

RESOLUTION NO. 48-2004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, ESTABLISHING A RETIREMENT HEALTH SAVINGS PLAN; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City of Mesquite, Texas (the "City") has employees rendering valuable services; and

WHEREAS, the establishment of a Retiree Health Savings Plan for such employees serves the interests of the City by enabling it to provide reasonable security regarding such employees' health needs during retirement by providing increased flexibility in its personnel management system and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the City has determined that the establishment of the Retiree Health Savings Plan serves the above objectives.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That the City of Mesquite, Texas (the "City") hereby adopts the Retiree Health Savings Plan (the "RHS Plan") in the form proposed by the International City Management Association ("ICMA") Retirement Corporation through their VantageCare Retirement Health Savings program.

SECTION 2. That the RHS Plan shall be administered by ICMA in accordance with the terms of the Administrative Services Agreement, which has been amended to include section 8(c), in the form attached hereto as Exhibit "A."

SECTION 3. That the assets of the RHS Plan shall be held in trust, with Investors Bank and Trust serving as Trustee for the exclusive benefit of the RHS Plan participants and their beneficiaries without cost to the City, and the assets of the RHS Plan shall not be diverted to any other purpose prior to the satisfaction of all liabilities of the RHS Plan.

SECTION 4. That the City Manager is hereby authorized to execute the Declaration of Trust of the City of Mesquite, Texas Integral Part Trust in the form of the model trust made available by ICMA with the amendments to sections 6.4 and 6.5 as mutually agreed to by all the parties.

SECTION 5. That the Director of Human Resources shall be the coordinator and contact for the RHS Plan and shall receive necessary reports, notices, etc.


SECTION 6. That this resolution shall become effective on and after January 1, 2005.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 1st day of November, 2004.




Mike Anderson  
Mayor

ATTEST:

  
Judy Wornack  
City Secretary

APPROVED:

  
B. S. Smith  
City Attorney

## ADMINISTRATIVE SERVICES AGREEMENT

**Type:** VantageCare RHS

**Account Number:** 800795

## ADMINISTRATIVE SERVICES AGREEMENT

This Agreement, made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20 (herein referred to as the "Inception Date"), between The International City Management Association Retirement Corporation ("ICMA-RC"), a nonprofit corporation organized and existing under the laws of the State of Delaware; and the City of Mesquite ("Employer") a local governmental instrumentality organized and existing under the laws of the State of Texas with an office at 711 North Galloway, Mesquite, Texas 75149.

### RECITALS

Employer acts as a public plan sponsor for a retiree health plan with responsibility to obtain investment alternatives and services for employees participating in that plan;

Employer desires to make the VantageCare Retirement Health Savings Plan ("RHS Plan" or "Plan") provided by ICMA-RC available to its employees;

ICMA-RC makes available the Vantagepoint Funds, a no-load, diversified mutual fund, for investment of public employer plan assets, including RHS Plan assets;

ICMA-RC provides a complete offering of services to public employers for the operation of employee retirement and retiree health savings plans including, but not limited to, communications concerning investment alternatives, account maintenance, account record-keeping, investment and tax reporting, form processing, benefit disbursement and asset management.

### AGREEMENTS

#### 1. Acceptance of RHS Plan

Employer agrees to make the RHS Plan provided by ICMA-RC available to its employees. The details of the RHS Plan shall be as mutually agreed between the Employer and ICMA-RC, and in general shall be as set forth in the RHS Plan materials developed by ICMA-RC and provided to Employer. The RHS Plan materials are hereby incorporated by reference and made a part of this Agreement, except that Employer and ICMA-RC may from time to time mutually agree in writing to terms that vary from the RHS Plan materials. RHS plan materials shall include the *VantageCare RHS Employer Manual*, available electronically through the EZ Link System upon plan adoption.

The functions to be performed by ICMA-RC and its agents include:

- (a) allocation in accordance with participant direction of individual accounts to investment funds ("Funds") made available to Plan participants;

- (b) maintenance of individual accounts for participants reflecting amounts contributed, income, gain, or loss credited, and amounts disbursed as benefits;
- (c) provision of periodic reports to the Employer and participants of the status of Plan investments and individual accounts;
- (d) communication to participants of information regarding their rights and elections under the Plan;
- (e) disbursement of benefits as agent for the Employer in accordance with terms of the Plan; and
- (f) performance of tax withholding and reporting in conjunction with the Employer for each RHS account.

## 2. Employer Duty to Furnish Information

Employer agrees to furnish to ICMA-RC on a timely basis such information as is necessary for ICMA-RC to carry out its responsibilities with respect to the Plan, including information needed to allocate individual participant accounts to Funds, and information as to the employment status of participants, and participant ages, addresses, beneficiaries and other identifying information (including tax identification numbers). ICMA-RC shall be entitled to rely upon the accuracy of any information that is furnished to it by a responsible official of the Employer or any information relating to an individual participant, dependent, or beneficiary that is furnished by such participant, dependent, or beneficiary, and ICMA-RC shall not be responsible for any error arising from its reliance on such information. ICMA-RC will provide account information in reports, statements or accountings.

## 4. Certain Representations and Warranties

ICMA-RC represents and warrants to Employer that:

- (a) ICMA-RC is a non-profit corporation with full power and authority to enter into this Agreement and to perform its obligations under this Agreement.
- (b) ICMA-RC is an investment adviser registered as such with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. ICMA-RC Services, LLC (a wholly owned subsidiary of ICMA-RC) is registered as a broker-dealer with the Securities and Exchange Commission (SEC) and is a member in good standing of the National Association of Securities Dealers, Inc.

Employer represents and warrants to ICMA-RC that:

- (c) Employer is organized in the form and manner recited in the opening paragraph of this Agreement with full power and authority to enter into and perform its obligations under this Agreement and to act for the Plan and participants in the manner contemplated in this Agreement. Execution, delivery, and performance of this Agreement will not conflict with any law, rule, regulation or contract by which the Employer is bound or to which it is a party.
- (d) Information required to be retained by the Employer shall be set forth in the RHS plan materials developed by ICMA-RC and provided to the Employer.

5. Participation in Certain Proceedings

The Employer hereby authorizes ICMA-RC to act as agent, to appear on its behalf, and to join the Employer as a necessary party in all legal proceedings involving the garnishment of benefits or the transfer of benefits pursuant to a medical child support order. Unless Employer notifies ICMA-RC otherwise, Employer authorizes ICMA-RC to determine whether disbursement of benefits to a former spouse, spouse or child pursuant to a medical child support order is appropriate.

6. Compensation and Payment

- (a) Absent an explicit agreement to the contrary between ICMA-RC and Employer, participant fees and expenses shall be payable from RHS assets, in accordance with the requirements of the RHS Plan as set forth below.

- (i) Employer with ICMA-RC §401 and §457 retirement plan average participant account balances of \$25,000 or more:

A \$30 annual account fee will be charged to each Accountholder's account. The fee will be charged against the account on a quarterly basis. In addition, an annual asset fee of 0.30% (30 basis points) will be charged on a quarterly basis, based on the balance in the account on the last day of the previous quarter.

- (ii) Employer with ICMA-RC §401 and §457 retirement plan average participant account balances of less than \$25,000, or Employer who does not currently have a retirement plan with ICMA-RC:

A \$30 annual account fee will be charged to each Accountholder's account. The fee will be charged against the account on a quarterly basis. In addition, an annual asset fee of 0.40% (40 basis points) will be charged on a quarterly basis, based on the balance in the account on the last day of the previous quarter.

When the average participant account balance of the Employer's §401 and §457 retirement plans with ICMA-RC totals \$25,000 or more (based on the balances in the Employer's retirement plans on the last day of the previous quarter), the pricing detailed in paragraph 8.a. shall apply beginning in the subsequent quarter.

- (iii) For De Minimis account payments (as defined in the RHS plan materials), there will be a fee of \$25 collected at the time of disbursement.
  - (iv) Account administration fees are subject to change with appropriate prior notification.
- (b) Compensation for Advisory and other Services to the Vantagepoint Funds. Employer acknowledges that certain wholly-owned subsidiaries of ICMA-RC receive compensation for advisory and other services furnished to the Vantagepoint Funds. The fees referred to in this subsection are disclosed in the Vantagepoint Funds Prospectus.

#### 7. Custody

Employer understands that amounts contributed to the RHS plan are to be remitted directly to Vantagepoint Transfer Agents in accordance with instructions provided to Employer in the RHS plan materials and are not to be remitted to the ICMA Retirement Trust or ICMA-RC. In the event that any check or wire transfer is incorrectly labeled or transferred, ICMA-RC will return it to Employer with proper instructions.

#### 8. Responsibility

- (a) ICMA-RC shall not be responsible for any acts or omissions of any person other than ICMA-RC in connection with the administration or operation of the Plan.
- (b) The Employer understands that, as a general matter, the Internal Revenue Service ("IRS") may decline to rule on certain design features or provisions that the Employer may request to have added to the RHS plan materials. The Employer agrees to hold ICMA-RC harmless in connection with the addition and administration of any RHS plan feature or provision requested by the Employer for which the IRS will not provide express interpretive guidance.
- (c) ICMA-RC agrees to indemnify and hold harmless and defend Employer, its officers, agents and employees from and against all liability for any claims, liens, suits, demands and/or actions for damages and expenses, including court costs and attorney's fees and other reasonable costs arising out of or resulting from the

negligent acts or omissions of ICMA-RC, its officers, agents, employees, subcontractors or licensees.

9. Term

This Agreement shall be in effect for an initial term beginning on the Inception Date and ending 5 years after the Inception Date. This Agreement will be renewed automatically for each succeeding year unless written notice of termination is provided by either party to the other no less than 60 days before the end of such Agreement year.

10. Amendments and Adjustments

- (a) This Agreement may not be amended except by written instrument signed by the parties.
- (b) The parties agree that an adjustment to compensation or administrative and operational services under this Agreement may only be implemented by ICMA-RC through a proposal to the Employer via correspondence or the Employer Bulletin. The Employer will be given at least 60 days to review the proposal before the effective date of the adjustment. Such adjustment shall become effective unless, within the 60 day period before the effective date, the Employer notifies ICMA-RC in writing that it does not accept such adjustment, in which event the parties will negotiate with respect to the adjustment.
- (c) No failure to exercise and no delay in exercising any right, remedy, power or privilege hereunder shall operate as a waiver of such right, remedy, power or privilege.

11. Notices

All notices required to be delivered under Section 10 of this Agreement shall be delivered personally or by registered or certified mail, postage prepaid, return receipt requested, to (i) Legal Department, ICMA Retirement Corporation, 777 North Capitol Street, N.E., Suite 600, Washington, D.C, 20002-4240; (ii) Employer at the office set forth in the first paragraph hereof, or to any other address designated by the party to receive the same by written notice similarly given.

12. Complete Agreement

This Agreement shall constitute the sole agreement between ICMA-RC and Employer relating to the object of this Agreement and correctly sets forth the complete rights, duties and obligations of each party to the other as of its date. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect.




13. Governing Law

This agreement shall be governed by and construed in accordance with the laws of the State of Texas, applicable to contracts made in that jurisdiction without reference to its conflicts of laws provisions.

In Witness Whereof, the parties hereto have executed this Agreement as of the Inception Date first above written.

CITY OF MESQUITE

by:   
Signature/Date

Ted Barron, City Manager  
Name and Title (Please Print)

INTERNATIONAL CITY MANAGEMENT  
ASSOCIATION RETIREMENT  
CORPORATION

by:   
Paul Gallagher  
Corporate Secretary