

Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.



AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Council Chambers, 305 West Third Street
June 22, 2021
Regular Meeting - 5:00 to 6:30 PM
(TEMPORARY MEETING TIME CHANGE)

This meeting is held pursuant to the State Emergency Services Act, the Governor's Emergency Declaration, and Governor's Executive Order N-29-20 to allow members of the City Council or staff to participate via teleconference.

As a precautionary measure to help slow the spread of COVID-19, the City Council facilities are temporarily closed to the public. The public is encouraged to view the meeting from home on the City's website at Oxnard.org/city-meetings, Spectrum channel 10, Frontier channel 35, or YouTube at [Youtube.com/oxnardnews](https://www.youtube.com/oxnardnews). Video recordings are typically available online immediately following the meeting. *Please see the link for the Measure M pre-recorded presentation video for each agenda item below.

The public may provide comments to the City Council via email at cityclerk@oxnard.org no later than [2:00 p.m.](#) on the day of the meeting. Please identify the committee name, meeting date, and agenda item in the email Subject line.

A telephone option for public comments is also available at this time. Requests to speak must be submitted no later than [2:00 p.m.](#) on the day of the meeting. Use the form on the city's website to submit your request: Oxnard.org/city-meetings, or call the City Clerk's Office at (805) 385-7803, or email your request to cityclerk@oxnard.org.

*The City has filed pre-election and post-election lawsuits regarding the validity of Measure M. The judge has not yet ruled on the legal sufficiency of Measure M.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of thirty minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. If the allotted 30 minute time period expires before all speakers have had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

C. CONSENT AGENDA

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item time estimates: (Presentation / Committee Discussion / Public Comment)

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the March 23, 2021 regular meeting as presented.

Contact: Rose Chaparro, (805) 385-7805

D. REPORTS

1. Human Resources Department

SUBJECT: Termination of City of Oxnard City Corps Social Security Replacement Plan.

RECOMMENDATION: That the Finance and Governance Committee recommend that the City Council adopt a resolution terminating the already-frozen City of Oxnard City Corps Social Security Replacement Plan, authorizing distribution of all benefits under the plan following such termination, and delegating authority to take all necessary and appropriate actions to effectuate the plan's termination.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/z4KCddsgccM>

Contact: Steve Naveau, (805) 385-7947

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

MINUTES
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
MARCH 23, 2021

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 5:01 p.m., Chair Zaragoza called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Chair John Zaragoza was present in person and Members Gabriela Basua and Gabe Teran were present via videoconference.

Staff members present were Stephen M. Fischer, City Attorney; Shiri Klima, Deputy City Manager; and Rose Chaparro, City Clerk. Staff members that participated via videoconference were Alexander Nguyen, City Manager; Jason Benites, Police Chief; Craig Beck, Public Works Director; Steve Howlett, Assistant Public Works Director; Steve Naveau, Human Resources Director; Raja Bamrungpong, IT Director; and Gary Krumian, IT Business Analyst.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Douglas D. Partello and Lawrence Stein.

C. CITY CLERK DEPARTMENT

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the January 12, 2021 regular meeting as presented.

It was moved by Member Basua, seconded by Member Teran, to approve the Information/Consent items as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion carried 3-0.

D. REPORTS

1. Public Works Department

SUBJECT: Request of Mayor Zaragoza: Appropriation of Funds for Park Maintenance.

RECOMMENDATION: That the Finance and Governance Committee recommend that the City Council consider the request of Mayor Zaragoza to appropriate funds for park maintenance in the amount of \$300,000 from the available fund balance in the General Fund.

Steve Howlett, Assistant Public Works Director was available to answer the Committee's questions. Public comments were received from Manuel Herrera, Daniel Chavez, Jaclyn Munoz, Jacob J., Douglas Partello, Armando Delgado, Fernando Lopez, Raymond Escudero, Roger Poirier, and Marvin Boos. Discussion ensued among the Committee and staff.

It was moved by Member Zaragoza, seconded by Member Teran, to approve the recommended action as presented. VOTE: Teran, Basua, and Zaragoza voted in favor; the motion carried 3-0.

2. Information Technology Department

SUBJECT: Renewal of Tyler/New World 911 System.

RECOMMENDATION: That the Finance and Governance Committee recommend that the City Council approve and authorize the Mayor to execute a Sixth Amendment to Agreement No. 5463-11-PD with Tyler Technologies through June 30, 2026, increasing the agreement amount from \$7.5 million to \$9.7 million (\$2.2 million increase over 5 years) for the renewal of public safety calls dispatch software licenses and services.

Jason Benites, Chief of Police; Shiri Klima, Deputy City Manager; Raja Bamrungpong, IT Director; and Gary Krumian, IT Business Analyst were available to answer the Committee's questions. No public comment was heard. Discussion ensued among the Committee and staff.

It was moved by Member Basua, seconded by Member Teran, to approve the recommended action as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion carried 3-0.

E. ITEMS FOR FUTURE AGENDAS

Councilmember Teran asked for an administrative placement of a national emergency ceremonial item, the Acts of Hate Crimes Against members of the Asian American and Pacific Islander Communities, to be added to the next Council meeting agenda.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Zaragoza adjourned the meeting at 5:56 p.m.

ROSE CHAPARRO
City Clerk

JOHN C. ZARAGOZA
Chair



**FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT
REPORTS
AGENDA ITEM NO. D.1**

DATE: June 22, 2021

TO: Finance & Governance Committee

FROM: Steve Naveau, Human Resources Director, (805) 385-7947, steve.naveau@oxnard.org

SUBJECT: Termination of City of Oxnard City Corps Social Security Replacement Plan.

RECOMMENDATION

That the Finance and Governance Committee recommend that the City Council adopt a resolution terminating the already-frozen City of Oxnard City Corps Social Security Replacement Plan, authorizing distribution of all benefits under the plan following such termination, and delegating authority to take all necessary and appropriate actions to effectuate the plan's termination.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/z4KCddsgccM>

BACKGROUND

The matter at hand involves the distribution of refunds and benefits to eligible City Corps employees ("Employees") who were participants in a City of Oxnard City Corps Social Security Replacement Plan ("Frozen Plan"), which was a 457(b) Plan established by the City on January 1, 1992.

The issue of the Frozen Plan was first discovered during the organizational assessment conducted in 2015. A presentation of the issues was first provided to the Finance and Governance Committee on April 9, 2019. Since that presentation, it has taken considerable time to develop a strategy to close the Frozen Plan and transfer the proceeds to eligible Employees. This has been due to the unavailability of records, Payroll staff turnover, and slow development of the approach to close the Frozen Plan, which involved outside attorneys, financial actuaries, and retirement plan advisors.

DISCUSSION

The City maintains the Frozen Plan, a retirement plan that provides tax-deferred benefits to the Employees. Under federal tax law, compensation paid to City Corps employees is exempt from Social Security taxes for any period during which the employee is covered by a retirement plan that satisfies certain requirements to be a Social Security Replacement Plan. The Frozen Plan served as the Social Security Replacement Plan for the Employees from 1992 through 2011.

From 2012 to 2015, the City paid Social Security taxes on the Employees' compensation, thereby eliminating the need for coverage under the Frozen Plan for that period of time. Effective January 1, 2015, the City adopted

a new retirement plan that has since served as the Social Security Replacement Plan for the Employees (the “Updated Replacement Plan”). This Updated Replacement Plan, which effectively replaced the Frozen Plan as of 2015, is currently administered by VOYA Financial.

For these reasons, the Frozen Plan ceased being utilized as of December 31, 2011 (“Inactive Date”). Since the Inactive Date, no participant has earned benefits under the Frozen Plan, nor have any new participants been added to the Frozen Plan. However, there are Employees that are entitled to reimbursements under the Frozen Plan for benefits earned before 2012.

Over the past year, City staff has consulted with Pillsbury Winthrop Shaw Pittman LLP (“Pillsbury”) to obtain legal guidance concerning the Frozen Plan. Pillsbury has recommended that the City terminate the Frozen Plan and distribute the accrued benefits to the Employees for two reasons. First, since the Inactive Date, the Frozen Plan has not served any relevant purpose. As mentioned previously, since January 1, 2015, the Updated Replacement Plan has served as the Social Security Replacement Plan for the Employees. Second, the City bears the expenses associated with the ongoing maintenance of the Frozen Plan. Once the Frozen Plan is terminated, the City will no longer incur these costs.

There are three groups of the Employees that are entitled to refunds or benefits from the Frozen Plan, as follows:

Eligible City Corps Employees	Amounts Owed by City
Group 1	Entitled to refunds of 2% contributions made to the Frozen Plan for 1992–2011 PERS-covered City employment
Group 2	Entitled to refunds of 2% contributions made to the Frozen Plan for 2012–2015 City employment covered by Social Security taxes
Group 3	Entitled to benefits for eligible 1992–2011 City employment covered by the Frozen Plan

The total refunds and benefits projected to be accrued for these Employees as of June 30, 2021, is as follows:

Group 1:	\$ 96,212
Group 2:	211,102
Group 3:	263,842
Total	\$571,156

These amounts are subject to change as interest accrues until disbursement.

The refunds to the Employees in Group 1 will be distributed as taxable payments, while Employees in Groups 2 and 3 will have the option to either choose to take the payments as taxable distributions or as a pre-tax rollover to an IRA. This option will not impact the cost to the City.

Staff recommends that City Council adopt the attached resolution, which accomplishes the following:

1. Terminates the Frozen Plan,
2. Authorizes distribution of all benefits and refunds owed under the Frozen Plan as soon as administratively practicable after the Frozen Plan’s termination, and

3. Delegates to the City Manager the authority to take all appropriate and necessary actions to effectuate the Frozen Plan's termination in accordance with applicable law.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There is no budgetary impact from the adoption of this resolution terminating the Frozen Plan. The total amount due to City Corps employees is already recorded as a liability in the General Fund in City Account No. 101-0000-201-3900.

Prepared by: Mike More, Human Resources Manager

ATTACHMENTS

1. Attachment No 1 - City Council Resolution - City Corps 457(b) Plan Termination rev6-15-21
2. Attachment No 2 - FGC Presentation City Corps 6-22-21

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
AMENDING AND TERMINATING THE CITY OF OXNARD TEMPORARY
EMPLOYEE PLAN AND AUTHORIZING CERTAIN ACTIONS IN
CONNECTION THEREWITH**

WHEREAS, the City of Oxnard ("City") maintains the City of Oxnard City Corps Social Security Replacement Plan, formally named the City of Oxnard Temporary Employee Plan and originally effective January 1, 1992 ("Frozen Plan"), a retirement plan intended to qualify for tax-favored treatment, for the benefit of eligible City Corps employees; and

WHEREAS, the Frozen Plan served as a Social Security replacement plan, such that City compensation paid to City Corps employees was exempt from Social Security taxes during any period those employees were earning benefits under the Frozen Plan; and

WHEREAS, no contributions have been made to, and no individual has become a participant in, the Frozen Plan since December 31, 2011, and the City has adopted a different retirement plan to serve as the Social Security replacement plan for eligible City Corps employees; and

WHEREAS, the City retains the right to amend or terminate the Frozen Plan at any time and for any reason; and

WHEREAS, the Finance and Governance Committee has recommended that the City Council take the following actions with respect to the Frozen Plan: (i) terminate the Frozen Plan; (ii) distribute to the appropriate participants and beneficiaries all remaining refunds and benefits owed under the Frozen Plan as soon as administratively practicable after the termination date; and (iii) delegate to the City Manager the authority to take all appropriate and necessary actions to effectuate the plan's termination in accordance with applicable law.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES HEREBY RESOLVE AS FOLLOWS:

1. The above recitals are true and correct.
2. The Frozen Plan is hereby terminated, effective the date that this resolution is adopted (the "Termination Date").
3. As soon as administratively practicable after the Termination Date, all refunds and benefits under the Frozen Plan will be distributed to the proper participants and beneficiaries.
4. The City Manager is hereby authorized and directed to take any and all other necessary and appropriate actions to effectuate the Plan's termination, including but not limited to prepare, execute and deliver all documents (including additional amendments to the Frozen Plan) on behalf of the City as the City Manager deems necessary or appropriate to effectuate the purposes

and intent of the foregoing resolutions, and to engage any vendors to facilitate the Frozen Plan's termination, and any such actions heretofore taken are hereby approved, ratified, and confirmed.

PASSED AND ADOPTED THIS ____ day of _____ 2021, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

John C. Zaragoza, Mayor

ATTEST:

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney

TERMINATION OF CITY OF OXNARD CITY CORPS SOCIAL SECURITY REPLACEMENT PLAN

Presented to the Finance and Governance Committee

Mike More, Human Resources Manager

June 22, 2021

BACKGROUND

- This issue concerns the distribution of refunds/benefits from a 457(b) retirement plan to City Corps employees (“Frozen Plan”)
 - Frozen Plan was established January 1, 1992
- First discovered as a concern during 2015 organizational assessment
- Initially presented to Finance & Governance Committee on April 9, 2019

CITY CORPS SOCIAL SECURITY REPLACEMENT PLAN (“FROZEN PLAN”)

- 457(b) plan that provides tax-deferred benefits to eligible City Corps Employees
- Established effective January 1, 1992
- City Corps Employees covered under various retirement plans during the following 3 timeframes:
 - 1/1992 – 12/2011: Frozen Plan
 - 1/2012 – 12/2014: Social Security
 - 1/2015 – Present: Updated Replacement Plan (through VOYA)
- Since the Frozen Plan stopped being utilized December 31, 2011:
 - No employee has earned new benefits
 - No new participants have been added
 - It can be terminated and benefits/refunds can be disbursed

PLAN OF ACTION

- Terminate the Frozen Plan via the attached resolution
- Distribute assets of the Frozen Plan to City Corps Employees based upon the following categories:

Current and Former City Corps Employees		Amounts Owed by City
Group 1	Entitled to refunds of 2% contributions made to the Frozen Plan for 1992–2011 PERS-covered City employment	
Group 2	Entitled to refunds of 2% contributions made to the Frozen Plan for 2012–2015 City employment covered by Social Security taxes	
Group 3	Entitled to benefits for eligible 1992–2011 City employment covered by the Frozen Plan	

- Current/Former City Corps Employees will receive refunds totaling \$571,156* as of 6/30/21 as follows:
 - Group 1: 393 employees, \$96,212* (taxable)
 - Group 2: 336 employees, \$211,102* (rollover to IRA or taxable)
 - Group 3: 132 employees, \$263,842* (rollover to IRA or taxable)

* Subject to change as interest accrues until disbursement

RECOMMENDATION

That the Finance and Governance Committee recommend that the City Council adopt a resolution that accomplishes the following:

1. Terminates the Frozen Plan,
2. Authorizes distribution of all benefits owed under the Frozen Plan as soon as administratively practicable after the plan's termination, and
3. Delegates to the City Manager the authority to take all appropriate and necessary actions to effectuate the plan's termination in accordance with applicable law.



QUESTIONS?