

RESOLUTION NO. R-2886

A RESOLUTION OF THE KIRKLAND CITY COUNCIL RELATING TO THE CITY OF KIRKLAND MUNICIPAL EMPLOYEES BENEFIT TRUST (MEBT) APPROVING A CHANGE IN THE ALLOCATION OF THE EMPLOYER CONTRIBUTION TO COVER ADMINISTRATIVE EXPENSES AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE NECESSARY AMENDATORY DOCUMENTS.

Whereas, the City of Kirkland and its employees are not participants in the Federal Old Age Survivors Disability and Health Insurance Act (Social Security); and

Whereas, the City has heretofore established a Municipal Employees Benefit Plan (MEBT) wherein each participating employee and the City as employer, contribute amounts equal to the amounts that would have been contributed to social security; and

Whereas, pursuant to said Employees Benefit Plan, 40 percent of the employer's contribution is allocated to be used for payment of administrative expenses incurred in administering said benefit plan; and

Whereas, the City Council finds that said allocation is more than necessary to adequately cover all such expenses and that the amount of such allocation should be reduced to 25 percent, now, therefore

Be it Resolved by the City Council of the City of Kirkland as follows:

Section 1. The City council hereby approves an amendment to the City of Kirkland Employees Benefit Plan, heretofore entered into between the City of Kirkland as employer and Peoples National Bank of Washington as plan trustee. Said amendment to amend Section 6.03 of said plan to read as follows:

6.03 Contributions made by the Employer shall be utilized as follows:

(a) An amount equal to [~~sixty~~] seventy-five percent [~~{60%}~~] (75%) of the then current employee's tax under the Federal Insurance Contributions Act applicable to each participating employee shall be allocated to the separate retirement account of each employee contributing on his own behalf in accordance with Article V, Section 5.01, hereof.

(b) From the remaining funds, the Trustee shall pay any reasonable, authorized expenses of the Plan and the Plan's share of the Trust expenses including



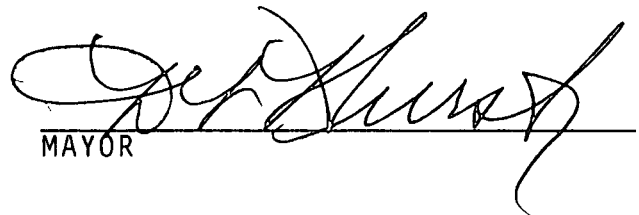
payment of insurance premiums, professional fees, administrative expenses, or such other expenses authorized by the Plan Committee.

(c) Any remaining funds shall be held and managed by the Trustee in a separate Employer's contingency reserve account. This account shall be a reserve against unfavorable benefit experience and shall be held for the benefit of participating employees and their beneficiaries. Should the account accumulate funds which exceed a reasonable, actuarially sound, experience contingency reserve, the Plan Committee may, not more frequently than annually, direct the Trustee to distribute the unrequired surplus to the retirement accounts of every participant. Each participant's share of such a distribution shall be in the same proportion to the total distribution as his own accumulated employer contributions are to the total accumulated contributions of all then current participants. Additionally, in lieu of distribution of such unrequired surplus to the retirement accounts of participants, the Plan Committee may elect to utilize such surplus to provide additional coverage and benefits for the participants as may be determined in the sole discretion of the Committee to be necessary or desirable.


Section 2. The City Manager is hereby authorized and directed to sign on behalf of the City of Kirkland, any and all amendatory documents which may be necessary to amend the City of Kirkland Employees' Benefit Plan Agreement in the manner set forth herein.

Passed by majority vote of the Kirkland City Council in regular, open meeting on the 21st day of December, 1981.

Signed in authentication thereof on the 21st day of December, 1981.


MAYOR

ATTEST:


Director of Administration & Finance
(ex officio City Clerk)

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First Amendment to the City of Kirkland
Employees' Benefit Plan

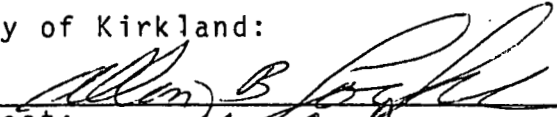
This amendment to the City of Kirkland Employees' Benefit Plan effective January 1, 1977 is being entered into by and between the City of Kirkland, Washington, a Washington municipal corporation, herein called "Employer", and Peoples National Bank of Washington, a National Banking Association, hereinafter called the "Trustee".

It is agreed that Section 6.03(a) of said plan is amended, effective January 1, 1981 as follows:

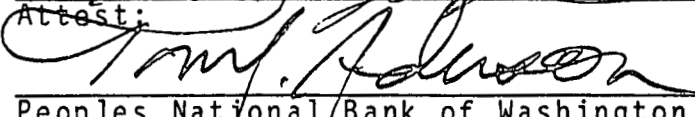
An amount equal to seventy-five percent (75%) of the then current employees' tax under the Federal Insurance Contributions Act applicable to each participating employee shall be allocated to the separate retirement account of each employee contributing on his own behalf in accordance with Article V, Section 5.01, hereof.

IN WITNESS WHEREOF, the Employer and the Trustee have caused this Amendment to be executed by their duly authorized representative, the day and year first above written.

City of Kirkland:



Attest:



Peoples National Bank of Washington, Trustee:

Trustee:

Trust Officer:

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