
CITY COUNCIL AGENDA

Notice is hereby given that the Rockport City Council will hold a regular meeting on Tuesday, July 12, 2016, at 6:30 p.m. The meeting will be held at Rockport City Hall, 622 E. Market, Rockport, Texas. The matters to be discussed and acted upon are as follows:

Opening Agenda

1. Call meeting to order.
2. Pledge of Allegiance.
3. Citizens to be heard.

At this time, comments will be taken from the audience on any subject matter that is not on the agenda. To address the Council, please sign the speaker's card located on the table outside the Council Chamber and deliver to the City Secretary before the meeting begins. Please limit comments to three (3) minutes. In accordance with the Open Meetings Act, Council may not discuss or take action on any item that has not been posted on the agenda.

Consent Agenda

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

4. Deliberate and act on approval of Council Workshop and Regular Meeting Minutes of June 28, 2016.
5. Deliberate and act on 3rd quarter hotel occupancy tax report from Rockport Center for the Arts for 2015-2016 marketing expenditures.
6. Deliberate and act on Lease Agreement with Aransas County Community Garden, Inc.
7. Deliberate and act on the Texas Municipal League Intergovernmental Employee Benefits Pool Continuation of Coverage Administrative Agreement for the Fiscal Year 2016-2017.

Public Hearing

8. Call to Order – Rockport Planning & Zoning Commission.
9. Conduct and deliberate a Joint Public Hearing with the Planning & Zoning Commission to consider a request for a Conditional Use Permit for bed and breakfast/multi-family ranch with farm animals on property located at 1515 Sixteenth Street; also known as Lot 76, Block 250, Swickheimer Subdivision (10 acres), Rockport, Aransas County, Texas, currently zoned R-1 (1st Single Family Dwelling District).
10. Adjourn – Rockport & Planning & Zoning Commission.

Regular Agenda

11. Deliberate and act on first reading of an Ordinance affecting participation of City employees in the Texas Municipal Retirement System; granting the additional rights, credits and benefits authorized by Sections 852.205 of Title B. Government Code, as amended; and prescribing the effective date of this Ordinance.
12. Deliberate and act on a Resolution adopting the ICMA-RC 457 Deferred Compensation Plan.
13. Reports from Council.
At this time, the City Council will report/update on all committee assignments, which may include the following: Aransas Pathways Steering Committee; Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Environmental Committee for Water Issues; Park & Leisure Services Advisory Board; Planning & Zoning Commission; Rockport Heritage District Board; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Swimming Pool Operations Advisory Committee; Tourism Development Council; Tree & Landscape Committee; YMCA Development Committee; Texas Maritime Museum, Fulton Mansion, Rockport Center for the Arts, Aransas County, Aransas County Independent School District, Aransas County Navigation District, Town of Fulton, and Texas Municipal League. No formal action can be taken on these items at this time.

Executive Session

City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

14. Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: Pending or contemplated litigation: (A) Bay Education Center, and (B) Texaz Construction and AZ Southwest Properties.
15. Section 551.072 Deliberation regarding real property - deliberate the purchase, exchange, lease, or value of real property: (A) Project Red Fish, and (B) Project Cobia.
16. Section 551.074 Personnel Matters: deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee – (A) Director of Parks and Leisure Services, and (B) City Attorney.
17. Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

Open Session

City Council will reconvene into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

18. Adjournment.

Special Accommodations

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (361) 729-2213, ext. 225 or FAX (361) 790-5966 or email citysec@cityofrockport.com for further information. Braille is not available. The City of Rockport reserves the right to convene into executive session under Government Code §§ 551.071-551.074 and 551.086.

Certification

I certify that the above notice of meeting was posted on the bulletin board at City Hall, 622 E. Market Street, Rockport, Texas on Friday, July 8, 2016, by 5:00 p.m. and on the City's website at www.cityofrockport.com. I further certify that the following News Media were properly notified of this meeting as stated above: *The Rockport Pilot*, *Coastal Bend Herald*, and *Corpus Christi Caller Times*.



Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, July 12, 2016

AGENDA ITEM: 4

Deliberate and act on approval of Council Workshop and Regular Meeting Minutes of June 28, 2016.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: Please see the accompanying minutes of the Workshop and Regular meetings of June 28, 2016.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Staff recommends Council approve the Minutes, as presented.

CITY OF ROCKPORT

MINUTES

CITY COUNCIL WORKSHOP MEETING 1:30 p.m., Tuesday, June 28, 2016 Rockport City Hall, 622 East Market Street

On the 28th day of June 2016, the City Council of the City of Rockport, Aransas County, Texas, convened in Workshop Session at 1:30 p.m., at the regular meeting place in City Hall, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041.

CITY COUNCIL MEMBERS PRESENT

Mayor Charles J. Wax
Mayor Pro-Tem Pat Rios, Ward 3
Council Member Rusty Day, Ward 1
Council Member J. D. Villa, Ward 2
Council Member Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
City Secretary Teresa Valdez
City Attorney Terry Baiamonte
Public Works Director Mike Donoho
Finance Director Patty Howard
Police Chief Tim Jayroe
Park & Leisure Services Director Tom Staley
Information Technology Director Brian Jacobs
Public Works Assistant Director Art Smith
Public Works Administrative Supervisor Anna Brandl
Public Works Regulatory Compliance Assistant Debbie Mazur
Community Planner Amanda Torres

ELECTED OFFICIALS PRESENT

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Workshop Session of the Rockport City Council was called to order by Mayor Wax at 1:30 p.m. on Tuesday, June 28, 2016, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

Regular Agenda

2. Hear and deliberate on routes for downtown parades.

Mayor Wax reminded everyone that Council Workshops are not decision making meetings; the purpose of them is to educate and inform.

Mayor Wax stated there have been discussions internally and externally about the Tropical Christmas Parade.

Penny Hong addressed the Council. Ms. Hong stated the Rockport Heritage & Art District Association has debated how to bring the Tropical Christmas parade back to Austin Street and disembark at the festival grounds. Ms. Hong expressed that there has been a lot of money spent to make downtown a destination point. Ms. Hong said the Association has come up with some solutions, and safety is a priority. Ms. Hong conveyed some of the safety solutions: 1) the primary one, because the floats come up on the water side of the street, is not to allow parking on that side of street after 4:00 p.m. on the day of the parade, then all you have left is the bulb-outs; 2) width of the street from bulb-out to median is 13 feet, candy can be thrown over heads of people; 3) want to make sure there are no children on bulb-outs – suggested that we have certain things on the bulb-outs (vendors, dancers, etc.); and 4) proposed also that no parking be allowed on west side of street – leave that open as a discussion point. Ms. Hong expressed that merchants in downtown are encouraged to keep their stores open, lights on and have refreshments for the Tropical Christmas parade, to invite customers into the stores. Ms. Hong thanked the Council for the opportunity to address this and she thinks as a community we can come up with ideas, volunteers and task force of police to make the parade safer.

Mayor Wax asked Police Chief Tim Jayroe to comment on removing parking.

Police Chief Tim Jayroe stated he has talked with Ms. Hong and assured her that the biggest concern is safety of children on the bulb outs. Chief Jayroe said that if we can keep children back on the bulb outs and off the media, that may solve some of the problem, but he is not sure how to use volunteers because people always do what they want to do. Chief Jayroe expressed that he would be happy to have the patrol commander meet with the Association to try to figure out what can be done to ensure safety of everyone. Chief Jayroe added that when there are 12-13 foot long trucks and 10 foot wide trailers in the parade on Austin Street, the children can reach out and touch them. Chief Jayroe stated there is a concern about that; if we can get people not to park, it is a good idea, not sure of practicality of it. Chief Jayroe said that people visiting Rockport would not know about not being able to park on Austin Street for the parade. Chief Jayroe stated that the idea of parking on the west side is a particular concern; people back their trucks in and sit on the back – having that open should not be a serious problem, but may be a pedestrian problem when trying to get out after parade.

Discussion was held among Council and Chief Jayroe regarding the types of barricades or other things that could be used to keep people off the median and block parking where the bulb outs are.

City Manager Kevin Carruth asked everyone to keep in mind that we are talking about 9 blocks, that is 18 lane blocks, and no matter what type of barricade you put up, you have to have people to enforce it; 19 lane blocks would mean 60 volunteers who have no enforcement authority and are we going to create a problem.

Steve Akin, owner of Maison, addressed the Council. Mr. Akin asked if all this would be done on Magnolia Street as well, where there are no sidewalks, no lighting and empty lots. Mr. Akin asked what was the assessment that shows there is a safety risk. Mr. Akin asked what is the difference in risk that makes it so imperative that Santa Claus is on a back road of back lots; this is not where Christmas parades are held.

Mayor Wax responded that the fundamental thing is that the lane on Magnolia Street is four times as wide as Austin Street.

Mr. Akin stated that they were just told it was the safety of kids that was the concern; on Magnolia Street there are people setting up chairs on the street because there are no sidewalks. Mr. Akin stated he really wants the parade to be downtown and all the things that are being discussed have implications such as expense, police and volunteers, and it is not going to happen, Magnolia Street is easier.

City Manager Kevin Carruth stated that there is a bigger margin of safety on Magnolia Street.

Council Member Gurtner stated that the parade application states that things should not be thrown from floats. Ms. Gurtner said if you have walkers who hand out the candy, then you do not have the risk of safety. Ms. Gurtner added that it is not always the children who are at risk.

Michelle Simmons, owner of New Beginnings, addressed the Council. Ms. Simmons stated she has participated in the parade and it was so dark on Magnolia Street that you could not see people in the parade, nor could you see the children on the side of the street. Ms. Simmons added that there were people who walked in the dark on Magnolia Street and fell or twisted their ankles. Ms. Simmons said she knew that disembarking at the festival grounds is also an issue, but crossing Highway 35 is not good. Ms. Simmons expressed that as a merchant she thought it was ridiculous to not have the parade downtown.

Stan Armstrong addressed the Council. Mr. Armstrong stated he has driven in and also watched the parade. Mr. Armstrong said Magnolia Street is too dark, you cannot see the people on the floats. Mr. Armstrong suggested having the parade during daylight hours around 4:00 p.m., that would make it 100% safer.

Mayor Wax stated that at the conclusion of the parade, there is a stage at the festival grounds where the presentation of art awards to children is conducted and then the children assist him in lighting the Christmas tree at Compass Rose Park. Mayor Wax added that the festival grounds are also the location for the Cast in Bronze performance. Mayor Wax said it is just not a parade, there are all sorts of activities being conducted all day on the festival grounds. Mayor Wax asked businesses to comment on the possibility of closing Austin Street to parking all day on the day of the parade.

Council Member Villa stated that the City wants the parade to happen, it is all about safety. Mr. Villa asked that everyone please take that into consideration.

Marsha Reed, co-owner of Sassy, addressed the Council. Ms. Reed thanked the Council for the opportunity to speak. Ms. Reed stated that the day of the Tropical Christmas parade is a huge day for downtown businesses and if Austin Street is blocked all day that would hurt the businesses.

Other business owners in the audience agreed with Ms. Reed that closing Austin Street on the day of the Christmas parade would hurt their businesses.

Lee Copeland addressed the Council. Mr. Copeland stated he had participated in all the parades and he thinks Chief Jayroe has made it clear that if the safety concern is taken care of then having the parade on Austin Street is doable. Mr. Copeland said maybe if the business owners quantified how many people would be needed to block the medians and blub outs and work with Chief Jayroe, it could be worked out.

Eric Heller, Chairman of SeaFair, addressed the Council. Mr. Heller asked if anyone has ever watched the parades that travel Magnolia Street during the day. Mr. Heller said he has personally driven in these parades and almost run over 10 children. Mr. Heller stated that either way, we have to do something about safety; which is easier to control from logistical standpoint.

Council Member Day stated that the issue is children running towards the floats. Mr. Day said you can eliminate that issue on Magnolia Street by handing candy out and not throwing it; on Austin Street that will not necessarily solve the problem. Mr. Day added that if candy throwing is the issue, maybe that be eliminated altogether. Mr. Day expressed that he has seen numerous near misses of children almost being hit.

Mr. Carruth said safety has been a concern on Austin Street for quite some time and what brought this to mind was the Christmas parade two years ago when a man fell off of a truck tailgate and fell into marchers. Mr. Carruth stated that if it had been a float, the man would have been a flat Stanley.

Penny Hong thanked the Council for the opportunity to share their concerns and stated she thought the issues could be worked out and the parade be held on Austin Street. Ms. Hong said we are six months away from parade time and there is plenty time to educate the public about safety to ensure the parade can be held on Austin Street. Ms. Hong suggested a task force of police and merchants be formed to assist to do this.

Council Member Villa asked Ms. Hong if the downtown group would be willing to do that.

Ms. Hong answered: "Yes, if we can have a task force, we can do that. The community will understand. As wide as Magnolia Street is, Austin Street has so much more. There is nothing quite like being on South Austin Street during that time with the rest of the community participating."

Marsha Reed stated there seems to be a few potential problems and rather than taking steps to ensure

close calls do not happen, and keeping things the way they used to be, the City made a drastic change. Ms. Reed said that people in the community did not like this and there is a petition with 300 signatures asking that the parade route be changed back to Austin Street.

Mayor Wax stated that throwing anything from floats happens all over the country and has been a prohibition in our parade application forever. Mayor Wax said it is impossible to enforce. Mayor Wax asked that everyone keep that in mind as we work through this. Mayor Wax expressed that Chief Jayroe and the Police Department have very real concerns because that is what they do, and the Council thought that was the best thing for the community, it may be, it may not be. Mayor Wax encouraged everyone that if you have particular things that you would like to share and did not want to say, please send it to Chief Jayroe and copy Mr. Carruth.

3. Hear and deliberate on a proposal to adopt a policy to have all new gas meters placed at the front property line.

Public Works Assistant Director Art Smith addressed the Council. Mr. Smith stated the Gas Department has been researching best practices of other gas providers to determine if adopting a property line meter set policy will increase the safety of our gas technicians and citizens, improve operational efficiency, and lower the liability exposure to the City of Rockport. Mr. Smith said staff has developed a proposal to place all new gas meters (both new installations and those being repaired or replaced) moved to the property line instead of the current practice of having them near or next to the customer's building. Mr. Smith informed the Council that the cities of Corpus Christi, Port Aransas, Robstown, and Sinton have all adopted similar policies and the Texas Municipal League Intergovernmental Risk Pool's gas consultant recommends adopting the proposed policy as a positive risk management strategy. Mr. Smith added that private utilities (i.e. AEP, AT&T, TWC) have also been placing their facilities at the front property line for some time.

Mayor Wax noted that there has been dialogue with some of the local developers.

Discussion was held among Council and Mr. Smith.

Mark Uhr, Real Estate Agent and General Contractor, addressed the Council. Mr. Uhr expressed concerns about the safety of putting gas meters where they could be hit by vehicles. Mr. Uhr stated he thinks this would be a big hazard and unsightly and he is opposed to it.

Spencer Parks, Development Manager at The Reserve, addressed the Council. Mr. Parks stated they are selling a dream and this was going to affect that. Mr. Parks said this would be unsightly and a safety hazard. Mr. Parks said they would like to have gas in all the new homes being constructed, but they cannot do that with this proposal.

Public Works Director Mike Donoho addressed the Council. Mr. Donoho said there were other mitigating circumstances at The Reserve and accommodations will have to be made. the goal is to work with developers and provide safety.

City Manager Kevin Carruth stated that the Islands of Rockport developers have also expressed

concerns. Mr. Carruth said that the City's insurance carrier is telling us to do this; right now it is not costing the City, but it may in the future.

An unidentified speaker suggested the meters could not be put at the building line setback.

Mr. Parks stated that the City should not think of the cost of insurance, but think about the cost of not having gas customers.

4. Hear and deliberate on presentation of site development permit application.

Public Works Director Mike Donoho addressed the Council. Mr. Donoho stated that as the Building and Development Department has been reviewing its policies and procedures over the last few months, a need for a site development permit was highlighted by a couple of recent incidents of property owners altering the topography of their property and having a negative impact on their neighbors. Mr. Donoho said the City's current building and stormwater regulations already grant the City authority to regulate this development activity but a permit application does not exist.

Community Planner Amanda Torres addressed the Council. Ms. Torres gave a PowerPoint presentation (below) on the proposed permit application.

The presentation consists of four slides, each featuring the City of Rockport, Texas logo (Est. 1870) in the top right corner.

- Slide 1: Site Development Permit: An Overview**
Rockport City Council | Tuesday, June 28, 2016
Amanda Torres, Community Planner
- Slide 2: Overview**
 - The Building & Development Department proposes to enact a Site Development Permit to manage any site work or land modification being done prior to structural development.
 - Discuss Chapter 50 – Floods
 - Review the permit
 - Review permit process and potential fees
- Slide 3: Chapter 50 – Floods**
 - The recently approved Floodplain Ordinance (Chapter 50 – Floods) requires anyone making "any manmade changes to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavating or drilling operations or storage of equipment or materials."
 - Section 50-63:
"Application for a development permit shall be presented to the floodplain administrator on forms furnished by him and may include, but not be limited to, plans in duplicate drawn to scale showing the location, dimensions and elevation of proposed landscape alterations, existing and proposed structures, including the placement of manufactured homes, and the location of the foregoing in relation to areas of special flood hazard."
- Slide 4: Proposed Permit**
 - Proposed permit covers regulations found in Chapter 50 – Floods, Chapter 42 – Environment, and Chapter 106 – Vegetation.
 - Contains seven sections:
 - Property Description
 - Property Owner Information
 - Owner's Agent/Representative (if different from owner)
 - Project Description Summary
 - FIRM Information
 - Special Provisions
 - Applicant Certification

CITY OF ROCKPORT, TEXAS

Site Development Permit Application

Building & Development Services Department

The City of Rockport Code of Ordinances (available at www.cityofrockport.com) Ordinance 100 (ordinance) states that a Site Development Permit be secured prior to any site work development, specifically, the compliance with the following ordinance: Chapter 42 - Environment, Chapter 39 - Parks, and Chapter 100 - Vegetation. It is highly recommended that applicants contact the Building and Development Services Department in the beginning stages of their project before any designs are finalized and work is underway at an applicable facility.

Property Description

Address: _____ ACAD Property ID: _____

Subdivision: _____ Block: _____ Lot: _____

Current Use/Occupation: Agricultural Commercial - Office Commercial - Retail
 Commercial - RV Park Industrial - Heavy Industrial - Light Nursing Facility
 Residential - Single Family Residential - Duplex Residential - Multifamily
 Residential - Manufactured Housing Undeveloped Other _____

Proposed Permit

CITY OF ROCKPORT, TEXAS

Property Owner Information

Name: _____

Company: _____

Mailing Address: _____

Phone: _____

Email: _____

Signature: _____

Date: _____

Owner's Agent/Representative (if different from owner):

Name: _____

Company: _____

Mailing Address: _____

Phone: _____

Email: _____

Signature: _____

Date: _____

Proposed Permit

CITY OF ROCKPORT, TEXAS

Project Description Summary

Project Name: _____

Proposed Use/Occupation: Agricultural Commercial - Office Commercial - Retail
 Commercial - RV Park Industrial - Heavy Industrial - Light Nursing Facility
 Residential - Single Family Residential - Duplex Residential - Multifamily
 Residential - Manufactured Housing Undeveloped Other _____

Site Structural Developmental Activities (Structural activities require building permit): Clearing/Tree Removal
 Damage Improvements (including correct work) Driveway & Channel Modifications Driveway

City of Rockport Revised 06/24/14

Excavation Filling Grading Individual Water or Sewer System Mining Paving
 Road/Street/Ditch Construction Storage of Materials (including gas or liquid tanks) Subdivision (new or expansion) Watercourse Alteration

Project Synopsis: _____

Total Acreage Disturbed: _____ Base Elevation: _____

Proposed Permit

CITY OF ROCKPORT, TEXAS

FIRM Information

FIRM Date: 2/17/2016 Community ID: 485504 FIRM Zone: _____ BFE: _____

Minimum Flood Building Elevation Due to 1% Flood: _____ Feet _____ Inches

Is the proposed development located in the Special Flood Hazard Area? Yes No

Special Provisions

If special provisions are required, approval of the proposed development is contingent upon meeting the special provisions noted below. Any additional documents must be submitted with the permit application before the permit can be processed. Incomplete applications will not be accepted. Required special provisions are based on information provided by the applicant for the proposed site improvements. It is the responsibility of the applicant to apply for a new permit if there are any modifications to the proposed improvements. All structural development requires additional City of Rockport building permits.

Does the proposed development require special provisions? Yes No (If yes, see check of items below)

Proposed Permit

CITY OF ROCKPORT, TEXAS

Special Provisions

Flood Damage Mitigation Requirements

1. Provide a site plan showing the location of all existing structures, water bodies, adjacent roads, lot dimensions, FEMA Flood Zones and proposed development.

2. Provide a drainage plan prepared by a Texas Licensed Professional Engineer that conforms to the required City of Rockport's Storm Drainage Design Manual standards.

3. Provide an "On-site Certification" for existing structures prepared by a Texas Licensed Professional Land Surveyor or a Texas Licensed Professional Engineer.

4. Provide a statement, signed and sealed by a Texas Licensed Professional Land Surveyor or a Texas Licensed Professional Engineer that the electrical services, pumps, air conditioning units and any other electrical devices have been elevated a minimum of 1' above BFE.

5. Provide a statement (letter), signed and sealed by a Texas Licensed Professional Engineer that all public utilities and facilities, such as sewer, gas, electrical, and water systems are designed, located and constructed to minimize or eliminate flood damage, and adequate drainage is provided to reduce exposure to flood hazards.

Activities Including Clearing, Driveway, Excavation, Filling, Grading, and Paving

6. Survey of property showing existing topographic elevations from a Texas Licensed Professional Land Surveyor or Texas Licensed Professional Engineer.

7. Provide a proposed fill/erosion plan including proposed final topographic elevations.

Applicant's Initials: _____

Proposed Permit

CITY OF ROCKPORT, TEXAS

Special Provisions

8. Provide a topographic elevation survey certified signed and sealed by a Texas Licensed Professional Land Surveyor or Texas Licensed Professional Engineer that the fill was placed in accordance with the approved plan and FEMA Technical Bulletin TB01 - Ensuring That Structures Built on Fill in or Near Special Flood Hazard Areas Are Reasonably Safe From Flooding.

9. Areas disturbing 1 acre or more must provide a copy of the Construction Site Notice that shall be posted on site per the TDES Construction General Permit TX03150000 issued by the TCEQ.

10. Provide a detailed site map showing which Best Management Practices will be utilized and where they will be installed.

Tree and Landscaping Requirements

11. Provide a tree survey indicating if there are any protected trees on the property. If there are not any protected trees, please provide a letter prepared by a tree specialist or an affidavit submitted by a third party acceptable to the city for verification.

Sediment and Erosion Control Requirements

12. Utilize permanent control measures in order to minimize erosion and prevent the discharge of sediment into the City's SGA.

13. Install a construction entrance to prevent tracking.

Flood Hazard Improvement Requirements, New Structures or Additions or Fill Replacement

14. Provide a statement, signed and sealed by a Texas Licensed Professional Land Surveyor or a Texas Licensed Professional Engineer that the electrical services, pumps, air conditioning units and any other electrical devices have been elevated a minimum of 1' above BFE.

Other Special Provisions

15. _____

16. _____

Applicant's Initials: _____

Proposed Permit

CITY OF ROCKPORT, TEXAS

Applicant Certification

The applicant certifies by their signature below that they acknowledge that (1) all of the information in this application is accurate and complete, (2) all structural development requires additional permits from the City of Rockport Building and Development Services Department, (3) any special provisions noted are required for the Site Development Permit to be complete, (4) all other local, state, and Federal permits must be secured prior to beginning the work authorized by this permit, and (5) an approved permit expires 180 days from the date of issue.

Signature of Owner or Owner's Authorized Agent/Representative: _____ Date: _____

*****DO NOT WRITE BELOW THIS LINE - FOR STAFF USE ONLY*****

Date Application Complete: _____ Date Reviewed: _____

Resolution: Approved Denied Date: _____

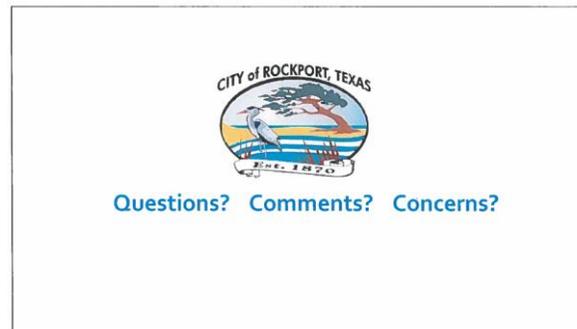
Comments: _____

Proposed Permit

CITY OF ROCKPORT, TEXAS

Permit Process

- Applicants should submit a permit to the Building & Development Department for review prior to any site work being started on the property.
- Special provisions will be required of the applicant dependent on the land use and type of site work being requested.
- All other local, state and federal permits required must be secured prior beginning the work authorized by the permit.
- A potential fee needs to be discussed and set for the permit.



Mayor Wax stated that Item #4 and Item #14 on the Application are worded exactly the same.

Ms. Torres stated she will check into that.

Discussion was held among Council, Ms. Torres and Mr. Donoho.

Mayor Wax stated that the City is at the point where policies and procedures need to be enacted to control the type of growth that is wanted.

5. Adjournment

At 3:17 p.m., Council Member Villa moved to adjourn. Motion was seconded by Mayor Pro-Tem Rios and carried unanimously.

APPROVED:

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY OF ROCKPORT

MINUTES

CITY COUNCIL REGULAR MEETING 6:30 p.m., Tuesday, June 28, 2016 Rockport City Hall, 622 East Market Street

On the 28th day of June 2016, the City Council of the City of Rockport, Aransas County, Texas, convened in Regular Session at 6:30 p.m., at the regular meeting place in City Hall, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041.

CITY COUNCIL MEMBERS PRESENT

Mayor Charles J. Wax
Mayor Pro-Tem Pat Rios, Ward 3
Council Member Rusty Day, Ward 1
Council Member J. D. Villa, Ward 2
Council Member Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
City Attorney Terry Baiamonte
City Secretary Teresa Valdez
Finance Director Patty Howard
Police Chief Tim Jayroe
Public Works Director Mike Donoho
Park & Leisure Services Director Tom Staley
Parks Maintenance Superintendent Rick Martinez

ELECTED OFFICIALS PRESENT

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Regular Meeting of the Rockport City Council was called to order by Mayor Wax at 6:32 p.m. on Tuesday, June 28, 2016, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

2. Pledge of Allegiance.

Council Member Day led the Pledge of Allegiance to the U.S. flag.

3. Presentation of Police Department Award.

Mayor Wax read the following: “In the Spanish Woods subdivision on Saturday evening, September 5, 2015, Tessa Rodriguez was enjoying her backyard pool with her family and friends. At approximately 6:53 p.m., when the adults turned their backs for a moment, Tessa took the opportunity to remove her life jacket so she could swim like the big kids. She instantly sank to the bottom of the pool. In the nearly two minutes it took to notice Tessa was gone and for her father David to get her above water, she had stopped breathing and was unresponsive. Next door neighbor Danielle Hale heard yelling and screaming and came over to investigate. Danielle immediately assessed the situation and began performing CPR on Tessa, reviving her. Allegiance EMS arrived on scene and transported Tessa to the Care Regional Medical Center. After a brief period of observation, Tessa was released to her parents, Abbey and David Rodriguez, and fully recovered from the incident.”

Mayor Wax presented the Rockport Police Department’s Life Saving Award to Danielle Hale in appreciation for administering CRP and saving Tessa Rodriguez’s life.

Abbey and David Rodriguez and their children were present for the presentation.

Danielle Hale received a standing ovation.

4. Citizens to be heard.

At this time comments will be taken from the audience on any subject matter that is not on the agenda. To address the Council, please sign the speaker’s card located on the table outside the Council Chamber and deliver to the City Secretary before the meeting begins. Please limit comments to three (3) minutes. In accordance with the Open Meetings Act, Council may not discuss or take any action on any item that has not been posted on the agenda.

There were no citizen comments.

Consent Agenda

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

- 5. Deliberate and act on approval of City Council Regular Meeting Minutes of June 14, 2016.**
- 6. Deliberate and act on request for use of the Festival Grounds and closure of certain sections of S. Ann Street, E. Market Street, and S. Magnolia Street, for the Seafair parade; closure of Laurel Street from Business 35 to Seabreeze for Seafair Festival; and approval for temporary signage at various locations for the Seafair Festival and HummerBird Celebration, including a street banner at the Walmart entryway on Highway 35N, and various off-street directional signs.**
- 7. Deliberate and act on 3rd quarter hotel occupancy tax report from the Rockport-Fulton Chamber of Commerce Fiscal Year 2015-2016 marketing expenditures.**

Mayor Wax called for requests to remove any item from the Consent Agenda for separate discussion. There being no requests, Mayor Wax called for a motion.

MOTION: Council Member Villa moved to adopt the Consent Agenda Items as presented. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

Regular Agenda

8. Hear and deliberate on presentation of Rockport-Fulton Chamber of Commerce Guiding Lighthouse Report.

Rockport-Fulton Chamber of Commerce in-coming Chair Rick McKinney and Intern Kierrah Holliday addressed the Council. Mr. McKinney and Ms. Holliday presented the Rockport-Fulton Chamber of Commerce Guiding Lighthouse Report.

9. Deliberate and act on future level of service for sanitation collection.

Republic Services Municipal Services Manager Mike Reeves addressed the Council. Mr. Reeves stated that at the last Council meeting, he had reported to Council that he had met with the homeowners' associations and discussed the challenges of automated sanitation collection. Mr. Reeves had brought into the Council Chambers two collection carts to show the difference in size between the 64 gallon smaller cart and the 95 gallon cart. Mr. Reeves gave a Power Point presentation (below) on Automated Collection of Waste and Recyclables.



Challenges & Solutions

- Zero Lots & Difficult Areas
 - Offer smaller carts
 - Identify designated placement areas
 - Convert townhomes to commercial
 - Meet with residents on shallow streets

Options At Hand

Options	Service Level	Price	Optional Service	Term length	CPI in 2015
Option A	1X waste/1X recycle	\$22.46	65 g carts	6 years	No
			Leaf collection 6X per year	7 years	
Option B	1X waste/EOW recycle	\$20.46 flat	65 g carts	6 years	No
			Leaf collection 6X per year	7 years	
Option C	Same as now	\$20.46	NA	5 years	Yes/ Estimated 2.15%

Next Steps

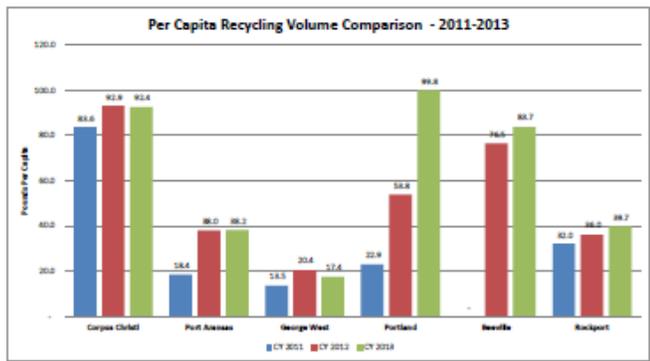
- Take action on an option
- Begin resident outreach
- Gather data and inventory
- Revise routing and maps
- Send out educational info

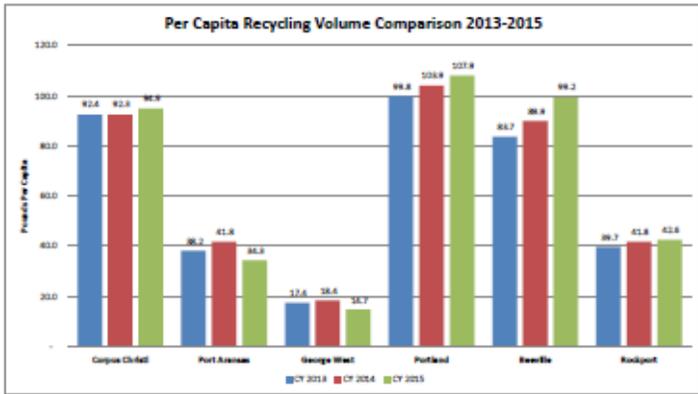
Roll-Out Timeline

- Routing & house count 3 months
- City sends out info for cart needs and changes
- Survey responses tallied (6 months)
- Both parties identify logistics
- Capital
- Roll-out occurs- 8-12 months

Q & A

Questions





City of Rockport, Texas

Automation rates upon roll-out:

Option A- 1X per week waste, 1X per week recycling with Carts

CATEGORY	FREQUENCY OF COLLECTION	RATE PER MONTH	INCREASE FACTOR	NEW RATE PER MONTH					
Residential 96 gallon Cart		\$20.46	1.0000	\$22.46					
Additional 96 g Carts ea		\$17.40	1.0000	\$19.40					
Residential 65 gallon Cart		\$19.96	1.0000	\$21.96					
Commercial 96 gallon Cart		\$29.70	1.0000	\$31.70				New Rate	
Commercial : Container Service						Additional Containers			
2 Cubic Yard Container	1/wk	\$80.36	1.0000	\$80.36	2 Cu Yd	1/wk	\$61.87	1.0000	\$61.87
	2/wk	\$157.71	1.0000	\$157.71	2/wk	\$103.90	1.0000	\$103.90	
	3/wk	\$199.35	1.0000	\$199.35	3/wk	\$138.85	1.0000	\$143.85	
	4/wk	\$244.01	1.0000	\$244.01	4/wk	\$181.47	1.0000	\$186.47	
	5/wk	\$310.76	1.0000	\$310.76	5/wk	\$232.04	1.0000	\$237.04	
6/wk	\$357.39	1.0000	\$357.39	6/wk	\$267.70	1.0000	\$272.70		
3 Cubic Yard Container	1/wk	\$96.37	1.0000	\$96.37	3 Cu Yd	1/wk	\$69.36	1.0000	\$74.36
	2/wk	\$191.19	1.0000	\$191.19	2/wk	\$130.06	1.0000	\$135.06	
	3/wk	\$241.75	1.0000	\$241.75	3/wk	\$162.68	1.0000	\$167.68	
	4/wk	\$290.20	1.0000	\$290.20	4/wk	\$205.45	1.0000	\$210.45	
	5/wk	\$338.93	1.0000	\$338.93	5/wk	\$256.07	1.0000	\$261.07	
6/wk	\$404.30	1.0000	\$404.30	6/wk	\$306.28	1.0000	\$311.28		
4 Cubic Yard Cont	1/wk	\$113.43	1.0000	\$113.43	4 Cu Yd	1/wk	\$82.50	1.0000	\$87.50
	2/wk	\$214.43	1.0000	\$214.43	2/wk	\$157.77	1.0000	\$162.77	
	3/wk	\$305.00	1.0000	\$305.00	3/wk	\$233.28	1.0000	\$238.28	
	4/wk	\$421.48	1.0000	\$421.48	4/wk	\$317.52	1.0000	\$322.52	
	5/wk	\$519.86	1.0000	\$519.86	5/wk	\$391.50	1.0000	\$396.50	
6/wk	\$641.77	1.0000	\$641.77	6/wk	\$485.18	1.0000	\$490.18		
6 Cubic Yard Container	1/wk	\$133.68	1.0000	\$133.68	6 Cu Yd	1/wk	\$98.85	1.0000	\$103.85
	2/wk	\$267.01	1.0000	\$267.01	2/wk	\$201.04	1.0000	\$206.04	
	3/wk	\$381.07	1.0000	\$381.07	3/wk	\$280.59	1.0000	\$285.59	
	4/wk	\$500.92	1.0000	\$500.92	4/wk	\$381.39	1.0000	\$386.39	
	5/wk	\$639.16	1.0000	\$639.16	5/wk	\$487.23	1.0000	\$492.23	
6/wk	\$850.39	1.0000	\$850.39	6/wk	\$673.17	1.0000	\$678.17		
8 Cubic Yard Container	1/wk	\$168.99	1.0000	\$168.99	8 Cu Yd	1/wk	\$126.28	1.0000	\$131.28
	2/wk	\$329.58	1.0000	\$329.58	2/wk	\$235.41	1.0000	\$240.41	
	3/wk	\$488.57	1.0000	\$488.57	3/wk	\$345.08	1.0000	\$350.08	
	4/wk	\$660.60	1.0000	\$660.60	4/wk	\$431.23	1.0000	\$436.23	
	5/wk	\$729.58	1.0000	\$729.58	5/wk	\$560.47	1.0000	\$565.47	
6/wk	\$874.15	1.0000	\$874.15	6/wk	\$672.33	1.0000	\$677.33		



City of Rockport, Texas

Automation rates upon roll-out:

Option B- 1X per week waste, EOW recycling with Carts

CATEGORY	FREQUENCY OF COLLECTION	RATE PER MONTH	INCREASE FACTOR	NEW RATE PER MONTH					
Residential 96 gallon Cart		\$20.46	1.0000	\$20.46					
Additional 96 g Carts ea		\$17.40	1.0000	\$17.40					
Residential 65 gallon Cart		\$19.96	1.0000	\$19.96					
Commercial 96 gallon Cart		\$29.70	1.0000	\$29.70					New Rate
Commercial : Container Service					Additional Containers				
2 Cubic Yard Container	1/wk	\$80.36	1.0000	\$80.36	2 Cu Yd	1/wk	\$61.87	1.0000	\$61.87
	2/wk	\$157.71	1.0000	\$157.71		2/wk	\$103.90	1.0000	\$103.90
	3/wk	\$199.26	1.0000	\$199.26		3/wk	\$138.65	1.0000	\$138.65
	4/wk	\$244.01	1.0000	\$244.01		4/wk	\$181.47	1.0000	\$181.47
	5/wk	\$310.76	1.0000	\$310.76		5/wk	\$232.04	1.0000	\$232.04
6/wk	\$357.39	1.0000	\$357.39	6/wk	\$267.70	1.0000	\$267.70		
3 Cubic Yard Container	1/wk	\$96.37	1.0000	\$96.37	3 Cu Yd	1/wk	\$69.36	1.0000	\$74.36
	2/wk	\$191.19	1.0000	\$191.19		2/wk	\$130.06	1.0000	\$135.06
	3/wk	\$241.75	1.0000	\$241.75		3/wk	\$162.68	1.0000	\$167.68
	4/wk	\$290.20	1.0000	\$290.20		4/wk	\$206.45	1.0000	\$210.45
	5/wk	\$338.93	1.0000	\$338.93		5/wk	\$256.07	1.0000	\$261.07
6/wk	\$404.30	1.0000	\$404.30	6/wk	\$306.28	1.0000	\$311.28		
4 Cubic Yard Cont	1/wk	\$113.43	1.0000	\$113.43	4 Cu Yd	1/wk	\$82.50	1.0000	\$87.50
	2/wk	\$214.43	1.0000	\$214.43		2/wk	\$157.77	1.0000	\$162.77
	3/wk	\$305.00	1.0000	\$305.00		3/wk	\$203.28	1.0000	\$208.28
	4/wk	\$421.48	1.0000	\$421.48		4/wk	\$317.52	1.0000	\$322.52
	5/wk	\$519.86	1.0000	\$519.86		5/wk	\$391.50	1.0000	\$396.50
6/wk	\$641.77	1.0000	\$641.77	6/wk	\$485.18	1.0000	\$490.18		
6 Cubic Yard Container	1/wk	\$133.68	1.0000	\$133.68	6 Cu Yd	1/wk	\$98.85	1.0000	\$103.85
	2/wk	\$257.01	1.0000	\$257.01		2/wk	\$201.04	1.0000	\$206.04
	3/wk	\$381.07	1.0000	\$381.07		3/wk	\$280.59	1.0000	\$285.59
	4/wk	\$500.92	1.0000	\$500.92		4/wk	\$381.39	1.0000	\$386.39
	5/wk	\$639.16	1.0000	\$639.16		5/wk	\$487.23	1.0000	\$492.23
6/wk	\$690.39	1.0000	\$690.39	6/wk	\$573.17	1.0000	\$578.17		
8 Cubic Yard Container	1/wk	\$168.99	1.0000	\$168.99	8 Cu Yd	1/wk	\$126.28	1.0000	\$131.28
	2/wk	\$329.58	1.0000	\$329.58		2/wk	\$235.41	1.0000	\$240.41
	3/wk	\$458.57	1.0000	\$458.57		3/wk	\$345.08	1.0000	\$350.08
	4/wk	\$560.80	1.0000	\$560.80		4/wk	\$431.23	1.0000	\$436.23
	5/wk	\$729.58	1.0000	\$729.58		5/wk	\$560.47	1.0000	\$565.47
6/wk	\$874.15	1.0000	\$874.15	6/wk	\$672.33	1.0000	\$677.33		



City of Rockport, Texas

CPI will be assessed October 1, 2016

Option C- Current Service Level

CATEGORY	FREQUENCY OF COLLECTION	RATE PER MONTH	INCREASE FACTOR	NEW RATE PER MONTH					
Residential 96 gallon Cart		\$20.46	1.0000	\$20.46					
Additional 96 g Carts ea		\$17.40	1.0000	\$17.40					
Residential 65 gallon Cart		\$19.96	1.0000	\$19.96					
Commercial 96 gallon Cart		\$29.70	1.0000	\$29.70					New Rate
Commercial : Container Service					Additional Containers				
2 Cubic Yard Container	1/wk	\$74.05	1.0000	\$74.05	2 Cu Yd	1/wk	\$56.87	1.0000	\$58.87
	2/wk	\$150.08	1.0000	\$150.08		2/wk	\$103.90	1.0000	\$103.90
	3/wk	\$190.98	1.0000	\$190.98		3/wk	\$138.65	1.0000	\$138.65
	4/wk	\$234.87	1.0000	\$234.87		4/wk	\$181.47	1.0000	\$181.47
	5/wk	\$300.46	1.0000	\$300.46		5/wk	\$232.04	1.0000	\$232.04
6/wk	\$346.28	1.0000	\$346.28	6/wk	\$267.70	1.0000	\$267.70		
3 Cubic Yard Container	1/wk	\$89.79	1.0000	\$89.79	3 Cu Yd	1/wk	\$69.36	1.0000	\$69.36
	2/wk	\$182.98	1.0000	\$182.98		2/wk	\$130.06	1.0000	\$130.06
	3/wk	\$232.64	1.0000	\$232.64		3/wk	\$162.68	1.0000	\$162.68
	4/wk	\$280.25	1.0000	\$280.25		4/wk	\$206.45	1.0000	\$206.45
	5/wk	\$328.14	1.0000	\$328.14		5/wk	\$256.07	1.0000	\$256.07
6/wk	\$392.38	1.0000	\$392.38	6/wk	\$306.28	1.0000	\$306.28		
4 Cubic Yard Cont	1/wk	\$106.55	1.0000	\$106.55	4 Cu Yd	1/wk	\$82.50	1.0000	\$82.50
	2/wk	\$205.80	1.0000	\$205.80		2/wk	\$157.77	1.0000	\$157.77
	3/wk	\$294.80	1.0000	\$294.80		3/wk	\$233.28	1.0000	\$233.28
	4/wk	\$409.26	1.0000	\$409.26		4/wk	\$317.52	1.0000	\$317.52
	5/wk	\$505.93	1.0000	\$505.93		5/wk	\$391.50	1.0000	\$391.50
6/wk	\$625.73	1.0000	\$625.73	6/wk	\$485.18	1.0000	\$485.18		
6 Cubic Yard Container	1/wk	\$126.45	1.0000	\$126.45	6 Cu Yd	1/wk	\$98.85	1.0000	\$98.85
	2/wk	\$247.64	1.0000	\$247.64		2/wk	\$201.04	1.0000	\$201.04
	3/wk	\$369.55	1.0000	\$369.55		3/wk	\$280.59	1.0000	\$280.59
	4/wk	\$487.32	1.0000	\$487.32		4/wk	\$381.39	1.0000	\$381.39
	5/wk	\$623.16	1.0000	\$623.16		5/wk	\$487.23	1.0000	\$487.23
6/wk	\$732.46	1.0000	\$732.46	6/wk	\$573.17	1.0000	\$573.17		
8 Cubic Yard Container	1/wk	\$161.15	1.0000	\$161.15	8 Cu Yd	1/wk	\$126.28	1.0000	\$126.28
	2/wk	\$318.95	1.0000	\$318.95		2/wk	\$235.41	1.0000	\$235.41
	3/wk	\$445.70	1.0000	\$445.70		3/wk	\$345.08	1.0000	\$345.08
	4/wk	\$575.44	1.0000	\$575.44		4/wk	\$431.23	1.0000	\$431.23
	5/wk	\$712.01	1.0000	\$712.01		5/wk	\$560.47	1.0000	\$560.47
6/wk	\$854.08	1.0000	\$854.08	6/wk	\$672.33	1.0000	\$672.33		

Discussion was held among Council and Mr. Reeves.

Vic Medina addressed the Council. Mr. Medina stated he works for a disposal company in Corpus Christi. Mr. Medina encouraged the Council to put the upcoming contract out for request for proposals and look at other options.

David Peden addressed the Council. Mr. Peden stated he has lived at 1837 Bay Shore for 22 years and has served on the Key Allegro Homeowners Association Board. Mr. Peden said he has no problem with the concept of automation as long as there is a solution for the part-time residents in Key Allegro. Mr. Peden expressed that there are 600 part-time residents in Key Allegro. Mr. Peden asked the Council to consider leaving the status quo or please provide them with a solution.

Dudley McDaniel addressed the Council. Mr. McDaniel stated he was first going to comment as the representative for the Key Allegro Homeowners Association Board. Mr. Dudley said he wanted to correct the minutes of the June 14th City Council meeting which quoted him as saying that the Key Allegro Homeowners Association Board was against automated collection, but what he did say was that historically the Board was opposed to automated collection, but this time their Board is neither for or against automated collection. Mr. McDaniel expressed that the Board has some concerns: 1) They do not want to incur costs to enforce a City ordinance – part of what they need to see as a Board, to be able to equally satisfy our home owners, is a draft ordinance. What are the restrictions, how long can carts be stored on street; what provisions will City provide, how do they get non-owners' and renters' carts off of street, 2) Enforcement – If we go to automated system, what are you going to do if owner does not respect requirements, put garbage out on street that is not in containers, put BBQ pits, etc. on street to be collected. Mr. McDaniel added that it is left up to the Homeowners Association to enforce their bylaws. Mr. McDaniel stated that the Key Allegro Homeowners Association Board is neither for nor against automated collection because they do not have enough data. Mr. McDaniel asked the Council to not make a decision until the Homeowners Association has had time to review the ordinance.

City Manager Kevin Carruth stated an Ordinance is not required. Mr. Carruth said the existing Ordinance is general and addresses littering.

Mr. McDaniel then addressed the Council as a resident of Rockport. Mr. McDaniel stated he was strongly in favor of automated collection because he thinks it is the right thing to do. Mr. McDaniel said he does think the City has allowed this as a disservice because of inconvenience. Mr. McDaniel added that the debate has been about what is convenient. Mr. McDaniel expressed that there are five key questions that should be asked: Are you asking in favor of keeping litter off streets; for managing tax payer costs; for improved safety of sanitation workers; for compliance with local, state and federal law; and then what is convenient for owners, residents and renters.

Stan Armstrong addressed the Council. Mr. Armstrong stated that no matter what is decided, one thing we still need to have is an ordinance with teeth in it for neighbors leaving cans out for

one week at a time. Mr. Armstrong said he is leaning toward maintaining the status quo but he does understand it may be time to do something different.

Alton Crusius, 305 Fulton Avenue, addressed the Council. Mr. Crusius suggested Council request bids for sanitation services. Mr. Crusius stated he was personally satisfied with the current contract for sanitation services.

Jim Bagley, 206 S. Fourth Street, addressed the Council. Mr. Bagley stated twice a week collection in this area is very good because it keeps odors down. Mr. Bagley said he would like to stay with the same level of service that we have now. Mr. Bagley added that he would like to hear from others besides homeowners associations and possibly another company.

Debbie Kahanek addressed the Council. Ms. Kahanek stated she lives on Lauderdale Street and there are residents on each side of her, 12-15 people, who put the garbage out on the street and by Monday morning, the birds, cats, and other animals have gotten into the trash. Ms. Kahanek said this is a problem that we have to look at, and she supports the automated service that has carts with lids.

Council Member Villa stated that the discussion about automated service has been going on for two years. Council Member Villa stated that no one in his Ward has come to him to complain about going to automated sanitation collection. Council Member Villa added that Key Allegro, Harbor Oaks and others will have 8-12 months to figure out how they will handle automated service. Council Member Villa expressed that sometimes you have to improvise.

MOTION: Council Member Villa moved to authorize staff to negotiate a new agreement with Republic Services to include once a week automated collection, every other week automated recyclable collection, leaf collection eight times a year, a contract term length of six (6) years, with smaller carts as presented in Republic's Option B. Council Member Gurtner seconded the motion. Motion carried 3:2.

FOR MOTION: Council Member Villa, Council Member Gurtner and Council Member Day.

AGAINST MOTION: Mayor Wax and Mayor Pro-Tem Rios.

10. Tabled June 14, 2016 - Deliberate and act on interlocal agreements with Aransas County and/or the Town of Fulton for the following services:

- a. Animal Control
- b. Aquatic Center
- c. Dispatching Services
- d. Jail Services
- e. Juvenile Case Manager
- f. Restaurant Health Inspections
- g. Roads and Drainage
- h. Septic Systems

MOTION: Mayor Wax moved to remove this item from the table. Council Member Villa seconded the motion. Motion carried unanimously.

Mayor Wax asked the Council if there was any particular agreement that they would like to address.

Mayor Pro-Tem Rios stated that the agreements contain, in principal, what was agreed to at the Joint Special Workshop held with Commissioners Court on March 21, 2016.

MOTION: Mayor Pro-Tem Rios moved to approve the Agreements reflecting the consensus of the March 21, 2016 meeting. Council Member Gurtner seconded the motion. Motion carried unanimously.

11. Deliberate and act on awarding bid for Bayshore Drive emergency shoreline repair project.

Public Works Director Mike Donoho addressed the Council. Mr. Donoho stated that the high tide and high winds on April 17-18, 2016, accelerated erosion of the shoreline on Bayshore Drive, between Curlew Drive and Albatross Lane. Mr. Donoho said the Council declared an imminent threat to the public health and safety, and authorized emergency repairs at its May 22, 2016 Council meeting. Mr. Donoho informed the Council that Coast and Harbor Engineering prepared specifications for a temporary measure to halt the erosion that is within the US Army Corps of Engineers national permit 13 and solicited construction firms for bids. Mr. Donoho stated three firms submitted bids and Lester Contracting was the lowest bidder. Mr. Donoho added that Lester Contracting has completed similar work in the past, including some in the Rockport area, and Coast and Harbor Engineering has worked successfully with the firm before. Mr. Donoho stated that shoreline stabilization is an eligible use of hotel occupancy taxes.

Discussion was held among Council and Mr. Donoho.

MOTION: Mayor Wax moved to award the bid for Bayshore Drive emergency shoreline repair project to Lester Contracting, Inc. in the amount of \$186,875.00 for the Bayshore Drive emergency shoreline repair project. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

12. Deliberate and act to approve an expenditure of not to exceed \$200,000 for the purchase and installation of a pre-constructed and designed, fully accessible, multi-user concrete restroom for placement at Memorial Park.

Parks & Leisure Services Director Tom Staley addressed the Council. Mr. Staley stated the 40-year old restroom at the front entrance to Memorial Park is in need of replacement due to an aged, failing plumbing system, increased public use, and ADA non-compliance. Mr. Staley said the restroom was recently closed due to a failed, unrepairable plumbing system and portable toilets are now in place to serve park patrons. Mr. Staley added that the restroom is no longer of sufficient size to meet demands during high use seasons. Mr. Staley informed the Council that the proposed new restroom will support three males and three females, versus the current facility that accommodates two for each sex. Mr. Staley stated the project funding will include purchase and installation of the restroom, including site preparation, utility tie-ins, and an accessible walkway to the room entrances and drinking fountain.

Discussion was held among Council, Mr. Staley and Park Maintenance Supervisor Rick Martinez.

MOTION: Council Member Villa moved to approve an expenditure not to exceed \$200,000 for purchase and installation of a pre-constructed and designed, fully accessible, multi-user concrete restroom for placement at Memorial Park. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

13. Reports from Council.

At this time, the City Council will report/update on all committee assignments, which may include the following: Aransas Pathways Steering Committee, Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Environmental Committee for Water Issues; Parks & Leisure Services Advisory Board; Planning Zoning Commission; Rockport Heritage Board; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Swimming Pool Operations Advisory Committee; Tourism Development Council; Tree & Landscape Committee; YMCA Development Committee; Texas Maritime Museum; Fulton Mansion; Rockport Center for the Arts; Emergency Management, Aransas County; Aransas County Independent School District; Aransas County Navigation District; Town of Fulton; and Texas Municipal League. No formal action can be taken on these items at this time.

Mayor Wax stated that the entire Texas Municipal League Board of Directors had voiced compliments about the hospitality and great City staff they encountered during their stay in Rockport for the June Board meeting.

Executive Session

City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

- 14. Section 551.071(1)(A) Consultation with Attorney on pending or contemplated litigation: A) Bay Education Center, (B) Pena/Dack, and (C) Texaz Construction and AZ Southwest Properties.**
- 15. Section 551.072 Deliberation regarding real property – deliberate the purchase, exchange, lease, or value of real property: a) Red Fish.**
- 16. Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.**

At 8:01 p.m., Mayor Wax convened the Rockport City Council into an executive session pursuant to provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in Section 551.071910(A) Consultation with Attorney on pending or contemplated litigation: (A) Bay Education Center, (B) Pena/Dack, and (C) Texaz Construction and AZ Southwest Properties; Section 551.072 Deliberation regarding real property – deliberate the purchase, exchange, lease, or value of real property: a) Red Fish; and Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

Open Session

City Council will reconvene into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

At 8:45 p.m., Mayor Wax reconvened the Rockport City Council into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any necessary actions related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

No action was taken.

17. Adjournment

At 8:46 p.m., Council Member Villa moved to adjourn. Motion was seconded by Mayor Pro-Tem Rios and carried unanimously.

APPROVED:

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, July 12, 2016

AGENDA ITEM: 5

Deliberate and act on 2rd quarter hotel occupancy tax report from Rockport Center for the Arts for 2015-2016 marketing expenditures.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: The Rockport Center for the Arts has been allocated \$109,700 in Fiscal Year 2015-2016 Hotel Occupancy Tax (HOT) funds, of which \$2,500 is designated for Rockport Rotary Club Film Festival leaving \$107,200. According to our agreement with Rockport Center for the Arts, HOT funds are paid in advance and a report of the previous quarter's expenditures is required. See the accompanying 3rd Quarter HOT Expenditure Report for additional information.

FISCAL ANALYSIS: Charged to account 6602040. The Rockport Center for the Arts has already received \$2,500 for the 2015 Film Festival. YTD expenses are \$53,279.44 out of \$107,200.00 budgeted.

RECOMMENDATION: Staff recommends approval of Rockport Center for the Arts Fiscal Year 2015-2016 Hotel Occupancy Tax funds 3rd Quarter expenditures and authorization to disburse 4th Quarter funds in the amount of \$26,800.00, as presented.



Rockport Center for the Arts

Hotel Occupancy Tax Funding Report for April, May and June 2016

Explore. Discover. Express.

47 years of service to our community

OUR MISSION

Rockport Center for the Arts' mission is to be the catalyst and epicenter for opportunities to explore the creative arts.

OUR PROMISES

To provide a facility that is free and open to the public six days a week, year-round.

To provide free year-round art education programming to local area students.

To provide a space where cultural enrichment is available to the community and visitors alike.

To conduct activities that attract cultural tourism.

Rockport Center for the Arts delivering substantive results

Rockport Center for the Arts Report for the City of Rockport Highlights of Tourism Activities, April through June 2016

➤ Total visitors to the **Art Center** for the April through June period was **6,990**, as compared to **5,601** for the same quarter in 2015 (**25% increase**).

➤ Visitor attendance is on the rise since last year. 2016 visitor attendance to the Art Center during the quarter is up considerably in every month as compared to 2015:

2015	April	2,106	May	1,390	June	2,105
2016	April	2,816	May	2,017	June	2,157
% Increase		25%		45%		2.5%

➤ The percentage of visitors that came from **outside of 70 miles** of Rockport **over the 3 month period** is as follows:

April 71.70% **May 81.90%** **June 80.30%**

➤ There was a **significant increase in visitors** to the Art Center from **outside of 70 miles** during the entire quarter that can be attributed to PR and marketing activities to promote the 27th Annual **Tour of Homes and the Kay Barnebey** exhibit in external markets in April, and the **Glasstire and social media boosted** campaigns for the **Danville Chadbourne** dedication/exhibit in May and **Joey Blazek Poster Artist** show in June.

➤ In April **25.30% of visitors** came from outside the State of Texas.

➤ In May **10.20% of visitors** came from outside the State of Texas.

➤ In June **12.30% of visitors** came from outside the State of Texas.

➤ Percentage of visitors to the Art Center that came from major **Texas metropolitan** areas:

April 26.10% **May 41.30%** **June 45.60%**

➤ The most **robust market** during the quarter was **San Antonio** as compared to **Houston** last quarter and **Austin the quarter prior to that**. Visitors from the **San Antonio** market demonstrated **huge double digit** attendance during the months of May and June.

Rockport Center for the Arts
Report for the City of Rockport
Highlights of Tourism Activities, Raw Data April through June 2016
(provision of zip code for visitors at the Art Center is optional)

Visitor Data at the Art Center	Apr-16	May-16	Jun-16	Quarterly Total
Total Attendance (n)	2816	2017	2157	6990

Visitor Data	Apr-16	May-16	Jun-16
Outside of 70 Miles*	71.70%	81.90%	80.30%
Local **	28.30%	18.10%	19.70%
Total	100.00%	100.00%	100.00%

*Highlights of Tourism outside of 70 miles, major metropolitan areas in Texas			
Austin	5.80%	7.30%	7.80%
Dallas / Ft. Worth	2.50%	7.90%	5.70%
Houston	8.00%	8.50%	7.00%
San Antonio	9.80%	17.60%	25.10%
Total major metro areas	26.10%	41.30%	45.60%
Tourism from outside of Texas	25.30%	10.20%	12.30%
Rural tourism beyond 70 miles	20.30%	30.40%	22.40%
Total tourism from beyond 70 miles	71.70%	81.90%	80.30%

^ Robust Market

** Local Area Visitors			
Rockport-Fulton	14.50%	13.50%	8.00%
Corpus Christi	5.80%	2.00%	6.60%
Rural Areas	8.00%	2.60%	5.10%
Total	28.30%	18.10%	19.70%

April 2016

Special Events: 27th Annual Rockport Tour of Homes

A 3-Day Special Event including the Kick-Off Party & Kay Barnebey Solo Exhibit Show




**APRIL
9-10**

WWW.ROCKPORTTOUROFHOMES.COM



Attendance to the Kick-Off Party: **235**

Tour of Homes Visitor Demographics

Average attendance per home: **883**

Visitors from 70+ Miles: 39.8%

Local Visitors: 60.2%

Visitors from Austin: 5.4%

Visitors from Dallas, Ft. Worth: 1.1%

Visitors from **Houston: 13.0%**

Visitors from **San Antonio: 10.0%**

Major Texas Metropolitan Visitors: 29.5%

Visitors from Rural Texas 70+ Miles: 5.0%

Visitors from Outside Texas: 5.3%

20% Increase in Attendance vs. 2015

Most robust markets: Houston and San Antonio

April 2016
27th Annual Rockport Tour of Homes
An Aggressive PR and Media Campaign



MEDIA SPONSORSHIP PACKAGE INCLUDES:

- Road Trippin' segment featuring your location in "Daytime At Nine"
(aired March 30th, 2016 from 9a-10a on Fox San Antonio)
- Road Trippin' segment featuring your location in "San Antonio Living"
(aired March 23rd, 2016 from 10a-11a on NBC 4 San Antonio)
- All participants will be showcased on the Road Trippin' pages on FoxSanAntonio.com and News4SanAntonio.com from your air date until the end of the year.
- Link to your website from the Road Trippin' page(s)

VIDEO AVAILABLE:

<http://news4sanantonio.com/sa-living/featured-on-living/roadtrippin-rockport-center-for-the-arts>

PR Campaign Strategic Goals:

- More Attractive TV PSA with Wider Distribution
- More Radio Presence
- Social Media Boosts to Directed Markets
- Increase visitors from 70+ miles
- Return Tour attendance to 2013 levels
- Increase Social Media Presence through Boosts
- Increase Facebook Likes

Strategy Results:

- Attendance matched 2013, one of the best year's for the Tour
- 5.3% increase in attendance from 70+ miles vs. 2015
- 70+ miles visitors matched 2012 best year ever for the Tour
- 6% increase in attendance from the Houston market vs. 2015
- 2% increase in attendance from the San Antonio market vs. 2015
- 6% increase in visitors from major metropolitan
- 300 more Facebook likes in less than one month

April 2016

27th Annual Rockport Tour of Homes

An Aggressive PR and Media Campaign

Road Trippin' in Rockport

BY SAN ANTONIO LIVING | WEDNESDAY, MARCH 23RD 2016



Road Trippin' in Rockport

BY SAN ANTONIO LIVING | WEDNESDAY, MARCH 23RD 2016



April 2016

*Main Gallery Visual Arts Program: Kay Barnebey Solo Exhibit
An Environmental Attitude*

Held in Conjunction with the 27th Edition of Tour of Homes



Opening Night Reception Attendance:

246

"I am a teacher who paints and I enjoy sharing that knowledge and experience with others." Barnebey



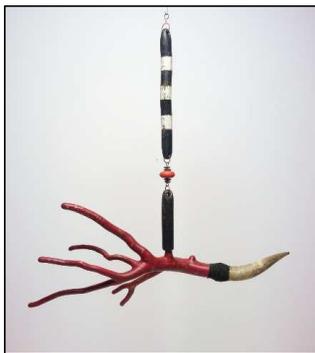
Garden Gallery Visual Arts Program: Postcards from Aransas County

Celebrated the local *Plein Air* tradition and the iconic scenery of Aransas County.

Juried by Rockport's own- 1994 Rockport Art Festival Poster Artist, the great **Steve Russell**.

May 2016

Main and Garden Gallery Visual Arts Program: Dedication of Acquisition and Chadbourne Solo Exhibit
*Statewide Promotion of Dedication and Exhibit, targeting San Antonio through **Glasstire***



Ad title	Ad type	Start Date	End Date	# Impressions
Danville Chadbourne	Sponsored Article	5/9/2016	Permanent	
	Sunday Newsletter insertion	5/15/2016		2,685
Danville Chadbourne	Website Medium Rectangle by website location:	5/9/2016	5/15/2016	
	Homepage			9,172
	Classifieds			7,873
	Events			885
Danville Chadbourne	Social Media Outreach			
	Twitter	5/9/2016	5/9/2016	6,400
	Facebook	5/9/2016	5/9/2016	254
Glasstire	Twitter	5/14/2016	5/14/2016	6,400
	Facebook	5/13/2016	5/13/2016	198
	Total Impressions Made			33,867

Opening Night Reception Attendance: 248

Attendance to Sculptural Dedication: 90

June 2016

Main Gallery Visual Arts Program: 47th Annual Rockport Art Festival Poster Artist



BLAZEK

Beaumont artist,
Joey Blazek

Aesthetic: Coastal, Ranching,
Industrial

**Opening Night
Reception Attendance: 208**

May 2016

Main Gallery Visual Arts Program: Blazek Solo Exhibit
Statewide Promotion of the Exhibit through *Glasstire*

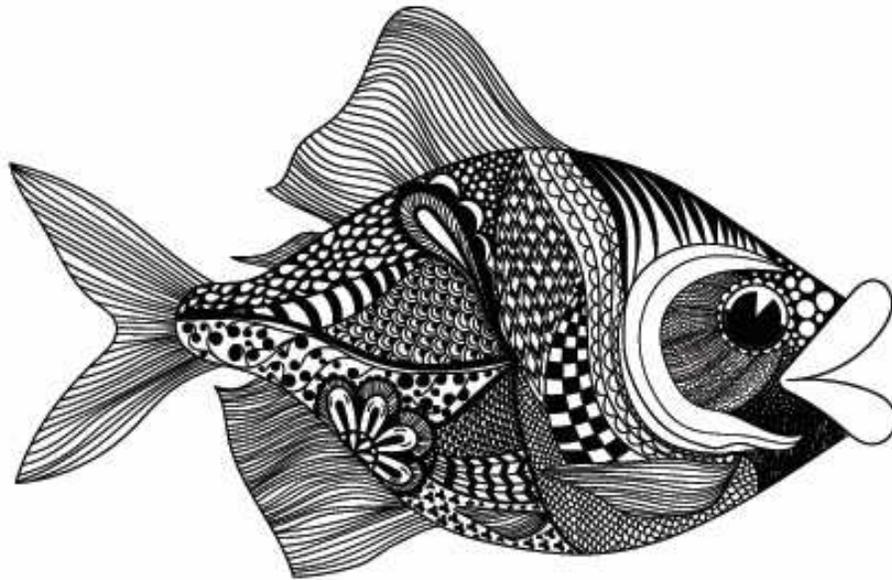


Ad title	Ad type	Start Date	End Date	Impressions
Joey Blazek	Website Medium Rectangle	6/5/2016	6/18/2016	34,495
	Homepage + Classifieds + Events			
Joey Blazek	Newsletter Medium Rectangle	6/7/2016	6/7/2016	2,387
Joey Blazek	Newsletter Medium Rectangle	6/12/2016	6/12/2016	2,646
Joey Blazek	Newsletter Medium Rectangle	6/14/2016	6/14/2016	2,429
Joey Blazek	Newsletter Medium Rectangle	6/19/2016	6/19/2016	2,324
	TOTALS			44,281

June 2016

Free Educational Programming: 19th Annual ArtLink Summer Camp for Kids and Teens

ArtLink 2016



Total Enrollment to Date = **379**

Total Enrollment in June 2016 = **228** (1,368 contact hours)

Session 1 =	55
Session 2 =	44
Session 3 =	60
Session 4 =	69

5 lead teaching staff

9 high school and college student interns

1 college student assistant camp director

2016 ArtLink for Kids & Teens

Exploring Marine Life

Rockport Center for the Arts

ArtLink is supported by an **endowment** and annual grants from the **Margaret Sue Rust Foundation**, the **Coastal Bend Community Foundation**, the **Nystrom Family Foundation** and contributions from **individuals** and **Art Center patrons**.

City of Rockport - Hotel Occupancy Tax Grant – Fiscal Year 2016 Expenditures Detail per Quarter

	Approved Budget Expense	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Expenditures
		2015	2016	2016	2016	by Line Item
Advertising	\$ 25,000.00	\$ 1,211.00	\$ 2,000.00	\$ -	\$ -	\$ 3,211.00
Tour of Homes	\$ 8,000.00	\$ -	\$ 2,957.07	\$ 4,886.90	\$ -	\$ 7,843.97
Art Festival	\$ 25,000.00	\$ -	\$ -	\$ 4,400.00	\$ -	\$ 4,400.00
Exhibitions	\$ 26,000.00	\$ 5,881.89	\$ 3,833.80	\$ 8,172.92	\$ -	\$ 17,888.61
Workshops & Classes	\$ 12,000.00	\$ 6,857.38	\$ 4,408.64	\$ 272.00	\$ -	\$ 11,538.02
Sculpture Garden	\$ 11,200.00	\$ 6,362.84	\$ 1,635.00	\$ 400.00	\$ -	\$ 8,397.84
Total Funds Used Per Quarter		\$ 20,313.11	\$ 14,834.51	\$ 18,131.82	\$ -	
Total Funds YTD	\$ 53,279.44					
Total Requested & Approved Per Quarter	\$ 107,200.00	\$ 26,800.00	\$ 26,800.00	\$ 26,800.00	\$ 26,800.00	

Rockport Center for the Arts (Administrative Expenses) Budget Projection vs. YTD Actual FY 2016

Source: QuickBooks FY
2016 Budget vs.
Actual Report

Description of Administrative Expenses	Current Fiscal Year Administrative Expenses- Projection (from 2016 Budget)	Fiscal Year Administrative Expenses- Actual	% of Fiscal Year Projections
Advertising & Promotion	1,900.00	2,428.00	127.79%
Awards, Honorariums & Gifts	700.00	128.00	18.29%
Bank Service Charges	750.00	151.00	20.13%
Contract services	100.00	350.00	250.0%
Credit Card Fees	9,361.00	2,262.00	24.16%
Depreciation Expense	48,308.00	19,775.00	40.94%
Dues and Subscriptions	1,600.00	992.00	62.0%
Insurance	31,330.00	12,175.00	38.86%
Licenses, Fees and Permits	220.00	62.00	28.18%
Maintenance & Repairs	18,332.00	7,665.00	41.81%
Food & Beverage	2,500.00	836.00	33.44%
Payroll Expenses	132,087.00	61,203.00	46.34%
Postage and Delivery	2,200.00	989.00	44.96%
Printing and Reproduction	2,500.00	711.00	28.44%
Professional Fees	20,460.00	11,255.00	55.01%
Rental	6,024.00	2,351.00	39.03%
Security	504.00	252.00	50.0%
Staff Training & Development	0.00	109.00	100.0%
Supplies & Materials	4,200.00	2,364.00	56.29%
Taxes	648.00	-2.00	-0.31%
Telephone	3,240.00	1,374.00	42.41%
Transportation	960.00	597.00	62.19%
Travel	1,000.00	0.00	0.0%
Utilities	15,700.00	4,705.00	29.97%
Uncategorized Expenses (new Insurance)	0.00	4,310.00	not budgeted
Total Expense	304,624.00	137,042.00	44.99%

Actual Column is FY 2016 YTD as of 7/6/2016



Rockport Center for the Arts
Hotel Occupancy Tax, Period April – June, 2016
*Report of Quarterly Activities for **the City of Rockport***

Thank you for your support
City of Rockport.

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, July 12, 2016

AGENDA ITEM: 6

Deliberate and act on Lease Agreement with Aransas County Community Garden, Inc.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: Aransas County Community Garden began in August 2011 with eleven 4' x 8' raised garden beds on a portion of Mathis Park (801 South Live Oak Street). The garden is now built out and includes 60 beds.

The current Lease Agreement with Aransas County Community Garden for operation of a community garden will expire on July 27, 2016, and they have requested renewal of the Lease Agreement with the same terms as the present lease. Parks and Leisure Services has not experienced any problems with the lease during its initial term.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Staff recommends Council approve the Lease Agreement, as presented.

**LEASE AGREEMENT
CITY OF ROCKPORT
AND
ARANSAS COUNTY COMMUNITY GARDEN, INC.**

Effective Date: The date on which this agreement is signed by both Tenant and Landlord

Landlord: CITY OF ROCKPORT, a Texas home-rule municipality

Landlord's Address: 622 E. Market Street, Rockport, TX 78382

Tenant: ARANSAS COUNTY COMMUNITY GARDEN, INC. ("ACCG")

Tenant's Address: 1919 Crescent Dive, Rockport, TX 78382

Premises: The SURFACE ONLY of approximately 10,000 square feet of land, situated within the boundary of Mathis Park, the same being a public park in the City of Rockport, Aransas County, Texas, and generally described in Exhibit "A", attached hereto and incorporated herein by reference. The precise boundary of the Premises shall be shown by wood stakes, set by Landlord.

Annual Rent: Ten and no/100 Dollars (\$10.00)

Term: Five (5) Years

Commencement Date: July 27, 2016

Termination Date: July 26, 2021

Use: As a community garden; to consist of individually assigned, managed, and secured raised garden areas or plots for growing food products, using sustainable farming methods and products and offering "hands on" gardening opportunities and education for adults and children in the community.

Maximum amount of General Liability Insurance required: \$100,000 per occurrence/\$300,000 aggregate; Property – not applicable

Definitions:

"Rent" means "Annual Rent" plus any other amounts of money due Landlord by Tenant.

"Landlord" means the City of Rockport and its agents or employees.

"Tenant" means ACCG and its agents, employees, invitees, or visitors.

“Nonprofit Corporation” means an organization exempt from federal taxation under Section 501(c)(3), Internal Revenue Code of 1986, as amended.

Clauses and Covenants

A. Tenant agrees to:

1. Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date, subject to the terms, covenants and conditions herein.
2. Accept the Premises in their present condition “AS IS,” and that the Premises are currently suitable for Tenant’s intended Use.
3. Construct and maintain adequate fencing along the perimeter of the Premises of a material, type, size and design approved in advance by the Landlord, which fencing shall include at least one lockable gate restricting access to the Premises as may be appropriate as part of the fenced boundary, so as to assure no unauthorized use of the premises by a non-Tenant. Tenant will make no alterations to the approved fencing without Landlord approval. Tenant will not add any type of building structures, such as storage buildings to the property without Landlord approval.
4. Confine all Tenant’s use to the leased Premises described herein.
5. Minimize off-premises nutrient and sediment pollution, due to surface runoff or otherwise, into adjacent drainage ditches, by obtaining and following site-specific written recommendations from an Accredited Environmental Consultant (AEC), or someone with similar knowledge and expertise, whose identity shall be agreed to in advance by Landlord.
6. Obtain and maintain at all times during the Term of the Lease Agreement:
 - a. lawful status as a Nonprofit Corporation; and
 - b. use of the Premises in a manner that primarily promotes a public purpose of the City of Rockport, including making the Premises available for the intended purpose as defined in the Tenant’s “Articles of Incorporation” filed with the Texas Secretary of State.
7. Obey all City of Rockport laws, ordinances, rules and regulations, and accept and abide by all terms and conditions in this Agreement.
8. Pay, in advance, the Annual Rent to the Landlord at Landlord’s address.
9. Pay for all utility installation required and utility services used by Tenant. Tenant may elect to use the existing city water meter on the park premises in lieu of acquiring a second meter for Tenant’s sole use. If Tenant chooses to use the existing water meter, tenant shall pay for all utility services used at that meter, including any water that may be used by Landlord for general park purposes.

10. Pay all taxes, if any, on Tenant's personal property located on the Premises.
11. Allow Landlord to enter the Premises at any time to inspect the Premises.
12. Repair, replace, and maintain any part of the Premises used by Tenant.
13. Repair or replace any damage caused by Tenant to the Premises.
14. Maintain liability insurance for the Premises in the amount stated in this Lease naming Landlord as an additional co-insured, in the amount stated in this lease.
15. Deliver certificates of insurance to Landlord before the Commencement Date and thereafter when requested.
16. Indemnify, defend and hold Landlord harmless from any loss, attorneys' fees, court and other costs, or claims arising out of Tenant's use of the Premises.

B. Tenant agrees not to:

1. Use the Premises for any purpose other than that stated in this Lease.
2. Create or allow a nuisance or permit any waste or injury to the Premises.
3. Alter or construct any improvement on the Premises without Landlord's prior written consent.
4. Allow a lien to be placed on the Premises.
5. Assign this Lease or sublet any portion of the Premises.
6. Litter or leave trash or debris on the Premises.

C. Landlord agrees to: Lease the Premises to Tenant for the entire Term beginning on the Commencement Date and ending on the Termination Date.

D. Landlord and Tenant mutually agree to the following:

1. *Alterations.* Any alterations or improvement to be made by Tenant to the Premises shall be approved in advance, and in writing, by the Landlord. Upon termination of the Lease, and so long as Tenant is not in default under the terms of this Agreement, Tenant shall be able to remove all alterations or improvements, if any, made to or upon the Premises. Upon termination of the Lease, Tenant shall restore the Premises to its original condition, as it was or existed upon the Commencement Date of this Lease.

2. *Default by Landlord.* A default by Landlord is the failure to comply with any provision of this Lease that is not cured within ten days after Tenant's giving Landlord written Notice, as provided herein, of such default.
3. *Default by Landlord/Tenant's Remedies.* Tenant's sole remedy for Landlord's default is to terminate this lease, by giving written Notice to Landlord of such termination, after the time for curing any default has passed.
4. *Default by Tenant.* A default by Tenant is the failure to comply with any provisions of this Lease that is not cured within ten days after Landlord's giving Tenant written Notice, as provided herein, of such default.
5. *Default by Tenant/Landlord's Remedies.* Landlord's sole remedy for Tenant's default is to terminate this Lease, by giving written Notice to Tenant of such termination, after the time for curing any default has passed. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant and/or any other person who may be on the Premises, without being liable for damages.
6. *Default/Waiver.* It is not a waiver of default if the non-defaulting party fails to immediately declare an event of default or delays in taking any action. Pursuit of any remedies set forth in this Lease does not preclude pursuit of other remedies in this Lease or provided by law.
7. *Holdover.* If Tenant does not vacate the Premises following termination of this Lease, Tenant will become a "tenant at will" and must vacate the Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term.
8. *Alternative Dispute Resolution.* Landlord and Tenant agree to mediate in good faith before filing a suit for damages.
9. *Attorneys' Fees/Litigation/Venue.* If either party retains an attorney and brings suit to enforce this lease, the party prevailing in such litigation is entitled to recover reasonable attorneys' fees and court and other costs. Venue for any such action shall be in Aransas County, Texas.
10. *Entire Agreement.* This lease, together with the attached exhibits and riders, is the entire agreement of the parties, and there are no oral representations, warranties, agreements or promises pertaining to this Lease or to any expressly mentioned exhibits and riders not incorporated in writing in this Lease.
11. *Amendment of Lease.* This Lease may be amended only by an instrument in writing signed by Landlord and Tenant.
12. *Limitation of Warranties.* THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE.

13. *Notices.* Any notice required under this Lease must be in writing. Any notice required by this Lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Services, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, electronic mail, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.
14. *Mineral Interests.* This lease is subordinate to any present or future oil, gas, or other mineral exploration agreements and leases. Landlord will not be liable to Tenant for any damages for actions attributable to those agreements and will receive all consideration paid therefor.
15. *Landlord's/Public Use.* Tenant's right of possession is non-exclusive. Landlord, and the public in general, retain the right to use Mathis Park as a public park, so long as such use does not unreasonably interfere with Tenant's use of the Premises herein described.
16. *Conveyance for Public Use-Reversion.* The use contemplated by Tenant promotes a public purpose of the City of Rockport. Pursuant to Texas Local Government Code, §253.011, should Tenant at any time fail to use the Premises in the manner intended herein, this Lease shall terminate automatically, and full right to use and possession of the Premises shall automatically revert to Landlord.

APPROVED by the Rockport City Council at its meeting held on Tuesday, July 12, 2016.

APPROVED by the ACCG at its board meeting held on _____, 2016.

LANDLORD:

TENANT:

City of Rockport, Texas

Aransas County Community Garden, Inc.

Charles J. Wax, Mayor

Richard Snyder, President

Date: July 12, 2016

Date: _____

ATTEST:

ATTEST:

Teresa Valdez, City Secretary

_____, ACCG Secretary

“EXHIBIT A”



ARANSAS COUNTY COMMUNITY GARDEN



accgarden@gmail.com

www.aransascountycommunitygarden.org



Aransas County Community Garden



Providing an opportunity for the citizens of Aransas County to grow produce for themselves and their families in a nonprofit environment.



OCTOBER 2011 MATHIS PARK



BUILDING THE ORIGINAL
11 PLOTS



FULLY BUILT OUT



To 60

Providing an opportunity for citizens of Aransas County to grow produce for themselves and their families in a nonprofit environment.



www.aransascountycomm...
Aransas County
Texas
Community Garden

Aransas County Community Garden Contract Rules, Terms and Conditions for Participation

The acting Board of Directors is the highest governing authority of Aransas County Community Garden.

Rules, Terms, and Conditions for Participation

1. The fee for the use of the garden is \$20 per plot, per year (January 1 – December 31), due on or before January 1. The fee for half a year (beginning July 1 or later) is \$10. Fees are non-refundable unless a plot is not available.
2. Once assigned, a plot must be cultivated and planted within a reasonable time. Once planted, a plot cannot be left fallow or untended for an extended time. ****Produce must be harvested in a timely fashion**.**
3. Keep plants within the limits of your assigned plot. No illegal plants or plants more than six feet high. **This is a vegetable garden and only vegetables or approved companion plants may be grown.** Keep your assigned plot and surrounding area clean and neat with no waste material. Anything brought to the garden should be removed and not left at the garden.
4. Gardeners are responsible for removing diseased plants from the garden. However, ACCG reserves the right to remove any or all parts of a diseased plant. Notable diseases are powdery mildew on squash and cucumbers and Early Blight on tomatoes - **all leaves and affected parts of the plants should be removed from the garden.** Insect infestations will be treated with appropriate methods by ACCG and plants removed only if such treatment fails.
5. Smoking, alcohol, illegal drugs, weapons or gambling are not allowed in the garden. Do not come to the garden while under the influence of alcohol or illegal drugs.
6. The gate combination must not be given out to non-gardeners. Guests or visitors may enter the garden only if accompanied by a gardener. They must follow all rules, terms, and conditions stated here. Children must be supervised at all times when they are in the garden. Pets must be on a leash and under your control at all times.
7. The Garden Manager may assign general maintenance tasks, each of which must be completed in a reasonable amount of time.
8. Do not apply pesticides, fertilizers, or herbicides to your assigned plot or surrounding area. If you feel additional substances are needed, please contact the Garden Manager or one of the Board of Directors for assistance. Insecticidal soap is available in a spray bottle in the water box – follow instructions.
9. Respect other gardeners. Do not take food or plants from plots not assigned to you. Do not use abusive or profane language or discriminate against others. Keep the garden a happy, secure, and enjoyable place where all participants can garden and socialize peacefully in a neighborly manner.
10. By signing below, the signee acknowledges the inherent risk of gardening including, but not limited to, working with tools, uneven ground, weather, and insects.

GARDENING APPLICATION

The community garden is located at Mathis Park in Rockport Texas. The fee for the plot is \$20 for a full year and \$10 for a half year. Only one plot per family is allowed available on the basis of first paid applications. Fees are non-refundable unless a plot is available. Make checks payable to ARANSAS COUNTY COMMUNITY GARDEN. **PLEASE SIGN THE CONTRACT ON THE REVERSE SIDE OF THIS APPLICATION AND MAIL TO: PO BOX 333 FULTON, TX 78358.**

DATE: _____

- FULL YEAR: (\$20) January 1 – December 31
- HALF YEAR: (\$10) after July 1
- CASH or
- CHECK (check # _____)

FIRST NAME: _____

LAST NAME: _____

ADDRESS: _____

CITY: _____ ST _____ ZIP _____

EMAIL: _____

TELEPHONE: _____

DO YOU NEED TRANSPORTATION? Yes No

DO YOU HAVE GARDENING EXPERIENCE? Yes No

HOW MANY WILL BE GARDENING WITH YOU? _____

WHAT PRODUCE WOULD YOU LIKE TO GROW? _____

HOW DID YOU HEAR ABOUT US? _____

This community garden is an all-volunteer nonprofit organization and as such we are made up of two things: **volunteers and donations.** All donations are fully tax deductible in the State of Texas recognized nonprofit and have our IRS 501(c)(3) certification).

DONATION: _____

More importantly, we need your participation. Below are some committee opportunities available.

- construction
- irrigation
- phoning
- fund raising
- media (meetings, etc.)
- gardening
- (web/Facebook)
- transportation

Commitment: I have read, understand, and will abide by the rules, terms, and conditions stated above for participation in the Aransas County Community Garden. Breaking any rule, term, or condition is cause for exclusion from the garden and loss of your plot.

1. You will receive one verbal warning from the current Board of Directors.
2. If no response or correction has been made within two weeks after the verbal warning you will receive a written warning.
3. If no response or correction has been made within two weeks after the written warning you will receive written notification that you have forfeited your garden privileges and plot.
4. You will be allowed to reapply for another garden plot after one year and only at the discretion of the Board of Directors.

Signed: _____ Date: _____
Gardener

\$20 yearly fee includes:

- Automatic watering by drip irrigation
- Fertilizer, compost, mulch
- Pest control
- Monthly meetings
- Lots of advice

KIDS





THANKS
SPONSORS

Morgan St. pergola entrance

2015/16 Gardener-built projects



Water

Shed

Messages



Learning to Solarize



Donna's Carrots



Matyi's Tycoon Tomatoes

Thanks City of Rockport

For letting us play in the dirt

And

Grow stuff we can eat!

Directors – elected yearly by the membership

Willy Conran, Mark Henthorn, Analisa Kennedy,
Kathleen Montier, Paula Newton, Gayle Rogers,
Richard Snyder

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, July 12, 2016

AGENDA ITEM: 7

Deliberate and act on the Texas Municipal League Intergovernmental Employee Benefits Pool Continuation of Coverage Administrative Agreement for the Fiscal Year 2015-2016.

SUBMITTED BY: Assistant City Secretary Ruby Beaven

APPROVED FOR AGENDA: PKC

BACKGROUND: The accompanying Continuation of Coverage Administrative Agreement with the Texas Municipal League (TML) Intergovernmental Employee Benefits Pool (IEBP) requests IEBP to provide employees who terminate their employment with the City the right to temporary continuation of health coverage at group rates. Risk pools do not fall under the COBRA statute, but the requirement still exists and is called Continuation of Coverage (COC). “Continuation of Coverage” is a risk pool’s version of the Consolidated Omnibus Budget Reconciliation Act (COBRA). COC, like COBRA, provides certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates. This coverage, however, is only available when coverage is lost due to certain specific events. Group health coverage for COBRA participants is usually more expensive than health coverage for active employees, since usually the employer pays a part of the premium for active employees while COBRA participants generally pay the entire premium themselves. Ordinarily it is also less expensive than individual health coverage.

The proposed agreement authorizes TML to provide administrative services for the COBRA program and relieves staff of most of the burden of meeting and monitoring the many deadlines and complexities of the City’s COBRA obligation. TML IEBP has been administering the program for the City since July 2000.

See the accompanying agreement for additional information.

FISCAL ANALYSIS: The City will pay the Texas Municipal League Intergovernmental Employee Risk Pool the yearly \$50.00 setup fee and \$0.50 per month for each participant enrolled in Continuation of Coverage. The coverage premium is the expense of the former employee. Of the 21 former employees eligible for COC since October 1, 2015, one utilized it for three months. Even if few former employees take advantage of the coverage, the labor that TML IEBP relieves from City staff is much greater than the annual setup fee.

RECOMMENDATION: Staff recommends that Council approve the Continuation of Coverage Administrative Agreement with the TML Intergovernmental Employee Benefits Pool from October 1, 2016, through September 30, 2017, as presented.

COBRA CONTINUATION OF COVERAGE ADMINISTRATIVE AGREEMENT

Please execute the enclosed copy of the COBRA COC Administration Agreement. Regarding COBRA COC Administration by TML MultiState IEBP, we ask the following:

1. Please also return the enclosed Certification of Distribution - Attachment A (AttachmentA.pdf), COBRA Continuation of Coverage Initial Notice certifying that you have distributed a copy of Attachment A to all covered employees. If you have not yet distributed Attachment A, please do so upon receipt of this letter.
2. TML MultiState IEBP has agreed to collect all required payments from COBRA Continuation of Coverage participants commencing on the effective date of the contract. If you have already received payments for month(s) after the effective date, please remit those amounts to TML MultiState IEBP so credit is applied to the COBRA Continuation of Coverage participant's record. If you receive any payments in the future, please notify TML MultiState IEBP immediately.
3. As part of the contract, you agreed to notify the Pool within one business day of a qualifying event via fax. Enclosed is a COBRA CONTINUATION OF COVERAGE QUALIFYING EVENT form for you to copy and use for the notice requirement.
4. If you have any current COBRA Continuation of Coverage participants or enrollees who are in their 60 day election period, please forward copies of all correspondence and payment records for these individuals.

If you have any questions about the transition requirements, please call us at 1-800-348-7879.

Sincerely,

B&E Member Service Representative
Member Service Team
TML MultiState IEBP

This document is to certify that all current employees as of the date indicated above were given a copy of Attachment A, COBRA Continuation of Coverage Initial Notice.

Signature



Title**Date****City of Rockport****October 2016**

WHEREAS, the undersigned Employer is an Employer Member of the TML MultiState Intergovernmental Employee Benefits Pool (hereinafter referred to as the "Pool");

WHEREAS, the undersigned Employer sponsors an employee benefit plan;

WHEREAS, the undersigned Employer is responsible for the administration of its employee benefit plan as the Plan Administrator; and

WHEREAS, the undersigned Employer wants the Pool to assist the Employer in complying with the requirements of Continuation of Coverage as required by Federal law.

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained herein, the undersigned Employer and the Pool agree as follows:

1. Effective Date

As of the first day of **October**, **2016**, the Pool will commence COBRA Continuation of Coverage administration for the undersigned Employer for all qualifying events occurring thereafter and during the term of this agreement.

2. Employer Duties

1. The undersigned Employer will notify the Pool's Billing/Eligibility Representative assigned to the Employer via FAX or Telephone (with a written follow up) within one (1) business day of a qualifying event, as defined by the COBRA Continuation of Coverage statute and its amendments, or a termination for gross misconduct of a Covered Employee for which the Employer has knowledge. Examples of qualifying events include termination; lump sum or severance settlement; resignation; death; retirement if the employee does not enroll for retiree coverage when offered under the Employer's benefit plan; reduction in hours [including reduction to zero (0) hours], call to duty for military service and absence from work for an injury or illness after all earned sick leave, vacation leave and FMLA has been exhausted.



2. The undersigned Employer will distribute Attachment A, which advises each Covered Individual of their rights and responsibilities under COBRA Continuation of Coverage. The Employer will certify through a letter to the Pool that Attachment A was distributed to all Covered Individuals as of the date the Pool commenced COBRA Continuation of Coverage Administration.
 3. The undersigned Employer will distribute Attachment A to all employees who become covered by the Employer's benefit plan after the date the Pool commenced COBRA Continuation of Coverage administration and include verification of the distribution with the enrollment card when it is submitted to the Pool.
 4. The undersigned Employer will notify the Pool via FAX or Telephone (with a written follow-up) within one (1) business day of gaining knowledge that a Covered Individual has legally separated, divorced or is no longer eligible for coverage, e.g., the Covered employee or dependent is voluntarily dropped from coverage.
 5. The undersigned Employer will notify the Pool at least ten (10) business days prior to any open enrollment period. The notice to the Pool will include the dates of the open enrollment.
 6. The undersigned Employer will immediately notify the Pool of any suspected claim, demand or suit arising from the administration of COBRA Continuation of Coverage.
 7. To the extent allowed by law, the undersigned Employer will indemnify and hold harmless the Pool and its officers, agents, employees and representatives from all suits, actions, losses, damages (including punitive damages), claims or liability of any type, including without limiting the generality of the foregoing all expenses of litigation, court costs, and attorney's fees, resulting from the failure of the undersigned Employer to give any notice required by this Agreement. The foregoing reimbursement obligation shall specifically include any medical claim costs incurred by the Pool because of the failure of the Employer to give any notice of an employee termination or other qualifying event. The undersigned Employer will fund this obligation out of current revenues in the year the obligation is determined or will levy a tax to fund the obligation if current revenues are insufficient.
 8. Any decision of whether an Employee was terminated because of gross misconduct will be made by the Employer no later than (a) the forty-fifth (45th) day following the termination or (b) the date a COBRA election notice is mailed to the Employee, whichever is earlier. Any determination of gross misconduct shall be based only on events prior to the termination of employment.
3. Pool Duties
 1. The Pool staff will monitor changes in COBRA Continuation of Coverage and the case law which develops interpreting COBRA Continuation of Coverage.



2. The Pool will provide election notices within fourteen (14) days of the receipt of notices of qualifying events sent by the Employer.
3. The Pool will provide the appropriate notification letters to the employee or their dependent(s) as required by COBRA Continuation of Coverage statutes. These letters may include any or all of the following:
 1. benefit availability - initial notice, enrollment card and cost;
 2. confirmation of enrollment and payment coupons
 3. notice of termination letters:
 - Failure to reply
 - Failure to make initial payment
 - Failure to make regular payment
 - End of eligibility (no longer qualified)
 - End of eligibility period
 4. open enrollment
 5. contribution change and revised payment coupons
 6. conversion to an individual policy
 7. Medicare eligibility
 8. verification of incapacitated child status
4. The Pool will provide the COBRA Continuation of Coverage participants with ID cards, a benefit booklet, and other materials as the need may arise.
5. The Pool will maintain records that all required notifications were sent and copies are available to the Employer upon request.
6. The Pool will collect the required contributions at the maximum amount allowed by law. Upon notice for the Employer under II.1., the Pool has fourteen (14) days to send the COBRA Continuation of Coverage election notice. Once the election notice is mailed the qualifying beneficiary has sixty (60) days to elect COBRA Continuation of Coverage. If the qualified beneficiary elects COBRA Continuation of Coverage the qualified beneficiary has forty-five (45) days from election to make the first payment. If partial payments are made and the payment deficiency is insignificant, Pool contacts the qualified beneficiary for full payment. The qualified beneficiary has thirty (30) days from deficiency notification to make payment. Insignificant payment deficiency is the lesser of \$50 or 10% of amount due.
7. The Pool will periodically provide the Employer, for their review, with the text of the letter and notices to be used in administering this Agreement. The Pool maintains final authority over the text of these letters and notices. The Pool reserves unto itself the right to modify the letters and notices as may be required pursuant to the COBRA Continuation of Coverage statute, any applicable case law and to promote the efficient administration of the Agreement.



8. To the extent allowed by law, the Pool will indemnify, defend, reimburse, and hold harmless the Employer and its employees from any and all liabilities, claims, demands, or suits arising from or related to the provision of COBRA Continuation of Coverage administrative services unless those liabilities, claims, demands, or suits arise out of the Employer's failure to give any notice as required in II, 1, 2, 3, 4, 5 and 6 of this Agreement. This notice is required by the agreement or by law. The Pool, upon notice by the Employer will immediately investigate, handle, respond to and defend any such claims, demands or suits at the Employer's sole expense. If the liability, claim, demand or suit is based on negligence this contract of indemnity shall apply and the negligence of the Employer and the Pool will be on a percentage basis as in a pure comparative negligence situation under the law.

9. The Pool's responsibilities under this contract are for COBRA Continuation of Coverage that the Employer is required to provide under Federal law, and does not have any responsibility for other benefits such as group life insurance or disability.

4. Notice

Any notice to be given under this Agreement, other than those in II, 1, 2, 3, 4 and 5 of this Agreement, shall be deemed given and received on the first to occur of the following: (a) actual receipt by the party to be notified; or (b) five days after deposit of such notice in the US Mail system if sent by Certified Mail, Return Receipt Requested, postage prepaid, and addressed to the party to be notified at the address of such party set forth below or as designated from time to time in writing by giving not less than ten days in advance notice to the other party. The initial addresses for the Pool and Employer shall be as follows:

<u>Address of Pool</u>	<u>Address of Employer</u>
Executive Director	City of Rockport
TML MultiState Intergovernmental Employee Benefits Pool	622 East Market Street
Texas Municipal Center	Rockport, TX 78382-1059
1821 Rutherford Lane, Suite 300	
Austin, Texas 78754-5151	

5. Compensation

1. The Employer will pay the Pool a one-time \$50.00 set up fee and a \$0.50 Per Participant Per Month fee for each participating participant per month that enrolls in COBRA Continuation of Coverage.
2. Other special services which may be requested by the Employer but are not contained in this Agreement will be billed at a mutually agreeable hourly rate.

6. Miscellaneous Provisions



1. This Agreement represents the complete understanding of the parties and may not be modified or amended without the written agreement of both parties.
 2. The parties agree that venue for any dispute arising under the terms of this Agreement shall be in Austin, Travis County, Texas.
 3. The parties agree that venue for any dispute arising out of the performance under their Agreement shall be in Austin, Travis County, Texas.
 4. In performing the administrative services under this Agreement, the Pool may rely without qualification on the information provided by the Employer.
 5. The Pool agrees to take over the remaining COBRA Continuation of Coverage administration for any of the Employer's current COBRA Continuation of Coverage participants, without Employer compensation, so long as the Employer furnishes the information necessary to effectuate the transfer.
 6. This Agreement is entire as to all of the performance to be rendered under it. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision of this Agreement shall be void and of no force and effect.
 7. It is understood that the Pool will charge the COBRA Continuation of Coverage participant the administration fee allowed by the COBRA Continuation of Coverage statute.
7. Termination
1. Term of this initial Agreement shall be from its effective date through 09/30/2017, at 12:00 a.m. The Employer may annually renew the Agreement for the subsequent twelve (12) month period by executing and returning the Pool's rerate notice and benefit selection for each year.
 2. Either party may terminate this Agreement at anytime by giving the other party written notice at least thirty (30) days prior to the specified date.
 3. This Agreement terminates, without further notice, on the date the undersigned Employer is no longer an Employer of the Pool.
 4. All records in possession of the Pool relating to COBRA Continuation of Coverage administration at termination of the Agreement will be transferred to the Employer within forty-five (45) business days.
 5. Should this Agreement terminate for any reason it does not relieve either party of their duties nor obligations during the period when this Agreement was in full force and effect.

This Agreement is entered into for the Employer under authorization of City of Rockport, at a duly called meeting held on

▲

mm/dd/yyyy

(enter "N/A" if no meeting was held)

by:

Signature

Authorized Official Title

Employer/GroupName

City of Rockport

Today's Date

7/5/2016

This Agreement Entered Into and Accepted By:

TML MULTISTATE INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL

By: _____ (Executive Director) at Austin, Texas on

SUBMIT



Attachment A

COBRA Continuation of Coverage (COC) Rights

Introduction. You're getting this notice because you have recently gained coverage under a group health plan (the Plan). This notice contains important information about your right to COBRA Continuation of Coverage (COC), which is a temporary extension of coverage under the Plan. This notice explains COBRA Continuation of Coverage, when it may become available to you and your family and what you need to do to protect the right to receive it. When you become eligible for COBRA Continuation of Coverage, you may also become eligible for other coverage options that may cost less than COBRA Continuation of Coverage.

The right to COBRA Continuation of Coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA Continuation of Coverage can become available to you and other members of your family when your group health coverage would otherwise end. For more information about your rights and obligations under the Plan and under federal law, you should review the Plan booklet or contact TML MultiState IEBP, 1821 Rutherford Lane, Suite 300, Austin, Texas 78754 or by telephone (800) 282-5385.

You may have other options available to you when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out of pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

What is COBRA Continuation of Coverage? COBRA Continuation of Coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA Continuation of Coverage must be offered to each person who is a "qualified beneficiary." You, your spouse and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA Continuation of Coverage may be required to pay for coverage depending on the policy of your Employer.

If you're an employee, you'll become a qualified beneficiary if you lose your coverage under the Plan because of either one of the following qualifying events:

1. Your hours of employment are reduced; or
2. Your employment ends for any reason other than your gross misconduct.

If you're the spouse of the employee, you'll become a qualified beneficiary if you lose your coverage under the Plan because of any of the following qualifying events:

1. Your spouse dies;
2. Your spouse's hours of employment are reduced;
3. Your spouse's employment ends for any reason other than his or her gross misconduct;
4. Your spouse becomes entitled to Medicare benefits (under Part A, Part B and/or Part C); or
5. You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because of any of the following qualifying events:

1. The parent-employee dies;
2. The parent-employee's hours of employment are reduced;
3. The parent-employee's employment ends for any reason other than his or her gross misconduct;
4. The parent-employee becomes entitled to Medicare benefits (Part A, Part B and/or Part C);
5. The parents become divorced or legally separated; or
6. The child stops being eligible for coverage under the Plan as a "dependent child."

Any decision of whether an Employee was terminated because of gross misconduct will be made by the Employer. The employer may not change its decision on whether or not a termination was for gross misconduct later than the forty-fifth (45th) day after the date employment terminated or the date a COBRA Continuation of Coverage election notice was mailed to the employee, whichever is earlier. Any determination of gross misconduct shall be based on events that occurred prior to the termination of employment.

Sometimes, filing a proceeding in bankruptcy under Title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to your employer, and that bankruptcy results in the loss of coverage for any retired employee covered under the Plan, the retired employee will become a qualified beneficiary. The retired employee's spouse, surviving spouse and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

Please note that COBRA Continuation of Coverage does not include any life benefits. If you had voluntary life coverage, you may convert it to an individual policy within thirty-one (31) days of your qualifying event. Contact your employer's human resources office for more information and conversion forms.

When is COBRA Continuation of Coverage available? The Plan will offer COBRA Continuation of Coverage to qualified beneficiaries only after IEBP has been notified that a qualifying event has occurred. The Employer must notify IEBP of the following qualifying events:

1. The end of employment or reduction of hours of employment;
2. Death of the employee;
3. Commencement of a proceeding in bankruptcy with respect to the employer; or
4. The employee's becoming entitled to Medicare benefits (under Part A, Part B and/or Part C).

You must give notice of some Qualifying Events. For all other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify IEBP within sixty (60) days after the qualifying event occurs. You must provide notice to: TML MultiState IEBP, 1821 Rutherford Lane, Suite 300, Austin, Texas 78754 or by telephone (800) 282-5385.

How is COBRA Continuation of Coverage provided? Once IEBP receives notice that a qualifying event has occurred, COBRA Continuation of Coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA Continuation of Coverage. Covered employees may elect COBRA Continuation of Coverage on behalf of their spouses, and parents may elect COBRA Continuation of Coverage on behalf of their children.

COBRA Continuation of Coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (Part A, Part B and/or Part C), your divorce or legal separation or a dependent child's losing eligibility as a dependent child, COBRA Continuation of Coverage lasts for up to a total of thirty-six (36) months. When the qualifying event is the end of the employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than eighteen (18) months before the qualifying event, COBRA Continuation of Coverage for qualified beneficiaries other than the employee lasts until thirty-six (36) months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare eight (8) months before the date on which his employment terminates, COBRA Continuation of Coverage for his spouse and children can last up to thirty-six (36) months after the date of Medicare entitlement, which is equal to twenty-eight (28) months after the date of the qualifying event (thirty-six (36) months minus eight (8) months). Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA Continuation of Coverage generally lasts for only up to a total of eighteen (18) months. There are three (3) ways in which this eighteen (18) month period of COBRA Continuation of Coverage can be extended.

Active Duty Reservists extension of COBRA Continuation of Coverage. If covered by the Plan as an employee at the time of call to active duty, active duty reservists or guard members and their covered dependents can maintain eligibility on the Plan for up to twenty-four (24) months as prescribed by and subject to the terms and conditions of the Uniformed Services Employment and Reemployment Rights Act (USERRA). The date on which the person's absence begins is the qualifying event for COBRA Continuation of Coverage (COC) to be offered to the reservist or guard member.

If a fire fighter or police officer is called to active duty for any period, the Employer must continue to maintain any health, dental, or life coverage received on the date the fire fighter or police officer was called to active military duty until the Employer receives written instructions from the fire fighter or police officer to change or discontinue the coverage. Such instruction shall be provided no later than sixty (60) days following the Qualifying Event. If no such instruction is given, then coverage will terminate on the sixty-first (61st) day, which shall then become the Qualifying Event for COBRA Continuation of Coverage purposes. Eligibility will meet or exceed requirements of USERRA and/or regulatory compliance.

In administering this coverage, IEBP will follow the time guidelines of COBRA Continuation of Coverage under 42 U.S.C.A.300bb-1 *et seq.* To qualify for this coverage, the employee must give written notice to the Employer within sixty (60) days of the qualifying event. The Employer member must notify IEBP that an employee has been called to active duty and submit a copy of the Employer member's active reservist policy to IEBP.

Disability extension of COBRA Continuation of Coverage. If you or anyone in your family covered under the Plan is determined by Social Security to be disabled and you notify IEBP within sixty (60) days of that determination, you and your entire family may be entitled to receive up to an additional eleven (11) months of COBRA Continuation of Coverage for a total maximum of twenty-nine (29) months. The disability must start at some time before the sixtieth (60th) day of COBRA Continuation of Coverage and must last at least until the end of the eighteen (18) or twenty-four (24) month period of COBRA Continuation of Coverage. You may contact TML MultiState IEBP about a disability determination at 1820 Rutherford Lane, Suite #300, Austin, Texas 78754 or by telephone (800) 282-5385.

Second Qualifying Event extension of COBRA Continuation of Coverage. If your family experiences another qualifying event while receiving eighteen (18) or twenty-four (24) months of COBRA Continuation of Coverage, the spouse and dependent children in your family can get up to eighteen (18) additional months of COBRA Continuation of Coverage, for a maximum of thirty-six (36) months, if IEBP is properly notified about the second qualifying event. This extension may be available to the spouse and any dependent children getting COBRA Continuation of Coverage if the employee or former employee dies, becomes entitled to Medicare benefits (Part A, Part B and/or Part C) gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child. This extension is available only if the second qualifying event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

Are there other coverage options besides COBRA Continuation of Coverage? Yes. Instead of enrolling in COBRA Continuation of Coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA Continuation of Coverage. You can learn more about many of these options at www.healthcare.gov.

Adding Dependents. If you are a COBRA Continuation of Coverage participant, you have the same rights to add dependents to your COBRA Continuation of Coverage as an active covered employee. For example, you may add dependents to your COBRA Continuation of Coverage within thirty-one (31) days of marriage or sixty (60) days of the birth, adoption or placement for adoption of a child. Also, you may add dependents to your COBRA Continuation of Coverage during your Employer's Open Enrollment. However, these dependents who were not covered under the Plan before your qualifying event occurred are not qualified beneficiaries and do not have individual COBRA Continuation of Coverage rights, except for children added within sixty (60) days of birth, adoption or placement for adoption. Children added to your COBRA Continuation of Coverage within sixty (60) days of birth, adoption or placement for adoption are qualified beneficiaries and have their own COBRA Continuation of Coverage rights.

If you have questions. Questions concerning your Plan or your COBRA Continuation of Coverage rights should be addressed to the contact or contacts identified below. State and local government employees seeking more information about their rights under COBRA Continuation of Coverage, the Health Insurance Portability and Accountability Act (HIPAA) and other laws affecting group health plans, can contact the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services at:

- http://www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/cobra_fact_sheet.html; or
- <http://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/index.html#COBRA>

Keep Your Plan Informed of Address Changes. In order to protect your family's rights, you should keep IEBP informed of any changes in addresses of family members. You should also keep a copy, for your records, of any notices you send to your Employer and IEBP.

Helpful Resources	Contact Information and Accessible Hours
TML MultiState Intergovernmental Employee Benefits Pool (IEBP) -----	Physical: 1821 Rutherford Lane, Suite 300 Austin, Texas 78754 Mailing: PO Box 149190 Austin, Texas 78714-9190
Customer Care Helpline -----	(800) 282-5385 8:30 AM - 5:00 PM Central
Secured Customer Care E-mail: Medical -----	Visit www.iebp.org ▶ click on the "Login" button ▶ click on "Online Customer Care" under the "My Tools" menu ▶ click on "Send a Secure Email" ▶ 8:30 AM - 5:00 PM Central
Secured Customer Care E-mail: Dental -----	dental-mail@iebp.org
Provider Benefit Information Portal: Provider information can be found under the Provider Services menu. Member specific information such as Eligibility, Claims, Summary of Benefits and Coverage, Provider Coding Guidelines, Medication Therapy Management Guide, Member Rights and Responsibilities, Provider/Member Appeal Rights and IEBP Quality Improvement Plan information is also available.	Visit www.iebp.org ▶ to register, click on the "Sign Up" link under the provider section ▶ to login, click on the "Login" button at the top right hand side of the screen
TML MultiState IEBP Internet Website -----	www.iebp.org Twenty-four (24) hrs
MyIEBP Mobile Access -----	iPhone—App Store, Droid—Google Play, All other Phones— www.iebp.org Twenty-four (24) hrs
Information on how IEBP evaluates new technology for inclusion as a covered benefit	Visit www.iebp.org ▶ click on "About Us" ▶ click on "Technology"
Medical Authorizations -----	(800) 847-1213 8:30 AM - 5:00 PM Central
Professional Health Coaches: Professional Health Coaches will answer basic health and medication questions and assist Covered Individuals with the Healthy Initiatives Incentive Program. Covered Individuals may enroll in professional health coaching.	(888) 818-2822 9:30 AM - 6:00 PM Central or Scheduled Appt.
Spanish Line -----	(800) 385-9952 Spanish_cc@iebp.org <i>(There is an underscore between Spanish and cc.)</i>
Where to Mail Paper Medical Claims -----	TML MultiState IEBP PO Box 149190 Austin, Texas 78714-9190
After Hours and/or Weekend Medical and Mental Healthcare Emergencies -----	Call 911 or immediately go to the emergency department.
IEBP Performance Improvement Plan-----	Visit www.iebp.org ▶ click on the "Login" button ▶ click on "My Tools" ▶ click on "Quality Improvement Program"

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, July 12, 2016

AGENDA ITEM: 9

Conduct and deliberate a Joint Public Hearing with the Planning & Zoning Commission to consider a request for a Conditional Use Permit for a bed and breakfast/multi-family ranch with farm animals on property located at 1515 Sixteenth Street; being 10 acres also known as Lot 76, Block 250, Swickheimer Subdivision, Rockport, Aransas County, Texas, currently zoned R-1 (1st Single Family Dwelling District).

SUBMITTED BY: Public Works Director Michael S. Donoho, Jr.

APPROVED FOR AGENDA: PKC

BACKGROUND: Mr. Caleb Morales is seeking a Conditional Use Permit on property located at 1515 Sixteenth Street for multi-family ranch with farm animals. When homes are not occupied by family members Mr. Morales would like to utilize the homes as a bed and breakfast.

Please see the accompanying conditional use application for detailed information.

FISCAL ANALYSIS: N/A

STAFF RECOMMENDATION: Not an action item, public hearing only.



JOINT PUBLIC HEARING

Rockport City Council and Planning & Zoning Commission

NOTICE is hereby given that the Rockport City Council and the Planning & Zoning Commission will hold a Joint Public Hearing on Tuesday, July 12, 2016, at 6:30 p.m., at Rockport City Hall, 622 E. Market St., Rockport, Texas, to consider a request for a Conditional Use Permit on property located at 1515 Sixteenth Street; also known as Lot 76, Block 250, Swickheimer Subdivision, 10 acres, Rockport, Aransas County, Texas, currently R-1 (1st Single Family Dwelling District) according to the Aransas County Appraisal District, to Conditional Use Permit Overlay. Purpose of the request is for bed and breakfast/multi-family ranch with farm animals.

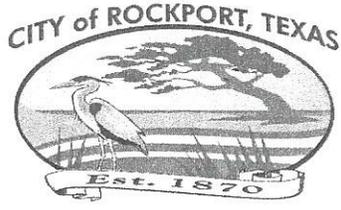
The City encourages citizens to participate and make their views known at this Public Hearing. For further information on this request, please contact the Building Department at (361) 790-1125. This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (361) 729-2213 ext. 225 or fax (361) 790-5966 or e-mail citysec@cityofrockport.com for further information. Braille is not available.

POSTED: the 15th day of June, 2016, by 5:00 p.m., on the bulletin board at Rockport City Hall, 622 E. Market Street, Rockport, Texas and on the website www.cityofrockport.com.

PUBLISHED: in *The Rockport Pilot* in the Saturday, June 18, 2016, Edition, in accordance with the City of Rockport Code of Ordinances.

CITY OF ROCKPORT, TEXAS


Diana R. Leonard, Administrative Assistant



RECEIVED JUN 14 2016 BY: MB

CITY OF ROCKPORT ZONING AND LAND DEVELOPMENT APPLICATION

INSTRUCTION: Please fill out completely. If more space is needed, attach additional pages. Please print or use typewriter.

A. REQUESTING: Rezoning [] Conditional Permit [X] Planned Unit Development (P.U.D.) by Conditional Permit []

B. ADDRESS AND LOCATION OF PROPERTY 1515 16th Street, Rockport, TX 78382

C. CURRENT ZONING OF PROPERTY: R-1

D. PRESENT USE OF PROPERTY: undeveloped land

E. ZONING DISTRICT REQUESTED: R-1 with CUP

F. CONDITIONAL USE REQUESTED: see conditions

G. LEGAL DESCRIPTION: (Fill in the one that applies) Swickheimer Property ID # 34433 map ID: A2 Lot or Tract 76 Acres 10 Block 250

Tract of the Survey as per metes and bounds (field notes attached)

If other, attach copy of survey or legal description from the Records of Aransas County or Appraisal District.

H. NAME OF PROPOSED DEVELOPMENT (if applicable)

I. TOTAL ACREAGE OR SQ. FT. OF SITE(S): 10 acres

J. REASON FOR REQUEST AND DESCRIPTION OF DEVELOPMENT: (Please be specific) multi-family ranch with farm animals. owned by moralez family when homes are not occupied will be used as a bed & breakfast.

K. OWNER'S NAME: (Please print) Soodchit Moore
ADDRESS: 6108 Sawyer
CITY, STATE, ZIP CODE: San Antonio, TX 78238
PHONE NO _____

L. REPRESENTATIVE: (If Other Than Owner) Caleb Moralez
ADDRESS: P.O. Box 1781
CITY, STATE, ZIP CODE: Rockport, TX 78381
PHONE NO 210-722-4663 - Caleb
210-441-8218 - Kim
moralezfamilia@gmail.com

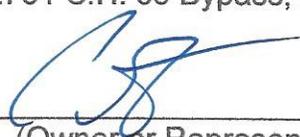
NOTE: Do you have property owner's permission for this request?
YES X NO _____
contract pending request

M. FILING FEE:

REZONING	\$150.00 + \$10.00 PER ACRE
PLANNED UNIT DEVELOPMENT	\$200.00 + \$10.00 PER ACRE
P.U.D. REVISION	\$200.00 + \$10.00 PER ACRE
CONDITIONAL PERMIT	\$150.00 + \$10.00 PER ACRE

(Make check payable to the City of Rockport)

- Submit application and filing fee to the Department of Building & Development, City of Rockport; 2751 S.H. 35 Bypass, Rockport, Texas 78382.

Signed: 
(Owner or Representative)

(FOR CITY USE)

Received by: _____ Date: _____ Fees Paid: \$ _____

Submitted Information (_____ accepted) (_____ rejected) by: _____

If rejected, reasons why: _____

Receipt No. _____



- Pool House
- Basketball Court
- Workshop/Garage
- House(s)
- Boat Parking





Office: 361-729-2603

Fax: 361-729-3051

May 16, 2016

Re: Zoning
1515 Sixteenth St. Rockport, Tx
Legal: Lot 76, Blk 250, Swickheimer, 10 acres

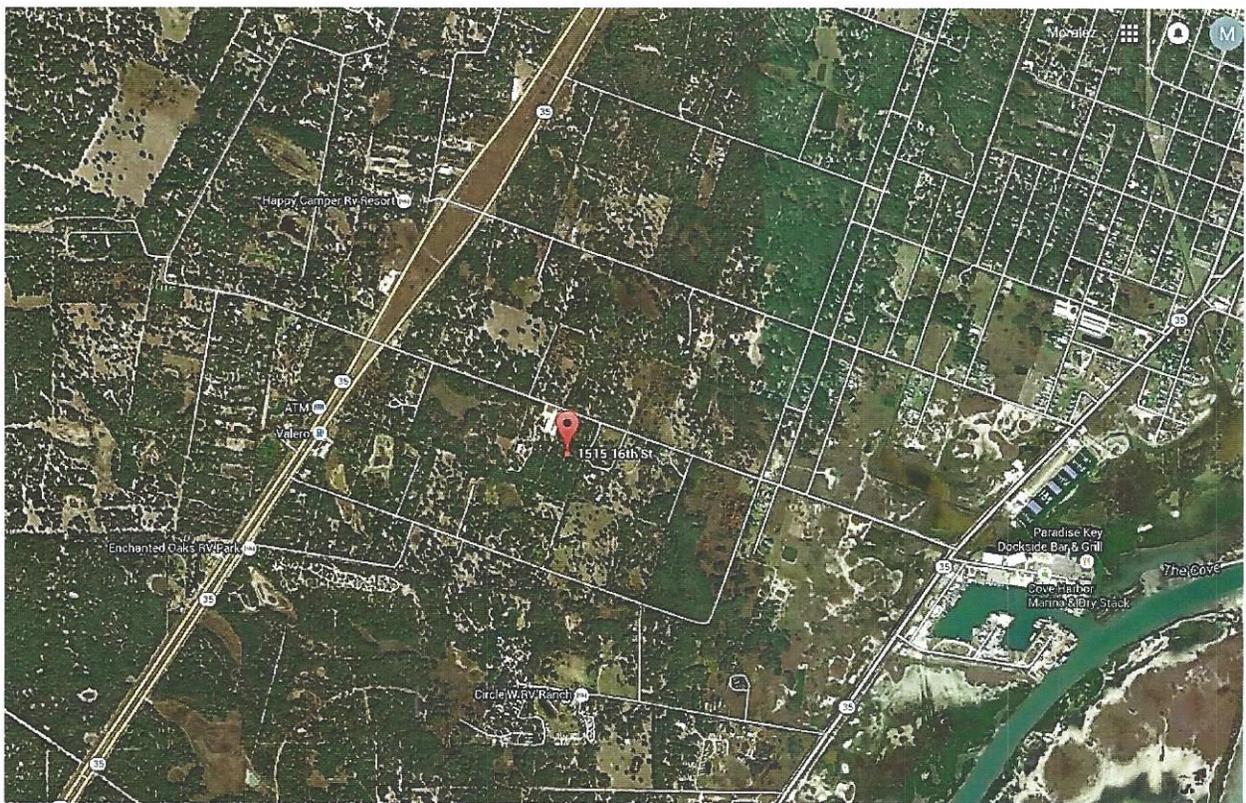
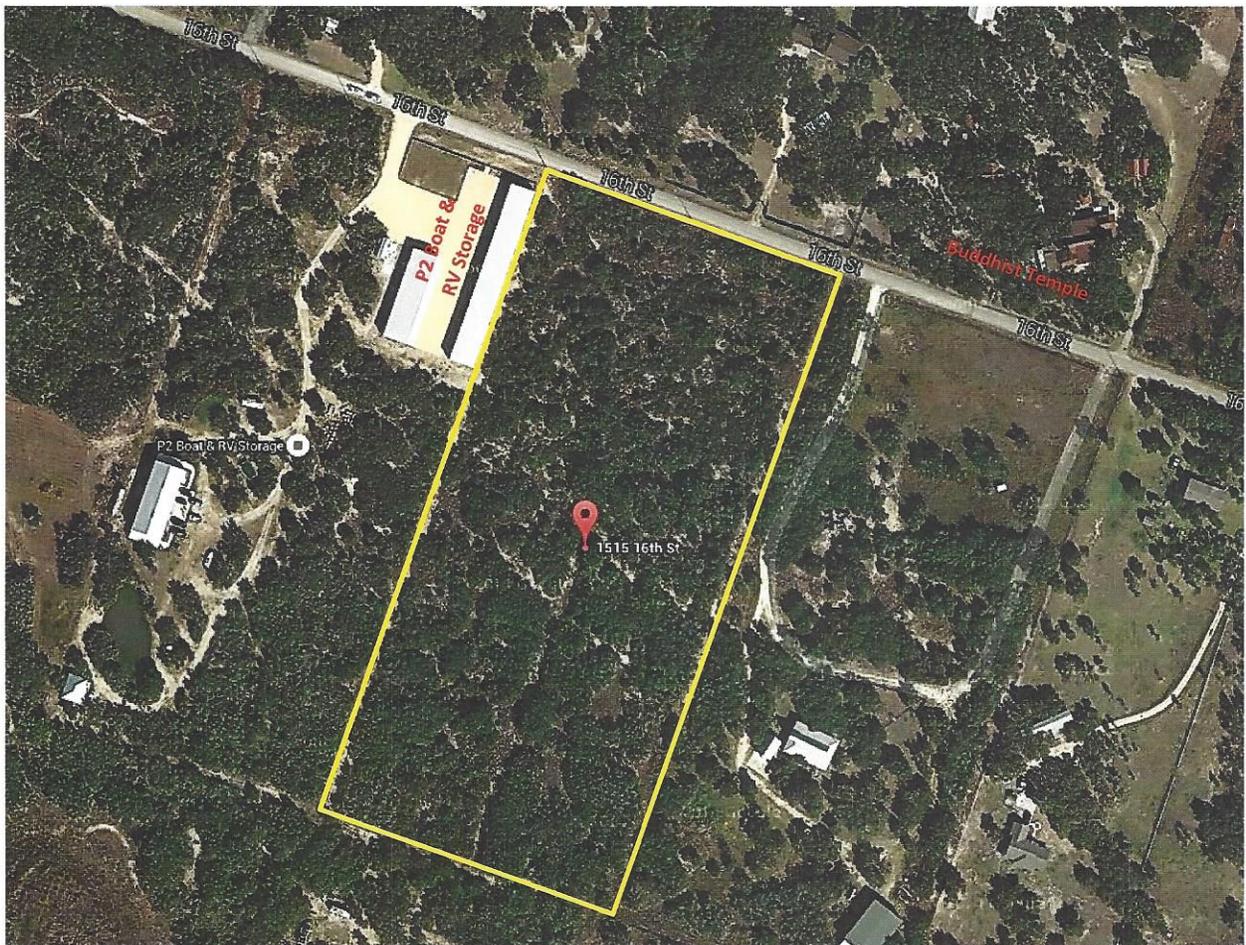
To whom it may concern,

The property in Aransas County located at 1515 Sixteenth St. in Rockport, TX is currently under contract for transfer of ownership. The current zoning of the property is single family residential. Soodchit Moore (current owner) has agreed to the terms set forth by Caleb and Kimberly Morales (buyers) that the sale of the property is contingent upon obtaining the allowance of construction of multi-family, more than one residence to be built upon the acreage. The contract was executed May 20th, 2016 and allows up to 60 days to meet the terms set forth. During this time period the prospective buyers are given the permission to apply for, and take any necessary actions needed to meet the terms specified in the contract.

Thank you for your consideration of this matter,
Listing agent: Randal Sprinkle – Sipe Real Estate

Randal Sprinkle





Home About News Gallery Events Find Us

Wat Dhammaratanaram

Buddhist Temple





on / off

Welcome

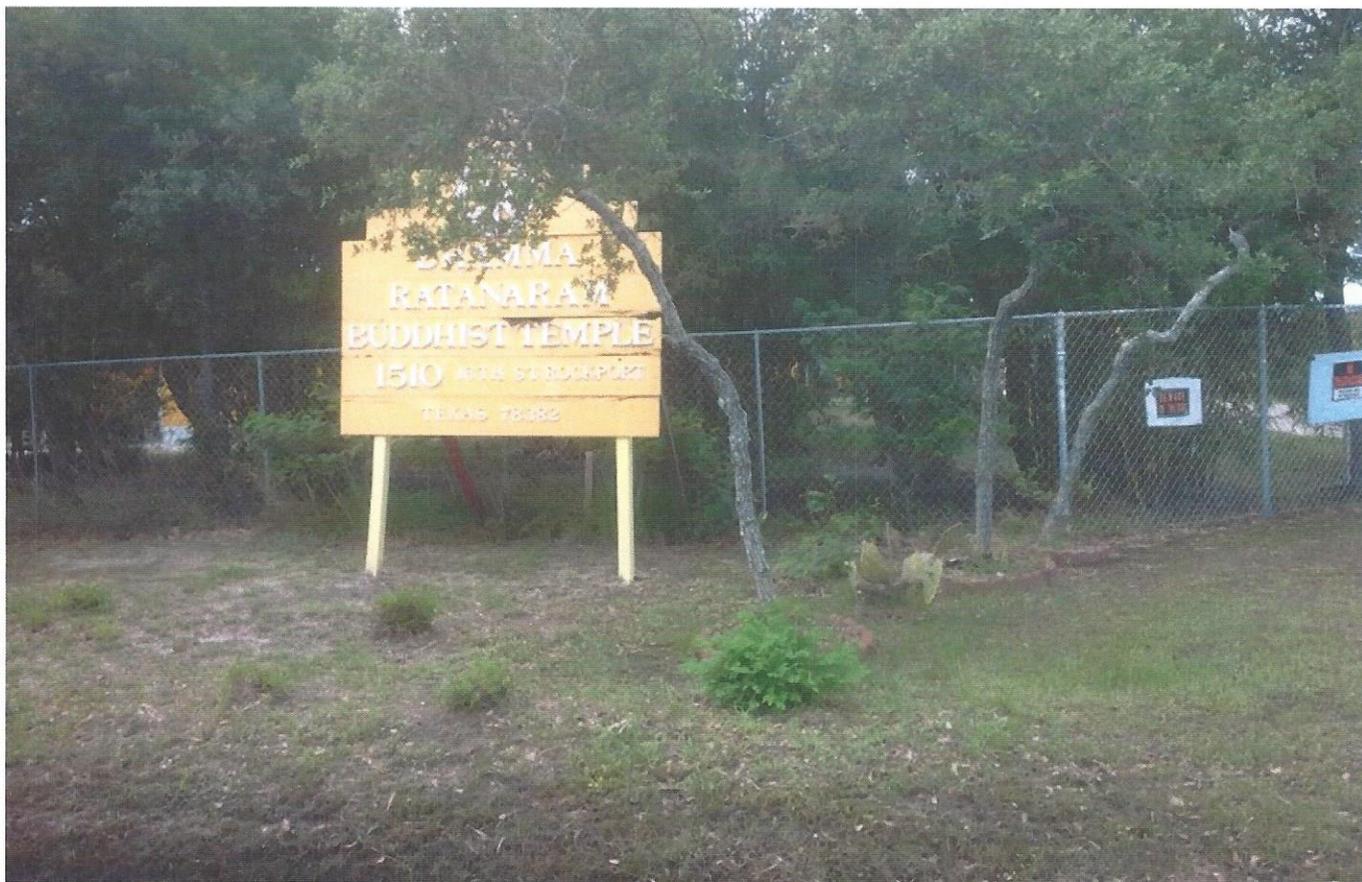
to our website

Welcome or at least a brief tour of it....
 Dhammaratanaram is a temple in the tradition of Theravada Buddhism (Thai Dhammayutti Nikaya), more specifically in the lineage of the Thai forest masters. As such it is a residence for bhikkhus (monks) and siladharas (nuns), where their life of training in ethics, meditation, and renunciation can be supported in a quiet rural environment. This




1510, 16th Street, Rockport, Texas 78382 t/f 361-790-9162 All rights reserved > watdhammaratanaram.com







*mailed
6-20-16*

SOODCHIT MOORE
6108 SAWYER
SAN ANTONIO, TX 78238-2203

MICHAEL & LINDA ADLER
1526 18TH ST
ROCKPORT TX 78382-7405

WILL PEIRCE
1521 16TH ST
ROCKPORT TX 78382-7401

CORPUS CHRISTI DHAMMARATANARAM
BUDDHIST TEMPLE
1510 16TH ST
ROCKPORT TX 78382-7401

RHEA PRIDGEN REVOCABLE TRUST
% RHEA PRIDGEN TRUSTEE
419 CHOWNING PLACE NW
MARIETTA GA 30064-1403

HARRISON FAMILY TRUST
% JOHN & BARBARA HARRISON
1522 16TH ST
ROCKPORT TX 78382-7401

JOHN E POLHEMUS ETUX SHIRLEY
P O BOX 1117
FULTON T X 78358-1117

RICHARD & BECKY MARTINEZ
P O BOX 1772
ROCKPORT TX 78381-1772

WILL & BRENDA ARTHUR
1519 W 18TH ST
ROCKPORT TX 78382

GLADYS V WAGNER
1614 16TH ST
ROCKPORT TX 78382-7402

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, July 12, 2016

AGENDA ITEM: 11

Deliberate and act on first reading of an Ordinance affecting participation of City employees in the Texas Municipal Retirement System; granting the additional rights, credits and benefits authorized by Sections 852.205 of Title B. Government Code, as amended; and prescribing the effective date of this Ordinance.

SUBMITTED BY: City Manager Kevin Carruth

APPROVED FOR AGENDA: PKC

BACKGROUND: The City of Rockport joined the Texas Municipal Retirement System (TMRS) in 1971. Changes to the TMRS Act made by the Texas Legislature in 2001 required cities with ten year vesting to elect to remain with ten-year vesting instead of the new vesting requirement of five years. Absent any action by a city's council, all municipalities with ten-year vesting were converted to five-year vesting and all new cities had no choice other than five years. In September 2001, Rockport City Council declined the five-year vesting, citing ten-year vesting as an incentive to remain in service with the City.

Over the intervening 15 years, Millennial generation employees became the largest single group in the labor force and no longer sees ten-year vesting as an incentive. According to the Bureau of Labor Statistics, the median job tenure for workers aged 20-24 was shorter than 16 months. For those aged 25-34, it was three years and the median for workers over 25 years old is 5.5 years. In addition, of the 37 TMRS cities in the Coastal Bend region, five, including Rockport, continue to have ten-year vesting. Changing to five-year vesting will help the City remain competitive with other cities and help attract and retain young talent.

FISCAL ANALYSIS: As shown in the accompanying table, changing to five-year vesting will cost approximately \$8,640.

RECOMMENDATION: Staff recommends Council approve on first reading an Ordinance affecting participation of City employees in the Texas Municipal Retirement System; granting the additional rights, credits and benefits authorized by Sections 852.205 of Title B. Government Code, as amended; and prescribing the effective date of this Ordinance, as presented.

ORDINANCE NO. _____

AN ORDINANCE AFFECTING PARTICIPATION OF CITY EMPLOYEES IN THE TEXAS MUNICIPAL RETIREMENT SYSTEM; GRANTING THE ADDITIONAL RIGHTS, CREDITS AND BENEFITS AUTHORIZED BY SECTIONS 852.205 OF TITLE B. GOVERNMENT CODE, AS AMENDED; AND PRESCRIBING THE EFFECTIVE DATE OF THIS ORDINANCE.

BE IT ORDAINED BY THE CITY COUNCIL OF ROCKPORT, TEXAS:

Section 1. Pursuant to the provisions of Sections 854.105 and 854.202, 854.405 of Subtitle G of Title 8, Government Code, as amended, which Subtitle shall herein be referred to as the "TMRS Act," the City of **ROCKPORT** Texas, adopts the following provisions affecting participation of its employees in the Texas Municipal Retirement System (which retirement system shall herein be referred to as the "System"):

(a) An employee of the City who is a member of the System may terminate employment and remain eligible to retire and receive a service retirement annuity at any time after that member attains an applicable age and service requirement, if that member has at least five (5) years of credited service performed for one or more municipalities that have authorized eligibility under Section 854.202(c) of the Act or are subject to Section 854.102(e) of the Act.

(b) An employee of the City who is a member of the System may retire and receive a service retirement annuity if that member is at least sixty (60) years old and has at least five (5) years of creditable service performed for one or more municipalities that either have authorized eligibility under this subsection or are subject to Section 854.102(e) of this subtitle.

(c) The rights, credits and benefits herein above authorized shall be in addition to the plan provisions heretofore adopted and in force at the effective date of this ordinance pursuant to the TMRS Act.

Section 2. This ordinance shall become effective on the first day of October 2016, provided that it has previously been determined by the Actuary for the System that all obligations of the City to the benefit accumulation fund, including obligations hereby undertaken, can be funded by the City within its maximum contribution rate and within its amortization period.

APPROVED on first reading on this the 12th day of July 2016.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary

APPROVED, PASSED and ADOPTED on second and final reading this the _____ day of July 2016.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary



June 23, 2016

Ms. Ruby Beaven
Assistant City Secretary
City of Rockport
622 East Market St.
Rockport, TX 78382

Dear Ruby:

We are pleased to enclose an ordinance for your city to:

Revoke the election not to provide 5-Year Vesting

With the adoption of this provision, city employees will become "vested" after obtaining five years of service credit. Vesting means that employees have worked enough years and established enough service credit to meet the minimum length-of-service requirement for service retirement.

With the adoption of this ordinance your city's contribution rate for 2016 will be **16.15%**. Beginning January 1, 2017 your city's contribution rate will be **16.07%**.

We would appreciate receiving a copy of this ordinance as soon as possible after its adoption.

If you have any questions or concerns, please do not hesitate to contact me at 1-800-924-8677.

Sincerely,

Eric W. Davis
Deputy Executive Director



Plan Change Study

01098 Rockport

GRID 2016

For Informational Purposes Only

Effective Date - January 1, 2016

Report Date - June 23, 2016

Proposed Plans

<u>Plan Provisions</u>	<u>Current</u>	<u>1</u>
Deposit Rate	7.00%	7.00%
Matching Ratio	2 to 1	2 to 1
Updated Service Credit	100% (Repeating)	100% (Repeating)
Transfer USC **	Yes	Yes
Annuity Increase	70% (Repeating)	70% (Repeating)
20 Year/Any Age Ret.	Yes	Yes
Vesting	10 years	5 years ✓
<u>Contribution Rates</u>	<u>2016</u>	<u>2016</u>
Normal Cost Rate	9.78%	10.52%
Prior Service Rate	<u>5.42%</u>	<u>5.40%</u>
Retirement Rate	15.20%	15.92%
Supplemental Death Rate	<u>0.23%</u> (A & R)	<u>0.23%</u> (A & R)
Total Rate	15.43%	16.15% ✓
Unfunded Actuarial Liability	\$4,268,447	\$4,253,862
Amortization Period	30 years	30 years
Funded Ratio	82.7%	82.7%
Phase-In Total Rate	N/A	N/A

**This is the addition to the Initial Prior Service Rate for USC for transfers. There were 8 eligible transfer employees on the valuation date.



Plan Change Study

01098 Rockport

GRID 2017

For Informational Purposes Only

Effective Date - January 1, 2017

Report Date - June 23, 2016

Proposed Plans

<u>Plan Provisions</u>	<u>Current</u>	<u>1</u>
Deposit Rate	7.00%	7.00%
Matching Ratio	2 to 1	2 to 1
Updated Service Credit	100% (Repeating)	100% (Repeating)
Transfer USC **	Yes	Yes
Annuity Increase	70% (Repeating)	70% (Repeating)
20 Year/Any Age Ret.	Yes	Yes
Vesting	10 years	5 years
<u>Contribution Rates</u>	<u>2017</u>	<u>2017</u>
Normal Cost Rate	10.24%	11.03%
Prior Service Rate	<u>4.81%</u>	<u>4.80%</u>
Retirement Rate	15.05%	15.83%
Supplemental Death Rate	<u>0.24%</u> (A & R)	<u>0.24%</u> (A & R)
Total Rate	15.29%	16.07% ✓
Unfunded Actuarial Liability	\$4,149,789	\$4,135,385
Amortization Period	25 years	25 years
Funded Ratio	84.1%	84.2%
Phase-In Total Rate	N/A	N/A

**This is the addition to the Initial Prior Service Rate for USC for transfers. There were 7 eligible transfer employees on the valuation date.

CITY OF ROCKPORT
2016-2017 PERSONNEL INFORMATION

EMP. NO# =====NAME=====	JOB TITLE=====	ANNUAL
	GENERAL FUND TOTAL	\$2,920,533.87
	GRAND TOTAL	\$5,082,677.88
	FICA/MEDICARE TOTAL (7.65%)	\$388,824.86
	TMRS TOTAL (15.29%)	\$809,162.32
	NEW TMRS TOTAL (16.07%) AS OF JAN 2017	\$612,589.75
	NEW TMRS TOTAL (16.15%) FROM OCT 2016 TO JAN 2017	\$205,213.12
	TOTAL INCLUDING BENEFITS	\$7,098,467.93
	DIFFERENCE	\$8,640.55

RESOLUTION NO. 01-24

A RESOLUTION ELECTING TO NOT PROVIDE FIVE-YEAR VESTING FOR EMPLOYEES OF THE CITY OF ROCKPORT, WHO ARE MEMBERS OF THE TEXAS MUNICIPAL RETIREMENT SYSTEM.

WHEREAS, the City of Rockport has elected to participate in the Texas Municipal Retirement System (the "System") pursuant to the provisions of Subtitle G of Title 8 of the Government Code, as amended the ("TMRS Act"); and

WHEREAS, Section 854.205 of the TMRS Act, as amended effective September 1, 2001, provides that, unless a participating municipality's governing board files with the Board of Trustees of the System before December 31, 2001, an election to not provide five-year vesting for its employees who are members of the System, such employees may, if they have at leave five years of credited service with cities that do provide five-year vesting, terminate covered employment and remain eligible to retire and receive a service retirement annuity when they have attained an applicable retirement age as provided by law; and

WHEREAS, the City Council of the City of Rockport finds that it will be in the public interest to elect not to provide for such five-year vesting.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CITY OF ROCKPORT, ARANSAS COUNTY, TEXAS:

Section 1. The City Council of the City of Rockport elects not to provide five-year vesting under Section 854.205 of the TMRS Act, and the City Secretary is hereby authorized and directed to file notice of this election with the Board of Trustees of the System before December 31, 2001.

Section 2. The provisions of this Resolution shall become effective on this the 31st day of December 2001.

PASSED and APPROVED by the City Council of the City of Rockport in Rockport, Texas, on this the 11th day of DECEMBER 2001.



CITY OF ROCKPORT, TEXAS

Glenda Burdick
Glenda Burdick, Mayor

ATTEST:

Irma G. Parker
Irma G. Parker, City Secretary



CITY OF ROCKPORT

622 E. Market St.
P.O. Box 1059
Rockport, Texas 78381
361-729-2213
email: rockport@trip.net
Fax 361-790-5966

CITY OF ROCKPORT §

THE STATE OF TEXAS §

COUNTY OF ARANSAS § ATION TO COPY
; RECORD

Before me, the undersigned authority, per Irma G. Parker, who, being by me duly sworn deposed as follows:

My name is Irma G. Parker. I am of sound mind and of making this affidavit, and personally acquainted with the facts herein stated.

I am a custodian of the records of the City of Rockport, Aransas County, Texas. Attached hereto is Resolution No. 01-24, A Resolution to Provide Five-Year Vesting For Employees of the City of Rockport, Who Are Members of the Texas Municipal Retirement System as passed and approved by the Rockport City Council in Regular Session on December 11, 2001.

I further certify, in the performance of the duties of my office, that said pages of record are an official record from the public office of the City of Rockport, Aransas County, Texas, and is a public record which is kept in the office and appear of record in said office.

In witness whereof, I have hereunto set my hand and the official seal of said office this the 12th of DECEMBER 2001.



Irma G. Parker
Irma G. Parker, City Secretary
Rockport, Texas

Sworn to and subscribed before me on the 12th day of December, 2001.
(Seal)


ANITA R. SANDOVAL
Notary Public
State of Texas
My Comm. Exp. 04/26/2005

Anita R. Sandoval
Anita R. Sandoval, Notary Public, State of Texas
Anita R. Sandoval
Commission Expires 4/26/2005



622 E. Market St.
P.O. Box 1059
Rockport, Texas 78381
361-729-2213
email: rockport@trip.net
Fax 361-790-5966

December 12, 2001

Mr. Eric W. Davis
Deputy Executive Director
Texas Municipal Retirement System
P.O. Box 149153
Austin, TX 78714-9153

Dear Mr. Davis:

This is to advise you that the Rockport City Council meeting in Regular Session on Tuesday, December 11, 2001 adopted Resolution No. 01-24, A Resolution Electing To Not Provide Five-Year Vesting For Employees of the City of Rockport, Who Are Members of the Texas Municipal Retirement System. Attached you will find a Certified Copy as well as a "Certification to Copy of Public Record" verifying adoption of this Resolution.

Please don't hesitate to contact me by phone (361) 729-2213 ext. 138, facsimile (361) 790-5966, or by email Rockport@trip.net if you have any questions or if I can be of further assistance.

Sincerely,

Irma G. Parker
City Secretary

IGP

Cc: Dawn Bennett, Finance Director

**BUSINESS OF THE CITY COUNCIL
for the
CITY OF ROCKPORT, TEXAS**

Presented to Council	
Action	Date
Workshop	
1st Reading	
2nd Reading	
Tabled	
Rejected	
Approved	12-11-01
Ordinance #	

SUBJECT: Texas Municipal Retirement System (TMRS) Vesting

SUBMITTED BY: City Manager Thomas J. Blazek

DATE SUBMITTED: December 4, 2001 **FOR THE AGENDA OF:** December 11, 2001

APPROVED FOR INCLUSION ON CITY COUNCIL AGENDA: City Manager 

SUMMARY STATEMENT:

Senate Bill 522, enacted earlier this year, makes numerous changes to the Texas Municipal Retirement System (TMRS) Statute. Among the major amendments is the provision of a five-year vesting alternative to the existing ten-year vesting requirement. The five-year option means that after five years of service, a TMRS member will have earned the right, upon termination of employment, to choose to leave the member's deposits and interest in TMRS and apply for retirement when eligible. This provision of SB 522 takes effect January 1, 2002.

The attached TMRS letter states "[Rockport] will automatically be covered by 5-Year Vesting unless an ordinance is adopted prior to December 31, 2001, declining this benefit. Five-Year Vesting brings TMRS in line with the other public retirement systems in Texas, as well as public plans in other states."

As the TMRS letter indicates, there is no cost to the City this year. But there is an undetermined cost in later years in the City's contribution rate to ensure sufficient funds to pay those vested between five years of employment and the current ten-year vesting.

The City has programs such as Merit Pay and Stability Pay to retain trained, efficient personnel. Vesting an employee at ten years gives an incentive to remain with the City of Rockport (or at least in service to a Texas municipality) in order to receive this particular retirement benefit. Reducing the amount of time necessary to receive this benefit is counterproductive to the City's efforts to increase the longevity of experienced employees.

RECOMMENDATION:

The City Council approve the attached Resolution (which is based on the Texas Municipal League Resolution) to "opt out" of TMRS Five-Year Vesting as permitted under SB 522.



TEXAS MUNICIPAL RETIREMENT SYSTEM

Providing retirement security for Texas municipal employees.

P. O. Box 149153 • AUSTIN, TEXAS 78714-9153 • 1200 NORTH INTERSTATE 35 • WWW.TMRS.COM

ADMINISTRATION: (512) 476-7577 OR TOLL-FREE (877) 634-8595 • FAX: (512) 476-2903

MEMBER SERVICES: TOLL-FREE (800) 924-8677 • FAX: (512) 476-5576

CORRECTED LETTER

May 30, 2001

Mr. John Washburn
Director of Finance
City of Rockport
P.O. Box 1059
Rockport, Texas 78381-1059

RE: 2002 MUNICIPAL CONTRIBUTION RATE

Dear John:

Based on the plan of benefits in effect January 1, 2001, the City's Municipal Contribution Rate that will become effective January 1, 2002, will be:

Normal Cost:	9.79%
Prior Service:	4.90%
Retirement Cost:	14.69%
Supplemental Death:	0.34%
Total Rate:	<u>15.03%</u>

The 2002 municipal contribution rate includes recent changes adopted by the Texas Legislature, **including 5-Year Vesting**, the cost of which is shown in the tables below. Your City will automatically be covered by 5-Year Vesting unless an ordinance is adopted prior to December 31, 2001, declining this benefit. Five-Year Vesting brings TMRS in line with the other public retirement systems in Texas, as well as public plans in other states.

The following data provides a detailed statement of changes in the retirement portion of the City's contribution rate. This analysis breaks down the change in the retirement portion of the City contribution rate from 2001 to 2002. This data does not reflect any change in the cost of the Supplemental Death Benefit, if adopted by the City. Any changes in the cost of the Supplemental Death Benefit are a function of the average age of the City's employee group, and the number of covered retirees.

Change in the Normal Cost contribution rate:

Change due to termination of status as a contributing member:	0.26
Change in service and salary characteristics of contributing members:	-0.44
Change due to increased age of contributing members:	0.62
Change due to phasing in cost from actuarial assumption changes:	0.00
Change due to 5-Year Vesting:	0.12
Change due to other factors:	0.00
Total Change in Normal Cost included in above rate:	0.56

Change in the Prior Service contribution rate:

Change due to adoption of annually repeating Updated Service Credits and Annuity Increases:	0.60
Change due to payroll experience:	-0.06
Change due to actuarial gains, inconsistent contributions, or other actuarial factors:	-0.02
Change due to phasing in cost from actuarial assumption changes:	0.00
Change due to affect of Statutory Maximum and/or conservative funding:	0.00
Change due to 5-Year Vesting:	0.02
Total Change in Prior Service included in above rate:	0.54

This "Corrected Letter" replaces our letter dated May 25, 2001. The original letter incorrectly showed the normal cost 5-Year Vesting factor in the Prior Service reconciliation table. That error has been corrected in this letter. All other numbers shown on the original letter were correct. We apologize for any confusion our error may have caused.

If you have any questions regarding the City's 2002 Municipal Contribution Rate or the reconciliation information please feel free to contact our office.

Sincerely,



Eric W. Davis
Deputy Executive Director



TMRS-5 Yr Vest
Opt Out

TEXAS MUNICIPAL RETIREMENT SYSTEM

A RESOLUTION ELECTING TO NOT PROVIDE FIVE-YEAR VESTING FOR EMPLOYEES OF THE TEXAS MUNICIPAL LEAGUE UNIT 1, WHO ARE MEMBERS OF THE TEXAS MUNICIPAL RETIREMENT SYSTEM.

WHEREAS, the Texas Municipal League Unit 1, has elected to participate in the Texas Municipal Retirement System (the "System") pursuant to the provisions of Subtitle G of Title 8 of the Government Code, as amended (the "TMRS Act"); and

WHEREAS, Section 854.205 of the TMRS Act, as amended effective September 1, 2001, provides that, unless a participating municipality's governing board files with the Board of Trustees of the System before December 31, 2001, an election to not provide five-year vesting for its employees who are members of the System, such employees may, if they have at least five years of credited service with cities that do provide five-year vesting, terminate covered employment and remain eligible to retire and receive a service retirement annuity when they have attained an applicable retirement age as provided by law; and

WHEREAS, the Board of Trustees of the Texas Municipal League Unit 1, finds that it will be in the public interest to elect not to provide for such five-year vesting; now, therefore

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TEXAS MUNICIPAL LEAGUE UNIT 1:

Section 1. The Board of Trustees of the Texas Municipal League Unit 1, elects not to provide five-year vesting under Section 854.205 of the TMRS Act, and TML Unit 1 is hereby authorized and directed to file notice of this election with the Board of Trustees of the System before December 31, 2001.

Section 2. The provisions of this resolution shall become effective on the 31st day of December, 2001.

Passed and approved this the _____ day of _____, 2001.

ATTEST:

APPROVED:

Executive Director

President

from R-2 Residential to R-3 Duplex and Apartment.

SECTION 3: This ordinance shall be published in full one time in the official newspaper of the City of Rockport, Texas and shall be in full force and effect from and after such publication.

PASSED AND APPROVED this the 2nd. day of August, 1971.

A
TTEST:

Delmar P. Hiller, Mayor

Herman C. Johnson, City Secretary

ORDINANCE NO. 276

AN ORDINANCE PROVIDING FOR PARTICIPATION IN THE TEXAS MUNICIPAL RETIREMENT SYSTEM BY THE CITY OF ROCKPORT, TEXAS

WHEREAS, the Constitution of the State of Texas was amended on November 7, 1944, by the addition of Section 51-f, Article III, which authorized the Legislature to establish a state-wide retirement and disability pension system for city employees;

WHEREAS, Chapter 75, Acts 50th Legislature (1947) as amended, established the Texas Municipal Retirement System, and authorizes the governing body of each city or town to elect, at its option, to have one or more of the city departments participate in such System; and

WHEREAS, the governing body of the City of Rockport, Texas, finds that it will be in the public interest for the city to have its employees, effective November 16, 1971, participate in the Texas Municipal Retirement System as hereinafter provided; Now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF ROCKPORT, TEXAS:

Section 1. That, on behalf of the City of Rockport, Texas, the City Council hereby exercises its option and elects to have the city and all of the employees of all departments now existing or hereafter established participate in the Texas Municipal Retirement System as provided in Chapter 75, Acts of the 50th Legislature, as amended, (Article 6243h of Vernon's Civil Statutes of Texas); and all of the benefits and obligations of such System are hereby accepted as to such employees.

Section 2. The Mayor is hereby directed to notify the Board of Trustees of the Texas Municipal Retirement System that the City of Rockport, Texas, has elected to participate and have the employees of all departments participate in said System.

Section 3. Each person who becomes an employee of any participating department on or after the effective date of participation of such department shall become a member of the Texas Municipal Retirement System as a condition of his employment. The City of Rockport, Texas, may in the future refuse to add new departments or new employees to such System, but shall never discontinue as to any participants.

Section 4. In accordance with the provisions of the statute, the deposits to be made to the Texas Municipal Retirement System on account of current service of the employees of the several participating departments are hereby fixed at the rate of seven percent (7%) of the earnings of each employee of said departments, and in determining the deposits to be made on account of such service the maximum earnings of this city is full salary.

Section 5. The City Secretary is hereby directed to remit to the Board of Trustees of the Texas Municipal Retirement System, at its office in Austin, Texas, the city's contributions to the System and the amounts which shall be deducted from the compensation or payroll of employees, all as required by said Board under the provisions of Chapter 75, Acts of the 50th Legislature of the State of Texas, as amended, and the said City Secretary is hereby authorized and directed to ascertain and certify officially on behalf of the City of Rockport, Texas, the prior service rendered to the said municipality by each of the employees of the participating departments, and the average prior service compensation received by each, and to make and execute all prior service certifications and all other reports and certifications which may be required of the City of Rockport, Texas, under the provisions of Chapter 75, Acts Regular Session, 50th Legislature, as amended, or in compliance with the rules and regulations of the Board of Trustees of the Texas Municipal Retirement System.

PASSED AND APPROVED this the 7th day of SEPTEMBER, 1971.

APPROVED:

DELMAR R. HILLER, Mayor

ATTEST:

HERMAN C. JOHNSON, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, July 12, 2016

AGENDA ITEM: 12

Deliberate and act on a Resolution adopting the ICMA-RC 457 Deferred Compensation Plan.

SUBMITTED BY: City Manager Kevin Carruth

APPROVED FOR AGENDA: PKC

BACKGROUND: A 457 deferred compensation plan is designed to supplement an employee's retirement income. Employee contributions are made pre-tax and, unlike other retirement accounts, participants do not have to qualify for an exception to avoid the 10% IRS penalty tax on withdrawals before age 59 ½. Participation is voluntary and employees choose their level of contributions. After separating from service with the City, vested assets can be transferred (rolled over) to another eligible retirement plan without being taxed.

A representative from ICMA-RC will give a presentation on the plan and be available to answer any questions. Please see the accompanying agreement, brochure, and presentation for additional details.

FISCAL ANALYSIS: There is no cost to the City as all fees and contributions are paid by the employee. The City will, however, see a slight savings because the employee's contributions are made pre-tax, reducing the City's payroll tax liability. The total savings cannot be estimated because it is dependent upon the level of participation by employees.

RECOMMENDATION: Staff recommends Council approve a resolution adopting the ICMA-RC 457 Deferred Compensation Plan, as presented.

RESOLUTION NO. [REDACTED]**A RESOLUTION OF THE CITY OF ROCKPORT ADOPTING THE ICMA-RC 457 DEFERRED COMPENSATION PLAN.**

WHEREAS, the City has employees rendering valuable services; and

WHEREAS, the establishment of a deferred compensation plan for such employees serves the interests of the City by enabling it to provide a retirement security for its employees, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the City has determined that the establishment of a deferred compensation plan to be administered by the ICMA Retirement Corporation serves the above objective; and

WHEREAS, the City desires that its deferred compensation plan be administered by the ICMA Retirement Corporation, and that some or all of the funds held under such plan be invested in VantageTrust, a trust established by public employers for the collective investment of funds held under their retirement and deferred compensation plans;

NOW THEREFORE BE IT RESOLVED that the City hereby adopts the deferred compensation plan (the "Plan") in the form of:

The ICMA Retirement Corporation Deferred Compensation Plan and Trust, referred to as Appendix A.

BE IT FURTHER RESOLVED that the City hereby adopts the Declaration of Trust of VantageTrust, attached hereto as Appendix B, intending this adoption to be operative with respect to any retirement or deferred compensation plan subsequently established by the City, if the assets of the plan are to be invested in VantageTrust.

BE IT FURTHER RESOLVED that the assets of the Plan shall be held in trust, with the City serving as trustee, for the exclusive benefit of the Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose.

BE IT FURTHER RESOLVED that the City hereby agrees to serve as trustee under the Plan.

BE IT FURTHER RESOLVED that the City Manager shall be the coordinator for this program; shall receive necessary reports, notices, etc. from ICMA Retirement Corporation or VantageTrust; shall cast, on behalf of the City, any required votes under VantageTrust; Administrative duties to carry out the plan may be assigned to the appropriate departments, and is authorized to execute all necessary agreements with ICMA Retirement Corporation incidental to the administration of the Plan.

INTRODUCED, READ and PASSED by the affirmative vote on this the 12th day of July 2016.

CITY OF ROCKPORT, TEXAS

Charles J. Wax, Mayor

ATTEST:

Teresa Valdez, City Secretary



Your 457 Deferred Compensation Plan

Date July 12, 2016

Presented by: Sandra Aguilar, Retirement Plans Specialist

AC: 23274-0115-7580

This presentation is the property of ICMA-RC and may not be reproduced or redistributed in any manner without permission.

Your Retirement Savings Matter

Your pension and/or Social Security may go a long way but are unlikely to be enough



Social Security

Pension

Your Savings



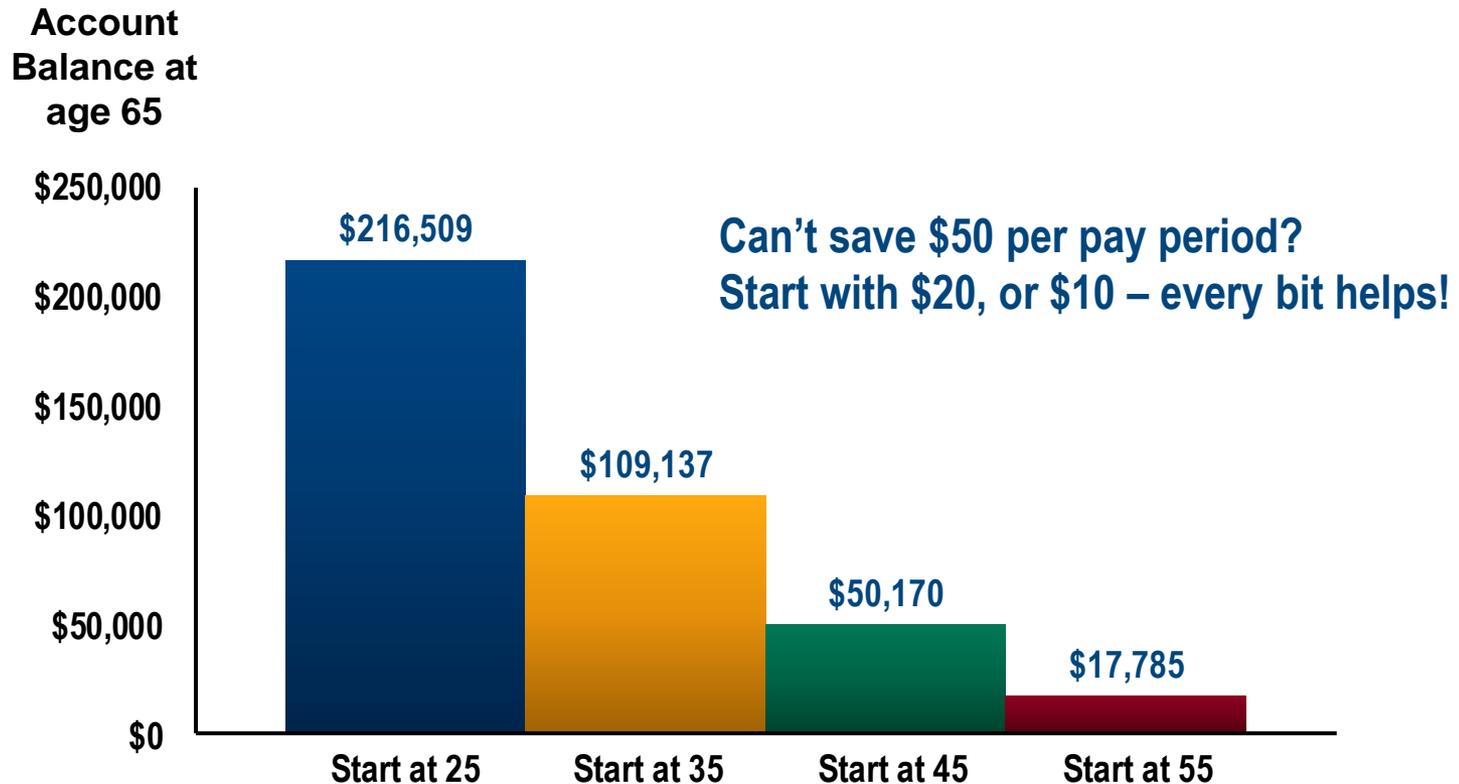
Your 457 Plan – Save for Your Future

- ✓ Convenient paycheck contributions
- ✓ You control contributions, investments
- ✓ No taxes due until you withdraw
- ✓ You control withdrawals at separation from service
- ✓ No 10% early withdrawal penalty*

* 10% penalty tax never applies to withdrawals of original 457 plan contributions and associated earnings. But penalty may apply to *non-457* plan assets rolled into a 457 plan and subsequently withdrawn prior to age 59½.

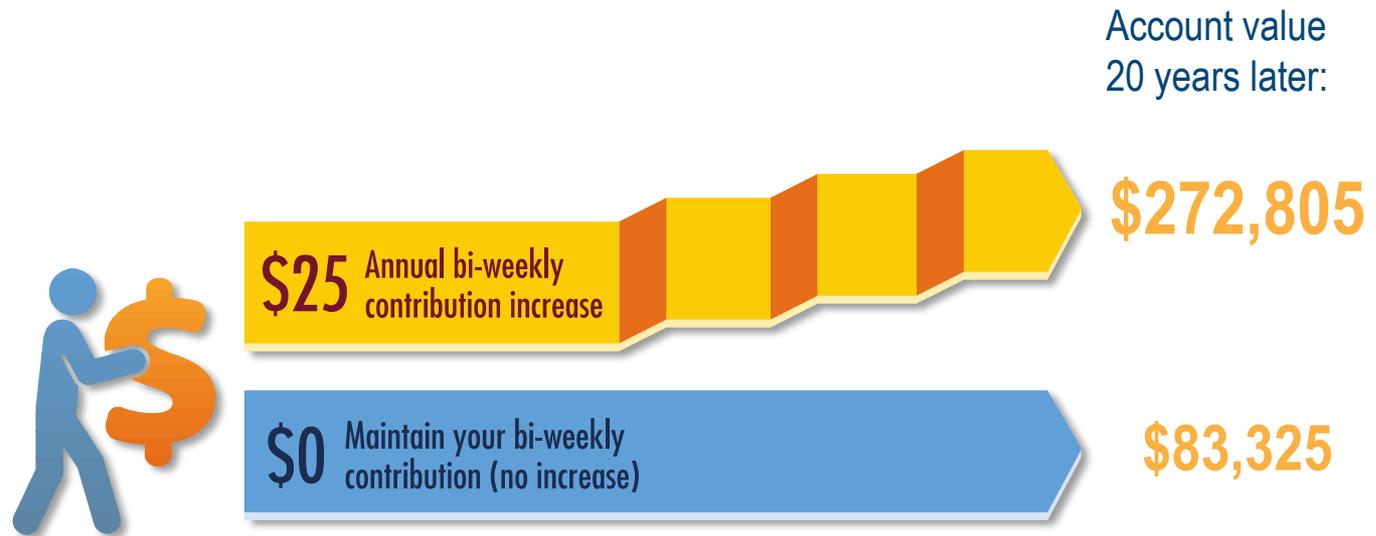


When You Start Saving Matters



Don't delay – www.icmarc.org/costofdelay

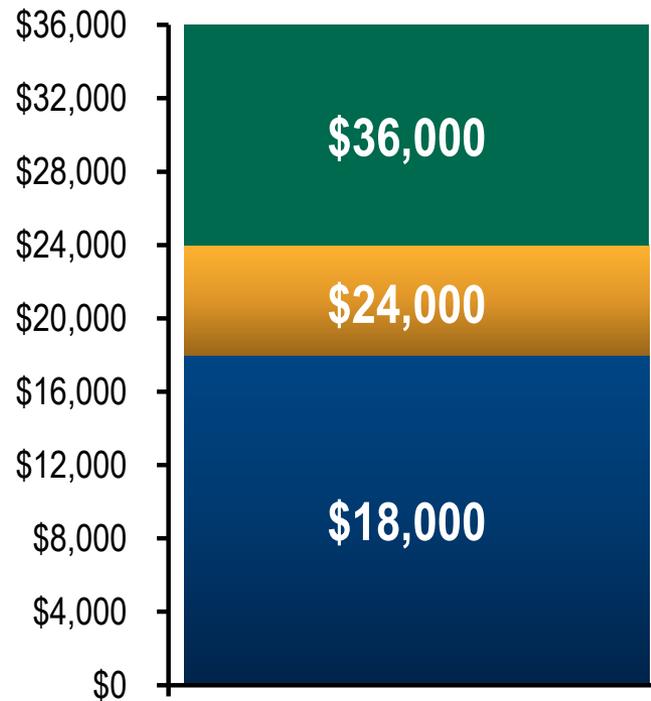
Increase Your Contributions Over Time



A **\$25 BI-WEEKLY BOOST** each year leads to over **\$189,000**
in additional savings!

www.icmarc.org/savingsboost | www.icmarc.org/grow

2016 Contribution Limits



+\$18,000 during each of the three years prior to the year you reach your normal retirement age*

+\$6,000 if age 50 or over as of year-end

You may be able to contribute accrued sick & vacation leave

457 Plan

Can't save the max? Smaller savings can go a long way, too!

* "Normal retirement age," as defined in the plan and based on extent to which maximum contributions not made in previous years. The two catch-up provisions cannot be combined in the same plan year.

Choose Your Investing Approach



1

I want to build
my own portfolio



2

I want a simple, yet
diversified portfolio



3

I want someone
to do it for me

*<Remove #3 if Plan has not adopted
Managed Accounts>*

1. Build Your Own

Select individual funds

- Stock Funds
 - ✧ U.S. vs. International
 - ✧ Large-Cap vs. Mid/Small-Cap
- Fixed-Income Funds
 - ✧ Bond
 - ✧ Stable Value
 - ✧ Money Market



To Help You Choose



No charge^{1,2}



\$20 annual fee^{1,2}

Helps you decide how to invest and how much to save

¹ Underlying mutual fund expenses and plan administration fees still apply.

² Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC, a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.

2. A Single Diversified Fund

Target Date Fund¹

- Based on expected initial withdrawal age
- Seeks to reduce risk over time



Target Risk Fund

- Based on desired risk level
- Maintains defined range of risk

<Remove Target-Date or Target-Risk references if not available in plan>

¹ A target-date fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for retirement.

3. Manage My Account for Me



Asset-based fee^{1,2}
Can opt out any time

<Remove slide if plan has not adopted Managed Accounts>

¹ Underlying mutual fund expenses and plan administration fees apply in addition to the Managed Accounts advisory fee.

² Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.



Retirement Income Option

Lifetime Income Fund

- Guaranteed lifetime income in retirement
- You retain ownership, control, and access
- Guarantees are subject to
 - ✧ Additional fees
 - ✧ Restrictions
 - ✧ An insurer's claims-paying ability

Annuity product for generating lifetime income.
Designed for those nearing or in retirement

<Remove slide if plan has not adopted IncomeAdvantage Fund>



Choose Beneficiaries

- Your assets paid per your wishes
- Avoid probate costs, delays
- Avoid creditor claims
- Loved ones can receive more tax benefits

Review periodically and after a major life event



Withdrawals

- Upon separation from service
- While still working, subject to IRS/plan rules
 - ✓ Emergencies
 - ✓ Age 70 1/2

Can maintain account with ICMA-RC
after you retire, continue tax advantages

Get Help – Your ICMA-RC Representatives

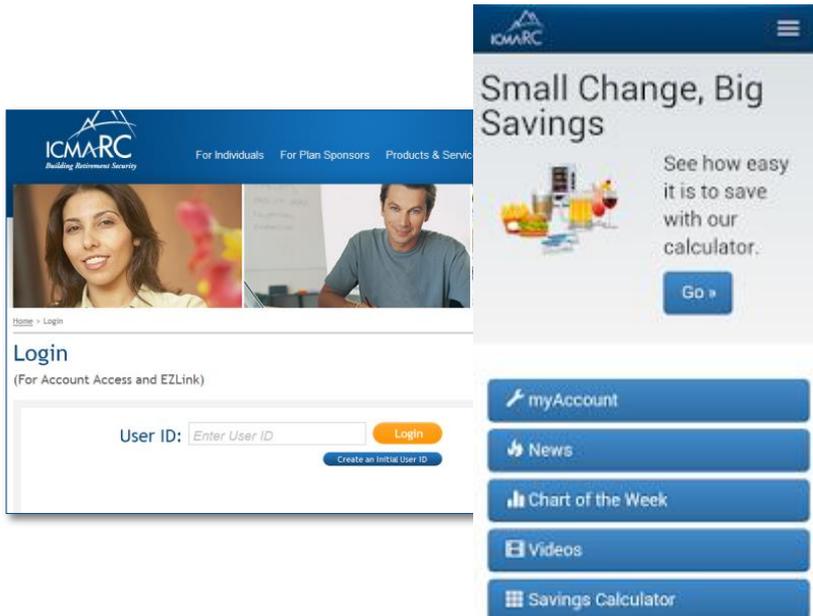
Retirement Plans Specialist

- Sandra Aguilar
 - ✧ (361) 334-2105
 - ✧ saguilar@icmarc.org
- Retirement account questions

CERTIFIED FINANCIAL PLANNER™

- Rick Stern
CERTIFIED FINANCIAL PLANNER™
professional
- Help with your overall finances

Get the Most from Your Account Online



Access your account
wherever you are
www.icmarc.org/login | Our mobile app



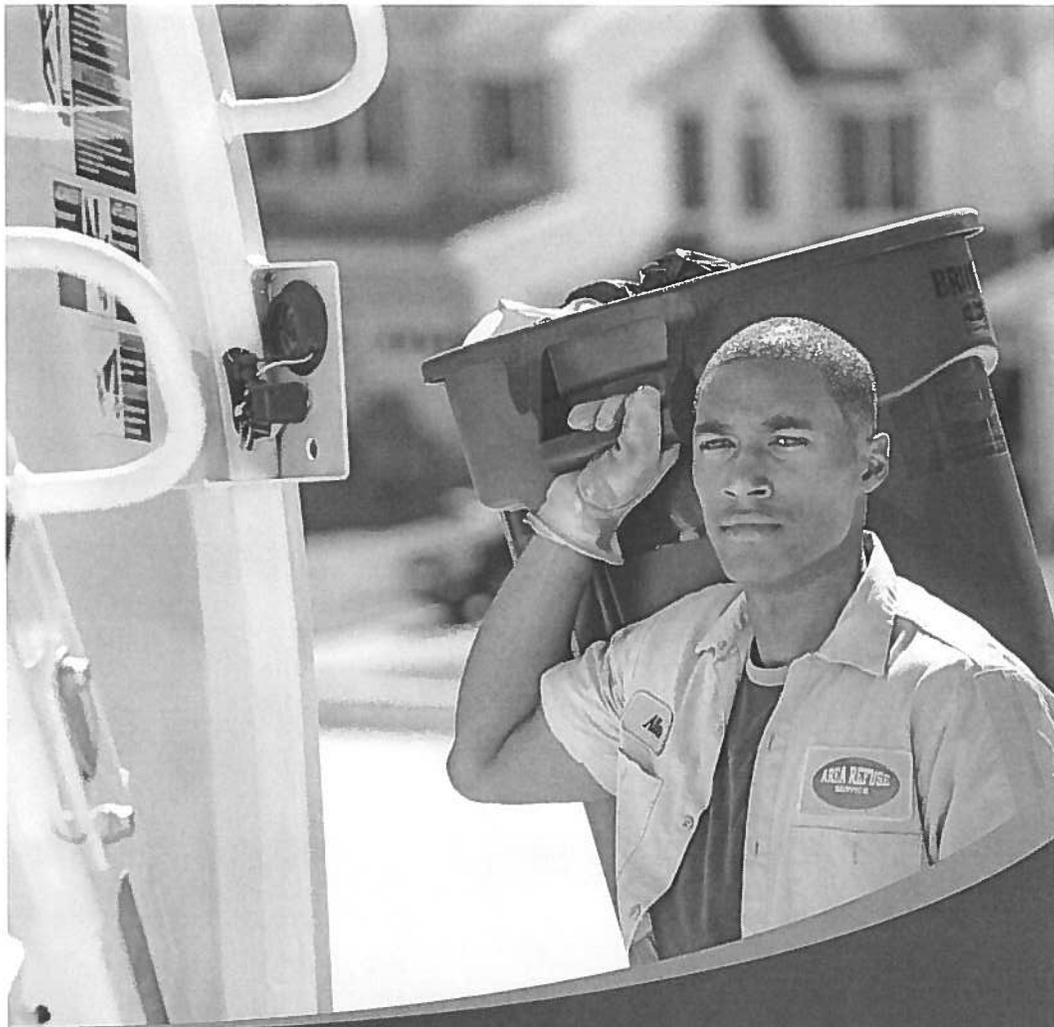
Get tips and tools to help you
save, invest, and retire –
www.icmarc.org/realize

Questions?



THANK YOU

For over 40 years, ICMA-RC has focused exclusively on helping public sector employees build a well-deserved retirement – www.icmarc.org/about.



**GET TO KNOW YOUR
457 DEFERRED COMPENSATION PLAN**



Your **457 DEFERRED COMPENSATION PLAN** is designed to supplement your retirement income. While a pension and/or Social Security will go a long way, they are unlikely to be enough. Saving to your 457 plan can help you maintain your desired standard of living.

A Tax-Advantaged Retirement Plan

A **457 Plan** is a retirement savings plan and investment vehicle with tax advantages.

- ▶ Contributions are made to your account during your employment. You can generally change, stop, and restart contributions at any time.
- ▶ Your account's value is based on those contributions and subsequent investment returns.
- ▶ Earnings are not subject to tax until withdrawn.
- ▶ You have significant control over:
 - ▶ how the money in the account is invested;
 - ▶ how funds are withdrawn following your separation from service; and
 - ▶ who receives any remaining assets upon your death.

Don't Delay — Start Saving Now.

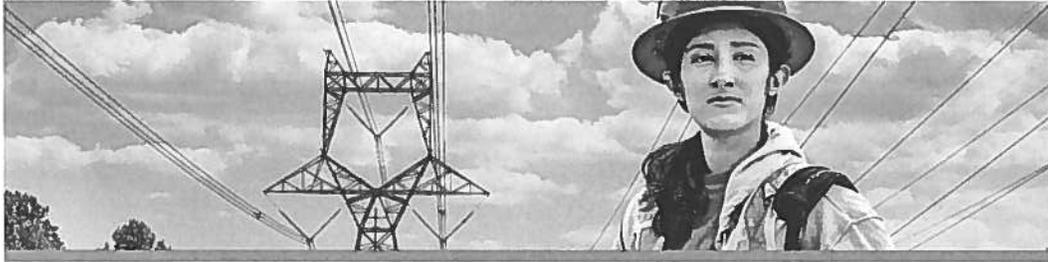
The earlier you start saving, the less pressure you may face later to catch up. And starting early can give you a huge advantage due to compounding, in which your investments produce earnings from previous earnings.

Contributions

Pre-tax contributions you make reduce your taxable income for the year. These contributions and all associated earnings are not subject to tax until you withdraw them, boosting the ability of your account to grow.

You also may be able to make after-tax **Roth contributions**. While they do not reduce your taxable income for the year, future withdrawals may be tax-free. Alternatively, you may contribute to a Roth IRA (www.icmarc.org/ira).

Contribute what you can. For 2016, you can contribute up to \$18,000, or \$24,000 if age 50 or over. (Participants nearing retirement may also be eligible to contribute additional amounts — up to \$36,000 total.) But even small savings add up over time. In fact, starting out small and then increasing how much you save by just a little each year may be all you need.



Investment Control

A wide range of investment options are available to help you build a diversified portfolio. You control all investment decisions, choosing from among the available options. You decide:

- ▶ how contributions are invested; and
- ▶ how to manage your investments on an ongoing basis.

ICMA-RC can help you decide how much to save and how to invest through **Guided Pathways®** (www.icmarc.org/guidedpathways).

Access to Your Money

When you leave your employer, you can withdraw assets, regardless of the reason and your years of service.

Under certain conditions, based on your employer's plan rules, withdrawals may also be allowed while you're still working.

You have the following flexible withdrawal options for vested assets:

- ▶ Your entire balance
- ▶ Periodic, partial withdrawals as you see fit
- ▶ Installment payments of a certain dollar amount and frequency, such as monthly or quarterly; scheduled withdrawals can be changed at any time.
- ▶ Lifetime income payments

After you reach age 70½ or separate from service, whichever is later, you will be required to withdraw at least a minimum amount from your account each year, per IRS rules.

If plan rules allow, you may also borrow against your vested assets through a loan, subject to IRS rules.

457 plans are unique. Unlike other retirement accounts, you do not have to qualify for an exception to avoid the 10% IRS penalty tax on withdrawals of your contributions and associated earnings before age 59½. Just remember that your 457 plan is designed to help you meet your retirement goals. Any withdrawals prior to retirement may reduce your future retirement security.

Portability

After leaving your employer, vested assets can also be transferred — or rolled over — to another eligible retirement plan without being taxed.

Survivor Benefits

You designate a beneficiary, or beneficiaries, to receive any remaining assets upon your death. If you don't designate beneficiaries, your estate is the default beneficiary, in which case:

- ▶ assets may not be distributed per your wishes;
- ▶ assets are subject to probate costs, potential delays, creditor claims; and
- ▶ non-spouse heirs may receive fewer tax benefits.

Beneficiaries control investment decisions, receive the most flexible withdrawal options allowed by law, and are not subject to any additional fees.

Serving the Public Sector Since 1972

ICMA-RC is a non-profit independent financial services corporation focused on providing retirement plans and related services for more than 1.2 million public sector participant accounts and over 9,000 retirement plans. Our mission is to help build retirement security for public employees. We deliver on our mission by focusing on service, quality, and value.

To learn more, visit www.icmarc.org/457 and contact your ICMA-RC representative.

To manage your account online, log in to your account at www.icmarc.org.

For tips and tools to help you save, invest, and retire, visit www.icmarc.org/realize.



ICMA RETIREMENT CORPORATION
777 NORTH CAPITOL STREET, NE | WASHINGTON, DC 20002-4240
800-669-7400
WWW.ICMARC.ORG
BRC000-000-27345-1114-7510-06



WHAT'S THE DIFFERENCE?

457 vs. 401(k)

	457 Deferred Compensation Plans	401(k) Plans
Benefits	<ul style="list-style-type: none"> ▶ Pre-tax contributions reduce your current income taxes ▶ Earnings accumulate tax deferred ▶ Assets may be transferred to another eligible retirement account if you change jobs or retire ▶ Help supplement benefits you may be eligible to receive from your employer's pension plan 	
Contribution Types	<p>Pre-tax contributions lower your current year tax bill and are not taxable until withdrawn.</p> <p>Roth* contributions do not reduce current year taxes but are not taxable when withdrawn and associated earnings may be tax-free.</p> <p><i>*Not available in all plans. Check with your employer to confirm.</i></p>	<p>Pre-tax and Roth* contributions (same as 457 plans).</p> <p>"Regular" after-tax* contributions do not reduce current year taxes and are not taxable when withdrawn (associated earnings, however, are taxable upon withdrawal).</p> <p><i>*Not available in all plans. Check with your employer to confirm.</i></p>
Maximum Employee Contribution (2016)	<p>\$18,000</p> <p>Age 50 Catch-Up: \$6,000 (\$24,000 total)</p> <p>Pre-Retirement Catch-Up: \$18,000 (\$36,000 total)</p>	<p>\$18,000</p> <p>Age 50 Catch-Up: \$6,000 (\$24,000 total)</p> <p>Pre-Retirement Catch-Up: N/A</p>
	<p><i>All contribution limits apply to the combination of pre-tax and Roth contributions to the plan. Individuals can contribute the maximum, if eligible, to both plans; contributions to one plan do not affect eligibility to contribute to the other plan.</i></p>	
Rollovers	<p>You can generally roll assets to or from other eligible employer retirement plans, including 457, 401(k), 401(a), and 403(b) plans, or Traditional IRAs.</p> <p><i>Note: additional considerations apply to the rollover of Roth assets.</i></p>	
Loans	<p>If elected by the plan sponsor, you may be able to take a loan from your account, subject to plan rules and IRS limits.</p>	
Withdrawal Eligibility	<ul style="list-style-type: none"> ▶ Upon separation from service with your employer ▶ In-service withdrawals may also be permitted <ul style="list-style-type: none"> Emergency withdrawals Rollover assets Small account balances Upon reaching age 70½ 	<ul style="list-style-type: none"> ▶ Upon separation from service with your employer ▶ In-service withdrawals may also be permitted <ul style="list-style-type: none"> Hardship withdrawals Rollover assets Small account balances Upon reaching age 59½
10% IRS Early Withdrawal Penalty Tax	<p>457 plan contributions and associated earnings are not subject to the early withdrawal penalty tax. However, the penalty may apply to non-457 plan assets rolled into a 457 plan and subsequently withdrawn prior to age 59½.</p>	<p>Withdrawals prior to age 59½ are subject to a 10% early withdrawal penalty tax, unless an exception to the penalty applies.</p>
Taxation of Withdrawals	<p>Withdrawals are generally subject to federal and, in most cases, state income taxes. Some exceptions include:</p> <ul style="list-style-type: none"> ▶ regular after-tax contributions; ▶ Roth contributions; and ▶ distributions of Roth assets, including earnings, if a period of five years has passed since January 1 of the year of your first Roth contribution (including rollovers), and you are at least 59½ years old (or disabled or deceased). 	
Required Minimum Distributions (RMDs)	<p>IRS RMDs must be taken yearly beginning in the year you turn age 70½ or when you separate from service with your employer, whichever is later.</p>	

This information is for education purposes only. ICMA-RC does not provide tax or legal advice.

AC: 27357-0115-7570

457 Governmental Deferred Compensation Plan & Trust



DEFERRED COMPENSATION PLAN AND TRUST

As Amended and Restated Effective January 1, 2006

Article I. Purpose

The Employer hereby establishes and maintains the Employer's Deferred Compensation Plan and Trust, hereafter referred to as the "Plan." The Plan consists of the provisions set forth in this document.

The primary purpose of this Plan is to provide retirement income and other deferred benefits to the Employees of the Employer and the Employees' Beneficiaries in accordance with the provisions of Section 457 of the Internal Revenue Code of 1986, as amended (the "Code").

This Plan shall be an agreement solely between the Employer and participating Employees. The Plan and Trust forming a part hereof are established and shall be maintained for the exclusive benefit of Participants and their Beneficiaries. No part of the corpus or income of the Trust shall revert to the Employer or be used for or diverted to purposes other than the exclusive benefit of Participants and their Beneficiaries.

Article II. Definitions

- 2.01 Account.** The bookkeeping account maintained for each Participant reflecting the cumulative amount of the Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the Employer's investment of the Participant's Deferred Compensation, and further reflecting any distributions to the Participant or the Participant's Beneficiary and any fees or expenses charged against such Participant's Deferred Compensation.
- 2.02 Accounting Date.** Each business day that the New York Stock Exchange is open for trading, as provided in Section 6.06 for valuing the Trust's assets.
- 2.03 Administrator.** The person or persons named in writing to carry out certain nondiscretionary administrative functions under the Plan, as hereinafter described. The Employer may remove any person as Administrator upon 75 days' advance notice in writing to such person, in which case the Employer shall name another person or persons to act as Administrator. The Administrator may resign upon 75 days' advance notice in writing to the Employer, in which case the Employer shall name another person or persons to act as Administrator.
- 2.04 Automatic Distribution Date.** April 1 of the calendar year after the Plan Year the Participant attains age 70½ or, if later, has a Severance Event.
- 2.05 Beneficiary.** The person or persons designated by the Participant in his or her Joinder Agreement who shall receive any benefits payable hereunder in the event of the Participant's death. In the event that the Participant names two or more Beneficiaries, each Beneficiary shall be entitled to equal shares of the benefits payable at the Participant's death, unless otherwise provided in the Participant's Joinder Agreement. If no beneficiary is designated in the Joinder Agreement, if the Designated Beneficiary predeceases the Participant, or if the designated Beneficiary does not survive the Participant for a period of fifteen (15) days, then the estate of the Participant shall be the Beneficiary. If a married Participant resides in a community or marital property state, the Participant shall be responsible for obtaining appropriate consent of his or her spouse in the event the Participant designates someone other than his or her spouse as Beneficiary. The preceding sentence shall not apply with respect to a Deemed IRA under Article IX.
- 2.06 Deemed IRA.** A separate account or annuity established under the Plan that complies with the requirements of Section 408(q) of the Code, the Income Tax Regulations thereunder, and any other IRS guidance.

- 2.07 Deferred Compensation.** The amount of Includible Compensation otherwise payable to the Participant which the Participant and the Employer mutually agree to defer hereunder, any amount credited to a Participant's Account by reason of a transfer under Section 6.09 or 6.10, a rollover under Section 6.11, or any other amount which the Employer agrees to credit to a Participant's Account.
- 2.08 Dollar Limitation.** The applicable dollar amount within the meaning of Section 457(b)(2)(A) of the Code, as adjusted for the cost-of-living in accordance with Section 457(e)(15) of the Code.
- 2.09 Employee.** Any individual who provides services for the Employer, whether as an employee of the Employer or as an independent contractor, and who has been designated by the Employer as eligible to participate in the Plan.
- 2.10 Employer.** _____, which is a political subdivision, agency or instrumentality of the [State/Commonwealth] of _____, described in Section 457(e)(1)(A) of the Code.
- 2.11 457 Catch-Up Dollar Limitation.** Twice the Dollar Limitation.
- 2.12 Includible Compensation.** Includible Compensation of a Participant means "compensation," as defined in Section 415(c)(3) of the Code, for services performed for the Employer. Includible Compensation shall be determined without regard to any community property laws. For purposes of a Participant's Joinder Agreement only and not for purposes of the limitations in Article V, Includible Compensation shall include pre-tax contributions (excluding direct employer contributions) to an integral part trust of the employer providing retiree health care benefits.
- 2.13 Joinder Agreement.** An agreement entered into between an Employee and the Employer, including any amendments or modifications thereof. Such agreement shall fix the amount of Deferred Compensation, specify a preference among the investment alternatives designated by the Employer, designate the Employee's Beneficiary or Beneficiaries, and incorporate the terms, conditions, and provisions of the Plan by reference.
- 2.14 Normal Limitation.** The maximum amount of Deferred Compensation for any Participant for any taxable year (other than amounts referred to in Sections 6.09, 6.10, and 6.11).
- 2.15 Normal Retirement Age.** Age 70½, unless the Participant has elected an alternate Normal Retirement Age by written instrument delivered to the Administrator prior to a Severance Event. A Participant's Normal Retirement Age determines the period during which a Participant may utilize the 457 Catch-Up Dollar Limitation of Section 5.02(b) hereunder. Once a Participant has to any extent utilized the catch-up limitation of Section 5.02(b), his Normal Retirement Age may not be changed.

A Participant's alternate Normal Retirement Age may not be earlier than the earliest date that the Participant will become eligible to retire and receive immediate, unreduced retirement benefits under the Employer's basic defined benefit retirement plan covering the Participant (or a money purchase pension plan in which the Participant also participates if the Participant is not eligible to participate in a defined benefit plan), and may not be later than the date the Participant will attain age 70½. If the Participant will not become eligible to receive benefits under a basic defined benefit retirement plan (or money purchase pension plan, if applicable) maintained by the Employer, the Participant's alternate Normal Retirement Age may not be earlier than 65 and may not be later than age 70½. In no event may a Participant's normal retirement age be different than the normal retirement age under the Employer's other 457(b) plans, if any.

In the event the Plan has Participants that include qualified police or firefighters (as defined under Section 415(b)(2)(H)(ii)(I) of the Code), a normal retirement age may be designated for such qualified police or firefighters that is not earlier than age 40 or later than age 70½. Alternatively, qualified police or firefighters may be permitted to designate a normal retirement age that is between age 40 and age 70½.

- 2.16 Participant.** Any Employee who has joined the Plan pursuant to the requirements of Article IV. For purposes of section 6.11 of the Plan, the term Participant includes an employee or former Employee of the Employer who has not yet received all of the payments of benefits to which he/she is entitled under the Plan.
- 2.17 Percentage Limitation.** 100 percent of the participant's Includible Compensation available to be contributed as Deferred Compensation for the taxable year.
- 2.18 Plan Year.** The calendar year.
- 2.19 Retirement.** The first date upon which both of the following shall have occurred with respect to a participant: Severance Event and attainment of age 65.
- 2.20 Severance Event.** A severance of the Participant's employment with the Employer within the meaning of Section 457(d)(1)(A)(ii) of the Code.

In general, a Participant shall be deemed to have experienced a Severance Event for purposes of this Plan when, in accordance with the established practices of the Employer, the employment relationship is considered to have actually terminated. In the case of a Participant who is an independent contractor of the Employer, a Severance Event shall be deemed to have occurred when the Participant's contract under which services are performed has completely expired and terminated, there is no foreseeable possibility that the Employer will renew the contract or enter into a new contract for the Participant's services, and it is not anticipated that the Participant will become an Employee of the Employer, or such other events as may be permitted under the Code.

- 2.21 Trust.** The Trust created under Article VI of the Plan which shall consist of all compensation deferred under the Plan, plus any income and gains thereon, less any losses, expenses and distributions to Participants and Beneficiaries.

Article III. Administration

- 3.01 Duties of the Employer.** The Employer shall have the authority to make all discretionary decisions affecting the rights or benefits of Participants which may be required in the administration of this Plan. The Employer's decisions shall be afforded the maximum deference permitted by applicable law.
- 3.02 Duties of Administrator.** The Administrator, as agent for the Employer, shall perform nondiscretionary administrative functions in connection with the Plan, including the maintenance of Participants' Accounts, the provision of periodic reports of the status of each Account, and the disbursement of benefits on behalf of the Employer in accordance with the provisions of this Plan.

Article IV. Participation in the Plan

- 4.01 Initial Participation.** An Employee may become a Participant by entering into a Joinder Agreement prior to the beginning of the calendar month in which the Joinder Agreement is to become effective to defer compensation not yet earned, or such other date as may be permitted under the Code. A new employee may defer compensation in the calendar month during which he or she first becomes an employee if a Joinder Agreement is entered into on or before the first day on which the employee performs services for the Employer.
- 4.02 Amendment of Joinder Agreement.** A Participant may amend an executed Joinder Agreement to change the amount of Includible Compensation not yet earned which is to be deferred (including the reduction of such future deferrals to zero). Such amendment shall become effective as of the beginning of the calendar month commencing after the date the amendment is executed, or such other date as may be permitted under the Code. A Participant may at any time amend his or her Joinder Agreement to change the designated Beneficiary, and such amendment shall become effective immediately.

Article V. Limitations on Deferrals

5.01 Normal Limitation. Except as provided in Section 5.02, the maximum amount of Deferred Compensation for any Participant for any taxable year, shall not exceed the lesser of the Dollar Limitation or the Percentage Limitation.

5.02 Catch-Up Limitations.

- (a) *Catch-up Contributions for Participants Age 50 and Over:* A Participant who has attained the age of 50 before the close of the Plan Year, and with respect to whom no other elective deferrals may be made to the Plan for the Plan Year by reason of the Normal Limitation of Section 5.01, may enter into a Joinder Agreement to make elective deferrals in addition to those permitted by the Normal Limitation in an amount not to exceed the lesser of:
- (1) The applicable dollar amount as defined in Section 414(v)(2)(B) of the Code, as adjusted for the cost-of-living in accordance with Section 414(v)(2)(C) of the Code; or
 - (2) The excess (if any) of
 - (i) The Participant's Includible Compensation for the year, or
 - (ii) Any other elective deferrals of the Participant for such year which are made without regard to this Section 5.02(a).

An additional contribution made pursuant to this Section 5.02(a) shall not, with respect to the year in which the contribution is made, be subject to any otherwise applicable limitation contained in Section 5.01 above, or be taken into account in applying such limitation to other contributions or benefits under the Plan or any other plan. This Section 5.02(a) shall not apply in any year to which a higher limit under Section 5.02(b) applies.

- (b) *Last Three Years Catch-up Contribution:* For each of the last three (3) taxable years for a Participant ending before his or her attainment of Normal Retirement Age, the maximum amount of Deferred Compensation shall be the lesser of:
- (1) The 457 Catch-Up Dollar Limitation, or
 - (2) The sum of
 - (i) The Normal Limitation for the taxable year, and
 - (ii) The Normal Limitation for each prior taxable year of the Participant commencing after 1978 less the amount of the Participant's Deferred Compensation for such prior taxable years. A prior taxable year shall be taken into account under the preceding sentence only if (x) the Participant was eligible to participate in the Plan for such year, and (y) compensation (if any) deferred under the Plan (or such other plan) was subject to the Normal Limitation.

5.03 Sick, Vacation and Back Pay. If the Employer so elects, a Participant may defer all or a portion of the value of the Participant's accumulated sick pay, accumulated vacation pay and/or back pay, provided that such deferral does not cause total deferrals on behalf of the Participant to exceed the Dollar Limitation or Percentage Limitation (including any Catch-up Dollar Limitation) for the year of deferral. The election to defer such sick, vacation and/or back pay must be made in a manner and at a time permitted under Section 1.457-4(d) of the Income Tax Regulations.

For Plan Years beginning before January 1, 2009, pursuant to proposed IRS regulations issued under Section 415 of the Code, the Plan may permit deferrals from compensation, including sick, vacation and back pay, so long as the amounts are paid within 2½ months following severance from employment and the other requirements of Sections

457(b) and 415 of the Code are met. For Plan Years beginning on or after January 1, 2009, pursuant to final IRS regulations issued under Section 415 of the Code, the Plan may permit deferrals from compensation, including sick, vacation and back pay, so long as the amounts are paid by the later of: (i) 2½ months following severance from employment, and (ii) the end of the calendar year that includes the date of such severance from employment, and the other requirements of Sections 457(b) and 415 of the Code are met. Additionally, the agreement to defer such amounts must be entered into prior to the first day of the month in which the amounts otherwise would be paid or made available.

- 5.04 Other Plans.** Notwithstanding any provision of the Plan to the contrary, the amount excludible from a Participant's gross income under this Plan or any other eligible deferred compensation plan under Section 457(b) of the Code shall not exceed the limits set forth in Sections 457(b) and 414(v) of the Code.
- 5.05 Excess Deferrals.** Any amount that exceeds the maximum Dollar Limitation or Percentage Limitation (including any applicable Catch-Up Dollar Limitation) for a taxable year, shall constitute an excess deferral for that taxable year. Any excess deferral shall be distributed in accordance with the requirements for excess deferrals under the Code and Section 1.457-4(e) of the Income Tax Regulations or other applicable Internal Revenue Service guidance.
- 5.06 Protection of Person Who Serves in a Uniformed Service.** An Employee whose employment is interrupted by qualified military service under Section 414(u) of the Code or who is on leave of absence for qualified military service under Section 414(u) of the Code may elect to contribute additional Deferred Compensation upon resumption of employment with the Employer equal to the maximum Deferred Compensation that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Includible Compensation) without the interruption or leave, reduced by Deferred Compensation, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

Article VI. Trust and Investment of Accounts

- 6.01 Investment of Deferred Compensation.** A Trust is hereby created to hold all the assets of the Plan (except Deemed IRA contributions and earnings thereon held pursuant to Article IX) for the exclusive benefit of Participants and Beneficiaries, except that expenses and taxes may be paid from the Trust as provided in Section 6.03. The trustee shall be the Employer or such other person that agrees to act in that capacity hereunder.
- 6.02 Investment Powers.** The trustee or the Administrator, acting as agent for the trustee, shall have the powers listed in this Section with respect to investment of Trust assets, except to the extent that the investment of Trust assets is directed by Participants, pursuant to Section 6.05 or to the extent that such powers are restricted by applicable law.
- (a) To invest and reinvest the Trust without distinction between principal and income in common or preferred stocks, shares of regulated investment companies and other mutual funds, bonds, loans, notes, debentures, certificates of deposit, contracts with insurance companies including but not limited to insurance, individual or group annuity, deposit administration, guaranteed interest contracts, and deposits at reasonable rates of interest at banking institutions including but not limited to savings accounts and certificates of deposit. Assets of the Trust may be invested in securities that involve a higher degree of risk than investments that have demonstrated their investment performance over an extended period of time.
 - (b) To invest and reinvest all or any part of the assets of the Trust in any common, collective or commingled trust fund that is maintained by a bank or other institution and that is available to Employee plans described under Sections 457 or 401 of the Code, or any successor provisions thereto, and during the period of time that an investment through any such medium shall exist, to the extent of participation of the Plans the declaration of trust of such commonly collective, or commingled trust fund shall constitute a part of this Plan.
 - (c) To invest and reinvest all or any part of the assets of the Trust in any group annuity, deposit administration or guaranteed interest contract issued by an insurance company or other financial institution on a commingled

or collective basis with the assets of any other 457 plan or trust qualified under Section 401(a) of the Code or any other plan described in Section 401(a)(24) of the Code, and such contract may be held or issued in the name of the Administrator, or such custodian as the Administrator may appoint, as agent and nominee for the Employer. During the period that an investment through any such contract shall exist, to the extent of participation of the Plan, the terms and conditions of such contract shall constitute a part of the Plan.

- (d) To hold cash awaiting investment and to keep such portion of the Trust in cash or cash balances, without liability for interest, in such amounts as may from time to time be deemed to be reasonable and necessary to meet obligations under the Plan or otherwise to be in the best interests of the Plan.
- (e) To hold, to authorize the holding of, and to register any investment to the Trust in the name of the Plan, the Employer, or any nominee or agent of any of the foregoing, including the Administrator, or in bearer form, to deposit or arrange for the deposit of securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, and to organize corporations or trusts under the laws of any jurisdiction for the purpose of acquiring or holding title to any property for the Trust, all with or without the addition of words or other action to indicate that property is held in a fiduciary or representative capacity but the books and records of the Plan shall at all times show that all such investments are part of the Trust.
- (f) Upon such terms as may be deemed advisable by the Employer or the Administrator, as the case may be, for the protection of the interests of the Plan or for the preservation of the value of an investment, to exercise and enforce by suit for legal or equitable remedies or by other action, or to waive any right or claim on behalf of the Plan or any default in any obligation owing to the Plan, to renew, extend the time for payment of, agree to a reduction in the rate of interest on, or agree to any other modification or change in the terms of any obligation owing to the Plan, to settle, compromise, adjust, or submit to arbitration any claim or right in favor of or against the Plans to exercise and enforce any and all rights of foreclosure, bid for property in foreclosure, and take a deed in lieu of foreclosure with or without paying consideration therefor, to commence or defend suits or other legal proceedings whenever any interest of the Plan requires it, and to represent the Plan in all suits or legal proceedings in any court of law or equity or before any body or tribunal.
- (g) To employ suitable consultants, depositories, agents, and legal counsel on behalf of the Plan.
- (h) To open and maintain any bank account or accounts in the name of the Plan, the Employer, or any nominee or agent of the foregoing, including the Administrator, in any bank or banks.
- (i) To do any and all other acts that may be deemed necessary to carry out any of the powers set forth herein.

6.03 Taxes and Expenses. All taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon the Plan, or in respect to the Trust, or the income thereof, and all commissions or acquisitions or dispositions of securities and similar expenses of investment and reinvestment of the Trust, shall be paid from the Trust. Such reasonable compensation of the Administrator, as may be agreed upon from time to time by the Employer and the Administrator, and reimbursement for reasonable expenses incurred by the Administrator in performance of its duties hereunder (including but not limited to fees for legal, accounting, investment and custodial services) shall also be paid from the Trust.

6.04 Payment of Benefits. The payment of benefits from the Trust in accordance with the terms of the Plan may be made by the Administrator, or by any custodian or other person so authorized by the Employer to make such disbursement. The Administrator, custodian or other person shall not be liable with respect to any distribution of Trust assets made at the direction of the Employer.

6.05 Investment Funds. In accordance with uniform and nondiscriminatory rules established by the Employer and the Administrator, the Participant may direct his or her Accounts to be invested in one (1) or more investment

funds available under the Plan; provided, however, that the Participant's investment directions shall not violate any investment restrictions established by the Employer. Neither the Employer, the Administrator, nor any other person shall be liable for any losses incurred by virtue of following such directions or with any reasonable administrative delay in implementing such directions.

- 6.06 Valuation of Accounts.** As of each Accounting Date, the Plan assets held in each investment fund offered shall be valued at fair market value and the investment income and gains or losses for each fund shall be determined. Such investment income and gains or losses shall be allocated proportionately among all Account balances on a fund-by-fund basis. The allocation shall be in the proportion that each such Account balance as of the immediately preceding Accounting Date bears to the total of all such Account balances as of that Accounting Date. For purposes of this Article, all Account balances include the Account balances of all Participants and Beneficiaries.
- 6.07 Participant Loan Accounts.** Participant loan accounts shall be invested in accordance with Section 8.03 of the Plan. Such Accounts shall not share in any investment income and gains or losses of the investment funds described in Sections 6.05 and 6.06.
- 6.08 Crediting of Accounts.** The Participant's Account shall reflect the amount and value of the investments or other property obtained by the Employer through the investment of the Participant's Deferred Compensation pursuant to Sections 6.05 and 6.06. It is anticipated that the Employer's investments with respect to a Participant will conform to the investment preference specified in the Participant's Joinder Agreement, but nothing herein shall be construed to require the Employer to make any particular investment of a Participant's Deferred Compensation. Each Participant shall receive periodic reports, not less frequently than annually, showing the then current value of his or her Account.
- 6.09 Post-Severance Transfers Among Eligible Deferred Compensation Plans.**

- (a) *Incoming Transfers:* A transfer may be accepted from an eligible deferred compensation plan maintained by another employer and credited to a Participant's or Beneficiary's Account under the Plan if:
- (1) In the case of a transfer for a Participant, the Participant has had a Severance Event with that employer and become an Employee of the Employer;
 - (2) The other employer's plan provides that such transfer will be made; and
 - (3) The Participant or Beneficiary whose deferred amounts are being transferred will have an amount immediately after the transfer at least equal to the deferred amount immediately before the transfer.

The Employer may require such documentation from the predecessor plan as it deems necessary to effectuate the transfer in accordance with Section 457(e)(10) of the Code, to confirm that such plan is an eligible deferred compensation plan within the meaning of Section 457(b) of the Code, and to assure that transfers are provided for under such plan. The Employer may refuse to accept a transfer in the form of assets other than cash, unless the Employer and the Administrator agree to hold such other assets under the Plan.

- (b) *Outgoing Transfers:* An amount may be transferred to an eligible deferred compensation plan maintained by another employer, and charged to a Participant's or Beneficiary's Account under this Plan, if:
- (1) In the case of a transfer for a Participant, the Participant has a Severance Event with the Employer and becomes an employee of the other employer;
 - (2) The other employer's plan provides that such transfer will be accepted;
 - (3) The Participant or Beneficiary and the employers have signed such agreements as are necessary to assure that the Employer's liability to pay benefits to the Participant has been discharged and assumed by the other employer; and

- (4) The Participant or Beneficiary whose deferred amounts are being transferred will have an amount immediately after the transfer at least equal to the deferred amount immediately before the transfer.

The Employer may require such documentation from the other plan as it deems necessary to effectuate the transfer, to confirm that such plan is an eligible deferred compensation plan within the meaning of Section 457(b) of the Code, and to assure that transfers are provided for under such plan. Such transfers shall be made only under such circumstances as are permitted under Section 457 of the Code and the regulations thereunder.

6.10 Transfers Among Eligible Deferred Compensation Plans of the Employer.

- (a) *Incoming Transfers.* A transfer may be accepted from another eligible deferred compensation plan maintained by the Employer and credited to a Participant's or Beneficiary's Account under the Plan if:
- (1) The Employer's other plan provides that such transfer will be made;
 - (2) The Participant or Beneficiary whose deferred amounts are being transferred will have an amount immediately after the transfer at least equal to the deferred amount immediately before the transfer; and
 - (3) The Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual deferrals in the Plan unless the Participant or Beneficiary is performing services for the Employer.
- (b) *Outgoing Transfers.* A transfer may be accepted from another eligible deferred compensation plan maintained by the Employer and credited to a Participant's or Beneficiary's Account under the Plan if:
- (1) The Employer's other plan provides that such transfer will be accepted;
 - (2) The Participant or Beneficiary whose deferred amounts are being transferred will have an amount immediately after the transfer at least equal to the deferred amount immediately before the transfer; and
 - (3) The Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual deferrals in the Employer's other eligible deferred compensation plan unless the Participant or Beneficiary is performing services for the Employer.

6.11 Eligible Rollover Distributions.

- (a) *Incoming Rollovers:* An eligible rollover distribution may be accepted from an eligible retirement plan and credited to a Participant's Account under the Plan. The Employer may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of Section 402(c)(8)(B) of the Code. The Plan shall separately account (in one or more separate accounts) for eligible rollover distributions from any eligible retirement plan.
- (b) *Outgoing Rollovers:* Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (c) *Definitions:*
- (1) *Eligible Rollover Distribution:* An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not

include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Sections 401(a)(9) and 457(d)(2) of the Code; and any distribution made as a result of an unforeseeable emergency of the employee. For purposes of distributions from other eligible retirement plans rolled over into this Plan, the term eligible rollover distribution shall not include the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities), such as after-tax contributions.

- (2) *Eligible Retirement Plan:* An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Sections 403(a) or 403(b) of the Code, a qualified trust described in Section 401(a) of the Code, or an eligible deferred compensation plan described in Section 457(b) of the Code which is maintained by an eligible governmental employer described in Section 457(e)(1)(A) of the Code, that accepts the distributee's eligible rollover distribution.
- (3) *Distributee:* A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.
- (4) *Direct Rollover:* A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

6.12 Trustee-to-Trustee Transfers to Purchase Permissive Service Credit. All or a portion of a Participant's Account may be transferred directly to the trustee of a defined benefit governmental plan (as defined in Section 414(d) of the Code) if such transfer is (a) for the purchase of permissive service credit (as defined in Section 415(n)(3)(A) of the Code) under such plan, or (b) a repayment to which Section 415 of the Code does not apply by reason of subsection (k)(3) thereof, within the meaning of Section 457(e)(17) of the Code.

6.13 Treatment of Distributions of Amounts Previously Rolled Over From 401(a) and 403(b) Plans and IRAs. For purposes of Section 72(t) of the Code, a distribution from this Plan shall be treated as a distribution from a qualified retirement plan described in Section 4974(c)(1) of the Code to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in Section 4974(c) of the Code).

6.14 Employer Liability. In no event shall the Employer's liability to pay benefits to a Participant under this Plan exceed the value of the amounts credited to the Participant's Account; neither the Employer nor the Administrator shall be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.

Article VII. Benefits

7.01 Retirement Benefits and Election on Severance Event.

- (a) *General Rule:* Except as otherwise provided in this Article VII, the distribution of a Participant's Account shall commence as of a Participant's Automatic Distribution Date, and the distribution of such benefits shall be made in accordance with one of the payment options described in Section 7.02. Notwithstanding the foregoing, but subject to the following paragraphs of this Section 7.01, the Participant may elect following a Severance Event to have the distribution of benefits commence on a fixed determinable date other than that described in the preceding sentence, but not later than April 1 of the year following the year of the Participant's Retirement or attainment of age 70½, whichever is later. The Participant's right to change his or her election with respect to commencement of the distribution of benefits shall not be restrained by this Section 7.01.

Notwithstanding the foregoing, the Administrator, in order to ensure the orderly administration of this provision, may establish a deadline after which such election to defer the commencement of distribution of benefits shall not be allowed.

- (b) *Loans*: Notwithstanding the foregoing provisions of this Section 7.01, no election to defer the commencement of benefits after a Severance Event shall operate to defer the distribution of any amount in the Participant's loan account in the event of a default of the Participant's loan.

7.02 Payment Options. As provided in Sections 7.01, 7.04 and 7.05, a Participant may elect to have value of the Participant's Account distributed in accordance with one of the following payment options, provided that such option is consistent with the limitations set forth in Section 7.03:

- (a) Equal monthly, quarterly, semi-annual or annual payments in an amount chosen by the Participant, continuing until his or her Account is exhausted;
- (b) One lump-sum payment;
- (c) Approximately equal monthly, quarterly, semi-annual or annual payments, calculated to continue for a period certain chosen by the Participant;
- (d) Annual Payments equal to the minimum distributions required under Section 401(a)(9) of the Code, including the incidental death benefit requirements of Section 401(a)(9)(G), over the life expectancy of the Participant or over the life expectancies of the Participant and his or her Beneficiary;
- (e) Payments equal to payments made by the issuer of a retirement annuity policy acquired by the Employer;
- (f) A split distribution under which payments under options (a), (b), (c) or (e) commence or are made at the same time, as elected by the Participant under Section 7.01, provided that all payments commence (or are made) by the latest benefit commencement date permitted under Section 7.01;
- (g) Any other payment option elected by the Participant and agreed to by the Employer and Administrator.

A Participant's selection of a payment option under Subsections (a), (c), or (g) above may include the selection of an automatic annual cost-of living increase. Such increase will be based on the rise in the Consumer Price Index for All Urban Consumers (CPI-U) from the third quarter of the last year in which a cost-of-living increase was provided to the third quarter of the current year. Any increase will be made in periodic payment checks beginning the following January.

7.03 Limitation on Options. No payment option may be selected by a Participant under subsections 7.02(a) or (c) unless the amount of any installment is not less than \$100. No payment option may be selected by a Participant under Sections 7.02, 7.04, or 7.05 unless it satisfies the requirements of Sections 401(a)(9) and 457(d)(2) of the Code, including that payments commencing before the death of the Participant shall satisfy the incidental death benefit requirements under Section 401(a)(9)(G) of the Code.

7.04 Minimum Required Distributions. Notwithstanding any provision of the Plan to the contrary, the Plan shall comply with the minimum required distribution rules set forth in Sections 457(d)(2) and 401(a)(9) of the Code, including the incidental death benefit requirements of Section 401(a)(9)(G) of the Code.

7.05 Post-Retirement Death Benefits.

- (a) Should the Participant die after he or she has begun to receive benefits under a payment option, the remaining payments, if any, under the payment option shall continue until the Administrator receives notice of the Participant's death. Upon notification of the Participant's death, benefits shall be payable to the Participant's Beneficiary commencing not later than December 31 of the year following the year of the Participant's death, provided that the Beneficiary may elect to begin benefits earlier than that date.

- (b) In the event that the Beneficiary dies before the payment of death benefits has commenced or been completed, the remaining benefits payable under the payment option applicable to the Beneficiary shall, subject to the requirements set forth in Section 7.04, be paid to an additional beneficiary designated by the Beneficiary. If no additional beneficiary is named, payment shall be made to the Beneficiary's estate in a lump sum.
- (c) In the event that the Participant's estate is the Beneficiary, payment shall be made to the estate in a lump sum.

7.06 Pre-Retirement Death Benefits.

- (a) Should the Participant die before he or she has begun to receive the benefits provided by Section 7.01, the value of the Participant's Account shall be payable to the Beneficiary commencing not later than December 31 of the year following the year of the Participant's death, provided that the Beneficiary may elect to begin benefits earlier than that date.
- (b) In the event that the Beneficiary dies before the payment of death benefits has commenced or been completed, the remaining value of the Participant's Account shall be paid to the estate of the Beneficiary in a lump sum. In the event that the Participant's estate is the Beneficiary, payment shall be made to the estate in a lump sum.

7.07 Unforeseeable Emergencies.

- (a) In the event an unforeseeable emergency occurs, a Participant or Beneficiary may apply to the Employer to receive that part of the value of his or her Account that is reasonably needed to satisfy the emergency need. If such an application is approved by the Employer, the Participant or Beneficiary shall be paid only such amount as the Employer deems necessary to meet the emergency need, but payment shall not be made to the extent that the financial hardship may be relieved through cessation of deferral under the Plan, insurance or other reimbursement, or liquidation of other assets to the extent such liquidation would not itself cause severe financial hardship.
- (b) An unforeseeable emergency shall be deemed to involve only circumstances of severe financial hardship of a Participant or Beneficiary resulting from an illness or accident of the participant or beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent (as defined in Section 152 of the Code, and, for taxable years beginning on or after January 1, 2005, without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B) of the Code); loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or the Beneficiary. For example, the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a spouse or a dependent (as defined in section 152 of the Code, and, for taxable years beginning on or after January 1, 2005, without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B) of the Code) may also constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section 7.07(b), the purchase of a home and the payment of college tuition are not unforeseeable emergencies.

7.08 In-Service Distribution of Rollover Contributions. Effective January 1, 2006, the Employer may elect to allow Participants to receive an in-service distribution of amounts attributable to rollover contributions to the Plan. If the Employer has elected to make such distributions available, a Participant that has a separate account attributable to rollover contributions to the Plan may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

7.09 In-Service Distribution to Participants Age 70½ or Older. A Participant who has reached age 70½ and has not yet had a Severance Event, may, at any time, request a distribution of all or a part of his or her Account. A Participant may only receive two (2) such distributions pursuant to this Section 7.09 in any calendar year.

7.10 Distribution De Minimis Accounts. Notwithstanding the foregoing provisions of this Article VII:

- (a) *Mandatory Distribution.* If the value of a Participant's Account is less than \$1,000, the Participant's Account shall be paid to the Participant in a single lump sum distribution, provided that:
 - (1) No amount has been deferred under the Plan with respect to the Participant during the 2-year period ending on the date of the distribution; and
 - (2) There has been no prior distribution under the Plan to the Participant pursuant to this Section 7.10.
- (b) *Voluntary Distribution.* If the value of the Participant's Account is at least \$1,000 but not more than the dollar limit under Section 411(a)(11)(A) of the Code, the Participant may elect to receive his or her entire Account in a lump sum payment if:
 - (1) No amount has been deferred under the Plan with respect to the Participant during the 2-year period ending on the date of the distribution; and
 - (2) There has been no prior distribution under the Plan to the Participant pursuant to this Section 7.10.

Article VIII. Loans to Participants

8.01 Availability of Loans to Participants.

- (a) The Employer may elect to make loans available to Participants in this Plan. If the Employer has elected to make loans available to Participants, a Participant may apply for a loan from the Plan subject to the limitations and other provisions of this Article. However, no loans are available from Deemed IRAs.
- (b) The Employer shall establish written guidelines governing the granting of loans, provided that such guidelines are approved by the Administrator and are not inconsistent with the provisions of this Article, and that loans are made available to all Participants on a reasonably equivalent basis.

8.02 Terms and Conditions of Loans to Participants. Any loan by the Plan to a Participant under Section 8.01 of the Plan shall satisfy the following requirements:

- (a) *Availability.* Loans shall be made available to all Participants on a reasonably equivalent basis.
- (b) *Interest Rate.* Loans must be adequately secured and bear a reasonable interest rate.
- (c) *Loan Limit.* No Participant loan shall exceed the present value of the Participant's Account.
- (d) *Foreclosure.* In the event of default on any installment payment, the outstanding balance of the loan shall be a deemed distribution. In such event, an actual distribution of a plan loan offset amount will not occur until a distributable event occurs in the Plan.
- (e) *Reduction of Account.* Notwithstanding any other provision of this Plan, the portion of the Participant's Account balance used as a security interest held by the Plan by reason of a loan outstanding to the Participant shall be taken into account for purposes of determining the amount of the Account balance payable at the time of death or distribution, but only if the reduction is used as repayment of the loan.
- (f) *Amount of Loan.* At the time the loan is made, the principal amount of the loan plus the outstanding balance (principal plus accrued interest) due on any other outstanding loans to the Participant from the Plan and from all other plans of the Employer that are either eligible deferred compensation plans described in section 457(b) of the Code or qualified employer plans under Section 72(p)(4) of the Code shall not exceed the lesser of:

- (1) \$50,000, reduced by the excess (if any) of
 - (i) The highest outstanding balance of loans from the Plan during the one (1) year period ending on the day before the date on which the loan is made; or
 - (ii) The outstanding balance of loans from the Plan on the date on which such loan is made; or
- (2) One-half of the value of the Participant's interest in all of his or her Accounts under this Plan.
- (g) *Application for Loan.* The Participant must give the Employer adequate written notice, as determined by the Employer, of the amount and desired time for receiving a loan. No more than one (1) loan may be made by the Plan to a Participant's in any calendar year. No loan shall be approved if an existing loan from the Plan to the Participant is in default to any extent.
- (h) *Length of Loan.* Any loan issued shall require the Participant to repay the loan in substantially equal installments of principal and interest, at least monthly, over a period that does not exceed five (5) years from the date of the loan; provided, however, that if the proceeds of the loan are applied by the Participant to acquire any dwelling unit that is to be used within a reasonable time (determined at the time of the loan is made) after the loan is made as the principal residence of the Participant, the five (5) year limit shall not apply. In this event, the period of repayment shall not exceed a reasonable period determined by the Employer. Principal installments and interest payments otherwise due may be suspended for up to one (1) year during an authorized leave of absence, if the promissory note so provides, but not beyond the original term permitted under this subsection (h), with a revised payment schedule (within such term) instituted at the end of such period of suspension.
- (i) *Prepayment.* The Participant shall be permitted to repay the loan in whole or in part at any time prior to maturity, without penalty.
- (j) *Promissory Note.* The loan shall be evidenced by a promissory note executed by the Participant and delivered to the Employer, and shall bear interest at a reasonable rate determined by the Employer.
- (k) *Security.* The loan shall be secured by an assignment of the participant's right, title and interest in and to his or her Account.
- (l) *Assignment or Pledge.* For the purposes of paragraphs (f) and (g), assignment or pledge of any portion of the Participant's interest in the Plan and a loan, pledge, or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan.
- (m) *Other Terms and Conditions.* The Employer shall fix such other terms and conditions of the loan as it deems necessary to comply with legal requirements, to maintain the qualification of the Plan and Trust under Section 457 of the Code, or to prevent the treatment of the loan for tax purposes as a distribution to the Participant. The Employer, in its discretion for any reason, may also fix other terms and conditions of the loan, including, but not limited to, the provision of grace periods following an event of default, not inconsistent with the provisions of this Article and Section 72(p) of the Code, and any applicable regulations thereunder.

8.03 Participant Loan Accounts.

- (a) Upon approval of a loan to a Participant by the Employer, an amount not in excess of the loan shall be transferred from the Participant's other investment fund(s), described in Section 6.05 of the Plan, to the Participant's loan account as of the Accounting Date immediately preceding the agreed upon date on which the loan is to be made.

- (b) The assets of a Participant's loan account may be invested and reinvested only in promissory notes received by the Plan from the Participant as consideration for a loan permitted by Section 8.01 of the Plan or in cash. Uninvested cash balances in a Participant's loan account shall not bear interest. Neither the Employer, the Administrator, nor any other person shall be liable for any loss, or by reason of any breach, that results from the Participant's exercise of such control.
- (c) Repayment of principal and payment of interest shall be made by payroll deduction or, where repayment cannot be made by payroll deduction, by check, and shall be invested in one (1) or more other investment funds, in accordance with Section 6.05 of the Plan, as of the next Accounting Date after payment thereof to the Trust. The amount so invested shall be deducted from the Participant's loan account.
- (d) The Employer shall have the authority to establish other reasonable rules, not inconsistent with the provisions of the Plan, governing the establishment and maintenance of Participant loan accounts.

Article IX. Deemed IRAs

9.01 General. This Article IX of the Plan reflects section 602 of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), as amended by the Job Creation and Worker Assistance Act of 2002. This Article is intended as good faith compliance with the requirements of EGTRRA and is to be construed in accordance with EGTRRA and guidance issued thereunder. This Article IX shall supersede the provisions of the Plan to the extent that those provisions are inconsistent with the provisions of this Article IX.

Effective for Plan Years beginning after December 31, 2002, the Employer may elect to allow Employees to make voluntary employee contributions to a separate account or annuity established under the Plan that complies with the requirements of Section 408(q) of the Code and any regulations promulgated thereunder (a "Deemed IRA"). The Plan shall establish a separate account for the designated Deemed IRA contributions of each Employee and any earnings properly allocable to the contributions, and maintain separate recordkeeping with respect to each such Deemed IRA.

9.02 Voluntary Employee Contributions. For purposes of this Article, a voluntary employee contribution means any contribution (other than a mandatory contribution within the meaning of Section 411(c)(2) of the Code) that is made by the Employee and which the Employee has designated, at or prior to the time of making the contribution, as a contribution to which this Article applies.

9.03 Deemed IRA Trust Requirements. This Article shall satisfy the trust requirement under Section 408(q) of the Code and the regulations thereto. IRAs established pursuant to this Article shall be held in one or more trusts or custodial accounts (the "Deemed IRA Trusts"), which shall be separate from the Trust established under the Plan to hold contributions other than Deemed IRA contributions. The Deemed IRA Trusts shall satisfy the applicable requirements of Sections 408 and 408A of the Code, which requirements are set forth in section 9.05 and 9.06, respectively, and shall be established with a trustee or custodian meeting the requirements of Section 408(a)(2) of the Code ("Deemed IRA Trustee"). To the extent that the assets of any Deemed IRAs established pursuant to this Article are held in a Deemed IRA Trust satisfying the requirements of this Section 9.03, such Deemed IRA Trust, and any amendments thereto, is hereby adopted as a trust maintained under this Plan with respect to the assets held therein, and the provisions of such Deemed IRA Trust shall control so long as any assets of any Deemed IRA are held thereunder.

9.04 Reporting Duties. The Deemed IRA Trustee shall be subject to the reporting requirements of Section 408(i) of the Code with respect to all Deemed IRAs that are established and maintained under the Plan.

9.05 Deemed Traditional IRA Requirements. Deemed IRAs established in the form of traditional IRAs shall satisfy the following requirements:

- (a) *Exclusive Benefit.* The Deemed IRA account shall be established for the exclusive benefit of an Employee or his or her Beneficiaries.

(b) *Maximum Annual Contributions.*

- (1) Except in the case of a rollover contribution (as permitted by Sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) and 457(e)(16) of the Code), no contributions will be accepted unless they are in cash, and the total of such contributions shall not exceed:

\$3,000 for any taxable year beginning in 2002 through 2004;
 \$4,000 for any taxable year beginning in 2005 through 2007; and
 \$5,000 for any taxable year beginning in 2008 and years thereafter.

After 2008, the limit will be adjusted by the Secretary of the Treasury for cost-of-living-increases under Section 219(b)(5)(C) of the Code. Such adjustments will be in multiples of \$500.

- (2) In the case of an Employee who is 50 or older, the annual cash contribution limit is increased by:

\$500 for any taxable year beginning in 2002 through 2005; and
 \$1,000 for any taxable year beginning in 2006 and thereafter.

- (3) No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to Section 408(p) of the Code. Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the Employee first participated in that employer's SIMPLE IRA plan.

- (c) *Collectibles.* If the Deemed IRA Trust acquires collectibles with within the meaning of Section 408(m) of the Code after December 31, 1981, Deemed IRA Trust assets will be treated as a distribution in an amount equal to the cost of such collectibles.

- (d) *Life Insurance Contracts.* No part of the Deemed IRA Trust funds will be invested in life insurance contracts.

(e) *Minimum Required Distributions.*

- (1) Notwithstanding any provision of this Deemed IRA to the contrary, the distribution of the Employee's interest in the account shall be made in accordance with the requirements of Section 408(a)(6) of the Code and the Income Tax Regulations thereunder, the provisions of which are herein incorporated by reference. If distributions are made from an annuity contract purchased from an insurance company, distributions thereunder must satisfy the requirements of Q&A-4 of Section 1.401(a)(9)-6T of the Income Tax Regulations (or Section 1.401(a)(9)-6 of the Income Tax Regulations, as applicable), rather than paragraphs (2), (3) and (4) below and Section 9.05(f). The minimum required distributions calculated for this IRA may be withdrawn from another IRA of the Employee in accordance with Q&A-9 of Section 1.408-8 of the Income Tax Regulations.
- (2) The entire value of the account of the Employee for whose benefit the account is maintained will commence to be distributed no later than the first day of April following the calendar year in which such Employee attains age 70½ (the "required beginning date") over the life of such Employee or the lives of such Employee and his or her Beneficiary.
- (3) The amount to be distributed each year, beginning with the calendar year in which the Employee attains age 70½ and continuing through the year of death shall not be less than the quotient obtained by dividing the value of the IRA (as determined under section 9.05(f)(3)) as of the end of the preceding year by the distribution period in the Uniform Lifetime Table in Q&A-2 of Section 401(a)(9)-9 of the Income Tax Regulations, using the Employee's age of his or her birthday in the year. However, if the Employee's sole Beneficiary is his or her surviving spouse and such spouse is more than 10 years younger than the Employee, then the distribution period is determined under the Joint

and Last Survivor Table in Q&A-3 of Section 1.401(a)(9)-9 of the Income Tax Regulations, using the ages as of the Employee's and spouse's birthdays in the year.

- (4) The required minimum distribution for the year the Employee attains age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
- (f) *Distribution Upon Death.*
- (1) *Death On or After Required Beginning Date.* If the Employee dies on or after the required beginning date, the remaining portion of his or her interest will be distributed at least as rapidly as follows:
- (i) If the Beneficiary is someone other than the Employee's surviving spouse, the remaining interest will be distributed over the remaining life expectancy of the Beneficiary, with such life expectancy determined using the Beneficiary's age as of his or her birthday in the year following the year of the Employee's death, or over the period described in paragraph (1)(iii) below if longer.
 - (ii) If the Employee's sole Beneficiary is the Employee's surviving spouse, the remaining interest will be distributed over such spouse's life or over the period described in paragraph (1)(iii) below if longer. Any interest remaining after such spouse's death will be distributed over such spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death, or, if the distributions are being made over the period described in paragraph (1)(iii) below, over such period.
 - (iii) If there is no Beneficiary, or if applicable by operation of paragraph (1)(i) or (1)(ii) above, the remaining interest will be distributed over the Employee's remaining life expectancy determined in the year of the Employee's death.
 - (iv) The amount to be distributed each year under paragraph (1)(i), (ii), or (iii), beginning with the calendar year following the calendar year of the Employee's death, is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's or Employee's age in the year specified in paragraph 1(i), (ii), or (iii) and reduced by 1 for each subsequent year.
- (2) *Death Before Required Beginning Date.* If the Employee dies before the required beginning date, his or her entire interest will be distributed at least as rapidly as follows:
- (i) If the Beneficiary is someone other than the Employee's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Employee's death, over the remaining life expectancy of the Beneficiary, with such life expectancy determined using the age of the Beneficiary as of his or her birthday in the year following the year of the Employee's death, or, if elected, in accordance with paragraph (2)(iii) below.
 - (ii) If the Employee's sole Beneficiary is the Employee's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Employee's death (or by the end of the calendar year in which the Employee would have attained age 70½, if later), over such spouse's life, or, if elected, in accordance with paragraph (2)(iii) below. If the surviving spouse dies before distributions are required to begin, the

remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's Beneficiary's remaining life expectancy determined using such Beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (2)(iii) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.

- (iii) If there is no Beneficiary, or if applicable by operation of paragraph (2)(i) or (2)(ii) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Beneficiary's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (2)(ii) above).
 - (iv) The amount to be distributed each year under paragraph (2)(i) or (ii) is the quotient to be obtained by dividing the value of the IRA as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in paragraph (2)(i) or (ii) and reduced by 1 for each subsequent year.
 - (v) The "value" of the IRA includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of Section 1.408-8 of the Income Tax Regulations.
 - (vi) If the sole Beneficiary is the Employee's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a Beneficiary.
- (g) *Nonforfeitable.* The interest of an Employee in the balance in his or her Deemed IRA account is nonforfeitable at all times.
 - (h) *Reporting.* The Deemed IRA Trustee of a Deemed Traditional IRA shall furnish annual calendar-year reports concerning the status of the Deemed IRA account and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.
 - (i) *Substitution of Deemed IRA Trustee.* If the Deemed IRA Trustee is a non-bank trustee or custodian, the non-bank trustee or custodian shall substitute another trustee or custodian if the non-bank trustee or custodian receives notice from the Commissioner of Internal Revenue that such substitution is required because it has failed to comply with the requirements of Section 1.408-2(e) of the Income Tax Regulations and Section 1.408-2T of the Income Tax Regulations.

9.06 Deemed Roth IRA Requirements. Deemed IRAs established in the form of Roth IRAs shall satisfy the following requirements:

- (a) *Exclusive Benefit.* The Deemed Roth IRA shall be established for the exclusive benefit of an Employee or his or her Beneficiaries.
- (b) *Maximum Annual Contributions.*
 - (1) *Maximum Permissible Amount.* Except in the case of a qualified rollover contribution or recharacterization (as defined in (6) below), no contribution will be accepted unless it is in cash and the total of such contributions to all the Employee's Roth IRAs for a taxable year does not exceed

the applicable amount (as defined in (2) below), or the Employee's compensation (as defined in (8) below) if less, for that taxable year. The contribution described in the previous sentence that may not exceed the lesser of the applicable amount or the Employee's compensation is referred to as a "regular contribution." A "qualified rollover contribution" is a rollover contribution that meets the requirements of Section 408(d)(3) of the Code, except the one-rollover-per-year rule of Section 408(d)(3)(B) does not apply if the rollover contribution is from another IRA other than a Roth IRA (a "nonRoth IRA"). Contributions may be limited under (3) through (5) below.

(2) *Applicable Amount.* The applicable amount is determined under (i) or (ii) below:

(i) If the Employee is under age 50, the applicable amount is:

\$3,000 for any taxable year beginning in 2002 through 2004;
 \$4,000 for any taxable year beginning in 2005 through 2007; and
 \$5,000 for any taxable year beginning in 2008 and years thereafter.

(ii) If the Employee is 50 or older, the applicable amount is:

\$3,500 for any taxable year beginning in 2002 through 2004;
 \$4,500 for any taxable year beginning in 2005;
 \$5,000 for any taxable year beginning in 2006 through 2007; and
 \$6,000 for any taxable year beginning in 2008 and years thereafter.

After 2008, the limits in paragraph (2)(i) and (ii) above will be adjusted by the Secretary of the Treasury for cost-of-living increases under Section 219(b)(5)(C) of the Code. Such adjustments will be in multiples of \$500.

(3) If (i) and/or (ii) below apply, the maximum regular contribution that can be made to all the Employee's Roth IRAs for the taxable year is the smaller amount determined under (i) or (ii).

(i) The maximum regular contribution is phased out ratably between certain levels of modified adjusted gross income ("modified AGI," defined in (7) below) in accordance with the following table:

Filing Status	Modified AGI		
	Full Contribution	Phase-out Range	No Contribution
Single or Head of Household	\$95,000 or less	Between \$95,000 and \$110,000	\$110,000 or more
Joint Return or Qualifying Widower	\$150,000 or less	Between \$150,000 and \$160,000	\$160,000 or more
Married-Separate Return	\$0	Between \$0 and \$10,000	\$10,000 or more

If the Employee's modified AGI for a taxable year is in the phase-out range, the maximum regular contribution determined under this table for that taxable year is rounded up to the next multiple of \$10 and not reduced below \$200.

- (ii) If the Employee makes regular contributions to both Roth and nonRoth IRAs for a taxable year, the maximum regular contribution that can be made to all the Employee's Roth IRAs for that taxable year is reduced by the regular contributions made to the Employee's nonRoth IRAs for the taxable year.
- (4) *Qualified Rollover Contribution Limit.* A rollover from a nonRoth IRA cannot be made to this IRA if, for the year the amount is distributed from the nonRoth IRA, (i) the Employee is married and files a separate return, (ii) the Employee is not married and has modified AGI in excess of \$100,000 or (iii) the Employee is married and together the Employee and the Employee's spouse have modified AGI in excess of \$100,000. For purposes of the preceding sentence, a husband and wife are not treated as married for a taxable year if they have lived apart at all times during that taxable year and file separate returns for the taxable year.
- (5) *SIMPLE IRA Limits.* No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to Section 408(p) of the Code. Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the Employee first participated in that employer's SIMPLE IRA plan.
- (6) *Recharacterization.* A regular contribution to a nonRoth IRA may be recharacterized pursuant to the rules in Section 1.408A-5 of the Income Tax Regulations as a regular contribution to this IRA, subject to the limits in (3) above.
- (7) *Modified AGI.* For purposes of (3) and (4) above, an Employee's modified AGI for a taxable year is defined in Section 408A(c)(3)(C)(i) of the Code and does not include any amount included in adjusted gross income as a result of a rollover from a nonRoth IRA (a "conversion").
- (8) *Compensation.* For purposes of (1) above, compensation is defined as wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses) and includes earned income, as defined in Section 401(c)(2) of the Code (reduced by the deduction the self-employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, Section 401(c)(2) of the Code shall be applied as if the term trade or business for purposes of Section 1402 of the Code included service described in subsection (c)(6). Compensation does not include amounts derived from or received as earnings or profits from property (including but not limited to interest and dividends) or amounts not includible in gross income. Compensation also does not include any amount received as a pension or annuity or as deferred compensation. The term "compensation" shall include any amount includible in the Employee's gross income under Section 71 of the Code with respect to a divorce or separation instrument described in subparagraph (A) of Section 71(b)(2) of the Code. In the case of a married Employee filing a joint return, the greater compensation of his or her spouse is treated as his or her own compensation but only to the extent that such spouse's compensation is not being used for purposes of the spouse making a contribution to a Roth IRA or a deductible contribution to a nonRoth IRA.
- (c) *Collectibles.* If the Deemed IRA Trust acquires collectibles within the meaning of Section 408(m) of the Code after December 31, 1981, Deemed IRA Trust assets will be treated as a distribution in an amount equal to the cost of such collectibles.

- (d) *Life Insurance Contracts.* No part of the Deemed IRA Trust funds will be invested in life insurance contracts.
- (e) *Distributions Before Death.* No amount is required to be distributed prior to the death of the Employee for whose benefit the account was originally established.
- (f) *Minimum Required Distributions.*
- (1) Notwithstanding any provision of this IRA to the contrary, the distribution of the Employee's interest in the account shall be made in accordance with the requirements of Section 408(a)(6) of the Code, as modified by section 408A(c)(5), and the regulations thereunder, the provisions of which are herein incorporated by reference. If distributions are made from an annuity contract purchased from an insurance company, distributions thereunder must satisfy the requirements of section 1.401(a)(9)-6T of the Temporary Income Tax Regulations (taking into account Section 408A(c)(5) of the Code) (or Section 1.401(a)(9)-6 of the Income Tax Regulations, as applicable), rather than the distribution rules in paragraphs (2), (3) and (4) below.
 - (2) Upon the death of the Employee, his or her entire interest will be distributed at least as rapidly as follows:
 - (i) If the Beneficiary is someone other than the Employee's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the year of the Employee's death, over the remaining life expectancy of the Beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the Employee's death, or, if elected, in accordance with paragraph (2)(iii) below.
 - (ii) If the Employee's sole Beneficiary is the Employee's surviving spouse, the entire interest will be distributed starting by the end of the calendar year following the calendar year of the Employee's death (or by the end of the calendar year in which the Employee would have attained age 70½, if later), over such spouse's life, or, if elected, in accordance with paragraph (2)(iii) below. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's Beneficiary's remaining life expectancy determined using such Beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (2)(iii) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.
 - (iii) If there is no Beneficiary, or if applicable by operation of paragraph (2)(i) or (2)(ii) above, the entire interest will be distributed the end of the calendar year containing the fifth anniversary of the Employee's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph 2(ii) above).
 - (iv) The amount to be distributed each year under paragraph (2)(i) or (ii) is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in paragraph (2)(i) or (ii) and reduced by 1 for each subsequent year.

- (3) The “value” of the IRA includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of Section 1.408-8 of the Income Tax Regulations.
- (4) If the sole Beneficiary is the Employee’s surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a Beneficiary.
- (g) *Nonforfeitable.* The interest of an Employee in the balance in his or her account is nonforfeitable at all times.
- (h) *Reporting.* The Deemed IRA Trustee of a Deemed Roth IRA shall furnish annual calendar-year reports concerning the status of the Deemed IRA account and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.
- (i) *Substitution of Deemed IRA Trustee.* If the Deemed IRA Trustee is a non-bank trustee or custodian, the non-bank trustee or custodian shall substitute another trustee or custodian if the non-bank trustee or custodian receives notice from the Commissioner of Internal Revenue that such substitution is required because it has failed to comply with the requirements of Section 1.408-2(e) of the Income Tax Regulations and Section 1.408-2T of the Income Tax Regulations.

Article X. Non-Assignability

10.01 General. Except as provided in Article VIII and Section 10.02, no Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder, which payments and rights are expressly declared to be non-assignable and non-transferable.

10.02 Domestic Relations Orders.

- (a) *Allowance of Transfers:* To the extent required under a final judgment, decree, or order (including approval of a property settlement agreement) that (1) relates to the provision of child support, alimony payments, or marital property rights and (2) is made pursuant to a state domestic relations law, and (3) is permitted under Sections 414(p)(11) and (12) of the Code, any portion of a Participant’s Account may be paid or set aside for payment to a spouse, former spouse, child, or other dependent of the Participant (an “Alternate Payee”). Where necessary to carry out the terms of such an order, a separate Account shall be established with respect to the Alternate Payee who shall be entitled to make investment selections with respect thereto in the same manner as the Participant. Any amount so set aside for an Alternate Payee shall be paid in accordance with the form and timing of payment specified in the order. Nothing in this Section shall be construed to authorize any amount to be distributed under the Plan at a time or in a form that is not permitted under Section 457(b) of the Code and is explicitly permitted under the uniform procedures described in Section 10.2(d) below. Notwithstanding the foregoing sentence, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State, then the amount of the Participant’s Account shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order. Any payment made to a person pursuant to this Section shall be reduced by any required income tax withholding.
- (b) *Release from Liability to Participant:* The Employer’s liability to pay benefits to a Participant shall be reduced to the extent that amounts have been paid or set aside for payment to an Alternate Payee to paragraph (a) of this Section and the Participant and his or her Beneficiaries shall be deemed to have released the Employer and the Plan Administrator from any claim with respect to such amounts.

- (c) *Participation in Legal Proceedings:* The Employer and Administrator shall not be obligated to defend against or set aside any judgment, decree, or order described in paragraph (a) or any legal order relating to the garnishment of a Participant's benefits, unless the full expense of such legal action is borne by the Participant. In the event that the Participant's action (or inaction) nonetheless causes the Employer or Administrator to incur such expense, the amount of the expense may be charged against the Participant's Account and thereby reduce the Employer's obligation to pay benefits to the Participant. In the course of any proceeding relating to divorce, separation, or child support, the Employer and Administrator shall be authorized to disclose information relating to the Participant's Account to the Alternate Payee (including the legal representatives of the Alternate Payee), or to a court.
- (d) *Determination of Validity of Domestic Relations Orders:* The Administrator shall establish uniform procedures for determining the validity of any domestic relations order. The Administrator's determinations under such procedures shall be conclusive and binding on all parties and shall be afforded the maximum amount of deference permitted by law.

10.03 IRS Levy. Notwithstanding Section 10.01, the Administrator may pay from a Participant's or Beneficiary's Account balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

10.04 Mistaken Contribution. To the extent permitted by applicable law, if any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.

10.05 Payments to Minors and Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such persons as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

10.06 Procedure When Distributee Cannot Be Located. The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer or Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guarantee Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Trust shall continue to hold the benefits due such person.

Article XI. Relationship to Other Plans and Employment Agreements

This Plan serves in addition to any other retirement, pension, or benefit plan or system presently in existence or hereinafter established for the benefit of the Employer's employees, and participation hereunder shall not affect benefits receivable under any such plan or system. Nothing contained in this Plan shall be deemed to constitute an employment contract or agreement between any Participant and the Employer or to give any Participant the right to be retained in the employ of the Employer. Nor shall anything herein be construed to modify the terms of any employment contract or agreement between a Participant and the Employer.

Article XII. Amendment or Termination of Plan

The Employer may at any time amend this Plan provided that it transmits such amendment in writing to the Administrator at least 30 days prior to the effective date of the amendment. The consent of the Administrator shall not be required in order for

such amendment to become effective, but the Administrator shall be under no obligation to continue acting as Administrator hereunder if it disapproves of such amendment.

The Administrator may at any time propose an amendment to the Plan by an instrument in writing transmitted to the Employer at least 30 days before the effective date of the amendment. Such amendment shall become effective unless, within such 30-day period, the Employer notifies the Administrator in writing that it disapproves such amendment, in which case such amendment shall not become effective. In the event of such disapproval, the Administrator shall be under no obligation to continue acting as Administrator hereunder.

The Employer may at any time terminate this Plan. In the event of termination, assets of the Plan shall be distributed to Participants and Beneficiaries as soon as administratively practicable following termination of the Plan. Alternatively, assets of the Plan may be transferred to an eligible deferred compensation plan maintained by another eligible governmental employer within the same State if (a) all assets held by the Plan (other than Deemed IRAs) are transferred; (b) the receiving plan provides for the receipt of transfers; (c) the Participants and Beneficiaries whose deferred amounts are being transferred will have an amount immediately after the transfer at least equal to the deferred amount immediately before the transfer; and (d) the Participants or Beneficiaries whose deferred amounts are being transferred is not eligible for additional annual deferrals in the receiving plan unless the Participants or Beneficiaries are performing services for the employer maintaining the receiving plan.

Except as may be required to maintain the status of the Plan as an eligible deferred compensation plan under Section 457(b) of the Code or to comply with other applicable laws, no amendment or termination of the Plan shall divest any Participant of any rights with respect to compensation deferred before the date of the amendment or termination.

Article XIII. Applicable Law

This Plan and Trust shall be construed under the laws of the state where the Employer is located and is established with the intent that it meet the requirements of an "eligible deferred compensation plan" under Section 457(b) of the Code, as amended. The provisions of this Plan and Trust shall be interpreted wherever possible in conformity with the requirements of that Section of the Code.

In addition, notwithstanding any provision of the Plan to the contrary, the Plan shall be administered in compliance with the requirements of Section 414(u) of the Code.

Article XIV. Gender and Number

The masculine pronoun, whenever used herein, shall include the feminine pronoun, and the singular shall include the plural, except where the context requires otherwise.

DECLARATION OF TRUST

This Declaration of Trust (the "Group Trust Agreement") is made as of the 19th day of May, 2001, by VantageTrust Company, which declares itself to be the sole Trustee of the trust hereby created.

WHEREAS, the ICMA Retirement Trust was created as a vehicle for the commingling of the assets of governmental plans and governmental units described in Section 818(a)(6) of the Internal Revenue Code of 1986, as amended, pursuant to a Declaration of Trust dated October 4, 1982, as subsequently amended, a copy of which is attached hereto and incorporated by reference as set out below (the "ICMA Declaration"); and

WHEREAS, the trust created hereunder (the "Group Trust") is intended to meet the requirements of Revenue Ruling 81-100, 1981-1 C.B. 326, and is established as a common trust fund within the meaning of Section 391:1 of Title 35 of the New Hampshire Revised Statutes Annotated, to accept and hold for investment purposes the assets of the Deferred Compensation and Qualified Plans held by and through the ICMA Retirement Trust.

NOW, THEREFORE, the Group Trust is created by the execution of this Declaration of Trust by the Trustee and is established with respect to each Deferred Compensation and Qualified Plan by the transfer to the Trustee of such Plan's assets in the ICMA Retirement Trust, by the Trustees thereof, in accord with the following provisions:

- (a) *Incorporation of ICMA Declaration by Reference; ICMA By-Laws.* Except as otherwise provided in this Group Trust Agreement, and to the extent not inconsistent herewith, all provisions of the ICMA Declaration are incorporated herein by reference and made a part hereof, to be read by substituting the Group Trust for the Retirement Trust and the Trustee for the Board of Trustees referenced therein. In this respect, unless the context clearly indicates otherwise, all capitalized terms used herein and defined in the ICMA Declaration have the meanings assigned to them in the ICMA Declaration. In addition, the By-Laws of the ICMA Retirement Trust, as the same may be amended from time-to-time, are adopted as the By-Laws of the Group Trust to the extent not inconsistent with the terms of this Group Trust Agreement.

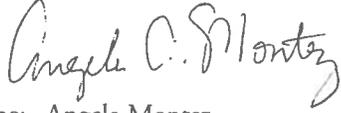
Notwithstanding the foregoing, the terms of the ICMA Declaration and By-Laws are further modified with respect to the Group Trust created hereunder, as follows:

1. any reporting, distribution, or other obligation of the Group Trust vis-à-vis any Deferred Compensation Plan, Qualified Plan, Public Employer, Public Employer Trustee, or Employer Trust shall be deemed satisfied to the extent that such obligation is undertaken by the ICMA Retirement Trust (in which case the obligation of the Group Trust shall run to the ICMA Retirement Trust); and
 2. all provisions dealing with the number, qualification, election, term and nomination of Trustees shall not apply, and all other provisions relating to trustees (including, but not limited to, resignation and removal) shall be interpreted in a manner consistent with the appointment of a single corporate trustee.
- (b) *Compliance with Revenue Procedure 81-100.* The requirements of Revenue Procedure 81-100 are applicable to the Group Trust as follows:
1. Pursuant to the terms of this Group Trust Agreement and Article X of the By-Laws, investment in the Group Trust is limited to assets of Deferred Compensation and Qualified Plans, investing through the ICMA Retirement Trust.
 2. Pursuant to the By-Laws, the Group Trust is adopted as a part of each Qualified Plan that invests herein through the ICMA Retirement Trust.
 3. In accord with the By-Laws, that part of the Group Trust's corpus or income which equitably belongs to any Deferred Compensation and Qualified Plan may not be used for or diverted to any purposes other than for the exclusive benefit of the Plan's employees or their beneficiaries who are entitled to benefits under such Plan.

4. In accord with the By-Laws, no Deferred Compensation Plan or Qualified Plan may assign any or part of its equity or interest in the Group Trust, and any purported assignment of such equity or interest shall be void.
- (c) *Governing Law.* Except as otherwise required by federal, state or local law, this Declaration of Trust (including the ICMA Declaration to the extent incorporated herein) and the Group Trust created hereunder shall be construed and determined in accordance with applicable laws of the State of New Hampshire.
- (d) *Judicial Proceedings.* The Trustee may at any time initiate an action or proceeding in the appropriate state or federal courts within or outside the state of New Hampshire for the settlement of its accounts or for the determination of any question of construction which may arise or for instructions.

IN WITNESS WHEREOF, the Trustee has executed this Declaration of Trust as of the day and year first above written.

VANTAGETRUST COMPANY

By: 

Name: Angela Montez

Title: Assistant Secretary

ICMA-RC Services LLC, a wholly owned broker-dealer subsidiary of ICMA-RC, member FINRA/SIPC.



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BKT000-014-200902-454

ICMA RETIREMENT CORPORATION
GOVERNMENTAL 457 DEFERRED COMPENSATION
AMENDMENT FOR POST-EGTRRA LEGISLATIVE AND REGULATORY CHANGES

Pursuant to Article XII of the ICMA Retirement Corporation Governmental Deferred Compensation Plan & Trust (the "Plan"), ICMA Retirement Corporation, as Plan Administrator, hereby adopts this Amendment on behalf of all adopting Employers to add a new Appendix A as follows, effective as provided therein.

Appendix A

**ARTICLE I
PREAMBLE**

- 1.01 Applicability.** This Appendix memorializes the operation of the Plan in accordance with the following legislative and regulatory items.
- (a) Pension Protection Act of 2006;
 - (b) Emergency Economic Stabilization Act of 2008;
 - (c) Worker, Retiree, and Employer Recovery Act of 2008;
 - (d) Katrina Emergency Tax Relief Act of 2005; and
 - (e) Gulf Opportunity Zone Act of 2005.
- 1.02 Superseding of Inconsistent Provisions.** This Appendix supersedes the provisions of the Plan and Adoption Agreement to the extent those provisions are inconsistent with the provisions of this Appendix.
- 1.03 Construction.** Except as otherwise provided herein, any reference to "Section" in this Appendix refers only to sections within this Appendix and is not a reference to the Plan. The Article and Section numbering in this Appendix is solely for purposes of this Appendix and does not relate to any Plan article, section, or other numbering designations.

**ARTICLE II
PENSION PROTECTION ACT OF 2006**

- 2.01 Background.** On August 17, 2006, the Pension Protection Act, Pub. L. No. 109-280 ("PPA"), became law. It amended the Code to provide for a number of changes with regard to Code section 401(a) plans and Code section 457 plans. This Article incorporates the relevant provisions of PPA into the Plan.
- 2.02 Required Notice for Participant Distributions.** With respect to any distribution notice and election form that is, under the terms of the Plan, to be delivered 90 days before the date as of which a distribution is to be made, the window for giving Participants such distribution notices and election forms shall be extended to 180 days before the date as of which a distribution is to commence. This Section 2.02 shall be effective for calendar years beginning after December 31, 2006.
- 2.03 Rollover by a Non-Spouse Designated Beneficiary.**
- (a) Unless otherwise elected by the Employer, for Plan Years beginning after December 31, 2006 but on or before December 31, 2009, a non-spouse Beneficiary who qualifies as a "designated beneficiary" under Code section 401(a)(9)(E) may establish an individual retirement plan that will be treated as an Inherited IRA pursuant to the provisions of Code section 402(c)(11) into which all or a portion of a death benefit distribution from this Plan can be transferred directly. A trust maintained for the benefit of one or more designated beneficiaries shall be treated in the same manner as a designated beneficiary.

- (b) Notwithstanding the election made in subsection (a), for Plan Years beginning after December 31, 2009, a non-spouse Beneficiary who qualifies as a “designated beneficiary” under Code section 401(a)(9)(E) may establish an individual retirement plan that will be treated as an Inherited IRA pursuant to the provisions of Code section 402(c)(11) into which all or a portion of a death benefit distribution from this Plan can be transferred directly. A trust maintained for the benefit of one or more designated beneficiaries shall be treated in the same manner as a designated beneficiary.
- (c) Notwithstanding anything herein to the contrary, a death benefit distribution shall not be eligible for transfer to an Inherited IRA to the extent such distribution is a required minimum distribution under Code section 401(a)(9).

2.04 Distributions for Unforeseen Financial Emergencies.

- (a) Unless otherwise elected by the Employer, after August 31, 2007, the determination of any unforeseen emergency will be expanded to include circumstances of severe financial hardship resulting from an illness or accident of a Primary Beneficiary or other similar extraordinary and unforeseeable circumstances of a Primary Beneficiary that result in a severe financial hardship.
- (b) A “Primary Beneficiary” is an individual or individuals who are named as a Beneficiary under the terms of the Plan and who have a right to all or a portion of the Participant’s account balance upon the Participant’s death.

2.05 Distributions for Health and Long-Term Care Insurance for Public Safety Officers.

- (a) If elected by the Employer, for Plan Years beginning after December 31, 2006, Eligible Retired Public Safety Officers may elect after separation from service to have up to \$3,000 distributed tax-free annually from the Plan in order to pay for Qualified Health Insurance Premiums for an accident or health plan (including a self-insured plan) or a qualified long-term care insurance contract. The Plan shall make such distributions directly to the provider of the accident or health plan or qualified long-term care insurance contract.
- (b) The term “Eligible Retired Public Safety Officer” means an individual who, by reason of disability or attainment of normal retirement age, is separated from service as a Public Safety Officer with the employer who maintains the eligible retirement plan from which distributions pursuant to this Article are made. The term “Public Safety Officer” has the same meaning given such term by section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968.
- (c) The term “Qualified Health Insurance Premiums” means premiums for coverage for the Eligible Retired Public Safety Officer, his spouse, and dependents, by an accident or health insurance plan or qualified long-term care insurance contract (as defined in Code section 7702(B)).

2.06 Rollovers to Roth IRAs. Effective for distributions after December 31, 2007, a Participant may elect to have any portion of an Eligible Rollover Distribution paid directly to a Roth IRA described in Code section 408A.

ARTICLE III EMERGENCY ECONOMIC STABILIZATION ACT OF 2008

3.01 Background. On October 3, 2008, the Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343 (“EESA”), became law. With regard to retirement plans, EESA generally permits plans to allow repayments of certain prior qualified distributions for home purchases for participants affected by certain 2008 Midwestern severe storms, tornadoes, and flooding and to permit repayments of prior qualified distributions for home purchases. This Article incorporates the relevant provisions of EESA into the Plan.

3.02 Qualified Disaster Recovery Assistance Distributions and Repayment Thereof. The provisions relating to qualified disaster recovery assistance distributions and repayment thereof set forth in section 702 of EESA shall apply to the Plan.

- 3.03 Repayment of Prior Qualified Distributions for Home Purchases to Plan.** The provisions relating to repayment of prior qualified distributions for home purchases set forth in section 702 of EESA shall apply to the Plan.

**ARTICLE IV
WORKER, RETIREE, AND EMPLOYER RECOVERY ACT OF 2008**

- 4.01 Background.** On December 23, 2008, the Worker, Retiree, and Employer Recovery Act of 2008, Pub. L. No. 110-458 ("WRERA"), became law. WRERA amended Code section 401(a)(9) to suspend required minimum distributions for 2009. It is also possible that legislation will be enacted in the future that suspends required minimum distributions for 2010 or a later year. This Article incorporates the relevant provisions of WRERA into the Plan and describes the Plan terms that will apply in the event that required minimum distributions are suspended in a year subsequent to 2009.
- 4.02 Application of Minimum Distribution Requirements.** The minimum distribution requirements of section 401(a)(9) of the Code shall only apply to the Plan to the extent that such requirements are applicable by law for a year.
- 4.03 Special Rule for Scheduled Installment Payments.** All installment payments scheduled to be distributed to a Participant prior to the effective date of a suspension of the required minimum distribution provisions of Code section 401(a)(9) shall be distributed as scheduled unless the Participant affirmatively elects to have the payments stopped. Notwithstanding the foregoing, for purposes of this Section 4.03, the effective date of the suspension of the required minimum distribution provisions for 2009 shall be deemed January 6, 2009.

**ARTICLE V
KATRINA EMERGENCY TAX RELIEF ACT OF 2005
AND GULF OPPORTUNITY ZONE ACT OF 2005**

- 5.01 Background.** On September 23, 2005, the Katrina Emergency Tax Relief Act of 2005, Pub. L. No. 109-73 ("KETRA"), became law, and on December 21, 2005, the Gulf Opportunity Zone Act of 2005, Pub. L. No. 109-135 ("GOZA"), became law. Generally, KETRA and GOZA permit plans to allow repayments of certain prior qualified distributions for home purchases for Participants affected by Hurricanes Katrina, Rita, and/or Wilma. This Article incorporates the relevant provisions of KETRA and GOZA into the Plan.
- 5.02 Qualified Hurricane Distributions and Repayment Thereof.** The provisions relating to qualified hurricane distributions and repayment thereof set forth in section 1400Q(a) of the Code shall apply to the Plan.
- 5.03 Repayment of Prior Qualified Distributions for Home Purchases to Plan.** The provisions relating to repayment of prior qualified distributions for home purchases set forth in Code section 1400Q(b) shall apply to the Plan.

VantageTrust Funds
Fund Fee Disclosure
Data as of December 31, 2015

Fund Name	Asset Category ¹	Gross Expense	Waiver	Net Expense	Waiver Expiration Date	Redemption Fee ²	Trading Restriction ³
Stable Value/Cash Management							
VantageTrust PLUS Fund ⁴	Stable Value	1.38%	0.00%	1.38%	—	—	90-day Wash
VantageTrust Cash Management Fund ⁵	Money Market	1.16%	0.00%	1.16%	—	—	—
Bond Funds							
VT Vantagepoint Low Duration Bond Fund	Short-Term Bond	1.17%	0.00%	1.17%	—	—	—
VT Vantagepoint Inflation Focus Fund ⁶	Inflation-Protected Bond	1.21%	0.00%	1.21%	—	—	—
VT Vantagepoint Core Bond Index Fund ⁶	Intermediate-Term Bond	1.02%	0.05%	0.97%	April 30, 2016	—	—
VT Western Assets Core Plus Bond Fund ⁶	Intermediate-Term Bond	1.04%	0.04%	1.00%	—	—	—
VT PIMCO High Yield Fund ⁷	High Yield Bond	1.36%	—	—	—	—	—
Guaranteed Lifetime Income Funds							
VT Retirement Income Advantage Fund ⁸	N/A	2.26%	0.00%	2.26%	—	—	90-day Wash
Asset Allocation/Balanced Funds							
VT Vantagepoint Milestone Retirement Income Fund ^{9,10}	Retirement Income	1.35%	0.00%	1.35%	—	—	—
VT Vantagepoint Milestone 2010 Fund ^{9,10}	Target Date 2000-2010	1.36%	0.00%	1.36%	—	—	—
VT Vantagepoint Milestone 2015 Fund ^{9,10}	Target Date 2011-2015	1.36%	0.00%	1.36%	—	—	—
VT Vantagepoint Milestone 2020 Fund ^{9,10}	Target Date 2016-2020	1.37%	0.00%	1.37%	—	—	—
VT Vantagepoint Milestone 2025 Fund ^{9,10}	Target Date 2021-2025	1.39%	0.00%	1.39%	—	—	—
VT Vantagepoint Milestone 2030 Fund ^{9,10}	Target Date 2026-2030	1.40%	0.00%	1.40%	—	—	—
VT Vantagepoint Milestone 2035 Fund ^{9,10}	Target Date 2031-2035	1.43%	0.00%	1.43%	—	—	—
VT Vantagepoint Milestone 2040 Fund ^{9,10}	Target Date 2036-2040	1.44%	0.00%	1.44%	—	—	—
VT Vantagepoint Milestone 2045 Fund ^{9,10}	Target Date 2041-2045	1.50%	0.00%	1.50%	—	—	—
VT Vantagepoint Milestone 2050 Fund ^{9,10}	Target Date 2046-2050	1.67%	0.01%	1.66%	April 30, 2016	—	—
VT Vantagepoint Model Port Conser Growth Fund ⁹	Conservative Allocation	1.39%	0.00%	1.39%	—	—	—
VT Vantagepoint Model Port Tradit Growth Fund ⁹	Moderate Allocation	1.41%	0.00%	1.41%	—	—	—
VT Vantagepoint Model Port Long-Term Growth Fund ⁹	Aggressive Allocation	1.45%	0.00%	1.45%	—	—	—
VT Vantagepoint Model Port Gbl Eqty Growth Fund ⁹	World Stock	1.49%	0.00%	1.49%	—	—	—
VT Puritan® Fund ¹¹	Moderate Allocation	1.11%	0.00%	1.11%	—	—	—
U.S. Stock Funds							
VT Vantagepoint Equity Income Fund ¹²	Large Value	1.34%	0.00%	1.34%	—	—	—
VT Invesco Diversified Dividend Fund ¹²	Large Value	1.15%	0.01%	1.14%	—	—	31 days, any \$
VT AllianzGI NFJ Dividend Value Fund ¹²	Large Value	1.51%	0.00%	1.51%	—	—	—
VT Vantagepoint 500 Stock Index Fund	Large Blend	1.01%	0.05%	0.96%	April 30, 2016	—	—
VT Vantagepoint Broad Market Index Fund	Large Blend	1.01%	0.05%	0.96%	April 30, 2016	—	—
VT Pamassus Core Equity Fund	Large Blend	1.42%	0.00%	1.42%	—	—	—
VT Vantagepoint Growth & Income Fund	Large Blend	1.33%	0.00%	1.33%	—	—	—
VT Oppenheimer Main Street Fund	Large Blend	1.24%	0.00%	1.24%	—	—	—
VT Vantagepoint Growth Fund ¹²	Large Growth	1.37%	0.00%	1.37%	—	—	—
VT ContraFund® ^{11,12}	Large Growth	1.19%	0.00%	1.19%	—	—	—
VT Wells Fargo Advantage Premier Large Company Growth ¹²	Large Growth	1.58%	0.03%	1.55%	November 30, 2016	—	30 days, >\$5,000
VT T. Rowe Price® Growth Stock Fund ^{12,13}	Large Growth	1.47%	0.00%	1.47%	—	—	30 days, any \$
VT Vantagepoint Select Value Fund ^{12,14}	Mid-Cap Value	1.53%	0.00%	1.53%	—	—	—
VT Gold. Sachs Mid Cap Value Fund ^{12,14}	Mid-Cap Value	1.45%	0.00%	1.45%	—	—	—
VT Vantagepoint Aggressive Opportunities Fund ^{12,14}	Mid-Cap Growth	1.39%	0.00%	1.39%	—	—	—
VT AMG TimesSquare Mid Cap Growth Fund ^{12,14}	Mid-Cap Growth	1.79%	0.00%	1.79%	—	—	—
VT Harbor Mid Cap Growth Fund ^{12,14}	Mid-Cap Growth	1.65%	0.00%	1.65%	—	—	—
VT Vantagepoint Mid /Small Co Inx Fund ¹⁴	Small Blend	1.01%	0.05%	0.96%	April 30, 2016	—	—
VT Vantagepoint Discovery Fund ¹⁵	Small Blend	1.51%	0.00%	1.51%	—	—	—
International/Global Stock Funds							
VT Oppenheimer Discovery Fund ^{12,15}	Small Growth	1.41%	0.00%	1.41%	—	—	—
VT Vantagepoint Overseas Index Fund ¹⁶	Foreign Large Blend	1.12%	0.05%	1.07%	April 30, 2016	—	91 days, any \$

VantageTrust Funds
Fund Fee Disclosure
Data as of December 31, 2015

VT Vantagepoint International Fund ¹⁶	Foreign Large Blend	1.53%	0.00%	1.53%	—	—	91 days, any \$
VT Diversified Int'l Fund ^{16, 17}	Foreign Large Blend	1.55%	0.00%	1.55%	—	1%, 30 days	—
VT Harbor International Fund ¹⁶	Foreign Large Blend	1.57%	0.02%	1.55%	February 29, 2016	2%, 60 days	—
Specialty							
VT Nuveen Real Estate Secs Fund ¹⁸	Real Estate	1.60%	0.00%	1.60%	—	—	—

Please read *Making Sound Investment Decisions: A Retirement Investment Guide* and the accompanying *VantageTrust Fund Fees and Expenses* document ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or log into your account at www.icmarc.org.

ICMA-RC's identified fund line-up is a commitment to administer these funds for the plan, not advice to the plan sponsor on the composition of the plan's fund line-up. ICMA-RC provides plan sponsors fund information to assist them in meeting their fiduciary responsibility in managing the plan. The plan sponsor retains the obligation to prudently select and monitor the investment funds it offers to plan participants. ICMA-RC may adjust fees commensurate with changes in revenue from alternative funds selected by the plan sponsor from ICMA-RC's mutual fund platform.

Fund expenses are subject to change.

¹ Morningstar places funds in certain categories based on the fund's historical portfolio holdings. Placement of a fund in a particular Morningstar category does not mean that the fund will remain in that category or that it will invest primarily in securities consistent with its Morningstar category. A fund's investment strategy and portfolio holdings are governed by its prospectus, guidelines or other governing documents, not its Morningstar category.

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² Certain funds or underlying funds may charge a redemption fee. Current information about redemption fee, if any, will be contained in the fund's or underlying fund's prospectus. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing investorservices@icmarc.org, or visiting www.icmarc.org's prospectus. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing investorservices@icmarc.org, or visiting www.icmarc.org.

³ Frequent trading rules are designed to detect and discourage trading activities that may increase costs to all investors. All funds or underlying funds are monitored for frequent trading. Certain funds or underlying funds may impose fees or restrictions to deter frequent trading. Current information about these fees or restrictions can be found in a fund's or underlying fund's prospectus. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing investorservices@icmarc.org, or visiting www.icmarc.org. You can obtain information about ICMA-RC's Frequent Trading Policy at www.icmarc.org/frequenttrading.

⁴ Direct transfers from a stable value fund to competing funds are restricted. Competing funds may include, but are not limited to money market mutual funds, certificates of deposit, stable value funds, investment options that offer guarantees of principal or income, certain short-term bond funds and self-directed brokerage accounts. Certain restrictions may apply when you want to transfer money from a stable value fund to a competing fund. These restrictions generally include waiting periods before transfers can be made back into a stable value fund.

⁵ The VantageTrust Cash Management Fund is invested in a single registered mutual fund, the Dreyfus Cash Management Fund. Investments in the fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Dreyfus Cash Management Fund seeks to preserve the value of the fund at \$1.00 per share, it is possible to lose money by investing in the fund. The 7-Day Yield more closely reflects the Fund's current earnings than the quotation of total return.

⁶ A fixed income fund is subject to credit risk and interest rate risk. Credit risk is when an issuer of a fixed income security may be unable or unwilling to make payments of principal or interest to the holders of these securities or may declare bankruptcy. Fixed income securities fluctuate in value as interest rates change. When interest rates rise, the market prices of fixed income securities will usually decrease; when interest rates fall, the market prices of fixed income securities usually will increase.

⁷ Funds that invest primarily in high yield bonds (bonds that are rated below investment grade and also known as "junk bonds") are subject to additional risk as these high yield bonds are considered speculative and involve a greater risk of default than "investment grade" securities. The values of these securities are particularly sensitive to changes in interest rates, issuer creditworthiness, and economic and political conditions. The market prices of these securities may decline significantly in periods of general economic difficulty, may be harder to value, and may be less liquid than higher rated securities.

⁸ **Prudential Retirement Insurance and Annuity Company (Prudential), CA COA #08003**, Hartford, CT. Neither Prudential nor ICMA-RC guarantees the investment performance or return on contributions to Prudential's Separate Account. You should carefully consider the objectives, risks, charges, expenses and underlying guarantee features before purchasing this product. Prudential may increase the Guarantee Fee in the future, from 1.00% up to a maximum of 1.50%. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction; subject to regulatory approvals. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Guarantees are based on Prudential's claims-paying ability. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. ICMA-RC provides recordkeeping services to your Plan and is the investment manager of the underlying Prudential separate account. Prudential or its affiliates may compensate ICMA-RC for providing these and related administrative services in connection with the Fund. Variable annuities are suitable for long-term investing, particularly retirement savings. ©2016 Prudential, the Prudential logo, and the Rock symbol and **Bring Your Challenges** are service marks of the Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide. Note: Participants who are interested in the VT Retirement Income Advantage Fund must first receive and read the **VT Retirement Income Advantage Fund Important Considerations** document, before investing.

⁹ The expense ratio for a "fund of funds" includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.

VantageTrust Funds
Fund Fee Disclosure
Data as of December 31, 2015

¹⁰ The fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for

¹¹ Effective September 1, 2015, the VT Fidelity Contrafund® is now known as the VT Contrafund® and VT Fidelity Puritan® Fund is now known as the VT Puritan® Fund. PURITAN and CONTRAFUND are registered service marks of FMR LLC. Used with permission.

¹² Certain funds may be subject to style risk, which is the possibility that the investment style of its investment adviser will trail the returns of the overall market. In the past, different types of securities have experienced cycles of outperformance and underperformance in comparison to the market in general. For example, growth stocks have performed best during the later stages of economic expansion and value stocks have performed best during periods of economic recovery. Both styles may go in and out of favor. When the investing style used by a fund is out of favor, that fund is likely to underperform other funds that use investing styles that are in favor.

¹³ T. Rowe Price is a registered trademark of T. Rowe Price Group, Inc. – all rights reserved.

¹⁴ Funds that invest primarily in mid-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of mid-capitalization companies generally trade in lower volume and are generally subject to greater and less predictable price changes than the securities of larger companies.

¹⁵ Funds that invest primarily in small-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of small-capitalization companies are generally subject to greater price volatility than those of larger companies due to less certain growth prospects, the lower degree of liquidity in the markets for their securities, and the greater sensitivity of smaller companies to changing economic conditions. Also, small-capitalization companies may have more limited product lines, fewer capital resources and less experienced management than larger companies.

¹⁶ Funds that invest in foreign securities are exposed to the risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency fluctuations; and higher transaction costs. Investments in foreign currencies or securities denominated in foreign currencies (including derivative instruments that provide exposure to foreign currencies) may experience gains or losses solely based on changes in the exchange rate between foreign currencies and the U.S. dollar. The risk of investing in foreign securities may be greater with respect to securities of companies located in emerging market countries. The value of developing or emerging market currencies may fluctuate more than the currencies of companies with more mature markets.

¹⁷ Effective September 1, 2015, the VT Fidelity Diversified International Fund is now known as the VT Diversified International Fund.

¹⁸ Sector funds tend to be riskier and more volatile than the broad market because they are generally less diversified and more volatile than other mutual funds.

ADMINISTRATIVE SERVICES AGREEMENT

Between

ICMA Retirement Corporation

and

City of Rockport

Type: 457

Account #: 307375

BS

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (“Agreement”), made as of the day of , 2016 between the International City Management Association Retirement Corporation (“ICMA-RC”), a nonprofit corporation organized and existing under the laws of the State of Delaware, and the City of Rockport (“Employer”), a City organized and existing under the laws of the State of Texas with an office at 622 East Market Street, Rockport, Texas 78382.

RECITALS

Employer acts as public plan sponsor of a retirement plan (“Plan”), and in that capacity, has responsibility to obtain administrative services and investment alternatives for the Plan;

VantageTrust is a group trust established and maintained in accordance with New Hampshire Revised Statutes Annotated section 391:1 and Internal Revenue Service Revenue Ruling 81-100, 1981-1 C.B. 326, which provides for the commingled investment of retirement funds held by various state and local governmental units for their employees;

ICMA-RC acts as investment adviser to VantageTrust Company, LLC, the Trustee of VantageTrust;

ICMA-RC has designed, and VantageTrust offers, a series of separate funds (the “Funds”) for the investment of plan assets as referenced in VantageTrust’s principal disclosure document, “Making Sound Investment Decisions: A Retirement Investment Guide” and the accompanying VantageTrust Fund Fees and Expenses document (“Retirement Investment Guide”);

The Funds are available only to public employers and only through VantageTrust and ICMA-RC; and

In addition to serving as investment adviser to VantageTrust, ICMA-RC provides a range of services to public employers for the operation of employee retirement plans including, but not limited to, communications concerning investment alternatives, account maintenance, account recordkeeping, investment and tax reporting, transaction processing, benefit disbursement, and asset management.

AGREEMENTS

1. Appointment of ICMA-RC

Employer hereby appoints ICMA-RC as Administrator of the Plan to perform all nondiscretionary functions necessary for the administration of the Plan. The functions to be performed by ICMA-RC shall be those set forth in Exhibit A to this Agreement.

2. Adoption of Trust

Employer has adopted the Declaration of Trust of VantageTrust Company and agrees to the commingled investment of assets of the Plan within VantageTrust. Employer agrees that the investment, management, and distribution of amounts deposited in VantageTrust shall be subject to the Declaration of Trust, as it may be amended from time to time and shall also be subject to terms and conditions set forth in disclosure documents (such as the Retirement Investment Guide or Employer Bulletins) as those terms and conditions may be adjusted from time to time.

3. Employer Duty to Furnish Information

Employer agrees to furnish to ICMA-RC on a timely basis such information as is necessary for ICMA-RC to carry out its responsibilities as Administrator of the Plan, including information needed to allocate individual participant accounts to Funds in VantageTrust, and information as to the employment status of participants, and participant ages, addresses, and other identifying information (including tax identification numbers). Employer also agrees that it will notify ICMA-RC in a timely manner regarding changes in staff as it relates to various roles. This is to be completed through the online EZLink employer contact options. ICMA-RC shall be entitled to rely upon the accuracy of any information that is furnished to it by a responsible official of the Employer or any information relating to an individual participant or beneficiary that is furnished by such participant or beneficiary, and ICMA-RC shall not be responsible for any error arising from its reliance on such information. ICMA-RC will provide reports, statements and account information to the Employer through EZLink, the online plan administrative tool.

Employer is required to send in contributions through EZLink, the online plan administration tool provided by ICMA-RC. Alternative electronic methods may be allowed, but must be approved by ICMA-RC for use. Contributions may not be sent through paper submittal documents.

To the extent Employer selects third-party funds that do not have fund profile information provided to ICMA-RC through our electronic data feeds from external sources (such as Morningstar) or third party fund providers, the Employer is responsible for providing to ICMA-RC timely fund investment updates for disclosure to Plan participants. Such updates may be provided to ICMA-RC through the Employer's investment consultant or other designated representative.

Failure to provide timely fund profile update information, including the source of the information, may result in a lack of fund information for participants, as ICMA-RC will remove outdated fund profile information from the systems that provide fund information to Plan participants.

4. Certain Representations and Warranties

ICMA-RC represents and warrants to Employer that:

- (a) ICMA-RC is a non-profit corporation with full power and authority to enter into this Agreement and to perform its obligations under this Agreement. The ability of ICMA-RC to serve as investment adviser to VantageTrust is dependent upon the continued willingness of VantageTrust for ICMA-RC to serve in that capacity.
- (b) ICMA-RC is an investment adviser registered as such with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.
- (c) ICMA-RC shall maintain and administer the Plan in accordance with the requirements for eligible deferred compensation plans under Section 457 of the Internal Revenue Code and other applicable federal law; provided, however, that ICMA-RC shall not be responsible for the eligible status of the Plan in the event that the Employer directs ICMA-RC to administer the Plan or disburse assets in a manner inconsistent with the requirements of Section 457 or otherwise causes the Plan not to be carried out in accordance with its terms. Further, in the event that the Employer uses its own customized plan document, ICMA-RC shall not be responsible for the eligible status of the Plan to the extent affected by terms in the Employer's plan document that differ from those in ICMA-RC's standard plan document. ICMA-RC shall not be responsible for monitoring state or local law or for administering the Plan in compliance with local or state requirements unless Employer notifies ICMA-RC of any such local or state requirements.

Employer represents and warrants to ICMA-RC that:

- (d) Employer is organized in the form and manner recited in the opening paragraph of this Agreement with full power and authority to enter into and perform its obligations under this Agreement and to act for the Plan and participants in the manner contemplated in this Agreement. Execution, delivery, and performance of this Agreement will not conflict with any law, rule, regulation or contract by which the Employer is bound or to which it is a party.
- (e) Employer understands and agrees that ICMA-RC's sole function under this Agreement is to act as recordkeeper and to provide administrative,

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investment or other services at the direction of Plan participants, the Employer, its agents or designees in accordance with the terms of this Agreement. Under the terms of this Agreement, ICMA-RC does not render investment advice, is not the Plan Administrator or Plan Sponsor as those terms are defined under applicable federal, state, or local law, and does not provide legal, tax or accounting advice with respect to the creation, adoption or operation of the Plan and its related trust. ICMA-RC does not perform any service under this Agreement that might cause ICMA-RC to be treated as a “fiduciary” of the Plan under applicable law, except, and only, to the extent that ICMA-RC provides investment advisory services to individual participants enrolled in Guided Pathways.

- (f) Employer acknowledges and agrees that ICMA-RC does not assume any responsibility with respect to the selection or retention of the Plan’s investment options. Employer shall have exclusive responsibility for the Plan’s investment options, including the selection of the applicable mutual fund share class. Where applicable, Employer understands that the VT Retirement Income Advantage Fund is an investment option for the Plan and that the fund invests in a separate account available through a group variable annuity contract. By entering into this Agreement, Employer acknowledges that it has received the Important Considerations document and the Retirement Investment Guide and that it has read the information therein concerning the VT Retirement Income Advantage Fund.
- (g) Employer acknowledges that certain such services to be performed by ICMA-RC under this Agreement may be performed by an affiliate or agent of ICMA-RC pursuant to one or more other contractual arrangements or relationships, and that ICMA-RC reserves the right to change vendors with which it has contracted to provide services in connection with this Agreement without prior notice to Employer.
- (h) Employer acknowledges that it has received ICMA-RC’s Fee Disclosure Statement, prepared in substantial conformance with ERISA regulations regarding the disclosure of fees to plan sponsors.
- (i) Employer approves the use of its Plan in ICMA-RC external media, publications and materials. Examples include press releases announcements and inclusion of the general plan information in request for proposal responses.

5. Participation in Certain Proceedings

The Employer hereby authorizes ICMA-RC to act as agent, to appear on its behalf, and to join the Employer as a necessary party in all legal proceedings involving the garnishment of benefits or the transfer of benefits pursuant to the divorce or separation of participants in the Plan. Unless Employer notifies ICMA-RC otherwise, Employer consents to the

disbursement by ICMA-RC of benefits that have been garnished or transferred to a former spouse, current spouse, or child pursuant to a domestic relations order or child support order.

6. Compensation and Payment

- (a) **Plan Administration Fee.** The amount to be paid for plan administration services under this Agreement shall be 0.55% per annum of the amount of Plan assets invested in VantageTrust. Such fee shall be computed based on average daily net Plan assets in VantageTrust.
- (b) **Compensation for Management Services to VantageTrust, Compensation for Advisory and other Services to The Vantagepoint Funds and Payments from Third-Party Mutual Funds.** Employer acknowledges that, in addition to amounts payable under this Agreement, ICMA-RC receives fees from VantageTrust for investment advisory services and plan and participant services furnished to VantageTrust. Employer further acknowledges that certain wholly owned subsidiaries of ICMA-RC receive compensation for advisory and other services furnished to The Vantagepoint Funds, which serve as the underlying portfolios of a number of Funds offered through VantageTrust. For a VantageTrust Fund that invests substantially all of its assets in a third-party mutual fund not affiliated with ICMA-RC, ICMA-RC or its wholly owned subsidiary receives payments from the third-party mutual fund families or their service providers in the form of 12b-1 fees, service fees, compensation for sub-accounting and other services provided based on assets in the underlying third-party mutual fund. These fees are described in the Retirement Investment Guide and ICMA-RC's fee disclosure statement. In addition, to the extent that third party mutual funds are included in the investment line-up for the Plan, ICMA-RC receives administrative fees from its third party mutual fund settlement and clearing agent for providing administrative and other services based on assets invested in third party mutual funds; such administrative fees come from payments made by third party mutual funds to the settlement and clearing agent.
- (c) **Redemption Fees.** Redemption fees imposed by outside mutual funds in which Plan assets are invested are collected and paid to the mutual fund by ICMA-RC. ICMA-RC remits 100% of redemption fees back to the specific mutual fund to which redemption fees apply. These redemption fees and the individual mutual fund's policy with respect to redemption fees are specified in the prospectus for the individual mutual fund and referenced in the Retirement Investment Guide.
- (d) **Payment Procedures.** All payments to ICMA-RC pursuant to this Section 6 shall be made from Plan assets held by VantageTrust or received from third-party mutual funds or their service providers in connection with Plan assets invested in such third-party mutual funds, to the extent not paid by

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the Employer. The amount of Plan assets administered by ICMA-RC shall be adjusted as required to reflect any such payments as are made from the Plan. In the event that the Employer agrees to pay amounts owed pursuant to this Section 6 directly, any amounts unpaid and outstanding after 30 days of invoice to the Employer shall be withdrawn from Plan assets.

The compensation and payment set forth in this Section 6 are contingent upon the Employer's use of ICMA-RC's EZLink system for contribution processing and submitting contribution funds by ACH or wire transfer on a consistent basis over the term of this Agreement.

7. Contribution Remittance

Employer understands that amounts invested through VantageTrust are to be remitted directly to VantageTrust in accordance with instructions provided to Employer by ICMA-RC and are not to be remitted to ICMA-RC. In the event that any check or wire transfer is incorrectly labeled or transferred to ICMA-RC, ICMA-RC may return it to Employer with proper instructions.

8. Indemnification

ICMA-RC shall not be responsible for any acts or omissions of any person with respect to the Plan or its related trust, other than ICMA-RC in connection with the administration or operation of the Plan. Employer shall indemnify ICMA-RC against, and hold ICMA-RC harmless from, any and all loss, damage, penalty, liability, cost, and expense, including without limitation, reasonable attorney's fees, that may be incurred by, imposed upon, or asserted against ICMA-RC by reason of any claim, regulatory proceeding, or litigation arising from any act done or omitted to be done by any individual or person with respect to the Plan or its related trust, excepting only any and all loss, damage, penalty, liability, cost or expense resulting from ICMA-RC's negligence, bad faith, or willful misconduct.

9. Term

This Agreement shall be in effect and commence on the date all parties have signed and executed this Agreement ("Inception Date"). This Agreement may be terminated without penalty by either party on sixty days advance notice in writing to the other; provided however, that the Employer understands and agrees that, in the event the Employer terminates this Agreement (or replaces the VT PLUS Fund as an investment option in its investment line-up), ICMA-RC retains full discretion to release Plan assets invested in the VT PLUS Fund in an orderly manner over a period of up to 12 months from the date ICMA-RC receives written notification from the Employer that it has made a final and binding selection of a replacement for ICMA-RC as administrator of the Plan (or a replacement investment option for the VT PLUS Fund).

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10. Amendments and Adjustments

- (a) This Agreement may be amended by written instrument signed by the parties.
- (b) ICMA-RC may amend this agreement by providing 60 days' advance written notice to the Employer prior to the effective date of such proposed amendment. Such amendment shall become effective unless, within the 60-day notice period, the Employer notifies ICMA-RC in writing that it objects to such amendment.
- (c) The parties agree that enhancements may be made to administrative and operations services under this Agreement. The Employer will be notified of enhancements through the Employer Bulletin, quarterly statements, electronic messages or special mailings. Likewise, if there are any reductions in fees, these will be announced through the Employer Bulletin, quarterly statement, electronic messages or special mailing.

11. Notices

All notices required to be delivered under this Agreement shall be in writing and shall be delivered, mailed, e-mailed or faxed to the location of the relevant party set forth below or to such other address or to the attention of such other persons as such party may hereafter specify by notice to the other party.

ICMA-RC: Legal Department, ICMA Retirement Corporation, 777 North Capitol Street, N.E., Suite 600, Washington, D.C., 20002-4240
Facsimile; (202) 962-4601

Employer: at the office set forth in the first paragraph hereof, or to any other address, facsimile number or e-mail address designated by the Employer to receive the same by written notice similarly given.

Each such notice, request or other communication shall be effective: (i) if given by facsimile, when transmitted to the applicable facsimile number and there is appropriate confirmation of receipt; (ii) if given by mail or e-mail, upon transmission to the designated address with no indication that such address is invalid or incorrect; or (iii) if given by any other means, when actually delivered at the aforesaid address.

12. Complete Agreement

This Agreement shall constitute the complete and full understanding and sole agreement between ICMA-RC and Employer relating to the object of this Agreement and correctly sets forth the complete rights, duties and obligations of each party to the other as of its date. This Agreement supersedes all written and oral agreements, communications or negotiations among the parties. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect.

13. Titles

The headings of Sections of this Agreement and the headings for each of the attached schedules are for convenience only and do not define or limit the contents thereof.

14. Incorporation of Schedules

All Schedules (and any subsequent amendments thereto), attached hereto, and referenced herein, are hereby incorporated within this Agreement as if set forth fully herein.

15. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, applicable to contracts made in that jurisdiction without reference to its conflicts of laws provisions.

In Witness Whereof, the parties hereto certify that they have read and understand this Agreement and all Schedules attached hereto and have caused this Agreement to be executed by their duly authorized officers as of the Inception Date first above written.

CITY OF ROCKPORT

By _____
Signature/Date

By _____
Name and Title (Please Print)

INTERNATIONAL CITY MANAGEMENT
ASSOCIATION RETIREMENT CORPORATION

By 
Erica McFarquhar
Assistant Secretary

Please return fully executed contract to: New Business Services
ICMA-RC
777 North Capitol Street NE
Suite 600
Washington DC 20002-4240

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Exhibit A

Administrative Services

The administrative services to be performed by ICMA-RC under this Agreement shall be as follows:

- (a) Participant enrollment services, including providing a welcome package and enrollment kit containing instructions and notices necessary to implement the Plan's administration. Employees will enroll online or through a paper form. ICMA-RC will provide an enrollment link through the general ICMA-RC web site. Employer will also make available the online enrollment link in their Intranet site or via email to new employees. Employer can also enroll employees through EZLink.
- (b) Establishment of participant accounts for each employee participating in the Plan for whom ICMA-RC receives appropriate enrollment instructions. ICMA-RC is not responsible for determining if such Plan participants are eligible under the terms of the Plan.
- (c) Allocation in accordance with participant directions received in good order of individual participant accounts to investment funds offered under the Plan.
- (d) Maintenance of individual accounts for participants reflecting amounts deferred, income, gain or loss credited, and amounts distributed as benefits.
- (e) Maintenance of records for all participants for whom participant accounts have been established. These files shall include enrollment instructions (provided to ICMA-RC through Account Access or EZLink), beneficiary designation instructions and all other and documents concerning each participant's account.
- (f) Provision of periodic reports to the Employer through EZLink. Participants will have access to account information through Investor Services, Voice Response System, Account Access and through quarterly statements that can be delivered electronically through Account Access or by postal service.
- (g) Communication to participants of information regarding their rights and elections under the Plan.
- (h) Making available Investor Services Representatives through a toll-free telephone number from 8:30 a.m. to 9:00 p.m. Eastern Time, Monday through Friday (excluding holidays and days on which the securities markets or ICMA-RC are closed for business (including emergency closings), to assist participants.
- (i) Making available access to ICMA-RC's web site, to allow participants to access certain account information and initiate plan transactions at any

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time. Account access is normally available 24 hours a day, seven days a week except during scheduled maintenance periods designed to ensure high-quality performance. The scheduled maintenance window is outlined at <https://harper1.icmarc.org/login.jsp>

- (j) Distribution of benefits as agent for the Employer in accordance with terms of the Plan. Participants who have separated from service can request distributions through Account Access or via form.
- (k) Upon approval by the Employer that a domestic relations order is an acceptable qualified domestic relations order under the terms of the Plan, ICMA-RC will establish a separate account record for the alternate payee and provide for the investment and distribution of assets held there under.
- (l) Loans may be made available on the terms specified in the Loan Guidelines, if loans are adopted by the Employer. Participants can request loans through Investor Services or Account Access.
- (m) Guided Pathways – Participant Advice and Guidance may be made available through a third party vendor on the terms specified on ICMA-RC's website.
- (n) ICMA-RC will determine appropriate delivery method (electronic and/or print) for plan sponsor/participant communications and education based on a number of factors (audience, effectiveness, etc.).

ICMA-RC GUIDED PATHWAYS® MANAGED ACCOUNTS SERVICES AGREEMENT

This **Managed Accounts Services Agreement** (“Agreement”), made as of the ___ day of _____, 20____ (herein referred to as the “Inception Date”), between the _____ (“Employer”), a _____ organized and existing under the laws of the State of _____ with an office at _____ (Address), _____ (City), _____ (State), _____ (Zip Code), and International City County Management Association Retirement Corporation (“ICMA-RC”), a Delaware corporation, is to add the discretionary investment advisory services program (“**Managed Accounts**”) described in this Agreement as a discretionary asset allocation and management service offered under your employer-sponsored retirement plan or plans (“Plan”).

RECITALS

Employer acts as a public sponsor for a Plan with responsibility to obtain investment alternatives and services for employees and former employees participating in that Plan (each a “participant”);

ICMA-RC provides an array of services to public employers for the operation of employee retirement plans including, but not limited to, investment advisory services, communications concerning investment alternatives, account maintenance, account record-keeping, investment and tax reporting, transaction processing, benefit disbursement, and asset management.

Managed Accounts is a discretionary investment advisory service provided as part of ICMA-RC’s Guided Pathways® program, a suite of investment services designed to assist participants in reaching their retirement investing objectives.

This Agreement adds **Managed Accounts**, a discretionary asset allocation investment advisory service, to **Asset Class Guidance** and **Fund Advice**, already offered by ICMA-RC and available to most participants. These services, all of which are offered through the Guided Pathways® platform, are intended to assist participants in reaching their retirement investing objectives.

ICMA-RC is an investment adviser registered as such with the U.S. Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended (“Advisers Act”). ICMA-RC Services, LLC (a wholly owned subsidiary of ICMA-RC) is registered as a broker-dealer with the SEC and is a member in good standing with FINRA and the Securities Investor Protection Corporation (“SIPC”).

AGREEMENTS

1. Investment Advisory Services

Each participant, beneficiary or alternate payee as permitted under the Plan (collectively, “Participants”), electing to have investment advisory services provided by ICMA-RC must agree to the Investment Advisory Agreement (“Participant Agreement”), which describes the features of **Managed Accounts** and **Fund Advice** as well as the rights and responsibilities of the Participants under the program.

Participants who are subject to any imposed frequent trading restrictions are not eligible to participate in **Managed Accounts**.

By entering into this Agreement, you acknowledge and agree that you have received and reviewed this Agreement and the Participant Agreement, including the terms, conditions, and details of **Managed Accounts** described in those Agreements and that as Plan Fiduciary you authorize ICMA-RC to offer and make available **Managed Accounts** to Participants in each of your eligible ICMA-RC administered 457, 401, and Payroll IRA plans. Vantagecare Retirement Health Savings Plans and Plans that do not meet core investment option asset category requirements (e.g., ICMA-RC’s standard 457 PTS Plan) are not considered eligible plans.

Managed Accounts

Managed Accounts is a discretionary asset allocation and management service designed for Participants who want to delegate their individual Plan investment decisions to a financial expert. Participants are charged an asset-based fee for **Managed Accounts**. See Section 5 below for applicable fees. The **Managed Accounts** fee covers only our advisory fee for allocating and reallocating assets in participants’ accounts and does not cover any other fees or expenses associated with these accounts including underlying mutual fund and plan administration fees.

Under **Managed Accounts**, a Participant authorizes ICMA-RC to exercise discretionary authority to allocate and reallocate the assets in his or her Plan account or accounts among eligible Plan investments and implement individualized advice generated from the investment methodologies and software created by Morningstar Investment Management LLC (“Morningstar Investment Management”), a leading provider of retirement advice and asset allocation strategies. Morningstar Investment Management is a federally registered investment adviser and a subsidiary of Morningstar Inc., a leading world-wide provider of independent research committed to helping investors reach their financial goals. In providing such services to ICMA-RC, Morningstar Investment Management acts as the Independent Financial Expert (“IFE”) as that term is used in Advisory Opinion 2001-09A issued by the U.S. Department of Labor (the “DOL”) (see Section 3, below). Based on information provided by the Participant about his or her

financial condition and investment objectives, ICMA-RC allocates the Participant's account according to the applicable Morningstar Investment Management model on a discretionary basis without seeking the Participant's approval for each transaction.

The entire account balance of any account designated for participation in **Managed Accounts** must be allocated to **Managed Accounts**.

Participants must agree to provide financial and other information as reasonably requested by ICMA-RC and to inform ICMA-RC promptly of any changes in their circumstances in order to assist ICMA-RC in the development and management of an investment strategy that is suitable and appropriate. ICMA-RC will notify Participants annually to contact ICMA-RC regarding any changes in their financial situation, employment status or investment objectives and whether Participants wish to impose any reasonable restrictions on their accounts which are not fundamentally inconsistent with their investment objectives or the nature or operation of **Managed Accounts**. ICMA-RC personnel knowledgeable about the management of the Participant's account will be reasonably available to respond to Participant's inquiries. Participants will receive quarterly statements consisting of all activity in their accounts, including fees and expenses as well as the beginning and ending value of the account for the relevant period, and will receive copies of confirmations of any transactions in their accounts.

Initially and at least annually thereafter, Participants are given an opportunity to review and confirm the accuracy and completeness of the information upon which their advice is based. When appropriate, but normally on a quarterly basis, Morningstar Investment Management re-examines the model advice portfolio to determine if a reallocation to a different model advice portfolio is needed. If a new model advice portfolio is needed, the Participant's Account(s) assets will be reallocated and rebalanced to the new model's target asset allocation. Quarterly, assuming a new model advice portfolio is not needed, Morningstar Investment Management reviews the allocation of the Participant's Account(s) to determine if any fund deviates from the recommended model advice portfolio by more than a pre-specified minimum percentage, which would at no time be greater than 3%. If it does, ICMA-RC will transfer assets among the currently designated funds to ensure the Participant's Account(s) remain consistent with the target allocation of the model advice portfolio.

Because ICMA-RC has discretionary authority over the Participant's account under **Managed Accounts**, certain Participant-directed account transactions otherwise available to the Participant, such as transfers of existing account balances and changes to future contribution allocations, systematic or otherwise, will not be processed until the Participant has terminated participation in **Managed Accounts**. Participants may terminate participation in **Managed Accounts** at any time at their discretion.

The **Managed Accounts** program does not provide advice for assets in self-directed brokerage accounts, certificates of deposits, or certain other investment options. However, while only ICMA-RC administered retirement plan assets are managed, other assets (i.e., spousal assets, brokerage accounts, etc.) can be taken into consideration for the purpose of determining the appropriate allocation for the retirement plan account to the extent that the Participant has provided information about such assets.

Certain investment options within your Plan may charge a redemption fee on specific transactions. Transactions initiated by ICMA-RC under **Managed Accounts** may result in such redemption fees being charged to Participants. Any applicable redemption fees will be deducted directly from the Participants' accounts.

Managed Accounts may not be suitable for all investors. Participants should contact our Guided Pathways® team or their ICMA-RC Retirement Plans Specialist and fully read the *ICMA-RC Guided Pathways® Fund Advice and Managed Accounts Investment Advisory Agreement* prior to enrolling in Managed Accounts to determine if this service is right for them.

Asset Class Guidance and Fund Advice

Both Asset Class Guidance and Fund Advice are currently offered to most Participants. These services are offered directly through ICMA-RC in conjunction with Morningstar Investment Management as the IFE. ICMA-RC applies methodologies developed, maintained and overseen by Morningstar Investment Management. The Plan is not charged any additional fee for allowing these services to be offered to Participants.

Asset Class Guidance

Asset Class Guidance provides "point-in-time" asset allocation recommendations to Participants looking for assistance in selecting their retirement plan investments. **Asset Class Guidance** does not provide fund specific recommendations. These individualized asset allocation recommendations from ICMA-RC may be provided through the internet, or by an ICMA-RC associate over the telephone. ICMA-RC creates the asset allocation recommendations by applying methodology developed, maintained and overseen by Morningstar Investment Management.

Asset allocation recommendations are based upon a wealth forecast that takes into account not only the Participant's Plan account values and contribution rates, but also, to the extent provided by the Participant and relevant to the forecast, other assets held by the Participant or the Participant's spouse or family member, and personal information of the Participant - including but not limited to, date of birth, anticipated or actual date of retirement, etc. The wealth forecast reflects the results of Monte Carlo simulations to determine the probable result of various account allocations, savings rates, etc.

The Participant may elect whether to use this service, and if so, when and how often to use it. The Participant will be responsible for implementing any asset allocation recommendations based on the ordinary means available under the Plan (i.e., transfer of account balances), and for subsequent monitoring or review of the account and of the accuracy of information utilized in arriving at the asset allocation recommendation.

Participants are not charged additional fees for using **Asset Class Guidance** under Guided Pathways.*

Fund Advice

Fund Advice provides “point-in-time” individualized investment advice to Participants seeking assistance in selecting specific retirement plan investments. Fund specific recommendations are constructed by Morningstar Investment Management from among the investment options available in the Plan. **Fund Advice** may be provided through the Internet, or by an ICMA-RC associate over the telephone. ICMA-RC creates **Fund Advice** recommendations by applying methodology developed, maintained and overseen by Morningstar Investment Management. The investment advice and fund specific recommendations are constructed by Morningstar Investment Management from the investment options available under the Plan and as selected by you as the Plan Sponsor, applied to the Participant’s individual information and account.

Fund Advice is based upon a wealth forecast that takes into account not only the Participant’s Plan account values and contribution rates, but also, to the extent provided by the Participant and relevant to the forecast, other assets held by the Participant or the Participant’s spouse or family member, and personal information of the Participant - including but not limited to, date of birth, anticipated or actual date of retirement, etc. The wealth forecasts reflect the results of Monte Carlo simulations to determine the probable result of various account allocations, savings rates, etc.

The Participant may elect whether to use this service, and if so, when and how often to use it. The Participant will be responsible for implementing any advice or fund specific recommendations using the ordinary means available under the Plan (i.e., transfer of account balances), and for subsequent monitoring or review of the account and of the information utilized in arriving at the advice. Participants using **Fund Advice** are responsible for supplying updated information when their personal circumstances or other factors change.

ICMA-RC will charge a standard \$20 annual fee to Participants using **Fund Advice**. However, certain Participants, such as those in the Premier Program*, can utilize the Advice service for no charge. The fixed annual fee will be charged to the Participant’s account following enrollment and will entitle the Participant to use of the service for a twelve-month period. For each succeeding twelve-month period for which the Advice service is initiated or continued, the Participant will be required to re-enroll and pay the annual fee in order to continue receiving the service.

Guided Pathways* allows Participants to directly implement recommended transactions (fund transfers and contribution reallocations) in their ICMA-RC accounts.

2. Employer Acknowledgements Designations and Determinations

By entering into this Agreement, Employer determines that the compensation paid to ICMA-RC by Participants for services under the Guided Pathways* program, including the **Managed Accounts** services, taking into account any other compensation to ICMA-RC or its affiliates for investments and services provided to Plan accounts, is reasonable in light of the investment advisory services to be rendered.

Employer designates that the individual investment options offered to Participants under the Plan will be the same investment options available to Participants selecting **Managed Accounts** and **Fund Advice**. In making such a designation, you acknowledge and agree to any limits on the investment options to which the advice may apply, and to any limitations imposed by the investment option or by the Plan.

If the VT Retirement IncomeAdvantage Fund is an available option in your Plan, the following acknowledgments, representations, and conditions are applicable:

- The IFE may recommend that a portion of a Participant’s assets be invested in the VT Retirement IncomeAdvantage Fund, a VantageTrust Fund that invests in a separate account under a group variable annuity issued by a third-party insurance company. A Guarantee Fee of 1.00% is assessed by the third-party insurance company for the VT Retirement IncomeAdvantage Fund guarantees and is included along with other fund fees and expenses in the VT Retirement IncomeAdvantage Funds’ net expense ratio. Guarantees are based on the claims-paying ability of the third-party insurance company. These guarantees are also subject to certain limitations, terms, and conditions. Rights to these guarantees may be impacted if: (1) a participant makes any transfers, exchanges or withdrawals from the Fund (other than guaranteed withdrawals after lock-in); (2) you switch retirement plan providers or remove the VT Retirement IncomeAdvantage Fund from the plan lineup; or (3) the VT Retirement IncomeAdvantage Fund or the group annuity contract in which it invests is terminated.

- You understand that the VT Retirement Income Advantage Fund is an investment option for the Plan and that the fund invests in a separate account available through a group variable annuity contract. By entering into this Agreement, you acknowledge that you have received and understand the following documents: 1) *VT Retirement Income Advantage Important Considerations*; 2) *Making Sound Investment Decisions - A Retirement Investment Guide*; and 3) *Retirement Investment Guide - Additional Information*. These documents are also available online via Account Access (www.icmarc.org) or by contacting ICMA-RC Investor Services at 800-669-7400.

Employer acknowledges that ICMA-RC or an affiliate may be providing additional services, including investment, Plan recordkeeping, Plan compliance, and other related Plan administrative services. However, the Employer retains its existing responsibility for taking necessary steps to adopt, amend and maintain the qualification of the Plan.

3. Prohibited Transactions

Although your Plan, as a governmental plan, is not subject to all the requirements of ERISA, under ERISA certain types of transactions are prohibited, including, generally, the provision of investment advice by an entity or an individual that is providing other services to the Plan for compensation.

The DOL issued Advisory Opinion 2001-09A ("Advisory Opinion") to SunAmerica Retirement Markets, Inc. ("SunAmerica") on December 14, 2001. The Advisory Opinion provides that investment advice based on a computer program controlled by an IFE and delivered to a Participant by an organization or adviser that is also providing plan investments from which it receives income, will not constitute a prohibited transaction if certain requirements are met. The DOL issued the Advisory Opinion in response to a request for a prohibited transaction exemption ("PTE") by SunAmerica. ICMA-RC has entered into an agreement with Morningstar Investment Management to provide the type of services described in the SunAmerica PTE request and the Advisory Opinion. ICMA-RC is already providing services to your Plan, which may include enrollment and contribution processing, Plan recordkeeping and compliance, education and other services, including mutual funds advised or sub-advised by ICMA-RC or an affiliated adviser which may be included as eligible Plan investments. By executing this Agreement, you are authorizing ICMA-RC to provide investment advisory services under **Managed Accounts**.

Managed Accounts may be provided through the Internet, on paper, or by an ICMA-RC associate over the telephone. ICMA-RC associates will continue to provide many of the same Plan and investment services to the Plan or Participants that he or she would otherwise provide, in the absence of **Managed Accounts**. However, pursuant to the Advisory Opinion, ICMA-RC associates will present the advice as determined under the investment methodologies and software developed by Morningstar Investment Management and may not alter that advice.

4. Investment Advice Process

From the investment options available to Plan Participants, Morningstar Investment Management will select the funds to be included in the model advice portfolios under **Managed Accounts**.

To be eligible for **Managed Accounts** or **Fund Advice**, the Plan must at all times provide investment options which cover the following required asset categories as determined by Morningstar Investment Management: US Fixed Income (Cash, US Short-term Bonds or US Bonds), US Equity, and International Equity. Morningstar Investment Management, as the IFE, is solely responsible for determining the adequacy of the Plan's exposure to the required asset categories. ICMA-RC will notify you if available investment options under your Plan fail to include one or more asset categories required for construction of the Morningstar Investment Management model portfolios.

On an ongoing basis, Morningstar Investment Management will monitor the asset-class portfolios and the individual investment options included in the model portfolios, and make changes as appropriate. With certain exceptions, any recommended changes arising from such monitoring will generally be implemented not more frequently than quarterly.

Participants with multiple ICMA-RC-administered accounts under the same Employer Plan and/or multiple ICMA-RC-administered accounts with different Employer Plans, have the option of individually selecting the accounts to which **Managed Accounts** will be applied.

Each Participant enrolling in **Managed Accounts** will be assigned to one of a fixed number of model advice portfolios based upon the information provided to ICMA-RC by the Plan and the Participant. As described in the Participant Agreement, a minimum set of data items will be required in order to assign the Participant to a model portfolio. These include gender, date of birth, marital status, employment status, salary, retirement plan account balances, current retirement plan savings rate, desired replacement retirement income, and desired probability of meeting or exceeding desired replacement retirement income.

Certain required information on Participant accounts is automatically pre-populated to **Managed Accounts** by ICMA-RC. Participants are responsible for providing any other required or non-required information, although "default" assumptions may be used for certain information.

Additional information can be provided, by the Plan or the Participant, to further assist in the selection of the appropriate model advice portfolio, including additional information about the Participant and/or the Participant's spouse and/or family, if applicable. This additional information can include, but is not limited to:

- **Outside Plan Assets:** Account information on non-ICMA-RC defined contribution retirement and non-retirement accounts (i.e., 401 and 457 plans, savings, retail brokerage), and other account information including but not limited to: account type; account name; account balance; account holdings; etc.
- **Retirement Plan Loans:** Details on outstanding retirement plan loans including but not limited to: maturity date; outstanding loan balance; repayment amount; interest rate; repayment frequency; etc.
- **Cash Flow:** Details on non-retirement plan cash flows including but not limited to: received inheritance or college tuition costs; cash flow type (income or expense); amount; college cost beginning year; college cost ending year; etc.
- **Other Benefits/Retirement Plan Information:** Including but not limited to: Information on defined benefit pension plans or Social Security; start age; pension monthly payment; social security monthly estimate; etc.
- **Information About Your Spouse's Personal and Financial Situations:** Including but not limited to: Information on your spouse and his/her retirement and non-retirement accounts; date of birth; annual savings rate; salary; account type; account name; account balance; account holdings; etc.

Participants will be permitted to enroll in **Managed Accounts** at any time. However, if a Participant previously terminated the service with respect to a Plan, he or she must wait at least until the next calendar quarter before re-enrolling in the service for that Plan and may not enroll more than two times in any 12-month period.

Upon enrollment in **Asset Class Guidance** or **Fund Advice**, a Plan Participant may use these services as often as desired, in the manner (and subject to any limitations) described in the Participant Agreement or Terms and Conditions document. A Participant enrolling in **Managed Accounts** or **Advice** will receive a statement summarizing the data provided to ICMA-RC that was used to formulate the advice, and if accessing the service over the Internet, will be given an opportunity to correct or modify that data before the service is initiated. Thereafter, the Participant can revise, add, or change his or her data at any time. Participants enrolled in **Managed Accounts** will be contacted at least annually regarding this information, and may speak with an ICMA-RC associate at any time. When appropriate, but normally on a quarterly basis, Morningstar Investment Management re-examines the model advice portfolio to determine if a reallocation to a different model advice portfolio is needed. If a new model advice portfolio is needed, the Participant's Account(s) assets will be reallocated and rebalanced to the new model's target asset allocation. Quarterly, assuming a new model advice portfolio is not needed, Morningstar Investment Management reviews the allocation of the Participant's Account(s) to determine if any fund deviates from the recommended model advice portfolio by more than a pre-specified minimum percentage, which would at no time be greater than 3%. If it does, ICMA-RC will transfer assets among the currently designated funds to ensure the Participant's Account(s) remain consistent with the target allocation of the model advice portfolio. Participants are responsible for contacting ICMA-RC with any new or revised information that may warrant an additional review of the account. Allocation or reallocations may be limited by the Plan or by the underlying investment. Such limitations will be taken into account by Morningstar Investment Management in the development and implementation of the advice.

5. Participant Costs

Participants who enroll in **Managed Accounts** are assessed an asset based fee that is charged on a monthly basis based on the month-end average daily account balance in **Managed Accounts**. The **Managed Accounts** fee will be calculated as a percentage of the account value and applied to the account as a fixed dollar amount. The **Managed Accounts** fee covers only our advisory fee for allocating and reallocating assets in participants' accounts and does not cover any other fees or expenses associated with these accounts including underlying mutual fund and plan administration fees. The standard **Managed Accounts** Fee Schedule is presented below and is also detailed in the Participant Agreement.

Account Balance	Annual Fee
First \$100,000	0.40%
Next \$100,000	0.35%
Next \$300,000	0.25%
Over \$500,000	0.00% (no additional fee charged)

The **Managed Accounts** Fee will be deducted pro-rata against all investments in any account included in **Managed Accounts**.

Employer hereby directs that these costs be withdrawn from Participant accounts. You will be provided at least 90 days' advance written notice of any change in the rate of fees assessed to Participant accounts. Fees will be assessed to Participant accounts on a pro-rata basis among investments. There is no cost assessed to the Employer or the Plan for offering **Managed Accounts**.

ICMA-RC will charge a standard \$20 annual fee to Participants using **Fund Advice**. However, certain participants, such as those in the Premier Program™, can utilize the **Fund Advice** service for no charge. The fixed annual fee will be charged to the Participant's account following enrollment and will entitle the Participant to use of the service for a twelve-month period. For each succeeding twelve-month period for which the Advice service is initiated or continued, the Participant will be required to re-enroll and pay the annual fee in order to continue receiving the service.

Participants are not charged any additional fees for using **Asset Class Guidance** under Guided Pathways.

6. No Guarantee

Employer understands, acknowledges and accepts that the advice provided hereunder relies on historical performance and other data, all of which have limitations. Past performance of investments is no guarantee of future results. The analysis and advice provided depends upon a number of factors, including the information provided by the Participant, various assumptions and estimates and other considerations. As a result, the wealth forecast developed and advice and recommendations provided are no guarantees that a Participant will achieve his or her retirement goals or anticipated returns. You understand that there remains a risk of loss within eligible investment options.

7. Form ADV

Part 2A of ICMA-RC's Form ADV ("Brochure"), a portion of ICMA-RC's SEC adviser registration statement, contains additional information about ICMA-RC and our advisory services. By entering into this Agreement, you represent that you have received and reviewed a copy of the Brochure.

8. Limitation of Liability

You understand and agree that there is no guarantee that the recommendations made by ICMA-RC pursuant to the investment methodologies and software developed by Morningstar Investment Management will be successful. Nor can ICMA-RC ensure that a Participant will achieve his or her retirement goals or anticipated returns. You acknowledge that the outcome of the Guided Pathways services calculations are estimates only, and there is no guarantee of the future financial performance of Participant investments or that Participants will meet their desired goal(s).

You agree, understand and acknowledge that the advice is based on the responses provided and other information furnished to us by Participants through Guided Pathways and **Managed Accounts** and updated as necessary. ICMA-RC shall not be liable for any misstatement or omission contained in the information furnished to us, or any loss, liability, claim damage or expense whatsoever arising out of or attributable to such misstatement or omission. Nothing in this section shall be construed as a waiver of any rights Employer or Participants may have under common law, the Advisers Act, or any other federal or state securities or retirement laws.

ICMA-RC is not responsible for providing and maintaining the communications and equipment (including personal computers and modems) and telephone or alternative services required for accessing and utilizing electronic or automated services, or for communications service fees and charges incurred by the Participant in accessing these services.

9. Assignability

This Agreement shall not be assignable by any party without the prior written consent of the other party.

10. Term and Termination of Managed Accounts Service

This Agreement shall be in effect and commence on the date all parties have signed and executed this Agreement ("Inception Date"). This Agreement will be renewed automatically for each succeeding year unless **60 days' advance written notice of termination** is provided by either party to the other, provided however that some or all of the notice period may be waived upon a demonstration that only an earlier termination will comply with the independent fiduciary's fiduciary duty.

Employer may terminate the services at any time for all Participants, subject to a reasonable advance written notice requirement consistent with applicable law. Such termination shall be effective as soon as reasonably practicable thereafter.

A Participant may terminate the **Managed Accounts** service with respect to his or her account(s) at any time.

During the term of this agreement, ICMA-RC reserves the right to replace Morningstar Investment Management as the IFE in its sole discretion. In the event ICMA-RC is unable to contract with a suitable replacement IFE, this Agreement shall automatically terminate upon written notice from ICMA-RC to the Employer.

11. Extraordinary Events

ICMA-RC shall not be liable for loss caused directly or indirectly by governmental restrictions, exchange or market rulings, suspension of trading, war, strikes, or other conditions beyond our control. We shall not be responsible for loss or damages caused by equipment failure, communications lines failure, unauthorized access, theft, systems failure and other consequences beyond our control.

12. Privacy

Protection of Nonpublic Personal Information. ICMA-RC is subject to various privacy requirements for the protection of its clients under the Gramm-Leach-Bliley Act ("GLBA") and regulations promulgated pursuant to GLBA.

Definition of Nonpublic Personal Information. Nonpublic personal information of customers or consumers ("NPI") includes, but is not limited to, names, addresses, account balances, account numbers, account activity, Social Security numbers, taxpayer identification numbers, and sensitive, financial and health information. NPI includes information on our forms or in a database of any kind, information created by us, information collected by or on behalf of us and personally identifiable information derived from NPI.

Disclosure and Use of NPI. All NPI that ICMA-RC obtains as a result of offering these services to your Participants shall not be used, disclosed, reused, or redisclosed to any unaffiliated third party, except to carry out the purposes for which the information was disclosed.

ICMA-RC shall be permitted to disclose relevant aspects of the NPI to its officers, agents, subcontractors, independent financial expert and employees only to the extent that such disclosure is reasonably necessary for the performance of its duties and obligations under the Agreement.

The obligations of this Section shall not restrict any disclosure by ICMA-RC pursuant to any applicable state or federal laws or regulations, or by request or order of any court or government agency.

Security of NPI. ICMA-RC further agrees that it has established and maintains policies and procedures designed to ensure the confidentiality and security of NPI. This shall include procedures to protect against anticipated threats or hazards to the security or integrity of the information and unauthorized access to or use of the information.

13. Notices

All notices required to be delivered under Section 10 of this Agreement shall be delivered personally or by registered or certified mail, postage prepaid, return receipt requested, to (i) Legal Department, ICMA Retirement Corporation, 777 North Capitol Street, N.E., Suite 600, Washington, D.C., 20002-4240; (ii) Employer at the office set forth in the first paragraph hereof, or to any other address designated by the party to receive the same by written notice similarly given.

14. Complete Agreement and Amendments

This Agreement shall constitute the complete and full understanding and sole agreement between ICMA-RC and Employer relating to the object of this Agreement and correctly sets forth the complete rights, duties and obligations of each party to the other as of its date. This Agreement supersedes all written and oral agreements, communications or negotiations among the parties. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect. This Agreement may only be amended in writing with the consent of both parties.

15. Titles

The headings of Sections of this Agreement and the headings for each of the attached schedules are for convenience only and do not define or limit the contents thereof.

16. Incorporation of Schedules

All Schedules (and any subsequent amendments thereto), attached hereto, and referenced herein, are hereby incorporated within this Agreement as if set forth fully herein.

17. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, applicable to contracts made in that jurisdiction without reference to its conflicts of laws provisions.



ICMA-RC MANAGED ACCOUNTS SERVICES AGREEMENT SIGNATURE PAGE

Please retain the entire copy of the Managed Accounts Services Agreement, including a copy of the signature page, for your records.

In Witness Whereof, the parties hereto certify that they have read and fully understand the complete ICMA-RC *Managed Accounts Services Agreement* and have caused the ICMA-RC *Managed Accounts Services Agreement* to be executed by their duly authorized officers as of the Date below. By signing this Agreement, you authorize ICMA-RC to offer and make available Managed Accounts to Participants in each of your eligible ICMA-RC administered 457, 401, and Payroll IRA plans.

EMPLOYER

By _____
Employer/Plan Name

Employer Signature

Date

Name and Title (Please Print)

Street Address

City and State

ICMA-RC 457 and 401 Plan Number(s)

INTERNATIONAL CITY COUNTY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION

By 
Erica McFarquhar
Assistant Corporate Secretary

Please return fully executed Signature page to:

**New Business Unit
ICMA-RC
777 North Capitol Street, NE
Suite 600
Washington, DC 20002-4240**

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