

**FINANCIAL IMPACT STATEMENT
For Council Action Items**

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

| | | | |
|--|---|------------------------------------|--|
| 1. Name of Initiator Eric H. Johansen, Debt Manager | | 2. Telephone No. (503) 823-6851 | 3. Bureau/Office/Dept. OMF/Financial Services - Treasury |
| 4a. To be filed (date) 6/10/2010 | 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: 6/2/2010 |

1) Legislation Title:

* Clarify and update Definitions – Includable Compensation and Participation in the Plan sections of the City Deferred Compensation Plan. (Ordinance; Amend Code Chapter 5.09)

2) Purpose of the Proposed Legislation:

The purpose of this ordinance is to update the City Deferred Compensation Plan. Under Section 5.09.010 Definitions J., the definition for “Includable Income” is being updated to include vacation, sick, comp and holiday payouts to meet revised regulation definition. Section 5.09.040 “Participation in the Plan H.” is being added to set up procedures for making this election.

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 create any expense to the City.

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 request 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 |
|------|-------------|-----------------|-----------------|----------------|-------|-------------------|--------|
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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

Financial Services, Treasury Division
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Portland, Oregon 97204-1912
(503) 823-4220
FAX (503) 823-4209
TTY (503) 823-6868

DATE: June 1, 2010

183900

TO: Mayor Sam Adams

FROM: Ken Rust, Chief Administrative Officer

RE: * Clarify and update Definitions – Includable Compensation and Participation in the Plan sections of the City Deferred Compensation Plan. (Ordinance; Amend Code Chapter 5.09)

1. **INTENDED THURSDAY FILING DATE:** June 10, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** June 16, 2010
3. **CONTACT NAME AND NUMBER:** Jeanine Keller (503) 823-6140
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:** Yes No X N/A

7. BACKGROUND/ANALYSIS

The proposed Ordinance authorizes the City to update the City Deferred Compensation Plan Chapter 5.09 to meet revised regulation definition for “includable income” and to outline the election process procedures.

In January 1982, the City of Portland adopted a Deferred Compensation Plan (“Plan”). The Treasury Division conducted an extensive review of the Plan in August 2005. Chapter 5.09 was amended and ING Life Insurance and Annuity Company and Advantis Credit Union became the sole Investment Providers for the Plan.

The definition of “includable income” and the “Participation in the Plan” sections of this Chapter are being updated and established to reflect updated IRS language.

8. FINANCIAL IMPACT:

See attached statement.

9. RECOMMENDATION:

It is recommended that the City Council approve the Ordinance which will update Chapter 5.09.

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.