

APRIL 1, 1996 10:00 A.M.

MEETING WITH AMSOUTH OFFICIALS  
AND MARTIN PIERCE, ATTORNEY AT  
LAW HIRED BY AMSOUTH TO AMEND  
THE CITY'S CURRENT EMPLOYEE  
PENSION PLAN  
CITY COUNCIL CHAMBERS  
226 SOUTH WALL STREET

PRESENT: WILLIAM P. BAILEY, CITY ATTORNEY  
JOHN D. MEADOWS, III, MAYOR  
CATHY HARRISON, CITY ADMINISTRATOR

1. Items discussed regarding the plan were as follows:
  - a. The plan to maintain a 3% mandatory contribution from employees based on base pay with a 6% contribution by the City. The plan would cover those employees employed for over five months and for more than 20 hours. These being according to Federal guidelines. The plan would recognize 65 as a normal retirement age and 55 as an early retirement age with 20 years of service. The vesting schedule would remain at two to seven years as presently found in the plan. The plan would provide for no loans or no hardship withdrawals with funds to be redeemed from the plan only upon retirement, death, disability or termination. The plan would not contain any voluntary contributions, since the only method available would be under a 457 which would require different guidelines from a normal pension plan. The trustees would be AmSouth Bank of Alabama. It would cover employees 18 years of age who have completed 1,000 hours in the first year of service. The plan year would be July 1 through June 30, and the trustee agreement would include an indemnification clause regarding investments to conform to State and Federal guidelines and indemnify the City. The plan would allow current participants who currently have insurance funded through the plan to maintain that insurance or to cash in at their option with the cash surrender value being held in the plan, however, insurance would not be a part of the plan in future years beginning July 1, 1996. The plan would keep the last day rule, which means the employee must be employed on June 30 for the City to make a contribution for the current year. The plan would include a payout available to those terminated employees as soon as practical within a 90 to 120 day period. If an employee is reemployed, they must work 1,000 hours prior to being eligible to rejoin the plan. The plan would also contain the mandatory cash out requirement for any fund of \$3,500.00 or less at termination. The plan would be an amendment and restatement of the plan, would be adopted by ordinance or resolution, and would be resubmitted to IRS for approval. It was determined that the best course of operation would be for the current provider, Davis, Smith & Associates to close out all terminations for the current year, and those funds to remain with Davis, Smith & Associates until closure with other funds being transferred to AmSouth on July 1, 1996. Following this discussion, Mayor Meadows, Attorney Bailey and Harrison recommended to the AmSouth Officials that an agenda for the employee meetings be established, reviewed and presented to the Mayor, City Attorney and City Administrator prior to presentation to the employees. It was stressed that the same agenda would be followed at each meeting, with the only difference being the questions asked by each group of employees. AmSouth was encouraged to make recommendations as soon as possible on the list of funds from which employees may choose for

their investments. AmSouth was requested to provide a sample copy of the employee report which would be submitted to the employees quarterly.


2. The meeting was adjourned at 11:35 A.M.

Approved:

Submitted:



John D. Meadows, III  
Mayor



Cathy Harrison  
City Administrator