Consent Agenda #32

CITY COUNCIL
CITY OF CAMBRIDGE

August 4, 1997

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1997

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1997-98 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARY $ WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Finance		$15,000			$15,000.00

BE IT FURTHER ORDERED: That the above acceptance and appropriation in the General Fund be financed by estimated revenues drawn from the following sources:

FINANCING PLAN	REVENUE
Property taxes	$15,000.00

In City Council August 4, 1997.
Adopted by a yea and nay vote.
Yeas 9; Nays 0; Absent 0.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:- D. Margaret Drury

D. Margaret Drury, City Clerk

32.

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139
TEL. 349-4300
FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

August 4, 1997

To The Honorable City Council,

Recommendation

Appropriate $15,000 to the Finance Department Other Ordinary Maintenance Account to engage a consultant to review the administration of the Deferred Compensation plan offered to the City employees. The appropriation will be funded from property taxes.

Background

Since 1976, the City of Cambridge acting under Federal Law has allowed employees to enroll in deferred compensation plans. Currently just under 1,000 current and past employees have over $20,000,000 invested with three carriers; Aetna, Prudential and Security First. Each of these carriers employ companies to administer the accounts of enrollees. The City was recently informed that the company that administers plans for Prudential had merged with a new company. Because of the time constraints involved, the City is entering into a contract with the new company to administer Prudential plans. They are an experienced plan administration company that operates nationally. However, this seems to be an appropriate time to engage an outside consultant group to review the administration of all three plans. In addition to the change in the administration, significant changes in public sector deferred comp plans were recently enacted by Congress and take effect in tax year 1998. It is in the interest of our employees that the City be confident that all of our deferred compensation carriers and their plan administrators adjust to the new Federal Regulations. Approval of this appropriation is strongly recommended.

Very truly yours,

Robert W. Healy
City Manager

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Consent Agenda #32

Relative to an order requesting the appropriation of $15,000 to engage a consultant to review the administration of the Deferred Compensation plan offered to City employees.

In City Council August 4, 1997

ORDER ADOPTED

9-0-0