

**MINNEAPOLIS CITY COUNCIL RESOLUTION
RELATING TO AMENDMENT OF MCDA RETIREMENT PLAN**

WHEREAS, the Minneapolis Community Development Agency (“MCDA”) established the Minneapolis Community Development Agency Retirement Plan (the “Plan”) effective as of October 1, 1960, and maintained the Plan continuously until August 24, 2003; and

WHEREAS, pursuant to Resolution 2003R-358 adopted by the Minneapolis City Council on August 8, 2003, the City Council transferred the Plan from the MCDA to the City effective August 24, 2003; and

WHEREAS, on August 8, 2003, the City Council adopted a report of the Community Development Committee that recommended the Plan be amended to reflect an increase in the employer’s and employees’ contribution rates to equal the employer’s and employees’ contribution rates for the PERA pension plan; and

WHEREAS, the rates of contribution to the Plan increased effective August 24, 2003, to equal the contribution rates for the PERA pension plan at that time; and

WHEREAS, subsequent to August 24, 2003, the contribution rates for the PERA pension plan have further increased, but the contribution rates under the Plan have not; and

WHEREAS, it is understood that it was the Community Development Committee’s intent that contribution rates under the Plan should match the rates for the PERA pension plan; and

WHEREAS, on September 13, 2006, the Internal Revenue Service, Tax Exempt and Government Entities Division, issued a Private Letter Ruling related to the MCDA Retirement Plan and the election of former MCA employees to transfers their pension account balances to the Public Employees Retirement Association (PERA) Coordinated Plan; and

WHEREAS, the Internal Revenue Code has been amended to impose certain requirements on mandatory distributions from plans such as the Plan; and

WHEREAS, the City has operated the Plan in compliance with the Internal Revenue Service rules applicable to mandatory distributions by entering into an agreement with a provider of individual retirement accounts to automatically rollover mandatory distributions exceeding \$1,000.00 in certain circumstances; and

WHEREAS, the City Council deems it appropriate to amend the Plan to reflect to transfer of the Plan to the City, the increase in contributions, and the new procedure regarding mandatory distributions; and

WHEREAS, the City Council deems it appropriate to amend the Plan to reflect the Community Development Committee's intent regarding contribution rates on a going forward basis; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby authorizes an amendment to the Plan attached hereto as Exhibit A and authorizes any and all filings with the Internal Revenue Services as may be necessary to ensure the Plan is compliant with applicable law.

BE IT FURTHER RESOLVED, that the Council hereby authorizes and directs the City's Human Resources Director to act on behalf of the City in accomplishing the amendment of the Plan, including, but not limited to, executing this amendment and adopting any clarifying changes which may be required in order to receive Internal Revenue Service approval for the amendment, and in accomplishing any necessary filings with the Internal Revenue Service, including, but not limited to, executing all IRS forms and documents related to such filings.

Dated this 11th day of May, 2007.