

Agenda Report

APRIL 1, 2002

TO: City Council

FROM: Cynthia J. Kurtz, City Manager

SUBJECT: Approval of Indemnification Agreements Regarding the City's Deferred Compensation Plan

RECOMMENDATION:

It is recommended that the City Council approve the attached Indemnification Agreement regarding the City's Deferred Compensation Plan between the City and the City Manager and between the City and the City Treasurer.

These changes have been reviewed and discussed with the Deferred Compensation Oversight Committee and has received its concurrence.

BACKGROUND:

In December 2000, the City's Deferred Compensation Board of Trustees (the members who are the City Council) met to review proposed amendments to the City's Deferred Compensation Plan. As a result of this meeting, staff was instructed to return with the recommended amendments incorporated into a revised Plan document as well as an Indemnification Agreement. These were approved by the City Council in June 2001. Since that time, it has been determined that while not specifically named in the Plan Documents, both the City Manager and City Treasurer play key roles in decisions that are made regarding the City's Deferred Compensation program.

DISCUSSION:

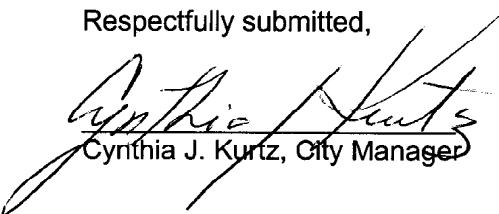
In June 2001, the City Council approved numerous amendments to the City's Deferred Compensation Plan and authorized the execution of Indemnification Agreements between the City and the City Council (as Plan Trustees), the members of the Deferred Compensation Oversight Committee, and the Plan Administrator (the Director of Finance). At that time, a recommendation to offer Indemnification Agreements with the City Manager and City Treasurer should have also been recommended. The City Treasurer is often involved with the review of "hardship" withdrawal requests from Plan

Participants, as well as reviewing and making recommendations as to investment options and other Plan related issues. With regards to the City Manager, all recommendations from the Plan Administrator are reviewed by the City Manager by submitting to the City Council and/or Trustees.

FISCAL IMPACT:

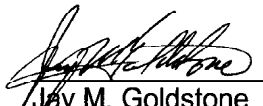
There is no fiscal impact associated with this action.

Respectfully submitted,



Cynthia J. Kurtz, City Manager

Approved by:



Jay M. Goldstone
Plan Administrator/Director of Finance
