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|  | KANSAS CITY MISSOURI POLICE DEPARTMENT | DATE OF ISSUE | EFFECTIVE DATE | NO. |
| | PERSONNEL POLICY | 11-30-2016 | 11-30-2016 | 1001-2 |
| SUBJECT | | | AMENDS | |
| Policy Series 1000: Benefits 1001 - Deferred Compensation Program By-Laws | | | | |
| REFERENCE | | RESCINDS Personnel Policy 1001-1 | | |

I. INTRODUCTION

- A. The Kansas City Missouri Police Department Deferred Compensation Program (Program) is established by the Board of Police Commissioners (Board) as a benefit for the employees of the Kansas City Missouri Police Department (Department). The purpose of the Kansas City Missouri Police Department Deferred Compensation Committee By-Laws is to serve as a process guide for the Kansas City Missouri Police Department Deferred Compensation Committee members (Committee) and others. It is intended to assist the Committee in meeting its fiduciary obligations by effectively constructing, supervising, and evaluating the Program.
- B. These by-laws are an outline of the Committee's general policies and are intended to supersede any earlier policy, procedure, or by-laws effective with the date this document is executed. The powers and duties of the Committee are defined in Article III, paragraph 3.02 of the Amendment and Restatement of the Kansas City Missouri Police Department Deferred Compensation Plan.

II. THE DEFERRED COMPENSATION PROGRAM

- A. In 1975 the Board established a program whereby Department employees could voluntarily authorize deferral of a portion of their wages to be invested in an approved Deferred Compensation Plan (Plan) authorized by the Board and regulated by applicable state and federal law. The Plan is intended to conform to the authority set forth in Internal Revenue Service Code. The Board established the Committee to oversee the Program and administer the Plan.
- B. The purpose of the Plan is to provide deferred compensation for eligible Department employees who elect to participate in the Program. The Plan is intended to constitute an "eligible deferred compensation plan" within the meaning of section 457 of the Internal Revenue Code. Under IRS provisions, the employer must establish and maintain the Plan in order for employee contributions to the Program to be made on a pre-tax basis.

III. COMMITTEE PURPOSE AND RESPONSIBILITIES

- A. In accordance with fiduciary responsibility, decisions made by the Committee, and approved by the Board, will be made for the sole interest of the participants and beneficiaries of the Program.
- B. The Board has given the Committee the authority and responsibility to establish rules and processes consistent with fiduciary laws and regulations, Department policy, and best practices. The Committee has the authority to and shall monitor the investment line-up of the Program; conduct an annual audit of the financial statements; make any investment changes; develop, approve, and amend the Investment Policy Statement; and other administrative tasks, such as approving hardship withdrawals. The Board retains fiduciary responsibility for general oversight of the Committee's management of the Program and retains specific authority over determining or amending deferred compensation plan documents.

IV. COMMITTEE COMPOSITION

- A. Members of the Committee shall be appointed by the Board and shall consist of seven (7) members to include:
 - 1. One (1) Human Resources Division employee nominated by the Chief of Police;
 - 2. One (1) Retirement System employee nominated by the Retirement Board;
 - 3. One (1) retired member of the Retirement Systems nominated by the Retirement Board;
 - 4. Two (2) active law enforcement employees, who are members of the Fraternal Order of Police (FOP) Lodge No. 99, nominated by FOP Lodge No. 99;
 - 5. One (1) active civilian employee, who is a member of FOP Lodge No. 99 (Civilian Unit), nominated by FOP Lodge No. 99 (Civilian Unit); and
 - 6. One (1) active law enforcement command staff employee, who is a member of KCPD Commanders Lodge No. 102, nominated by KCPD Commanders Lodge No. 102.

- B. Upon appointment, each Committee member shall have all the rights, powers, privileges, liabilities, and duties established by the Board. The terms of the initial appointments to the Committee shall be as follows:
1. One (1) nominee by the Chief of Police shall be appointed to an initial three (3) year term;
 2. One (1) nominee by the Retirement Board shall be appointed to an initial two (2) year term and one (1) to an initial three (3) year term;
 3. One (1) nominee each, by FOP Lodge No. 99 (Civilian Unit) and KCPD Commanders Lodge No. 102, shall be appointed to an initial two (2) year term;
 4. One (1) nominee by the FOP Lodge No. 99 shall be appointed to an initial two (2) year term and one to an initial three (3) year term.
- C. Following the initial terms, Committee members shall be appointed to three (3) year terms.
- D. Committee members shall be initially appointed within 30 business days of the Board's approval of these by-laws.
- E. Committee members may resign at any time upon giving written notice to the Board. The Board may remove a Committee member for any reason by giving such member 10 days written notice and may thereafter fill any vacancy thus created.
- F. New appointments to the Committee shall take place in the same manner as the previous appointment and shall occur within 60 days of the expiration or termination of the previous appointment.
- G. If a member misses three (3) consecutive, publicly noticed Committee meetings, at the third meeting, the remaining Committee members may vote to recommend to the Board the removal of the member from the Committee. Upon such removal, the Committee Chair shall notify the nominating entity for such member of the member's removal and need to nominate a committee member for the duration of the current term.

V. COMMITTEE OFFICERS

- A. The officers shall include a Chair, Vice-Chair, and Secretary elected during the first scheduled meeting of the calendar year from among the serving Committee members.

- B. All members will have equal voting status except as provided in section VII, A, 10.
- C. All formal documentation, executed on behalf of the Committee, will require the signature of the Chair, or in their absence the Vice-Chair, to be valid.

VI. CARE AND DILIGENCE

- A. Each member of the Committee is a fiduciary to the Program. The Committee and its members shall act with the care, skill, and diligence, under the circumstances then prevailing, that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, provided, however, that actions taken are in accordance with all applicable state and federal laws governing the conduct of fiduciaries.
- B. Committee members shall incur no liability for any action taken pursuant to a direction, request, or approval given by the Board, which is contemplated by, and in conformity with, the terms of the Program.
- C. The Board and Department shall indemnify and reimburse, to the fullest extent permitted by law, members of the Committee and other employees and former employees acting for and on behalf of the Program for any and all expenses, liabilities, or losses arising out of any act or omission relating to membership on the Committee or for the management and administration of the Program, except in instances of fraud, corruption, or actual malice.
- D. No Committee fiduciary shall be liable for any action taken or not taken with respect to the Program except for their own acts or omissions to act and except as otherwise provided in herein.
- E. The Department and each officer and employee thereof, the Committee and each member thereof, and any other person to whom the Department or Committee delegates (or the Program assigns) any duty with respect to the Program, may rely, and shall be fully protected when acting in good faith, upon the advice of counsel, upon the records of a Third Party Administrator, Trustee, or Investment Manager, or upon any certificate, statement, or other representation made by or any information furnished by an employee, a participant, a beneficiary, or the trustee concerning any fact required to be determined under any of the provisions of the Program.
- F. Each Committee member who is in active service with the Department shall be granted authorized leave with pay for on-duty business and to attend any and all educational seminars and like functions that have been authorized by the Committee, including travel time to and from such functions, not to exceed 10 days in any calendar year. Leave granted under these by-laws

shall not reduce vacation or other authorized leave time to which such member may be entitled under Department policy.

VII. MEETINGS

- A. Regular meetings, at a Department facility, shall be held quarterly and as called by the Chair or, in their absence, the Vice-Chair. Any scheduled meeting may be cancelled or rescheduled by the Chair or, in their absence, the Vice-Chair.
1. The Committee may invite various service providers, staff members, consultants, or other guests as desired.
 2. All meetings and Committee action shall be called, noticed, held, conducted and documented in accordance with the provisions of the Missouri Sunshine Law, Chapter 610, RSMo.
 3. Any Committee member wishing to place an item on the agenda for a meeting must submit the item to the Chair at least three (3) business days prior to the distribution of the agenda.
 4. The agenda for regular meetings will be posted via e-mail and the Department website, or designated deferred comp website, 24 hours in advance of the meeting.
 5. The Order of Business shall be at the discretion of the Chair but will include approval of the minutes of the previous meeting, unfinished business, new business and adjournment.
 6. The Chair shall preside at all Committee meetings. When the Chair is unavailable, the Vice-Chair shall serve as Chairperson.
 7. Except as provided in section VII, A, 10, the Chair shall be entitled to vote on all questions and shall not be required to relinquish the chair in order to participate in discussions.
 8. A majority of the Committee members attending in person, via phone, or internet, shall constitute a quorum. Decisions will require four (4) or more affirmative votes by the members attending the meeting. The Chair may make arrangements to resolve voting deadlocks.
 9. Minutes shall be taken at the direction of the Chair and distributed to all committee members and posted to a Department website within 10 calendar days after the date of each meeting. A permanent file of all meeting minutes shall be maintained.

10. A Committee member shall not vote on any question relating exclusively to the individual member or their relatives. In the determination of any such question, the decision of a majority of the remaining members of the Committee shall govern.
 11. If the Chair determines there are an insufficient number of matters to be discussed, they may cancel any of the regular quarterly meetings for lack of agenda items. This may not exceed two (2) meetings in a row.
- B. Communications and requests to the Committee shall be made in writing addressed to the Chair. The substance of such requests and the action of the Committee thereon shall be noted in the minutes.
 - C. Public comments may be limited to three (3) minutes per individual.

VIII. PAYMENT OF INCURRED EXPENDITURES

- A. Committee members shall not receive any additional compensation or fee for Committee service. Members will, however, be reimbursed for any necessary expenditures incurred for their duties as a Committee member.
- B. The Committee will prepare an annual budget by July 1st of each year. The budget may include such expenditures as outside legal counsel services, consultant services, contracted audit services, insurance requirements, training and education sessions, associated travel, funding for support staff, maintenance of Committee files, and any other operating expenditure deemed appropriate in the discharge of fiduciary responsibilities.
- C. Committee expenses shall be paid through administrative fees reimbursed from the third party administrator. The Committee shall approve all disbursements of administrative fees.

IX. SERVICE PROVIDER CONTRACTS

- A. The Committee, with approval from the Board, may contract with one or more third party administrators, investment funds, record keepers, investment advisors, and/or investment consultants. Such service providers must comply with the guidelines established in these by-laws, governing documents, and the Kansas City Missouri Police Department Deferred Compensation Program Investment Policy Statement.
- B. Prior to the expiration of the term of an existing contract, which may not exceed five (5) years, with a service provider for the Deferred Compensation Program, the Committee shall determine whether to renegotiate an extension of the contract with the current provider or whether

to solicit bids from other providers pursuant to a formal Request for Proposal (RFP).

1. If the Committee determines to renegotiate an extension of the contract with a current provider, this recommendation shall be taken to the Board for approval.
2. If the Committee, with the approval of the Board, decides to issue an RFP for a new provider and negotiate a new contract for provider services, this process shall allow adequate time for the set up and transfer of all account services.

X. OPERATIONAL AMENDMENTS

- A. These by-laws may be amended by the following procedure:
 1. Written notice of any proposed amendment shall be submitted to all members of the Committee at least seven (7) calendar days prior to any regular or special meeting of the Committee.
 2. Written notice need not be required if the proposed amendment is submitted to the Committee at a regular meeting prior to the meeting at which the amendment is considered.
- B. Such by-law amendments shall be presented to the Board for approval.

XI. MONITORING, COMPLIANCE AND AUDIT

- A. The Committee will:
 1. Review, at least annually, budgeted and actual expenditures incurred by, or on behalf of, the Program.
 2. Review, at least annually, financial, investment, and participation data provided by the Program third party administrator.
 3. Arrange for and review an annual Program financial audit.
 4. Assure that the responsibilities, assigned by the Investment Policy Statement and the governing plan documents, have been adhered to.
 5. Cause all Program documents to be maintained and updated in conformance with applicable laws and regulations and ensure that the Plan is operating in compliance with all applicable laws and regulations.

6. Assess, from time to time, the effectiveness of the Plan and the record keeper(s) in delivering benefits to participants and beneficiaries at a reasonable cost to the participants and the Department.

B. Status reports will be periodically provided to the Board and participants, as appropriate, including any recommendations for change.

XII. ADOPTION AND SIGNATURE

The Kansas City Missouri Police Department Deferred Compensation Program By-Laws are hereby adopted and effective on this _____ day of _____, 20__.

Darryl Forté
Chief of Police

Adopted by the Board of Police Commissioners this _____ day of _____, 20__.

Michael Rader
Board President

DISTRIBUTION: All Department Personnel
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