

**City Council Action
Financial Impact Report**

Title of Item: An ordinance relating to Personnel and Retirement System, amending Oklahoma City Municipal Code, 2020, Chapter 40, Article III, Division 1, Part B, General Provisions, by amending Section 40-86 with respect to the latest date for commencement of payment of benefits; amending Chapter 40, Article III, Division 2, Deferred Compensation Program, by establishing a new Part A, by amending Section 40-131, to expand the definition of deferred compensation plans and amending Section 40-132, to clarify employee participation in deferred compensation plans; by adding a new Part B, Board of the Deferred Compensation Program, to include new Section 40-133, creating the Deferred Compensation Board, establishing membership on the Board, setting general powers of the Board and related provisions; amending Chapter 40, Article III, Division 5, by amending Section 40-203, to update the deadline for the timing of an affirmative election to participate in healthcare and insurance benefits, and provide for an effective date of coverage.

Originating Department: Employee Retirement System

Description of Impact

The City contracts with the OCERS annually for services pertaining to the administration of the City's 457(b) Deferred Compensation Plans and the 401(a) Money Purchase Plans to allow for all retirement offerings to City employees to be serviced through one central location.

In 2019, the OCERS hired an investment consultant to review the 457(b) and 401(a) plans that are offered by the City. The investment consultant met with the Administrative Oversight Committee of the OCERS in September 2019 and recommended as a first step that a governing body be established by the City for ongoing review and oversight of the 457(b) and 401(a) Plans.

The 457(b) Plans currently have 2,808 participating active employees, or 61% of current employment and total assets across active and retired employees of over \$429 million. The 401(a) Money Purchase Plans currently have 71 participating active employees, or 1.5% of current active employment, and total assets across active and retired employees of over \$51 million.

Summary of Impact

a. Cost to City Organization: \$50,000 annually estimated based upon prior quotes and rates for services provided to the OCERS.

b. Cost to Citizens/Business Community: None

c. Revenue Produced: None

Source of Funds

Fund Name: General Fund – 001-0001-9800001-52890001

Agency Name: Employee Retirement System

Department Head Signature:

Regina Story

OMB Review Completed by: *Latisha Jackson* 09/14/2022