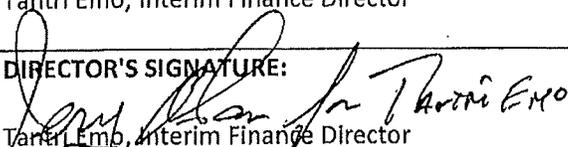


REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary		
SUBJECT: Ordinance authorizing the name change of the Houston Police Officers' Union's Section 457(b) Deferred Compensation Plan from "HPD Section 457 Eligible Deferred Compensation Plan" to "HPOU Section 457 Eligible Deferred Compensation Plan" and authorizing a new contract for 457 Deferred Compensation Plan Third-Party administrative services between the City and American United Life Insurance Company.	Page 1 of 2	Agenda Item
FROM (Department or other point of origin): Tantri Emo, Interim Finance Director	Origination Date: December 18, 2017	Agenda Date
DIRECTOR'S SIGNATURE:  Tantri Emo, Interim Finance Director	Council District(s) affected: All	
For additional information contact: Primary: Sherry Mose Phone: (832) 393-9061	Date and Identification of prior authorizing Council Action: Ordinance No. 2004-1122	
RECOMMENDATION (Summary): Approve an ordinance amending Ordinance No. 2004-1122 to rename the "HPD Section 457 Eligible Deferred Compensation Plan", as amended, to "HPOU Section 457 Eligible Deferred Compensation Plan"; approving and authorizing a contract with accompanying addendum, amendments and other various documents between the City of Houston for the Houston Police Officers Union (as Exclusive Bargaining Agent for all Houston Police Officers), and American United Life Insurance Company, for HPOU section 457 Eligible Deferred Compensation Plan Administration Services.		
Amount and Source of Funding: No Funding Required		
SPECIFIC EXPLANATION: In accordance with the provisions of Section 457 of the Internal Revenue Code of 1986, as amended, the City of Houston, by Ordinance 2004-1122, established an "HPD Section 457 Eligible Deferred Compensation Plan" (the "Plan"), which was later amended by a First Amendment effective January 1, 2011, to conform to Treasury regulations and other guidance issued under the Code. Because the current name of the Plan does not accurately reflect the Plan's purpose which is to provide services to police officers only, and not the entire Houston Police Department which also includes civilians in its workforce, the City requests that City Council approve the renaming of "HPD Section 457 Eligible Deferred Compensation Plan" to "HPOU Section 457 Eligible Deferred Compensation Plan". Since September 2004, City Council, by approving the 2004 Amendments to 2001 Meet and Confer Agreement, authorized the Houston Police Officers' Union (HPOU) as the Majority Bargaining Agent ("MBA") for all Police Officers to develop the details for implementation and rules for participation in one or more 457(b) deferred compensation plans. By ordinance 2015-0162, City Council approved the Meet and Confer Agreement between the City and HPOU as MBA for all Police Officers, which authorized HPOU to develop the details for implementation and rules for participation in one or more 457(b) deferred compensation plans. This authorization includes allowing the MBA to select the vendor to provide third party administrative services for its 457(b) plan. This year, the MBA has selected American United Life Insurance Company which will provide a wide selection of investment options and will perform recordkeeping services. The City and HPOU (as Majority Bargaining Agent "MBA") recommend that City Council award a five-year professional services Contract and Addendum for 457 Deferred Compensation Third-Party administrative services to American United Life Insurance Company and approve other various agreements, including but not limited to 1) Non-Registered Deferred Compensation Plan (457) New Business Agreement, 2) Revenue Spending Account Addendum to New Business Agreement, 3) HPOU Services Agreement & Fee Disclosure and 4) HPD QDRO Employer Authorization for Domestic Relations Orders.		

Unless terminated sooner by either party at any time with 60 days advance written notice, this contract may be renewed for two (2) one-year terms each at the end of the initial 5-year term.

There is a 11% MWBE goal in the administrative service agreement.

The Plan as of October 5, 2017, has 1,637 participants and have plan assets totaling \$157,976,032.00.

The HPOU Section 457 Eligible Deferred Compensation Plan is available to all classified police officers and no other employee groups. The City of Houston Section 457 Eligible Deferred Compensation Plan will remain open to all City of Houston employees. The purpose of the agreement with American United Life Insurance Company is to hold the plan assets in trust for the sole benefit of participants and their beneficiaries as required in Section 457(b).

Finance Director:	Other Authorization:	Other Authorization:	