



**FRUITA**  
COLORADO

## AGENDA ITEM COVER SHEET

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**TO:** FRUITA CITY COUNCIL AND MAYOR

**FROM:** ADMINISTRATION DEPARTMENT

**DATE:** OCTOBER 1, 2024

**AGENDA TEXT:** RESOLUTION 2024-28 –A Resolution Electing to Join the Colorado Retirement Association and Adopting 401(a) Retirement Plans, and 457 Deferred Retirement Plans

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### BACKGROUND

The City of Fruita has offered four retirement plans for employees for the past several years, which include a 401(a)-retirement plan for non-sworn employees, a 401(a)-retirement plan for sworn employees, an Executive 401(a) retirement plan, and a 457 deferred compensation plan. Based upon feedback and recommendations from employees, staff has been evaluating how to improve employee retirement benefits and provide better education, lower expense ratios, and additional investment options for employees. Because of this, earlier this year, staff administered a formal Requests for Proposals for Retirement Service providers and received 11 proposals.

After an evaluation process, three finalists were invited to present to the Finance Director, the Human Resources Director and five employees from various City departments. The group recommended that the City of Fruita move forward with joining the Colorado Retirement Association as their retirement provider. The attached resolution authorizes the Cit of Fruita to join the Colorado Retirement Association, and also adopts 401 (a) Retirements Plans, and a 457 Deferred Compensation Retirement Plan.

Included with this cover sheet, in addition to the resolution is the Participation Agreements for each plan that will be executed by the City Manager. There are no changes to the Participant Agreements from the City of Fruita's current agreements.

### FISCAL IMPACT

There is a fiscal impact to adopting the 401(a) and 457 plans in that employees will now be required to make a 3% contribution to the plan. The City has budgeted dollars for the 6% match as that is not a deviation from our current structure.

### APPLICABILITY TO CITY GOALS AND OBJECTIVES

The adoption of the 401(a) and 457 with CRA is in alignment with the City Strategic Plan, to make the City of Fruita an Employer of Choice by establishing competitive benefits plans. With the 401(a) and 457 plans, the City will provide employees with a better vehicle to plan and prepare for their retirement years, which is important to retaining employees and making it more attractive to work for the City of Fruita.

## **OPTIONS AVAILABLE TO THE COUNCIL**

- Approve Resolution 2024-28, electing to join the Colorado Retirement Association and adopting the 401(a) and 457 plans.
- Deny Resolution 2024-28, electing to join the Colorado Retirement Association and adopting the 401(a) and 457 plans.

## **RECOMMENDATION**

It is the recommendation of staff that the Council by motion:

**APPROVE RESOLUTION 2024-28, ELECTING TO JOINN THE COLORADO RETIREMENT ASSOCIATION, AND ADOPTING THE 401(a), EXECUTIVE 401(A) PLANS AND 457 DEFERRED COMPENSATON PLAN.**