



CITY OF
FORESTPARK

City Council Agenda Item

Subject: Council Consideration of and Vote on Proposal to Temporarily Suspend the Borrowing of Funds from Employee Empower Retirement Accounts – Executive

Submitted By: City Manager

Date Submitted: August 1, 2023

Work Session Date: August 7, 2023

Council Meeting Date: August 7, 2023

Background/History:

Over the past year, a number of problems have been identified with respect to employees borrowing funds from their Empower retirement accounts. Among the problems are: poor record keeping; failure to repay borrowed funds and missing contributions being made to employee accounts. In addition, there is significant confusion regarding how the loans are to be administered and whether there are credit score impacts if loans are not repaid.

In order to give the staff sufficient time to gather the necessary information and identify corrective measures, we are recommending that the Council suspend the ability of employees to borrow from their Empower retirement accounts. The proposed suspension period is six months, with the ability of the City Manager to extend an addition six months if necessary.

Cost: \$ N/A

Budgeted for: _____ **Yes** _____ **No**

Financial Impact:

Action Requested from Council:

Approval of the resolution.