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**TO:** FRUITA CITY COUNCIL AND MAYOR

**FROM:** ODETTE BRACH, HUMAN RESOURCES DIRECTOR

**DATE:** DECEMBER 21, 2021

**AGENDA TEXT:** RESOLUTION 2021-43 – A request to approve Adoption Agreements for 401 Plan No. 108503 and Plan No. 106027 and authorize the City Manager to execute all necessary agreements

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### BACKGROUND

As approved in the 2022 Annual Budget, the City of Fruita is amending the established Money Purchase Retirement Plan No. 108503 to provide a 1.5% match to the employee provided that the employee contributes 1.5% to the City's 457 Plan. If approved, the amendment will be effective January 1, 2022.

Additionally, as approved in the 2022 Annual Budget, the City of Fruita is amending the established Money Purchase Retirement Plan No. 106027 for the Fruita Police Department. This amendment will increase the City's match contributions to 14%. Officers will continue to contribute 10% of earnings. If approved, the amendment will be effective January 1, 2022.

Resolution 2021-43 approves the Adoption Agreements and authorizes the City Manager to execute all necessary agreements.

### FISCAL IMPACT

The funding for these increases was included in the 2022 Annual Budget that was adopted by the City Council on December 7, 2021.

### APPLICABILITY TO CITY GOALS AND OBJECTIVES

Resolution 2021-39 provides the vehicle for employees to plan and prepare for their retirement years is important to keeping employees and making it more attractive to work for the City of Fruita.

### OPTIONS AVAILABLE TO THE COUNCIL

1. Approve Resolution 2021-43 - Approving Adoption Agreements for 401 Plan No. 108503 and Plan No. 106027 and authorize the City Manager to execute all necessary agreements.
2. Deny Resolution 2021-43 - Approving Adoption Agreements for 401 Plan No. 108503 and Plan No. 106027 and authorize the City Manager to execute all necessary agreements.

## **RECOMMENDATION**

It is the recommendation of the Fruita City Staff that the Council by motion:

- 1. ADOPT RESOLUTION 2021-39 - APPROVING ADOPTION AGREEMENTS FOR 401 PLAN NO. 108503 AND PLAN NO. 106027 AND AUTHORIZE THE CITY MANAGER TO EXECUTE ALL NECESSARY AGREEMENTS**