

BOROUGH OF RED BANK

RESOLUTION NO. 15-200

**RESOLUTION AUTHORIZING THE EXECUTION OF A SERVICE AGREEMENT WITH AXA
EQUITABLE LIFE INSURANCE COMPANY TO PROVIDE ADMINISTRATIVE AND
INVESTMENT SERVICES UNDER A DEFERRED COMPENSATION PLAN**

Councilman DuPont offered the following resolution and moved its adoption:

WHEREAS, in order to attract and retain qualified employees there exists a need to adopt and implement a DEFERRED COMPENSATION PLAN for the employees of the Borough of Red Bank (hereinafter referred to as "Employer"), which will provide employees the opportunity to enhance their financial security at retirement through savings of compensation on a tax-deferred basis as provided by Section 457 of the Internal Revenue Code of 1986, as amended ("Code"); and

WHEREAS, in 2005 the Borough of Red Bank adopted a deferred compensation plan provided by VALIC and assigned Plan Document identified 55-PD-VALIC-110305 by the Director of the Division of Local Government Services; and

WHEREAS, the offering of additional investments from another contractor will provide additional retirement investment options to participating employees; and

WHEREAS, there is no direct financial cost to the Employer to adopt and implement an additional employee deferred compensation plan; and

WHEREAS, the Employer solicited written proposals from two or more approved contractors for a Deferred Compensation Plan, including AXA Equitable Life Insurance Company (hereinafter referred to as "AXA Equitable), and Metlife, for the administration of the investments of funds under a DEFERRED COMPENSATION PLAN including providing Prototypical Plans and Service Agreements that meet the requirements of the Municipal, County and Authority Deferred Compensation Programs Rule N.J.A.C. 5:37; and

WHEREAS, the following contractors submitted written proposals:

AXA Equitable and Metlife, and

WHEREAS, the Borough of Red Bank reviewed the proposals and met with representatives of the responding contractors of deferred compensation services; and

WHEREAS, it was determined that AXA Equitable has the ability to: (1) maintain complete records of accounts; (2) manage accounts with absolute fidelity; (3) provide advice concerning various categories of investments; and (4) provide continuing consultation to participants.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Red Bank that the Borough Administrator is hereby authorized to execute the Service Agreement with AXA Equitable for the provisions of administrative and investment services.

BE IT FURTHER RESOLVED that the Chief Financial Officer is hereby designated as Local Plan Administrator for the administration of the deferred compensation plan.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Red Bank, that

- (a) effective as of the date of this resolution the DEFERRED COMPENSATION PLAN provided by AXA Equitable and assigned the plan identifier: 66-PD-Equitable-053107 by the New Jersey Division of Local Government Services, is hereby adopted and signed by the Employer.

It is hereby acknowledge that the said DEFERRED COMPENSATION PLAN is substantially similar to one on which a favorable Private Letter Ruling has been previously obtained from the federal Internal Revenue Service except for provisions added by reason of The Small Business Job Protection Act of 1996 (United States Public Law No. 104-188), the Tax payer Relief Act of 2001 (United States Public Law No. 105-

34), and the Economic Growth and Tax Relief Reconciliation Act of 2001 (United States Public Law No. 107-16), and all such provisions are stated in the plan in terms substantially similar to the text of those provisions in the Code Section 457 including pertinent applicable Treasury Regulations. The use of the Ruling is for guidance only and acknowledges that for Internal Revenue Service purposes, the Ruling of another employer is not be considered precedent.

- (b) the Borough Administrator is authorized to execute the Service Agreement (bearing the identifier: 66-SA-Equitable-053107 assigned by the New Jersey Division of Local Government) with AXA Equitable for the provision of administrative and investment services. There has been no collusion, or evidence or appearance of collusion, between any local official and a representative of AXA Equitable in the selection of AXA Equitable as contractor for the administration of the Service Agreement pursuant to N.J.A.C. Section 5:37-5.
- (c) the Chief Financial Officer is hereby designated as Local Plan Administrator for the administration of the DEFERRED COMPENSATION PLAN.

The undersigned hereby certifies that this is a true copy of a resolution duly passed by the Mayor and Council of the Borough of Red Bank at a meeting held on August 12, 2015 and a certified copy of this resolution and all necessary required documents shall be submitted to the Director of the Division of Local Government Services within the State Department of Community Affairs for approval.

Seconded by Councilwoman Horgan and adopted on roll call by the following vote:

	Yes	No	Abstain	Absent
Vacant	()	()	()	()
Councilwoman Burnham	(x)	()	()	()
Councilwoman Horgan	(x)	()	()	()
Councilwoman Schwabenbauer	(x)	()	()	()
Councilman Zipprich	(x)	()	()	()
Councilman DuPont	(x)	()	()	()

Dated: August 12, 2015

I hereby certify the above to be a true copy of a resolution adopted by the Council of the Borough of Red Bank, in the County of Monmouth, at a meeting held on August 12, 2015.

Pamela Borghi, Municipal Clerk