

AS AMENDED ON JULY 22, 2013  
ORDINANCE NO. 2256

AN ORDINANCE OF THE CITY OF SALISBURY APPROVING AN AMENDMENT OF THE FY 13 GENERAL FUND BUDGET TO APPROPRIATE FUNDS TO COVER THE CITY'S EMPLOYEE RETIREMENT MATCH.

WHEREAS, in FY 2013 the City of Salisbury offers offered a retirement matching through an ICMA RC 457 Deferred Compensation Plan; and

WHEREAS, the plan allows full time employees enrolled in the program to defer taxable income for up to 4% of their annual salary by making contributions to their retirement plan; and

WHEREAS, the plan provides for the City to match 25% of the employees contribution; and

WHEREAS, the Human Resources department has the account that is expensed for this City match; and

WHEREAS, Human Resources has reported there has been an increase in the amount of matching funds this year due to an increase in deferral catch up contributions over the past year; and

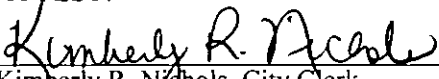
WHEREAS, the City's FY 2013 budget ~~does~~ did not contain an appropriation sufficient to cover this expense.

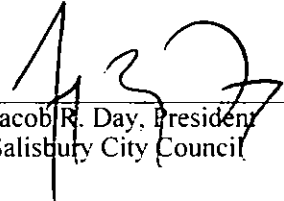
NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND THAT THE City's Fiscal Year 2013 General Fund Budget be and hereby is amended as follows:

- 1) Increase General Fund Current Surplus Available (01000-469810) by \$8,000
- 2) Increase Human Resources Department by \$8,000

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on this 8<sup>th</sup> day of July, 2013, and thereafter, a statement of the substance of the Ordinance having been published as required by law, was finally passed by the Council on the 22<sup>nd</sup> day of July, 2013.

ATTEST:

  
\_\_\_\_\_  
Kimberly R. Nichols, City Clerk

  
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Jacob R. Day, President  
Salisbury City Council

APPROVED BY ME THIS 25<sup>th</sup> day of July, 2013.

  
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James Ireton, Jr., Mayor

# City of Salisbury



MARYLAND

Salisbury



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KEITH A. CORDREY  
DIRECTOR OF INTERNAL SERVICES

JAMES IRETON, JR.  
MAYOR

JOHN R. PICK  
CITY ADMINISTRATOR

LORÉ L. CHAMBERS  
ASSISTANT CITY ADMINISTRATOR

**To:** John R. Pick, City Administrator  
**From:** Keith Cordrey, Director of Internal Services  
**Date:** June 10, 2013  
**Re:** Human Resources Retirement Match program

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Human Resources contacted the Finance department to report that the appropriation for retirement matching by the city for the ICMA RC 457 Deferred Compensation plan is insufficient to meet the requirements for FY 13. I am requesting that the Council adopt a budget amendment to appropriate the funds needed to cover this expense.

ICMA RC 457 is a Deferred Compensation Plan that is available to all Full-time employees. An employee may enroll anytime. This program has a matched portion of the salary deferral and the City currently provides a matching contribution. Employees may defer up to 4% of their annual salary and the City will match that with 25%. There are annual contribution limits established by the IRS. Currently for 2013 the Annual Deferral Limit is \$17,500, the Pre-retirement Catch up Limit for 2013 is \$17,500, and the Age 50 Catch-Up Limit for 2013 is \$5,500.

Human Resources has reported that we have seen an increase in the amount of matching funds due to an increase in deferral catch up contributions over the past year. This can be attributed to more individuals retiring or leaving with large payouts that may fall into the 4% of salary deferral. This is a program that can vary widely based on the economy, employee turnover, and market fluctuations. It is difficult to predict the matched contributions that may be needed in one year.

If you have any questions, please let me know.