2 (not to exceed age 65).
- V. ELIGIBILITY REQUIREMENTS:
1. The following group or groups of Employees are eligible to participate in the Plan:

 All Employees

- All Full-Time Employees
 - Salaried Employees
 - Non-union Employees
 - Management Employees
 - Public Safety Employees
 - General Employees
 - Other (specify below)
- ALL FULL-TIME AND PART-TIME REGULAR EMPLOYEES

The group specified must correspond to a group of the same designation that is defined in the statutes, ordinances, rules, regulations, personnel manuals or other material in effect in the state or locality of the Employer.

2. The Employer hereby waives or reduces the requirement of a twelve (12) month Period of Service for participation. The required Period of Service shall be N/A (write N/A if an Employee is eligible to participate upon employment).

If this waiver or reduction is elected, it shall apply to all Employees within the Covered Employment Classification.

3. A minimum age requirement is hereby specified for eligibility to participate. The minimum age requirement is N/A (not to exceed age 21. Write N/A if no minimum age is declared.)

VI. CONTRIBUTION PROVISIONS

1. The Employer shall contribute as follows (choose one):

Fixed Employer Contributions With Or Without Mandatory Participant Contributions.

The Employer shall contribute on behalf of each Participant 6.7 % of Earnings or \$ ___ for the Plan Year (subject to the limitations of Article V of the Plan). Each Participant is required to contribute 6.0 % of Earnings

or \$ ___ for the Plan Year as a condition of participation in the Plan. (Write "0" if no contribution is required.) If Participant Contributions are required under this option, a Participant shall not have the right to discontinue or vary the rate of such contributions after becoming a Plan Participant.

The Employer hereby elects to "pick up" the Mandatory/Required Participant Contribution.

X Yes No

[Note to Employer: A determination letter issued to an adopting Employer is not a ruling by the Internal Revenue Service that Participant contributions that are picked up by the Employer are not includable in the Participant's gross income for federal income tax purposes. The Employer may seek such a ruling.

Picked up contributions are excludable from the Participant's gross income under section 414(h)(2) of the Internal Revenue Code of 1986 only if they meet the requirements of Rev. Rul. 81-35, 1981-1 C.B. 255. Those requirements are (1) that the Employer must specify that the contributions, although designated as employee contributions, are being paid by the Employer in lieu of contributions by the employee; and (2) the employee must not have the option of receiving the contributed amounts directly instead of having them paid by the Employer to the plan.]

() Fixed Employer Match of Participant Contributions.

The Employer shall contribute on behalf of each Participant % of Earnings for the Plan Year (subject to the limitations of Article V of the Plan) for each Plan Year that such Participant has contributed % of Earnings or \$. Under this option, there is a single, fixed rate of Employer contributions, but a Participant may decline to make the required Participant contributions in any Plan Year, in which case no Employer contribution will be made on the Participant's behalf in that Plan Year.

() Variable Employer Match Of Participant Contributions.

The Employer shall contribute on behalf of each Participant an amount determined as follows (subject to the limitations of Article V of the Plan):

 % of the contributions made by the Participant for the Plan Year (not including Participant contributions exceeding % of Earnings or \$);

PLUS % of the contributions made by the Participant for the Plan Year in excess of those included in the above paragraph (but not including Participant contributions exceeding in the aggregate % of Earnings or \$).

Employer Contributions on behalf of a Participant for a Plan Year shall not exceed \$ _____ or _____ % of Earnings, whichever is _____ more or _____ less.

2. Each Participant may make a voluntary (unmatched), after-tax contribution, subject to the limitations of Section 4.05 and Article V of the Plan.

Yes No

3. Employer contributions and Participant contributions shall be contributed to the Trust in accordance with the following payment schedule:

PER PAY PERIOD, SEMI-MONTHLY

VII. EARNINGS

Earnings, as defined under Section 2.09 of the Plan, shall include:

- (a) Overtime

Yes No

- (b) Bonuses

Yes No

VIII. LIMITATION ON ALLOCATIONS

If the Employer maintains or ever maintained another qualified plan in which any Participant in this Plan is (or was) a participant or could possibly become a participant, the Employer hereby agrees to limit contributions to all such plans as provided herein, if necessary in order to avoid excess contributions (as described in Sections 5.02 and 5.03 of the Plan).

1. If the Participant is covered under another qualified defined contribution plan maintained by the Employer, the provisions of Section 5.02(a) through (f) of the Plan will apply unless another method has been indicated below.

- () Other Method. (Provide the method under which the plans will limit total Annual Additions to the Maximum Permissible Amount, and will properly reduce any excess amounts, in a manner that precludes Employer discretion.)

2. If the Participant is or has ever been a participant in a defined benefit plan maintained by the Employer, and if the limitation in Section 5.03 of the Plan would be exceeded, then the Participant's Projected Annual Benefit under the defined benefit plan shall be reduced in accordance with the terms thereof to the extent necessary to satisfy such limitation. If such plan does not provide for such reduction, or if the limitation is still exceeded after the reduction, annual additions shall be reduced to the extent necessary in the manner described in Sections 5.02 and 5.02. The methods of avoiding the limitation described in this paragraph will not apply if the Employer indicates another method below.

() Other Method. (Note to Employer: Provide below language which will satisfy the 1.0 limitation of section 415(e) of the Code. Such language must preclude Employer discretion. See section 1.415-1 of the Regulations for guidance.)

3. The limitation year is the following 12-consecutive month period: _____

IX. VESTING PROVISIONS

The Employer hereby specifies the following vesting schedule, subject to (1) the minimum vesting requirements as noted and (2) the concurrence of the Plan Administrator.

<u>Years of Service Completed</u>	<u>Percent Vesting</u>
Zero	<u>0</u> %
One	<u>33</u> %
Two	<u>67</u> %
Three	<u>100</u> %
Four	_____ %
Five	_____ %
Six	_____ %
Seven	_____ %
Eight	_____ %
Nine	_____ %
Ten	_____ %

401 QUALIFIED PLAN EMPLOYER DATA FORM

• Instructions to Employer: Provide necessary information to establish your plan properly. Please contact Client Services at 1-800-326-7272, if you have any questions.



RC Use Only
7342
1. Employer Number

General
Plan
Information

- 2. Employer's Full Name (City of, County of, etc.) CITY OF UNIVERSITY PLACE
- 3. Employer's Mailing Address 3715 BRIDGEPORT WAY W.
- 4. City UNIVERSITY PLACE 5. State WA 6. Zip Code 98466
- 7. Employer's Federal Tax Identification Number _____
- 8. Number of Employees 58
- 9. Number of Employees Eligible for Plan 58
- 10. Last Month of Plan Year (write in month 01-12) 12

Contact
Information

- 11. Title (not name) of Plan's Primary Contact Person MANAGEMENT SERVICES DIRECTOR
Primary Contact Person will automatically receive all RC correspondence, reports, and bulletins
Telephone (253) 566-5656
- 12. Title (not name) of Contact Person for Benefit Payments FINANCE SPECIALIST
Telephone (253) 566-5656
 Check here if Contact Person for Benefit Payments should receive RC correspondence, reports and bulletins
- 13. Title (not name) of Contact Person for Contributions FINANCE SPECIALIST
Telephone (253) 565-5656
 Check here if Contact Person for Contributions should receive RC correspondence, reports and bulletins

Note: If neither of the boxes in 12 or 13 is checked, default correspondent will be Plan Coordinator named in the resolution.

Implementation
of Plan

- 14. Contribution Frequency (check one): (W) Weekly (M) Monthly Other (specify) _____
 (B) Biweekly (S) Semi-monthly
- 15. Contribution Data Format (check one): (T) Tape (QD) QUICK DISK (E) EDT
 (C) Contribution Statement (D) Diskette
- 16. First pay date following plan implementation AUGUST 5, 1999
- 17. Are employees covered by the plan also covered by another qualified plan? Yes No

401 CONTRACT ROUTING SHEET

EMPLOYER'S NAME: City of University Place
 STATE: WA ACCOUNT NUMBER 10- 7392
 REP NAME: Peter Hoerber REP CODE: 3998

Money Purchase:	MD <input checked="" type="checkbox"/> NS <input type="checkbox"/>	ID <input type="checkbox"/>	Initials/Date	<u> / </u>
Profit Sharing (A):	MD <input type="checkbox"/> NS <input type="checkbox"/>	ID <input type="checkbox"/>	Initials/Date	<u> / </u>
Profit Sharing (K):	MD <input type="checkbox"/> NS <input type="checkbox"/>	ID <input type="checkbox"/>	Initials/Date	<u> / </u>

Section 1: Pricing Approval:
 Form Received and Date Stamped:

Date 5 13 1999

Section 2: Adoption Materials:

Materials Mailed to Employer Date 5 128 1 99
 Materials Received from Employer Date 6 1 25 1 99
 Additional Materials Received from Employer Date / /

External Checklist -

- Resolution
- MERS Resolution*
- Implementation Data Form
- RC Adoption Agreement
- MERS Adoption Agreement*
- Administrative Services Agreements (ASAs)
- Transferred Asset Data Sheet
- Loan Guidelines
- Census Form(s)
- Enrollment Forms (# Received) Date Sent to RMU / /
- Employer Plan Conversion Forms Date Sent to RMU / /
- Direct Rollover Forms Date Sent to RMU / /

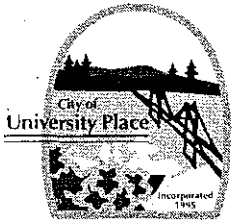
Internal Checklist -

- Billing Form
- Memo to Corporate Accounting for Implementation Fee
- Date of Request for Additional Documents / /

Notes and Comments: 4 copies of ASA's rec'd
loan guidelines refiled.

Approvals:

RC Services, Principal Date 7 17 1999 Initials PH
 Corporate Secretary Date 7 16 1999 Initials PH
 Date N.O.P.A. Mailed Date 7 120 1999 Initials KM



CITY OF UNIVERSITY PLACE

CLERK'S OFFICE

3715 Bridgeport Way West - Suite B-1
University Place, WA 98466-4456

Phone: (253) 566-5656 • Fax: (253) 566-5658
city_hall@ci.university-place.wa.us

February 27, 2003

ICMA Retirement Corporation
PO Box 96220
Washington, D.C. 20090-6220

To Whom It May Concern:

Please note that effective March 1, 2003 (March 20 payroll), the City of University Place will exclude union employees from future contributions (City or employee) to its 401(a) retirement plan, #107392 with ICMA-RC. All non-represented employees will remain eligible. Contributions levels will not change. The City Council resolution authorizing this change and the amended adoption agreement are enclosed with this letter.

I assume that the union employees, while they are no longer eligible to contribute, will be able to keep their current 401(a) accounts and balances, and that ICMA-RC will maintain them. Please let me know if I am not correct.

Thank you for your help. Please call me (253-460-2516) if you have questions or if you need anything else.

Sincerely,

Rob Karlinsey
Administrative Services Director
City of University Place, WA