



CITY COUNCIL AGENDA ITEMS

To: Mayor and City Council

From: Dean Rich, Director of Finance
Walter Denton, City Administrator

Date: September 6, 2005

Subject: Resolution to Amend 457 Program

List of committees that have reviewed: Finance and Administration

Background: The ICMA-managed, 457 Program offered by the city has a loan provision that requires a resolution to implement. An employee wishes to borrow from his 457 account. Loans are only for a case of hardship or certain specific financial situations—un-reimbursed medical expenses, buying or rehabilitating the participant's principal residence and paying for college education. A participant can have only one loan of up to 50% of their account, and it must be paid back in 5 years. The program, once approved, is managed by ICMA.

Legal Considerations, if any: None.

Budget Impact: This project is no cost or liability to the city.

Staff recommendation: Staff recommends Council approval for this ordinance.