

RESOLUTION NO. 12-18

A RESOLUTION OF INTENT REQUESTING COVERAGE UNDER THE FPPA DEFINED BENEFIT SYSTEM ADMINISTERED BY THE FIRE AND POLICE PENSION ASSOCIATION FOR NEW POLICE OFFICERS FOR THE CITY OF GRAND JUNCTION, COLORADO

RECITALS:

Pursuant to Colorado Revised Statutes 31-31-1101 and 31-31-1103 the City of Grand Junction may elect to cover all newly hired Police Officers under the Fire and Police Pension Association (FPPA) Defined Benefit System administered by FPPA in lieu of coverage under the City of Grand Junction, Grand Junction Police Department Money Purchase Plan presently administered by ICMA-RC.

After full and careful deliberation, the City Council of the City of Grand Junction has determined that all newly hired Police Officers meeting the definition of "Member" under and as defined by C.R.S. 31-31-102 participate in the Statewide Defined Benefit Plan beginning on the Effective Date for New Hires, as defined herein.

In accordance with and pursuant to C.R.S. 31-31-1101(3.5) and 31-31-1103(1)(c.5), all current members of the City of Grand Junction, Grand Junction Police Department Money Purchase Plan may individually elect to participate in the FPPA Defined Benefit System or may remain in the City of Grand Junction, Grand Junction Police Department Money Purchase Plan.

At a duly noticed and lawfully convened meeting of the City Council held on this date, the City Council of the City of Grand Junction, hereafter "Employer" concluded that the following action was necessary, reasonable and proper.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION COLORADO THAT:

1. The City of Grand Junction hereby requests that the effective date of coverage be September 9, 2018.
2. The Employer elects to offer the Members who are active prior to the Effective Date for New Hires the option of participating in the Statewide Defined Benefit Plan.
3. The Member and Employer contribution rates to the Statewide Defined Benefit Plan, Statewide Hybrid Plan, Statewide Hybrid Plan - Money Purchase Only Component and Local Money Purchase Plan on the effective date of entry, for Members who are active prior to the Effective Date for New Hires shall be as indicated on Exhibit A of this resolution.
4. The City of Grand Junction elects to cover all Members hired on or after the Certification of Compliance designated by the Employer (known herein as the Effective Date for New Hires), under the Statewide Defined Benefit Plan at the contribution rate set forth in Exhibit B.

5. a. The Employer intends to transfer all of the current active Members' account balances to FPPA to the Money Purchase Component of the Statewide Hybrid Plan.
- b. The Employer does not intend to transfer the retired Members' account balances to the Money Purchase Component of the Statewide Hybrid Plan.
- c. The Employer does not intend to transfer the 100% vested Inactive Members' account balances to the Money Purchase Component of the Statewide Hybrid Plan.
6. The Members' Employer accounts shall be 100% vested upon transfer to the FPPA Defined Benefit System.
7. The Local Money Purchase Plan does provide for loans to plan members. Loans to plan members shall be transferred to the Money Purchase Component as part of the transfer of assets of the Local Money Purchase Plan, subject to approval and acceptance by FPPA.
8. The Employer acknowledges that the election for coverage under the FPPA Defined Benefit System is irrevocable once the final Certification of Compliance is filed by the Employer and approved by FPPA.
9. In addition to this Resolution, the City understands that it must make the certifications contained in the "Form of Certification of Compliance" attached hereto as Exhibit C; once completed by the Employer the Certification is final. Entry into the FPPA Defined Benefit System is not complete and final until the Certification is made and filed with FPPA.
10. The City, in conjunction with the FPPA, will prepare a disclosure statement which generally compares the provisions of the Local Money Purchase Plan and the Plan or Plans offered under the FPPA Defined Benefit System, as applicable. The disclosure statement will be submitted to FPPA for approval and once approved, the Employer will submit the approved disclosure statement to all eligible members prior to the deadline for making individual elections.
11. In conjunction with FPPA, the City shall provide a procedure for eligible employees/members to make individual selections of plan options pursuant to the rules and procedures established by FPPA.

The City understands that if the certification of compliance for coverage under the FPPA Defined Benefit System is accepted, all future members of the Police Department who would have been covered under the Local Money Purchase Plan, will be covered under the Statewide Defined Benefit Plan of the FPPA Defined Benefit System.

That this resolution of intent shall be certified and transmitted to FPPA for processing in accordance with all applicable law and regulations as part of the application process.

PASSED AND ADOPTED this 7TH day of February 2018.



J. Merrick Taggart
Mayor and President of the City Council

ATTEST:



Wanda Winkelmann
City Clerk



EXHIBIT A

**Contribution Rate Schedules for Members hired prior to the effective date of entry
Statewide Defined Benefit Plan – Contribution Rate Schedule - Reentry Members**

	1	2	3	4	5	6
<i>Effective January 1 of Year</i>	<i>Mandatory Minimum Member Contribution Rate</i>	<i>Additional Required rate for reentry members</i>	<i>Total Member Contribution Rate</i>	<i>Employer Contribution Rate</i>	<i>Total Required Rate for Reentry Members</i>	<i>Portion of the member contribution to be paid "after-tax"</i>
2018	10.65%	3.35%	14.0%	8.0%	22.00%	3.35%
2019	10.65%	3.85%	14.5%	8.0%	22.50%	3.85%
2020	10.65%	4.35%	15.0%	8.0%	23.00%	4.35%
2021	10.65%	4.85%	15.5%	8.0%	23.50%	4.85%
2022 and thereafter	10.65%	5.35%	16.0%	8.0%	24.00%	5.35%

Statewide Hybrid Plan - Contribution Rate Schedule - Reentry Members

1.	2.	3.	4.
<i>Member Contribution Rate</i>	<i>Employer Contribution Rate</i>	<i>Total Combined Member and Employer Contribution Rate for Reentry Members</i>	<i>Portion of the Member Contribution Rate noted in column 1 to be paid "after-tax"</i>
10.65%	8.0%	18.65%	0%

Note: The minimum mandatory rate for the Statewide Hybrid Plan is 8% member and 8% employer; however, a higher rate is accepted.

All contribution rates for the FPPA Plans are calculated on the member's base salary as defined in FPPA Rule 101.05.

Local Money Purchase Plan - Contribution Rate Schedule - Reentry Members

1.	2.	3.	4.
<i>Member Contribution Rate</i>	<i>Employer Contribution Rate</i>	<i>Total Combined Member and Employer Contribution Rate for Reentry Members</i>	<i>Portion of the Member Contribution Rate noted in column 1 to be paid "after-tax"</i>
10.65%	10.65%	21.3%	0%

EXHIBIT B

Contribution Rate Schedule for Members Hired After the Effective Date of Reentry

Statewide Defined Benefit Plan - Contribution Rate Schedule

	1.	2.	3.
<i>Effective January 1 of Year</i>	<i>Mandatory Member Contribution Rate</i>	<i>Mandatory Employer Contribution Rate</i>	<i>Total Combined Member and Employer Contribution Rate</i>
<i>2018</i>	<i>10.0%</i>	<i>8.0%</i>	<i>18.0%</i>
<i>2019</i>	<i>10.5%</i>	<i>8.0%</i>	<i>18.5%</i>
<i>2020</i>	<i>11.0%</i>	<i>8.0%</i>	<i>19.0%</i>
<i>2021</i>	<i>11.5%</i>	<i>8.0%</i>	<i>19.5%</i>
<i>2022 and thereafter</i>	<i>12.0%</i>	<i>8.0%</i>	<i>20.0%</i>

EXHIBIT C

Form of Certification of Compliance

In order to comply with Colorado Revised Statutes 31-31-1101 it is necessary for the City to certify the following to the FPPA Board of Directors:

- a) the City of Grand Junction Police Department's Local Money Purchase Plan meets the qualification requirements of the Federal "Internal Revenue Code of 1986" that are applicable to governmental plans;
- b) by separate action the City has adopted a Resolution to partially terminate participation in the Local Money Purchase Plan on the Effective Date of Resolution # ____ (FPPA Resolution) in accordance with the terms of that plan;
- c) the Resolution partially terminating participation does not adversely affect the qualified status of the Local Money Purchase Plan;
- d) the rights of the members in the Local Money Purchase Plan who were affected by the partial termination of the Local Money Purchase Plan to benefits accrued to the date of termination are non-forfeitable;
- e) active Members in the Local Money Purchase Plan who have so elected (the Transferred Members), as of the Effective Date shall become Members in the FPPA Defined Benefit System;
- f) the Employer will transfer or cause to be transferred to the FPPA Defined Benefit System all assets of the Local Money Purchase Plan that are attributable to the accrued benefits of the Transferred Members, pursuant to the procedure established by the Board;
- g) all Employer and employee contributions required to be made to the Local Money Purchase Plan as of the date of the partial termination have been made;
- h) transferred Members in the Local Money Purchase Plan shall not incur a reduction in their account balances in their Local Money Purchase Plan, determined as of the Effective Date, as a result of their transfer to the FPPA Defined Benefit System. For vesting purposes with regard to the Local Money Purchase Plan account balances and with regard to the Money Purchase component of the FPPA Defined Benefit System, years of service in the Local Money Purchase Plan shall be combined with Years of Service in the Money Purchase Component of the FPPA Defined Benefit System. For vesting purposes with regard to the Defined Benefit component of the FPPA Defined Benefit System, Years of Service Credit shall be based upon service credit either earned or purchased while in the FPPA Defined Benefit System; and

i) the Employer agrees to participate in the FPPA Defined Benefit System and to be bound by the terms of the FPPA Defined Benefit System and the decisions and actions of the Board with respect to the FPPA Defined Benefit System.

j) all Members hired on or after [date: either the Effective date or an earlier date after this filing of the Certification of compliance, designated by the Employer], shall participate in the FPPA Defined Benefit System, as previously determined by the Employer

k) There are no outstanding loans, liens, assignments, court order including domestic relationship orders, or other types of encumbrances of any nature against any funds transferred to the Statewide Defined Benefit System by the Trustee of the local money purchase plan, except those loans to plan members as described on Exhibit D. The employer will notify FPPA at the time of transfer of any pending domestic relationship orders.

EXHIBIT D

Loans to Plan Members

(Preparer may use a spreadsheet format)

For each loan, please list the following information:

Member Name:

Social Security Number:

Loan ID:

Interest Rate:

Origination Date:

First Payment Date:

Payments per Year:

Payment Frequency (Q/M/B/W/2/3/4):

Total number of Payments:

Regular Payment Amount:

Home Loan or General Loan:

Total Original Loan Amount:

*Original Loan Amount (Source/Amount/Fund) (if reinv. Type 1):

Principal Balance on Valuation Date:

*Only needed if the Plan allowed loans from multiple sources. If the participant's loan came from multiple sources (such as Employee and Employer), indicate how much came from each source. This enables Fidelity to calculate what percentage of the loan repayment goes back to each source. This should add up to the "Total Original Loan Amount".