



## **ALEDO ISD BOARD MEETING TEMPLATE**

**MEETING DATE:** October 21, 2019

**AGENDA ITEM:** Consider Approval of Resolution Approving the Terms and Conditions of an Interlocal Agreement with Education Service Center Region 10 Retirement Asset Management Services Cooperative

**PRESENTER:** Earl Husfeld, Chief Financial Officer

### **BACKGROUND INFORMATION:**

- As discussed with the Board of Trustees during the September 16 board meeting, since prior to July 2011, employees of the District have had the opportunity to participate in a 403(b) Plan, 457(b) FICA Alternative Plan, and/or a 457(b) Retirement Savings Plan offered by the District.
- The current Third Party Administrator for the 403(b) Plan is National Plan Administrator and the current provider of the 457(b) FICA Alternative Plan and 457(b) Retirement Savings Plan is National Life Group.
- Rather than having multiple providers for these plans, the Education Service Center Region 10 Retirement Asset Management Services (RAMS) Cooperative provides a single point of contact for the three (3) plans.
- The three (3) plans are administered through interlocal agreements between Education Service Center Region 10 and Aledo ISD. Education Service Center Region 10 has hired TCG Administrators to assist with administration of RAMS.
- Due to the volume of Texas school districts participating in the RAMS Cooperative, the fee structure is very low and administrative processes are designed with school employees and district operations in mind for a seamless delivery of services.
- For your review and consideration, following is the proposed Board Resolution and three (3) Interlocal Agreements between Education Service Center Region 10 and Aledo ISD.

### **FISCAL INFORMATION:**

None – There is no district contribution.

### **ATTACHMENTS:**

Education Service Center Region 10 Retirement Asset Management Services (RAMS) Board Resolution and Interlocal Agreements between Education Service Center Region 10 and Aledo ISD for 403(b) Third Party Administration Services, 457(b) FICA Alternative Plan and 457(b) Retirement Savings Plan

### **ADMINISTRATIVE RECOMMENDATION:**

The Administration recommends the Board of Trustees approve the Resolution Approving the Terms and Conditions of an Interlocal Agreement with Education Service Center Region 10 Retirement Asset Management Services Cooperative as presented.

**BOARD OF TRUSTEES: ALEDO INDEPENDENT SCHOOL DISTRICT**

**Resolution No. 09162019-4**

**EDUCATION SERVICE CENTER REGION 10 RETIREMENT ASSET MANAGEMENT SERVICES (RAMS)  
BOARD RESOLUTION**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ALEDO INDEPENDENT SCHOOL DISTRICT (“BOARD”) APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL AGREEMENT BETWEEN THE DISTRICT AND EDUCATION SERVICE CENTER REGION 10 WHICH SPONSORS THE RETIREMENT ASSET MANAGEMENT SERVICES PROGRAM (“RAMS”) AUTHORIZING THE ESTABLISHMENT OR TAKEOVER OF ONE OR MORE PLANS AS SELECTED BELOW.**

WHEREAS, the BOARD of the Aledo Independent School District (“DISTRICT”) has been presented a proposed Interlocal Agreement for one or more of the plans selected below, between Education Service Center Region 10 and the DISTRICT; and

WHEREAS, the DISTRICT, pursuant to the authority granted under Sections 791.001 to 791.029 of the Local Government Code, V.T.C.A., as amended, desires to participate in the described programs selected below sponsored by the Education Service Center Region 10 and in the opinion of the District participation in this program will be highly beneficial to the District and its employees; and

WHEREAS the DISTRICT is eligible to sponsor the plans selected.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE DISTRICT:

- (1) The Terms and Conditions of the Interlocal Agreement to join the ESC Region 10 Cooperative having been reviewed by the BOARD and found to be acceptable and in the best interests of the District and its employees are hereby in all things approved; and (mark all applicable choices)
- (2) (a) \_\_\_\_ The BOARD hereby establishes a 457(b) Plan for the exclusive benefit of the eligible employees of the District; or  
(b) X The BOARD has a previously established 457(b) plan and hereby adopts the ESC Region 10 457 Cooperative Master Plan Document, agrees to invest the Plan funds in the ESC Region 10 457 Cooperative Trust and appoints the ESC Region 10 and the ESC Region 10 457 Cooperative Investment Advisory Committee to act on the District’s behalf in all matters involving the Plan, with the exception of specific provisions elected by the DISTRICT regarding its Plan effective January 15, 2020; and/or
- (3) (a) \_\_\_\_ The BOARD hereby establishes a 457(b) FICA Alternative Plan for the exclusive benefit of the eligible employees of the District; or  
(b) X The BOARD has previously established a 457(b) FICA Alternative Plan and does hereby adopt the ESC Region 10 457(b) FICA Alternative Plan Document, the ESC Region 10 457(b) FICA Alternative Plan Trust and appoints the ESC Region 10 Investment Advisory Committee to act on the District’s behalf in all matters involving the Plan and Trust, with the exception of specific provisions elected by the DISTRICT regarding its Plan effective January 15, 2020; and/or
- (4) (a) \_\_\_\_ The BOARD hereby establishes the 401(a) Teacher/Employee Retention and Recruitment Plan (“TERRP”) for the exclusive benefit of the eligible employees of the District; or  
(b) \_\_\_\_ The BOARD has previously established a 401(a) defined contribution plan for the DISTRICT and does hereby adopt the TERRP 401(a) Retirement Plan Document, the 401(a) TERRP Trust and appoints the ESC Region 10 Investment Advisory Committee to act on the District’s behalf in all matters involving the Plan and Trust, with the exception of specific provisions elected by the DISTRICT regarding its Plan effective \_\_\_\_\_; and/or
- (5) X The BOARD does hereby adopt the Interlocal Agreement with Education Service Center Region 10 for 403(b) Third Party Administration Services; and/or
- (6) The BOARD hereby instructs that the assets of the selected plans above (if any) in which the applicable ESC Region 10 Trust was selected be moved from the current custodian or trustee to the applicable ESC Region 10 Trust at Matrix Trust as soon as is practical and that the administration of the Plan be moved from the current administrator to TCG Administrators, the third party administrator for the ESC Region 10 RAMS programs; and/or

- (7) \_\_\_\_\_ The BOARD does hereby adopt the Interlocal Agreement with Education Service Center Region 10 for Financial Wellness Services at the fee shown in such Interlocal Agreement; and/or
- (8) The BOARD hereby appoints the Chief Financial Officer (Job Title or Position), or his/her successor or his/her designee, as DISTRICT Plan Administrator, and further authorizes him/her to implement and manage the DISTRICT'S participation in the applicable Plans under the direction of the BOARD; and
- (9) The District's Plan Administrator is hereby authorized to execute the applicable ESC Region 10 RAMS interlocal agreements, contracts and other legal documents on behalf of the DISTRICT and to take whatever additional actions that are necessary to set up and maintain the participation of the DISTRICT in the applicable ESC Region 10 RAMS programs and to maintain compliance with relevant regulations issued or as may be issued.
- (10) This Resolution shall be effective immediately upon its passage.

Duly PASSED and APPROVED by the BOARD this 21st day of October, 2019

Attest:

By: \_\_\_\_\_  
Title: Board President

By: \_\_\_\_\_  
Title: Board Secretary

# **INTERLOCAL AGREEMENT**

## **Education Service Center Region 10**

### **Contracting Parties**

**Education Service Center Region 10 (ESC Region 10)**

**and**

**Aledo Independent School District (the “Employer”)**

This agreement is effective January 15, 2020 (“Effective Date”) and shall remain in effect for the period beginning with the Effective Date and twelve (12) months thereafter (“Term”). This agreement shall continue unchanged for successive twelve-month periods following the Term unless either party gives written notice to the other party of the intent to terminate prior to ninety (90) days before the end of the Term.

**Statement of Services to be Performed:** Provide 403(b) Third Party Administration Services (“403(b) TPA Services”) to the Employer through the ESC Region 10 Retirement Asset Management Services.

The Employer hereby delegates to ESC Region 10 and its designated 403(b) TPA the responsibility for the 403(b) Plan functions (a) in accordance with Section 403(b) of the Internal Revenue Code and other applicable federal and state rules as may be amended from time to time and (b) as listed under “Role of ESC Region 10” below.

Authority for such services is granted under sections 791.001 through 791.015 and 791.025 of the Government Code, V.T.C.A. as amended.

### **Role of ESC Region 10**

1. Provide for the organizational and administrative structure of the program, including the following 403(b) TPA Services:
  - (a) Assist Employer to develop written 403(b) Plan rules, including providing a Written Plan that meets the requirements of applicable 403(b) regulations under Section 403(b) of the Internal Revenue Code of 1986, as amended.
  - (b) Obtain agreements from vendors to comply with the Employer’s Plan rules
  - (c) Screen new vendors for compliance
  - (d) Provide 403(b) Plan website and Plan data base
    - (1) All Plan transaction requests from participants (enrollment, distributions, etc.) go through the TPA via a website
    - (2) TPA monitors and implements processes for compliance with all Plan rules; all federal laws and regulations applicable to 403(b) plans; and State laws and regulations applicable to 403(b) plans, including the processes listed below
      - i. Eligibility
      - ii. Enrollment
      - iii. Contributions
      - iv. Distributions
      - v. Loans
      - vi. Transfers and Rollovers

vii. Any other services mutually agreeable to the Employer, TPA and ESC Region 10

- (e) Transactions transmitted electronically to vendors
- (f) Vendors process transactions and send electronic records to TPA
- (g) TPA (not vendors alone) maintains records of transactions to facilitate Plan audits
- (h) TPA website also used to educate employees on need for retirement savings
- (i) TPA provides common remitter of all payroll deduction contributions to vendors and ensures that contributions are remitted to employees' accounts timely and in accordance with federal and state regulations
- (j) TPA submits all employees' contributions received from Employer to all 403(b) vendors in a timely manner and in accordance with applicable state and federal regulations
- (k) TPA provides training for Employer staff and assists Employer in communicating aspects of the Plan to employees
- (l) TPA provides support for Employer in assuring that the Plan meets the "universal eligibility" requirements of Section 403(b) of the Internal Revenue Code and other applicable federal rules as may be amended from time to time
- (m) TPA provides any other services required by the final 403(b) regulations issued by the Internal Revenue Service
- (n) TPA provides reports to the Employer necessary for Plan compliance as needed and requested, including payroll and vendor account reports, distribution/account transaction reports, reports of who is participating in the 403(b) Plan and any other reports mutually agreeable to the Employer, the TPA and ESC Region 10.

2. Provide staff time necessary for efficient operation of the program.
3. Initiate and implement activities related to the TPA vendor(s) selection process.
4. Facilitate the delivery of the services purchased at an initial fee of \$1.50 per month per participant in the Employer's 403(b) Plan. This fee may be adjusted by ESC Region 10 with one hundred twenty (120) days notice prior to the end of the Term.
5. ESC Region 10 will ensure that a conflict of interest does not exist between the TPA's duties as defined herein, applicable state law and the interests of the Employer and its employees. Specifically, Region 10 will ensure that the TPA will not sell 403(b) voluntary products to employees of the Employer either directly or indirectly.

**Role of the Member Employer:**

1. Commitment to participate in the program as indicated by an authorized signature in the appropriate space below.
2. Designate a contact person for the cooperative.
3. Commit to purchase the services designated herein when it is in the best interest of the Employer.
4. Accept the services from TPA vendor(s) in accordance with standard procedures of the Employer.
5. Pay TPA and/or ESC Region 10 in a timely manner for all goods and services received.
6. Supply payroll data in good order to the TPA for distribution to the vendor(s) and forward participating employees' payroll deduction contributions to the TPA in a timely manner for distribution to the 403(b) vendors in the Employer's 403(b) Plan.

7. Provide electronic data exchanges to the TPA in accordance with the TPA's specifications to facilitate timely and efficient processing of Plan transactions. Employer and Region 10 agree that the TPA's data specifications must be mutually agreeable to the Employer and TPA or the services listed under "Role of ESC Region 10" will not be provided and no fees will be assessed to the Employer.
8. Require the use of the 403(b) TPA's Internet Website by employees to conduct all 403(b) Plan transactions.

**Authorization:**

Please send a copy of the signed Interlocal Agreement to TCG Administrators at [onboard@tcgservices.com](mailto:onboard@tcgservices.com).

Employer: Aledo ISD

Education Service Center Region 10

By \_\_\_\_\_  
Authorized Signature

By \_\_\_\_\_  
Authorized Signature

Board President  
Title

Executive Director  
Title

October 21, 2019  
Date

\_\_\_\_\_  
Date

Earl H. Husfeld  
Contact Person

Dr. Gordon Taylor  
Contact Person

Chief Financial Officer  
Title of Contact

972.348.1004  
Telephone Number

1008 Bailey Ranch Road  
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817.441.5111  
Telephone Number

**INTERLOCAL AGREEMENT  
Education Service Center Region 10**

**Contracting Parties**

**Education Service Center Region 10 (ESC Region 10)**

**and**

**Aledo Independent School District (the "District")**

This agreement is effective January 15, 2020 ("Effective Date") and shall remain in effect for the period beginning with the Effective Date and twelve (12) months thereafter ("Term"). This agreement shall continue unchanged for successive twelve month periods following the Term unless either party gives written notice to the other party of the intent to terminate prior to ninety (90) days before the end of the Term.

**Statement of Services to be Performed:** Provide a 457(b) FICA Alternative Plan ("Plan") to the District through the ESC Region 10 FICA Alternative Plan and Trust.

Authority for such services is granted under sections 791.001 through 791.015 and 791.025 of the Government Code, V.T.C.A. as amended.

**Role of ESC Region 10**

1. Provide for the organizational and administrative structure of the program, including a Trust for investment of Plan funds, oversee the investments of the Trust, and provide a Plan document to the District.
2. Provide for an Investment Advisor to oversee the investments of the Plan and Trust and to accept fiduciary responsibility for the selection of the investments of the Plan and Trust.
3. Provide staff time necessary for efficient operation of the program.
4. Initiate and implement activities related to the vendor(s) selection process.
5. Facilitate the delivery of the services purchased.

**Role of the Member School District:**

1. Commit to participate in the program as indicated by an authorized signature in the appropriate space below.
2. Designate a contact person for the cooperative.
3. Commit to purchase the services designated herein when it is in the best interest of the District.
4. Accept the services from vendor(s) in accordance with standard procedures of the District.

5. Pay vendor(s) in a timely manner for all goods and services received, which shall include timely forwarding of participating employees' payroll deduction contributions to the Plan.
6. Supply payroll data in good order to the vendor(s).
7. Require employees to participate in the Plan and/or make the Plan available to employees as agreed in the District's Plan Document and Adoption Agreement.
8. Make District contributions to the Plan, if any, as agreed in the District's Plan Document and Adoption Agreement.

**This agreement shall not cover any existing plan(s) sponsored by the District under Section 457 of the Internal Revenue Code and neither ESC Region 10 nor any of the vendors participating in the Plan and Trust shall have any responsibility whatsoever for such existing plan(s).**

**Authorization:**

Please send a copy of the signed Interlocal Agreement to TCG Administrators at [onboard@tcgservices.com](mailto:onboard@tcgservices.com).

District: Aledo ISD

Education Service Center Region 10

By \_\_\_\_\_  
Authorized Signature

By \_\_\_\_\_  
Authorized Signature

Board President  
Title

Executive Director  
Title

October 21, 2019  
Date

\_\_\_\_\_  
Date

Earl H. Husfeld  
Contact Person

Dr. Gordon Taylor  
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Chief Financial Officer  
Title of Contact

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**INTERLOCAL AGREEMENT  
Education Service Center Region 10**

**Contracting Parties**

**Education Service Center Region 10 (ESC Region 10)**

**and**

**Aledo Independent School District (the "District")**

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**Statement of Services to be Performed:** Provide a 457(b) Retirement Savings Plan ("Plan") to the District through the ESC Region 10 457 Cooperative and Master Plan.

Authority for such services is granted under sections 791.001 through 791.015 and 791.025 of the Government Code, V.T.C.A. as amended.

**Role of ESC Region 10**

1. Provide for the organizational and administrative structure of the program, including a Trust for investment of Plan funds, oversee the investments of the Trust, and provide a Plan document to the District.
2. Provide for an Investment Advisor to oversee the investments offered in the Cooperative and Master Plan and to accept fiduciary responsibility for the selection of the investments offered to employees participating in the Cooperative and Master Plan.
3. Provide staff time necessary for efficient operation of the program.
4. Initiate and implement activities related to the vendor(s) selection process.
5. Facilitate the delivery of the services purchased.

**Role of the Member School District:**

1. Commitment to participate in the program as indicated by an authorized signature in the appropriate space below.
2. Designate a contact person for the cooperative.
3. Commit to purchase the services designated herein when it is in the best interest of the District.
4. Accept the services from vendor(s) in accordance with standard procedures of the District.

5. Pay vendor(s) in a timely manner for all goods and services received, which shall include timely forwarding of participating employees' payroll deduction contributions to the Plan.
6. Supply payroll data in good order to the vendor(s).
7. Allow employees access to the Plan as agreed upon with the vendor(s).

**This agreement shall not cover any existing plan(s) sponsored by the District under Section 457 of the Internal Revenue Code and neither ESC Region 10 nor any of the vendors participating in the Master Plan and Cooperative shall have any responsibility whatsoever for such existing plan(s).**

**Authorization:**

Please send a copy of the signed Interlocal Agreement to TCG Administrators at [onboard@tcgservices.com](mailto:onboard@tcgservices.com).

District: Aledo ISD

Education Service Center Region 10

By \_\_\_\_\_  
Authorized Signature

By \_\_\_\_\_  
Authorized Signature

Board President  
Title

Executive Director  
Title

October 21, 2019  
Date

\_\_\_\_\_  
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