

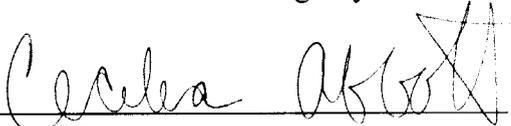
COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 030043

Authorizing the City Manager to execute an Adoption Agreement establishing an accumulated leave plan to be provided by ING Life Insurance and Annuity Company.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby authorized to execute an Adoption Agreement establishing an accumulated leave plan to be provided by ING Life Insurance and Annuity Company which shelters portions of the vacation and sick leave pay-out from payroll taxes ordinarily paid by the City and the employee and defers federal and state taxes ordinarily paid by the employee, for retirees age 55 and older and retiring under the incentive plan set out in Committee Substitute for Ordinance No. 021393, and others as determined by the City Manager.

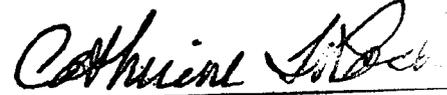
Approved as to form and legality:


Assistant City Attorney



Authenticated as Passed


KAY BARNES, Mayor


Catherine T. Rocha, City Clerk

DATE PASSED JAN 16 2003

030043

Ordinance Number

GENERAL

Ordinance Fact Sheet

Brief Title	Approval Deadline	Reason

Details

Reason for Legislation

Authorizing the City Manager to establish an Accumulated Leave defined contribution plan for certain retiring employees that satisfies the requirements of Section 401(a) of the Internal Revenue Code for profit sharing plans.

Discussion (including relationship to other Council actions.)

Governmental employers are allowed to implement tax sheltered defined contribution plans whereby unused leave balances otherwise payable to the employee upon separation of service are, within certain limits, instead contributed to the plan by the employer. Under these arrangements, the employee benefits from deferral of federal and state income taxes, until funds are subsequently withdrawn, and permanently avoids payment of the 6.2% social security tax and 1.45% medicare tax that would, in most instances, otherwise be due. The employer also benefits from a similar reduction in those payroll taxes.

The Accumulated Leave plan to be established is offered by ING, which was selected as a result of a formal Request For Proposal process involving four bidders. Participation in the plan initially would be mandatory for all employees age 55 and older due a gross unused leave payout of \$1,000 or greater who retire pursuant to the incentive program contemplated by COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 021393. Those employees may then immediately withdraw any portion of their account balance without penalty, or choose to preserve its tax deferred status for as long as the Internal Revenue Code allows. The plan may later be amended to change the group of employees required to participate.

This Ordinance authorizes the City Manager to establish this plan.

Positions/Recommendations

Sponsor	Robert Collins, City Manager
Programs, Departments, or Groups Affected	
Applicants / Proponents	<p>Applicant</p> <p>City Department</p> <p>Other</p>
Opponents	<p>Groups or Individuals</p> <p>None known.</p> <p>Basis of opposition</p>
Staff Recommendation	<p><input checked="" type="checkbox"/> For</p> <p><input type="checkbox"/> Against</p> <p>Reason Against</p>
Board or Commission Recommendation	<p>By</p> <p><input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken</p> <p><input type="checkbox"/> For, with revisions or conditions (see details column for conditions)</p>
Council Committee Actions	<p><input type="checkbox"/> Do pass</p> <p><input type="checkbox"/> Do pass (as amended)</p> <p><input type="checkbox"/> Committee Sub.</p> <p><input type="checkbox"/> Without Recommendation</p> <p><input type="checkbox"/> Hold</p> <p><input type="checkbox"/> Do not pass</p>

Details

<p>Is it good for the children?</p> <p><input checked="" type="checkbox"/> yes <input type="checkbox"/> no</p>
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Policy/Program Impact

Policy or Program Change	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes Changes procedures for payment of unused leave.
Operational Impact	
Assessment	

Finances

Cost & Revenue Projections -- Including Indirect	
Financial Impact	Estimated City-wide savings of \$259,280, including General Fund savings of \$159,570, as calculated by the Budget Office.
Fund Source (s) and Appropriation Account Codes	

Applicable Dates:

Fact Sheet Prepared by: Richard G. Boersma

Reviewed by:

Reference Numbers

ORDINANCE NO. 030043

030043

Authorizing the City Manager to enter into an agreement with IN Financial Advisers, LLC, to establish an accumulated leave plan.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby authorized to enter into an agreement with IN Financial Advisers, LLC, that establishes an accumulated leave plan which shelters portions of the vacation and sick leave pay-out from federal and state taxes ordinarily paid by the City and the employee for retirees age 55 and older and retiring under the incentive plan set out in Committee Substitute for Ordinance No. 021393.

Approved as to form and legality:



Assistant City Attorney



Request for Ordinance/Resolution
City of Kansas City, Missouri

Request for Ordinance
 Resolution (Special Instructions Below)

To be entered by the City Clerk

030043

Legislative Control No.	Date
Docketing Date	
Committee Assignment	

Before using this form see Administrative Regulation 4-1, Procedures for Handling Ordinance Requests

Date 1/9/03	Request Made By Robert Collins	Department City Manager
Desired Docketing Date 1/9/03	If Emergency, Give Reason (See Sec. 15 of Charter)	
Emergency Measure Required? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Justification for Proposed Legislation

Authorizing the City Manager to enter into an agreement with ING Financial Advisers, LLC, to establish an accumulated leave plan.

Resolution Special Instructions:

Parchment Resolutions Required? Yes <input type="checkbox"/> Number _____ No <input type="checkbox"/> _____	Wish to Review and Approve this Ordinance prior to its introduction. Requestor Does <input type="checkbox"/> Does Not <input type="checkbox"/>	If this is a Resolution, does the Sponsor desire the adoption on the first reading? Yes <input type="checkbox"/> No <input type="checkbox"/>	Date: _____ Director's Signature
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To be Used by the Finance Department

Budget and Systems Date: _____ Division Head Signature	Account Numbers and Appropriation Balances Checked Date: _____ Supervisor of Accounts Signature	Fund Availability Approved Date: _____ Director of Finance Signature
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Distribution: White City Clerk Blue City Clerk Green City Manager Canary City Counselor Pink Finance Dept. Goldenrod Department	EXHIBIT ATTACHED: _____ EXHIBIT NOT ATTACHED: _____	Date: _____ City Manager's Signature
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