



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
August 1, 2023

TOPIC: Adopt Resolution appointing the Executive Director of Finance as Plan Administrator for Employee Savings Plans

AGENDA TITLE

Adopt Resolution appointing the Executive Director of Finance as Plan Administrator for Employee Savings Plans.

RECOMMENDED ACTION

Adopt a resolution appointing the Executive Director of Finance as plan administrator of the 457(b) Deferred Compensation Plan, the 401(a) Retirement Savings Plan, and the 401(h) Retirement Health Savings Plan.

DISCUSSION

The City sponsors and administers the following employee savings plans:

- Deferred compensation savings plan (Internal Revenue Code section 457(b));
- Retirement savings plan (IRC 401(a)) for past employees; and
- Retirement health savings plan (IRC 401(h)).

All third-party expenses to administer the plans are paid by current and past participating employees.

Although employee savings plan assets are owned by current and past employees, and not the City, the City Council has fiduciary responsibilities for the plans. It has been the practice for the Executive Director of Finance to act as plan administrator, consistent with City Treasurer duties outlined in Santa Ana Municipal Code Section 2-300.8(h) as follows.

“Direct treasury administration for the city; including the receiving and collecting of revenues and receipts from whatever source; have custody of all public funds belonging to or under the control of the city or any office, department, or other agency of the city government; and deposit all funds received in such depository as may be designated by resolution of the city council, or, if no such resolution be adopted, by the city

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manager, in compliance with the provisions of the state constitution and laws of the state governing the handling, depositing, and securing of public funds”

Staff recommends adoption of the proposed resolution to formalize the delegation of authority to administer the employee savings plans. Administration includes withholding employee contributions from pay, settlement of plan transactions, making administrative changes to plan documents to conform to law and best practices, and selection of third-party record keepers and investment advisors. The Executive Director of Finance is advised by an internal committee comprised of the Human Resources Director and two of his appointees, the Assistant Director of Finance, and one additional appointee from Finance.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

There is no fiscal impact associated with the recommendation.

EXHIBIT(S)

1. Resolution

Submitted By: Kathryn Downs, Executive Director of Finance and Management Services

Approved By: Kristine Ridge, City Manager