

ITEM #: 28
DATE: 4-28-09

COUNCIL ACTION FORM

SUBJECT: REPORT ON THE AMES MUNICIPAL UTILITY PLAN FROM THE UTILITY RETIREMENT ADVISORY BOARD

BACKGROUND:

The Municipal Code of the City of Ames, Iowa, Section 28.403 established a participant review board elected from various utility departments that have members of the Ames Municipal Utility Retirement Plan. Duties of the Board are to monitor, review, and evaluate, on a continuing basis, the performance of the Ames Municipal Utility Retirement Plan and report annually to the City Council.

The City of Ames is the plan sponsor for a 401(a) defined contribution retirement plan. This plan is available to employees who receive at least ten percent of their salary funding from City of Ames utilities. Vanguard serves as plan administrator for the City.

In February 2009, the Board met with Kevin Wheatley, Relationship Manager, and Kevin Justice, Investment Analyst, from Vanguard. Kevin Wheatley presented a brief overview of the company, and provided information demonstrating that the fee structure and investment return performance are highly competitive.

Kevin Wheatley also presented a plan and participant overview. The Plan has a total balance of over \$20.1 million with 145 active participants and 155 total participants. The Plan balance was then broken down by investment fund type, including beginning and ending balances, total number of participants, and percentage of total assets. Summary information for the plan is attached.

After discussion, the Board passed a motion to accept the review and contents of the Vanguard presentation and to recommend that the relationship with Vanguard as plan administrator be continued.

ALTERNATIVES:

1. Accept the report from the Utility Retirement Advisory Board.
2. Refer the report back to the Utility Retirement Advisory Board for further information.

MANAGER'S RECOMMENDED ACTION:

After review and discussion of the material presented by Vanguard, the Board has voted to continue the relationship with Vanguard.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby accepting the report from the Utility Retirement Advisory Board.