



PORT OF BELLINGHAM
Washington State

MEMORANDUM

TO: Rob Fix

DATE: May 7, 2019

FROM: Elizabeth Monahan *Elizabeth Monahan*

SUBJECT: Resolution 1383, Establishment of a 401(a)

ACTION REQUESTED

Approve Resolution 1383, establishing a 401(a) Social Security Replacement plan for Airport Rescue and Fire Fighter employees.

BACKGROUND

In March of 2018, the Department of Retirement Systems determined that the Airport Rescue and Fire Fighter (ARFF) employees should participate in the Law Enforcement Officer and Fire Fighter (LEOFF) pension plan and not the Public Employee Retirement System (PERS). As such, the employees were no longer eligible to participate in Social Security. On April 17, 2018, the Commission approved Resolution No. 1372, allowing the Department of Retirement Systems to hold a referendum vote allowing the eligible employees the opportunity to participate in Social Security. The eligible employees voted and declined the opportunity to participate in Social Security.

During the recent collective bargaining negotiations between the Port and the International Association of Fire Fighters, (IAFF) Local 106, the IAFF proposed an employer contribution towards their retirement as a replacement for Social Security contributions. The parties agreed to an employer match up to the Social Security tax limit of 6.2% to be made into a 401(a) account. The employees' contributions to the current 457 account will trigger the match.

Commission approval of Resolution 1383 will establish the plan details and establish the plan administration. ICMA-RC currently provides the Port with a 457 plan and will also be the 401(a) plan administrator.

If employees request, and the Commission approves, another Referendum Vote on Social Security voluntary participation, and the eligible employees vote to participate in Social Security, the Port will no longer provide this match.

FISCAL IMPACT

The maximum employer match into the 401(a) will be equal to the current Social Security tax of 6.2% of earnings.

RECOMMENDATION

The Port bargaining team recommends approval of this action.

Attachments: Resolution 1383

RESOLUTION NO. 1383

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF BELLINGHAM AUTHORIZING THE CREATION OF A 401(A) PROFIT-SHARING PLAN FOR ELIGIBLE EMPLOYEES.

WHEREAS, The Port of Bellingham (the "Port") is a municipal corporation; and

WHEREAS, the Port has employees rendering valuable service who no longer participating in Social Security; and

WHEREAS, the Port desires that its profit-sharing retirement plan be administered by ICMA-RC, and that the funds held in such plan be invested in VantageTrust, a trust establish by public employers for the collective investment of funds held under their retirement and deferred compensation plans;

NOW, THEREFORE, BE IT RESOLVED that the Port hereby establish or has established a profit-sharing retirement plan (the "Plan") in the form of the ICMA Retirement Corporation Governmental Profit-Sharing Plan & Trust, pursuant to the specific provisions of the Adoption Agreement.

The Plan shall be maintained for the exclusive benefit of eligible employees and their beneficiaries; and

BE IT FURTHER RESOLVED that the Port hereby agrees to serve as trustee under the Plan and to invest funds held under the VantageTrust.

BE IT FURTHER RESOLVED that the Director of Human Resources shall be the coordinator for the Plan; shall receive reports, notices, etc., from ICMA Retirement Corporation or VantageTrust; shall cast, on behalf of the Employers, any required votes under VantageTrust; may delegate any administrative duties relating to the Plan to appropriate departments; and

BE IT FURTHER RESOLVED that the Port hereby authorizes the Executive Director to execute all necessary agreements with ICMA Retirement Corporation incidental to the administration of the Plan.

ADOPTED by the Board of Commissioners of the Port of Bellingham this 7th day of May 2019, and duly authenticated in open session by signatures of the Commissioners voting in favor thereof and the seal of the Commission affixed.

_____, President

_____, Vice President

_____, Secretary