



CITY OF CARSON

Legislation Text

File #: 2022-570, Version: 1

Report to Mayor and City Council

Tuesday, July 05, 2022

Consent

SUBJECT:

CONSIDER ADOPTING RESOLUTION 22-141, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON APPOINTING THE CITY MANAGER AS THE PLAN ADMINISTRATOR OF THE CITY'S DEFINED CONTRIBUTION PLANS

I. SUMMARY

The City offers 457(b) and 401(a) defined contribution pension plans to its employees. Shuster Advisory Group, LLC is the pension consultant and investment advisor, and the City Council is the Plan Administrator and thus both are considered fiduciaries. This exposes individual Council members to liabilities associated with their actions or lack thereof related to the Plans. City Council may appoint a staff position to replace it as Plan Administrator, thus transferring the associated fiduciary liabilities. Resolution 2022-141 is to appoint City Manager as the Plan Administrator.

II. RECOMMENDATION

WAIVE further reading and ADOPT Resolution No. 22-141, a "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPOINTING THE CITY'S CITY MANAGER AS THE PLAN ADMINISTRATOR OF THE CITY'S DEFINED CONTRIBUTION PLANS."

III. ALTERNATIVES

Council may take any other actions it deems appropriate. However, not appointing a staff position as Plan Administrator exposes Council members to liabilities associated with their role as fiduciaries.

IV. BACKGROUND

Currently City Council is the Plan Administrator for City's 457(b) and 401(a) defined contribution plans. This exposes individual Council members to liabilities associated with their actions or lack thereof related to the Plans. Resolution 22-141 will appoint City Manager to replace Council as Plan Administrator, thus transferring the associated fiduciary liabilities. The City's Fiduciary Liability insurance policy provides coverage for City employees, including City Manager, when they act as plan fiduciaries.

As Plan Administrator, City Manager, will have the authority to participate in Plan design and operation and will be authorized to sign all documents necessary in the day-to-day operations of the pension plans.

V. FISCAL IMPACT

There is no fiscal impact to the City as the plan funds are not City funds.

VI. EXHIBITS

Resolution 22-141 (pages 3-4)

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