

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by 3:00pm on **Monday**.

**All fields must be completed.*
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: August 5, 2013

Please mark one: ☒ Bill Request or ☐ Resolution Request

1. Has your agency submitted this request in the last 12 months?

☐ Yes ☒ No

If yes, please explain:

2. **Title:** (Include a concise, one sentence description – please include name of company or contractor and contract control number – that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)

For an ordinance amending Section 18-436 of Article XIII of Chapter 18, Employees' Voluntary Deferred Compensation Plan.

3. **Requesting Agency:** Department of Finance

4. **Contact Person:** (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Joseph Strese
- **Phone:** 720-913-9348
- **Email:** joe.strese@denvergov.org

5. **Contact Person:** (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)

- **Name:** Joseph Strese
- **Phone:** 720-913-9348
- **Email:** joe.strese@denvergov.org

6. **General description of proposed ordinance including contract scope of work if applicable:**

Section 18-436 of the D.R.M.C. requires the Deferred Compensation Committee, serving as the Plan's trustees, to retain no less than two plan administrators. The Committee has conducted a RFP process for plan administration services, which included a provision for the proposers to submit pricing if the city adopted a one provider structure. Through this RFP process, the successful proposer's pricing will reduce fees by approximately \$1.3 million over the five years of the contract compared to a two provider structure. The proposed amendment to the ordinance will allow the Plan to have one or more providers if determined to be in the best interest of the participants.

****Please complete the following fields:** (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field – please do not leave blank.)

- a. **Contract Control Number:** N/A
- b. **Duration:** N/A
- c. **Location:** N/A
- d. **Affected Council District:** Citywide
- e. **Benefits:** Saves plan participants in the City's Deferred Compensation Plan approximately \$1.3 million over 5 years.
- f. **Costs:** N/A

7. **Is there any controversy surrounding this ordinance?** (Groups or individuals who may have concerns about it?) **Please explain.**

The unsuccessful proposing firms or employees/participants who are wary of change could voice concerns.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

CITY AND COUNTY OF DENVER



MICHAEL B. HANCOCK
Mayor

DEPARTMENT OF FINANCE

CARY KENNEDY
CHIEF FINANCIAL OFFICER

201 W. COLFAX AVE. Dept. 1010
DENVER, COLORADO 80202
PHONE: (720) 913-5000

Executive Summary

An Ordinance to Amend Section 18-436 of Article XIII of Chapter 18, Employees' Voluntary Deferred Compensation Plan

The Deferred Compensation Committee conducted a RFP process to obtain plan administration and record keeping services for the Plan. The Plan has \$564 million that is invested solely for the benefit of the participants consisting of employees, retirees, and former employees. Currently there are two providers. The first are Cooney & Associates with Prudential and MassMutual, which have served in this role since the Plan was established in 1980. The second is ICMA-RC which was selected in 1995. The second firm was selected in order to obtain competition for the initial, sole provider.

A RFP process conducted by the city's purchasing department was structured so that proposers were to bid (1) to administer the assets currently administered by the Cooney/Prudential/MassMutual (2) to administer the assets currently administered by ICMA-RC, and (3) to administer the Plan assets as a sole provider of services. As a result of the proposals received, fees paid by the participants will be reduced by \$5.5 million over five years and if the city adopts a sole provider structure an additional \$1.3 million in lower fees will be obtained.

On August 2, 2013 the Committee voted to request that city council amend the ordinance to allow for the flexibility to have a sole provider of services if determined to be in the plan participants' best interests.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

Revised 08/16/10

1
2 **BY AUTHORITY**

3 ORDINANCE NO. _____
4 SERIES OF 2012

COUNCIL BILL NO. _____
COMMITTEE OF REFERENCE:
5 _____

6 **A BILL**

7 **For an Ordinance amending Section 18-436 of Article XIII of Chapter 18,**
8 **Employees' Voluntary Deferred Compensation Plan.**

9
10 **WHEREAS**, Article XIII of Chapter 18 provides for the administration of the Denver
11 Employee's Voluntary Deferred Compensation Plan; and,

12 **WHEREAS**, the City Council finds that Section 18-436 should be amended, to
13 institute the changes indicated herein.

14 **NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY**
15 **OF DENVER:**

16 **Section 1.** Section 18-436 of the Denver Revised Municipal Code shall be
17 amended by deleting the language struck out, to read as follows:

18 (d) Trustees acting under trust agreements, or custodians acting under custodial agreements, or
19 insurers administering qualifying insurance (group annuity) contracts, or any combination of them,
20 may be engaged by the committee. Such trustees, custodians, or insurers may be removed by
21 the committee at any time, and others may be selected by the committee, ~~but at no time shall less~~
22 ~~than two (2) organizations be engaged pursuant to this paragraph.~~ Such entities so engaged shall
23 be institutions properly authorized under national or state laws to conduct a trust, custodial, or
24 insuring business, and their expenses shall be paid out of the plan assets subject to the prior
25 approval of the committee. The committee is hereby authorized to execute the appropriate trust,
26 custodial, or group annuity insuring agreements not inconsistent with the provisions of the plan
27 and the provisions of section 457 of the Internal Revenue Code of 1986, as amended, and
28 regulations promulgated thereunder, with those entities properly selected as set forth above. Any
29 change in the form of management of the fund assets from that described in the plan shall require
30 the prior written approval of the committee.
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36 [THIS SPACE INTENTIONALLY LEFT BLANK]
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2
3 COMMITTEE APPROVAL DATE: _____

4 MAYOR-COUNCIL DATE: _____

5 PASSED BY THE COUNCIL _____, 2013

6 _____ - PRESIDENT

7 APPROVED: _____ - MAYOR _____, 2013

8 ATTEST: _____ - CLERK AND RECORDER,

9 EX-OFFICIO CLERK OF THE

10 CITY AND COUNTY OF DENVER

11
12 NOTICE PUBLISHED IN THE DAILY JOURNAL _____, 2013; _____, 2013

13 PREPARED BY: Robert McDermott - Assistant City Attorney DATE: _____

14 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of
15 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
16 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to
17 § 3.2.6 of the Charter.

18
19 Douglas J. Friednash, City Attorney for the City and County of Denver

20 BY: _____, _____ City Attorney

21 DATE: _____