

RESOLUTION NO. 49-1988

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS RELATING TO A DEFERRED COMPENSATION PLAN.

WHEREAS, the City of Abilene has employees rendering valuable services; and

WHEREAS, the establishment of a deferred compensation plan for such employees serves the interests of the City of Abilene by enabling it to provide 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 of Abilene has previously determined that a deferred compensation plan administered by the ICMA Retirement Corporation serves the above objectives and has already established that plan; and

WHEREAS, in order for the City of Abilene to continue to invest funds held under its deferred compensation plan through the ICMA Retirement Corporation, it is mandatory that such funds must be held by the ICMA Retirement Trust, a trust established by public employers for the collective investment of funds held under their deferred compensation plans and money purchase retirement plans; now therefore,

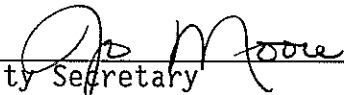
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Part 1: That the City of Abilene hereby executes the Declaration of Trust of the ICMA Retirement Trust attached hereto as Exhibit A.

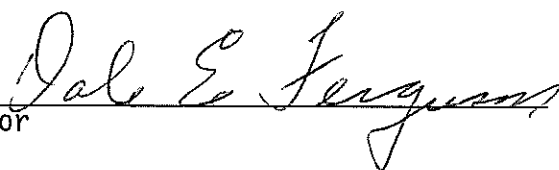
Part 2: That the City Manager is hereby designated as the coordinator for this program and shall receive necessary reports, notices, and other information from the ICMA Retirement Corporation or the ICMA Retirement Trust, and shall cast, on behalf of the City of Abilene, any required votes under the program. Administrative duties to carry out the plan may be assigned to the appropriate departments.

ADOPTED by the City Council of the City of Abilene, Texas, this 13th day of October, A.D. 1988.

ATTEST:

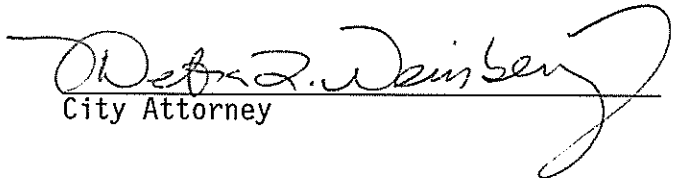


City Secretary



Mayor

APPROVED:



City Attorney

EXHIBIT A

DECLARATION OF TRUST OF ICMA RETIREMENT TRUST

ARTICLE I. NAME AND DEFINITIONS

Section 1.1 Name: The Name of the Trust, as amended and restated hereby, is the ICMA Retirement Trust.

Section 1.2 Definitions: Wherever they are used herein, the following terms shall have the following respective meanings:

- (a) **By-Laws.** The By-Laws referred to in Section 4.1 hereof, as amended from time to time.
- (b) **Deferred Compensation Plan.** A deferred compensation plan established and maintained by a Public Employer for the purpose of providing retirement income and other deferred benefits to its employees in accordance with the provisions of section 457 of the Internal Revenue Code of 1954, as amended.
- (c) **Employees.** Those employees who participate in Qualified Plans.
- (d) **Employer Trust.** A trust created pursuant to an agreement between RC and a Public Employer for the purpose of investing and administering the funds set aside by such Employer in connection with its Deferred Compensation agreements with its employees or in connection with its Qualified Plan.
- (e) **Guaranteed Investment Contract.** A contract entered into by the Retirement Trust with insurance companies that provides for a guaranteed rate of return on investments made pursuant to such contract.
- (f) **ICMA.** The International City Management Association.
- (g) **ICMA/RC Trustees.** Those Trustees elected by the Public Employers who, in accordance with the provisions of Section 3.1(a) hereof, are also members of the Board of Directors of ICMA or RC.
- (h) **Investment Adviser.** The Investment Adviser that enters into a contract with the Retirement Trust to provide advice with respect to investment of the Trust Property.
- (i) **Portfolios.** The Portfolios of investments established by the Investment Adviser to the Retirement Trust, under the supervision of the Trustees, for the purpose of providing investments for the Trust Property.
- (j) **Public Employee Trustees.** Those Trustees elected by the Public Employers who, in accordance with the provisions of Section 3.1(a) hereof, are full-time employees of Public Employers.
- (k) **Public Employer Trustees.** Public Employers who serve as trustees of the Qualified Plans.
- Public Employer.** A unit of state or local government, or any agency or instrumentality thereof, that has adopted a Deferred Compensation Plan or a Qualified Plan and has executed this Declaration of Trust.
- (m) **Qualified Plan.** A plan sponsored by a Public Employer for the purpose of providing retirement income to its employees which satisfies the qualification requirements of Section 401 of the Internal Revenue Code, as amended.
- (n) **RC.** The International City Management Association Retirement Corporation.

(o) **Retirement Trust.** The Trust created by this Declaration of Trust.

(p) **Trust Property.** The amounts held in the Retirement Trust on behalf of the Public Employers in connection with Deferred Compensation Plans and on behalf of the Public Employer Trustees for the exclusive benefit of Employees pursuant to Qualified Plans. The Trust Property shall include any income resulting from the investment of the amounts so held.

(q) **Trustees.** The Public Employee Trustees and ICMA/RC Trustees elected by the Public Employers to serve as members of the Board of Trustees of the Retirement Trust.

ARTICLE II. CREATION AND PURPOSE OF THE TRUST; OWNERSHIP OF TRUST PROPERTY

Section 2.1 Creation: The Retirement Trust is created and established by the execution of this Declaration of Trust by the Trustees and the Public Employers.

Section 2.2 Purpose: The purpose of the Retirement Trust is to provide for the commingled investment of funds held by the Public Employers in connection with their Deferred Compensation and Qualified Plans. The Trust Property shall be invested in the Portfolios, in Guaranteed Investment Contracts, and in other investments recommended by the Investment Adviser under the supervision of the Board of Trustees. No part of the Trust Property will be invested in securities issued by Public Employers.

Section 2.3 Ownership of Trust Property: The Trustees shall have legal title to the Trust Property. The Public Employers shall be the beneficial owners of the portion of the Trust Property allocable to the Deferred Compensation Plans. The portion of the Trust Property allocable to the Qualified Plans shall be held for the Public Employer Trustees for the exclusive benefit of the Employees.

ARTICLE III. TRUSTEES

Section 3.1 Number and Qualification of Trustees.

(a) The Board of Trustees shall consist of nine Trustees. Five of the Trustees shall be full-time employees of a Public Employer (the Public Employee Trustees) who are authorized by such Public Employer to serve as Trustee. The remaining four Trustees shall consist of two persons who, at the time of election to the Board of Trustees, are members of the Board of Directors of ICMA and two persons who, at the time of election, are members of the Board of Directors of RC (the ICMA/RC Trustees). One of the Trustees who is a director of ICMA, and one of the Trustees who is a director of RC, shall, at the time of election, be full-time employees of a Public Employer.

(b) No person may serve as a Trustee for more than one term in any ten-year period.

Section 3.2 Election and Term.

(a) Except for the Trustees appointed to fill vacancies pursuant to Section 3.5 hereof, the Trustees shall be elected by a vote of a majority of the Public Employers in accordance with the procedures set forth in the By-Laws.

(b) At the first election of Trustees, three Trustees shall be elected for a term of three years, three Trustees shall be elected for a term of two years and three Trustees shall be elected for a term of one year. At each subsequent election, three Trustees shall be elected for a term of three years and until his or her successor is elected and qualified.

Section 3.3 Nominations: The Trustees who are full-time employees of Public Employers shall serve as the Nominating Committee for the Public Employee Trustees. The Nominating Committee shall choose candidates for Public Employee Trustees in accordance with the procedures set forth in the By-Laws.

Section 3.4 Resignation and Removal.

(a) Any Trustee may resign as Trustee (without need for prior or subsequent accounting) by an instrument in writing signed by the Trustee and delivered to the other Trustees and such resignation shall be effective upon such delivery, at a later date according to the terms of the instrument. Any of the Trustees may be removed for cause, by a vote of a majority of the Public Employers.

(b) Each Public Employee Trustee shall resign his or her position as Trustee within sixty days of the date on which he or she ceases to be a full-time employee of a Public Employer.

Section 3.5 Vacancies: The term of office of a Trustee shall terminate and a vacancy shall occur in the event of the death, resignation, removal, adjudicated incompetence or other incapacity to perform the duties of the office of a Trustee. In the case of a vacancy, the remaining Trustees shall appoint such person as they in their discretion shall see fit (subject to the limitations set forth in this Section), to serve for the unexpired portion of the term of the Trustee who has resigned or otherwise ceased to be a Trustee. The appointment shall be made by a written instrument signed by a majority of the Trustees. The person appointed must be the same type of Trustee (i.e., Public Employee Trustee or ICMA/RC Trustee) as the person who has ceased to be a Trustee. An appointment of a Trustee may be made in anticipation of a vacancy to occur at a later date by reason of retirement or resignation, provided that such appointment shall not become effective prior to such retirement or resignation. Whenever a vacancy in the number of Trustees shall occur, until such vacancy is filled as provided in this Section 3.5, the Trustees in office, regardless of their number, shall have all the powers granted to the Trustees and shall discharge all the duties imposed upon the Trustees by this Declaration. A written instrument certifying the existence of such vacancy signed by a majority of the Trustees shall be conclusive evidence of the existence of such vacancy.

Section 3.6 Trustees Serve in Representative Capacity: By executing this Declaration, each Public Employer agrees that the Public Employee Trustees elected by the Public Employers are authorized to act as agents and representatives of the Public Employers collectively.

ARTICLE IV. POWERS OF TRUSTEES

Section 4.1 General Powers: The Trustees shall have the power to conduct the business of the Trust and to carry on its operations. Such power shall include, but shall not be limited to, the power to:

- (a) receive the Trust Property from the Public Employers, Public Employer Trustees or other Trustee of any Employer Trust;
- (b) enter into a contract with an Investment Adviser providing, among other things, for the establishment and operation of the Portfolios, selection of the Guaranteed Investment Contracts in which the Trust Property may be invested, selection of other investments for the Trust Property and the payment of reasonable fees to the Investment Adviser and to any sub-investment adviser retained by the Investment Adviser;
- (c) review annually the performance of the Investment Adviser and approve annually the contract with such Investment Adviser;
- (d) invest and reinvest the Trust Property in the Portfolios, the Guaranteed Interest Contracts and in any other investment recommended by the Investment Adviser, not including securities issued by Public Employers, provided that if a Public Employer has directed that its monies be invested in specified Portfolios or a Guaranteed Investment Contract, the Trustees of the Retirement Trust shall invest such monies in accordance with such directions;
- (e) keep such portion of the Trust Property in cash or cash balances as the Trustees, from time to time, may deem to be in the best interest of the Retirement Trust created hereby, without liability for interest thereon;

(f) accept and retain for such time as they may deem advisable any securities or other property received or acquired by them as Trustees hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(g) cause any securities or other property held as part of the Trust Property to be registered in the name of the Retirement Trust or in the name of a nominee, and to hold any investments in bearer form, but the books and records of the Trustees shall at all times show that all such investments are a part of the Trust Property;

(h) make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(i) vote upon any stock, bonds, or other securities; give general or special proxies or powers of attorney with or without power of substitution; exercise any conversion privileges, subscription rights, or other options, and make any payments incidental thereto; oppose, or consent to, or otherwise participate in, corporate reorganizations or other changes effecting corporate securities, and delegate discretionary powers, and pay any assessments or charges in connection therewith; and generally exercise any of the powers of an owner with respect to stocks, bonds, securities or other property held as part of the Trust Property;

(j) enter into contracts or arrangements for goods or services required in connection with the operation of the Retirement Trust, including, but not limited to, contracts with custodians and contracts for the provision of administrative services;

(k) borrow or raise money for the purposes of the Retirement Trust in such amount, and upon such terms and conditions, as the Trustees shall deem advisable, provided that the aggregate amount of such borrowings shall not exceed 30% of the value of the Trust Property. No person lending money to the Trustees shall be bound to see the application of the money lent or to inquire into its validity, expediency or propriety of any such borrowing;

(l) incur reasonable expenses as required for the operation of the Retirement Trust and deduct such expenses from the Trust Property;

(m) pay expenses properly allocable to the Trust Property incurred in connection with the Deferred Compensation Plans, Qualified Plans, or the Employer Trusts and deduct such expenses from that portion of the Trust Property to whom such expenses are properly allocable;

(n) pay out of the Trust Property all real and personal property taxes, income taxes and other taxes of any and all kinds which, in the opinion of the Trustees, are properly levied, or assessed under existing or future laws upon, or in respect of, the Trust Property and allocate any such taxes to the appropriate accounts;

(o) adopt, amend and repeal the By-Laws, provided that such By-Laws are at all times consistent with the terms of this Declaration of Trust;

(p) employ persons to make available interests in the Retirement Trust to employers eligible to maintain a Deferred Compensation Plan under Section 457 or a Qualified Plan under Section 401 of the Internal Revenue Code, as amended;

(q) issue the Annual Report of the Retirement Trust, and the disclosure documents and other literature used by the Retirement Trust;

(r) make loans, including the purchase of debt obligations, provided that all such loans shall bear interest at the current market rate;

(s) contract for, and delegate any powers granted hereunder to, such officers, agents, employees, auditors and attorneys as the Trustees may select, provided that the Trustees may not delegate the powers set forth in paragraphs (b), (c) and (o) of this Section 4.1 and may not delegate any powers if such delegation would violate their fiduciary duties;

(t) provide for the indemnification of the officers and Trustees of the Retirement Trust and purchase fiduciary insurance;

(u) maintain books and records, including separate accounts for each Public Employer, Public Employer Trustee or Employer Trust and such additional separate accounts as are required under, and consistent with, the Deferred Compensation or Qualified Plan of each Public Employer; and

(v) do all such acts, take all such proceedings, and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustees may deem necessary or appropriate to administer the Trust Property and to carry out the purposes of the Retirement Trust.

Section 4.2 Distribution of Trust Property: Distributions of the trust property shall be made to, or on behalf of, the Public Employer or Public Employer Trustee, in accordance with the terms of the Deferred Compensation Plans, Qualified Plans or Employer Trusts. The Trustees of the Retirement Trust shall be fully protected in making payments in accordance with the directions of the Public Employers, Public Employer Trustees or other Trustee of the Employer Trusts without ascertaining whether such payments are in compliance with the provisions of the Deferred Compensation or Qualified Plans, or the agreements creating the Employer Trusts.

Section 4.3 Execution of Instruments: The Trustees may unanimously designate any one or more of the Trustees to execute any instrument or document on behalf of all, including but not limited to the signing or endorsement of any check and the signing of any applications, insurance and other contracts, and the action of such designated Trustee or Trustees shall have the force and effect as if taken by all the Trustees.

ARTICLE V. DUTY OF CARE AND LIABILITY OF TRUSTEES

Section 5.1 Duty of Care: In exercising the powers hereinbefore granted to the Trustees, the Trustees shall perform all acts within their authority for the exclusive purpose of providing benefits for the Public Employers in connection with Deferred Compensation Plans and Public Employer Trustees pursuant to Qualified Plans, and shall perform such acts with the care, skill, prudence and diligence in the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Section 5.2 Liability: The Trustees shall not be liable for any mistake of judgment or other action taken in good faith, and for any action taken or omitted in reliance in good faith upon the books of account or other records of the Retirement Trust, upon the opinion of counsel, or upon reports made to the Retirement Trust by any of its officers, employees or agents or by the Investment Adviser or any sub-investment adviser, accountants, appraisers or other experts or consultants selected with reasonable care by the Trustees, officers or employees of the Retirement Trust. The Trustees shall also not be liable for any loss sustained by the Trust Property by reason of any investment made in good faith and in accordance with the standard of care set forth in Section 5.1.

Section 5.3 Bond: No Trustee shall be obligated to give any bond or other security for the performance of any of his or her duties hereunder.

ARTICLE VI. ANNUAL REPORT TO EMPLOYERS

The Trustees shall annually submit to the Public Employers and Public Employer Trustees a written report of the transactions of the Retirement Trust, including financial statements which shall be certified by independent public accountants chosen by the Trustees.

ARTICLE VII. DURATION OR AMENDMENT OF RETIREMENT TRUST

Section 7.1 Withdrawal: A Public Employer or Public Employer Trustee may, at any time, withdraw from this Retirement Trust by delivering to the Board of Trustees a written statement of withdrawal. In such statement, the Public Employer or Public Employer Trustee shall acknowledge that the Trust Property allocable to the Public Employer is derived from compensation deferred by employees of such Public Employer pursuant to its Deferred Compensation Plan or from contributions to the accounts of Employees pursuant to a Qualified Plan, and shall designate the financial institution to which such property shall be transferred by the Trustees of the Retirement Trust or by the Trustee of the Employer Trust.

Section 7.2 Duration: The Retirement Trust shall continue until terminated by the vote of a majority of the Public Employers, each casting one vote. Upon termination, all of the Trust Property shall be paid out to the Public Employers, Public Employer Trustees or the Trustees of the Employer Trusts, as appropriate.

Section 7.3 Amendment: The Retirement Trust may be amended by the vote of a majority of the Public Employers, each casting one vote.

Section 7.4 Procedure: A resolution to terminate or amend the Retirement Trust or to remove a Trustee shall be submitted to a vote of the Public Employers if: (i) a majority of the Trustees so direct, or; (ii) a petition requesting a vote, signed by not less than 25% of the Public Employers, is submitted to the Trustees.

ARTICLE VIII. MISCELLANEOUS

Section 8.1 Governing Law: Except as otherwise required by state or local law, this Declaration of Trust and the Retirement Trust hereby created shall be construed and regulated by the laws of the District of Columbia.

Section 8.2 Counterparts: This Declaration may be executed by the Public Employers and Trustees in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.