

RESOLUTION NO. 98-048

A RESOLUTION APPROVING AN AMENDMENT TO THE
DEFERRED COMPENSATION PLAN ADMINISTERED BY
THE CITY OF THE DALLES

WHEREAS, the City Council adopted Resolution No. 90-118 on December 3, 1990, approving a deferred compensation plan administered by the City of The Dalles; and

WHEREAS, Section 1448 of the Small Business Job Protection Act of 1996, Public Law Number 104-188, added a new subsection to the Internal Revenue Code to provide that all assets and income under a Section 457(b) plan, such as the deferred compensation plan administered by the City, which is maintained by a local government employer, must be held in trust for the exclusive benefit of the plan participants and their beneficiaries; and

WHEREAS, the provisions cited above require that the City must establish a trust prior to January 1, 1999, in order for the plan to comply with the new federal tax laws; and

WHEREAS, the Internal Revenue Service has prepared model language for amendments to deferred compensation plans to allow them to comply with the recent tax law changes; and

WHEREAS, the City Council desires to adopt amendments that will allow the City's deferred compensation plan administered by the City to comply with the new federal tax laws;

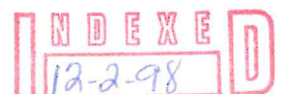
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. The City Council adopts and approves an amendment to the deferred compensation plan administered by the City Of The Dalles, which shall include the addition of a new Article VIII, entitled "Establishment of a Trust", which shall read as follows:

ARTICLE VIII

ESTABLISHMENT OF A TRUST

8.01. Notwithstanding any contrary provision of the Plan, in accordance with section 457(g) of the Internal Revenue Code, all amounts of compensation deferred pursuant to the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held in trust for the exclusive benefit of participants and beneficiaries under the Plan. Any trust under the Plan shall be established pursuant to a written agreement that constitutes a valid trust under the law of the State of Oregon.



8.02. All amounts of compensation deferred under the Plan shall be transferred to a trust established under the Plan within a period that is not longer than is reasonable for the proper administration of the accounts of participants. To comply with this requirement, all amounts of compensation deferred under the Plan shall be transferred to a trust established under the Plan not later than 15 business days after the end of the month in which the compensation would otherwise have been paid to the employee.


This amendment shall be incorporated into and made a part of the deferred compensation plan administered by City of The Dalles.

Section 2. The City Manager, City Clerk, and other City officials are authorized to execute the documents necessary to incorporate the amendment into the deferred compensation plan administered by the City of The Dalles, and to do such other acts as may be necessary and proper.

PASSED AND ADOPTED THIS 23RD DAY OF NOVEMBER, 1998.

Voting Yes, Councilor: Gosiak, Davison, Broehl, Davis
Voting No, Councilor: None
Absent, Councilor: Wasser
Abstaining, Councilor: None

AND APPROVED BY THE MAYOR THIS 23RD DAY OF NOVEMBER, 1998.


~~Robb Van Gleave, Mayor~~
Mary Ann Davis, Mayor pro-tem
Attest:


Julie Krueger, CMC/AAE, City Clerk