

A RESOLUTION AUTHORIZING THE MAYOR AND FINANCE DIRECTOR TO TAKE SUCH ACTIONS AS REQUIRED BY LAW TO BRING EMPLOYEE DEFERRED COMPENSATION PLANS INTO COMPLIANCE WITH SECTION 457 OF THE INTERNAL REVENUE CODE; AND DECLARING AN EMERGENCY.

WHEREAS, Section 457 of the Internal Revenue Code of 1986, as amended, (the "Code"), requires that assets of employee deferred compensation plans be held in a trust or in a custodial account or appropriate annuity contract for the exclusive benefit of plan participants and their beneficiaries and that necessary amendments be made to existing plan documents by January 1, 1999; and

WHEREAS, to date, not all of the providers of Section 457 deferred compensation plans have determined whether they will be making the necessary amendments to the plan documents or establishing annuity contracts or custodial accounts, which may then necessitate the establishment of a trust to satisfy the requirements of Section 457 of the Code;

NOW, THEREFORE, Be It Resolved by the Council of the Village of Richfield, State of Ohio, that:

SECTION 1. The Mayor and Finance Director are authorized to take whatever actions are required by the Village as a public employer to comply with Section 457 of the Internal Revenue Code of 1986, as amended, including execution of any amendments, new plan documents, annuity applications or agreements, trust agreements or custodial account agreements for purposes of securing the assets of the current deferred compensation plans for the Village employees.

SECTION 2. The assets currently held for the benefit of employees under each Section 457 plan shall no longer be assets of this municipality, but by January 1, 1999, shall be held in accordance with the requirements of Section 457(g) of the Internal Revenue Code of 1986, as amended.

SECTION 3. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 4. This Resolution is declared to be an emergency necessary for the immediate preservation of the public peace, health, safety and general welfare of the Village and for the further reason that this Resolution must be immediately effective so that the requirements of federal law as set forth in Section 457 of the Internal Revenue Code of 1986, as amended, shall be complied with by the required deadline of January 1,

1999; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor, otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

Passed: December 15, 1998

Michael D. Lyons
President of Council

Donald W. Larsen
Mayor

ATTEST:

Carole Gibson
Clerk of Council

12/16/98