

**FINANCIAL IMPACT STATEMENT
For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Eric Johansen, JK		2. Telephone No. (503) 823-6851	3. Bureau/Office/Dept. OMF – Financial Services-Treasury
4a. To be filed (date) August 12, 2010	4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: August 4, 2010

1) Legislation Title:

* Amend contract with ING Life Insurance and Annuity Company for Investment Provider and Plan Sponsor Services (Ordinance; amend Contract No. 52470).

2) Purpose of the Proposed Legislation:

The City of Portland and ING Life Insurance And Annuity Company have previously entered into an Administrative Services Agreement (Professional, Technical, or Expert Services, Contract No. 52470), effective September 1, 2005 relating to Deferred Compensation Plan services.

In December 2009, the Deferred Compensation Administrator sent a survey to employees regarding the program and ING’s service to participants. Based upon review of the survey results, the Deferred Compensation Advisory Committee voted to issue a Request for Information in March 2010 to ING with respect to services and fees. The Committee reviewed ING’s response and supplemental clarifications and voted to extend ING’s current contract for up to 3 years to:

- Maintain current investment selection flexibility and improve the overall pricing terms in this contract thus resulting in an 18 percent reduction in ING expected variable compensation and the ability to offer less expensive investment options in certain asset class categories.
- Maintain current service level with known service providers available to participants

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

This request does not impact City revenues.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

This request does not impact City expenses. Expenses for the Deferred Compensation Plan are requested through a reimbursement account through the investment providers.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)*

No additional staffing is required for this request.

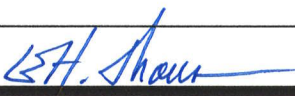
6) Will positions be created or eliminated in future years as a result of this legislation?

This action does not impact future staffing levels.

Complete the following section if you are accepting and appropriating a grant via ordinance. This section should only be completed if you are adjusting total appropriations, which currently only applies to grant ordinances.

7) Change in Appropriations *(If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. If the appropriation includes an interagency agreement with another bureau, please include the partner bureau budget adjustments in the table as well. Include the appropriate cost elements that are to be loaded by the Grants Office and/or Financial Planning. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount


Eric H. Johansen, Debt Manager 

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Sam Adams, Mayor
Kenneth L. Rust, Chief Administrative Officer
Rich Goward, Director & Chief Financial Officer

184059
Financial Services, Treasury Division
1221 S.W. Fourth Avenue, Rm. 120
Portland, Oregon 97204-1912
(503) 823-4220
FAX (503) 823-4209
TTY (503) 823-6868

DATE: August 4, 2010
TO: Mayor Sam Adams
FROM: Eric H. Johansen, Debt Manager 
RE: * Amend contract with ING Life Insurance and Annuity Company for Investment Provider and Plan Sponsor Services (Ordinance; amend Contract No. 52470).

1. **INTENDED THURSDAY FILING DATE:** August 12, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** August 18, 2010
3. **CONTACT NAME AND NUMBER:** Eric Johansen (503) 823-6851
4. **PLACE ON:** X CONSENT REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED** X Yes No N/A
6. **TWO (2) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** X Yes No N/A

7. BACKGROUND/ANALYSIS

The City of Portland and ING Life Insurance And Annuity Company have previously entered into an Administrative Services Agreement (Professional, Technical, or Expert Services, Contract No. 52470), effective September 1, 2005 relating to Deferred Compensation Plan services.

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8. FINANCIAL IMPACT:

This Contract Amendment does not impact City expenses. Expenses for the Deferred Compensation Plan are requested through a reimbursement account through the investment providers.

9. RECOMMENDATION:

Authorize a Contract Amendment with ING Life Insurance and Annuity Company for Investment Provider and Plan Sponsor Services beginning September 1, 2010 and ending September 1, 2013.

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.