

INTRODUCED: September 11, 2023

A RESOLUTION No. 2023-R050

To support, subject to the approval of the Virginia Retirement System Board of Trustees, the election of the City of Richmond to join the Virginia Retirement System and to provide retirement benefits for its eligible employees beginning the first day of January 2024.

Patrons – Mayor Stoney, Mr. Addison, Ms. Robertson, and Mrs. Newbille

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: SEP 25 2023 AT 6 P.M.

WHEREAS, subject to the approval of the Virginia Retirement System (“VRS”) Board of Trustees, section 51.1-130 of the Code of Virginia (1950), as amended, permits a political subdivision of the Commonwealth of Virginia to make an irrevocable election to join VRS and to provide retirement benefits for its eligible employees, as that term is defined in section 51.1-132 of the Code of Virginia (1950), as amended; and

WHEREAS, subject to the approval of the VRS Board of Trustees and upon a political subdivision’s irrevocable election to join VRS, sections 51.1-502 and 51.1-504 of the Code of Virginia (1950), as amended, permit certain employees of the political subdivision to participate in the VRS Group Life Insurance Program (“GLI”); and

AYES: 9 NOES: 0 ABSTAIN:

ADOPTED: SEP 25 2023 REJECTED: STRICKEN:

WHEREAS, subject to the approval of the VRS Board of Trustees, section 51.1-138 of the Code of Virginia (1950), as amended, permits a political subdivision of the Commonwealth of Virginia currently participating in VRS to make an irrevocable election to provide enhanced hazardous duty retirement benefits for its eligible employees as outlined in section 51.1-138 of the Code of Virginia (1950), as amended;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the City of Richmond (the “Employer”), a political subdivision of the Commonwealth of Virginia, acting by and through the City Council, hereby irrevocably elects to join VRS and provide VRS retirement benefits for its eligible employees effective the first day of January 2024 (“Join Date”);

BE IT FURTHER RESOLVED:

That the City of Richmond agrees as follows:

1. The Employer agrees to pay the required employer contribution rate on or before the date required by law;
2. Pursuant to section 51.1-134 of the Code of Virginia (1950), as amended, and with respect to an eligible employee in service as of the Join Date and who elects to participate in VRS within one year of the Join Date, the Employer certifies service rendered with the Employer prior to the Join Date to the extent that the eligible employee pays to VRS the cost of VRS service credit representing such certified service rendered, the cost of which VRS shall determine in its sole discretion;

3. The Employer agrees to pay the required employer cost for participation of its employees in VRS for no prior service rendered with the Employer prior to the Join Date, for which credit is authorized and established in a manner prescribed by VRS;

4. The Employer hereby elects to have such employees who are employed in positions as full time Law Enforcement Officers or Firefighters, and whose tenure is not restricted as to temporary or provisional appointment, to become eligible for VRS benefits equivalent to those provided for state police officers of the Department of State Police, as set out in section 51.1-138 of the Code of Virginia (1950), as amended, including the retirement multiplier of 1.85%, in lieu of the benefits that would otherwise be provided to such employees, and the Employer agrees to pay the employer cost for providing such benefits;

5. The Employer agrees that its eligible employees who are VRS members shall be required to pay member contributions on a salary reduction basis in accordance with sections 51.1-144 and 51.1-169 of the Code of Virginia (1950), as amended, and section 414(h) of the Internal Revenue Code;

6. The Employer agrees to pay employer contributions in accordance with sections 51.1-145 and 51.1-169 of the Code of Virginia (1950), as amended;

7. The Employer hereby irrevocably elects to provide GLI coverage for its GLI-eligible employees effective as of the Join Date;

8. The Employer hereby certifies, in accordance with section 51.1-504 of the Code of Virginia (1950), as amended, that it does not currently, and will not for the duration of its VRS participation, provide any other group life insurance coverage for its employees through any insurance company or nonprofit association;

9. The Employer hereby certifies, in accordance with section 51.1-502(6) of the Code of Virginia (1950), as amended, that seventy-five percent of eligible employees have elected to become covered by the GLI benefit on the Join Date;

10. The Employer agrees (i) to pay required employer contributions for its GLI-eligible employees pursuant to section 51.1-508 of the Code of Virginia (1950), as amended, on or before the date required by law and, (ii) to deduct from the employees' wages and to pay in the manner prescribed pursuant to section 51.1-506 of the Code of Virginia (1950), as amended, the employees' portion to the extent that such employees' portion is not paid by the Employer; and,

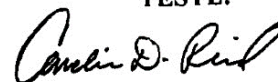
11. The Employer agrees to comply with all applicable laws and regulations, as well as VRS policies, procedures, and determinations in accordance with VRS' statutory authority set forth in the Code of Virginia (1950), as it may be amended from time to time.

BE IT FURTHER RESOLVED,

That the officers of the Employer are hereby authorized and directed in the name of the Employer to carry out the provisions of this resolution and to pay to the Treasurer of Virginia from time to time such sums as are due to be paid by the Employer for this purpose.

A TRUE COPY:

TESTE:

A handwritten signature in black ink, appearing to read "Carlin D. Reed".

City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2023-1512

File ID: Admin-2023-1512

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

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In Control: City Clerk Waiting Room

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Introduction Date:

Drafter:

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	9/6/2023	Sabrina Joy-Hogg	Approve	9/7/2023
1	2	9/6/2023	Lincoln Saunders	Approve	9/7/2023
1	3	9/7/2023	Mayor Stoney	Approve	9/7/2023

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File Admin-2023-1512

City of Richmond
Intracity Correspondence

O&R REQUEST

DATE: Wednesday, September 6, 2023

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

FROM: Sabrina Joy-Hogg, Deputy Chief Administrative Officer -
Finance and Administration

RE: Transition to the Virginia Retirement System

ORD. OR RES. No.

PURPOSE: To adopt legislation irrevocably electing that the City of Richmond join the Virginia Retirement System and to provide retirement benefits for its eligible employees beginning January 1, 2024.
REASON: To transition from the Richmond Retirement System to the Virginia Retirement System, under State Code § 51.1-130., legislation, including a resolution, of the governing body is required for political subdivisions to participate in the system.

RECOMMENDATION: The administration recommends adoption of this resolution and subsequent actions to adopt corresponding legislative changes to RRS, employee contribution, issuance of pension obligation bonds, establishing a reserve trust fund, and retirement financial policies

BACKGROUND:

RETIREMENT SYSTEMS

Under the Code of Virginia § 51.1-800, every county, city, or town with a population of 5,000 or more must provide a retirement system for its officers and employees either by establishing and maintaining a local retirement system or by participating directly in Virginia Retirement System (VRS). The city established its own retirement system, the Richmond Retirement System (RRS) in 1945.

RRS is a component unit of the City of Richmond. The system administers defined benefit (DB) and defined contribution (DC) retirement plans for more than 10,000 members, and the system has over \$600.0 million in net assets. RRS is supervised by its Board of Trustees, a seven-member group that oversees the administration of DB and DC retirement plans. Board members are appointed by Richmond City Council and the Mayor in accordance with the Richmond City Charter, and at any time at least two members are city employees.

VRS was established in 1942 and exists as an independent state agency based in Richmond. It delivers retirement and other benefits to covered Virginia public sector employees. VRS is the 14th largest public or private pension fund in the U.S. and 42nd largest in the world. Its members include public school teachers,

political subdivision employees (cities, towns, special authorities, and commissions), state agency employees, public college and university personnel, state police, Virginia law officers and the judiciary. Approximately 832 employers participate in VRS, and as of June 30, 2022, there were 255 participating Virginia counties, cities, and towns.

PROJECT INITIATION AND ANALYSES

City Council tasked the administration with reviewing and analyzing the implications and impacts of a potential transition to VRS from the current RRS. As a result, the VRS Steering Committee ("the committee") formed in the spring of 2022.

The committee was convened by Chief Administrative Officer Lincoln Saunders and led by the Deputy Chief Administrative Officer for Finance and Administration, Sabrina Joy-Hogg. Included in the committee were a wide array of participants and stakeholders, including:

- City staff from the Finance and Administration Portfolio;
- City staff from the City Attorney's Office;
- City staff from RRS;
- Staff from the Richmond Behavioral Health Authority, a participating employer in RRS separate from the City of Richmond; and
- Third party financial and actuarial consultants.

As a result of these initial analyses, the committee requested an actuarial study to be performed by VRS in December of 2022. The requested actuarial study included multiple potential scenarios, all of which presumed the closing of RRS to new employees January 1, 2024, in lieu of VRS for all new employees, and a period for current employees to make their own election to stay with their current RRS plan or to move to VRS.

The committee performed initial analyses comparing the two retirement systems. These analyses showed that a potential transition could be of benefit to the city's employees, financial outlook, and competitive recruitment advantage in the future.

Based on the combined analyses of the committees, VRS, and associated third parties the administration recommends transitioning the City of Richmond's retirement to VRS.

WHAT A TRANSITION LOOKS LIKE

The city is not entirely new to VRS. As a political subdivision, the city currently contributes to VRS for constitutional officers. The administration and cost of retirement benefits will gradually shift from RRS to VRS. This will be a long-term transition due to the number of current retirees who will remain in RRS and employees who will have to option to remain with VRS.

For current employees, the transition to VRS is an individual choice. If a Police Officer who just started their career wants to continue with their RRS Sworn Enhanced DB Plan, they can. If a Utilities Plant Operator has maximized their RRS DC employer contribution and wants to stay with RRS for the rest of their career, they can. If one current employee wants to move out of their current RRS plan and into their respective VRS plan while another wants to stay in VRS, each would be able to under the adoption of this legislation.

Existing employees will have support from the city and VRS to better understand how their individual retirement decision may impact them. In addition to the resources of the individual systems the administration will contract with an external retirement/financial planning communications consultant to ensure that existing employees can have the requisite resources to make an informed decision.

January 1, 2024 will be the effective date of transition. From this day forward, new qualifying employees will be automatically entered into VRS, and existing employees will have twelve months to decide to transition or not. Those existing employees who elect not to transition will remain with RRS while those who do would

start in VRS. All current employees' system choices will be made and final by December 31, 2024.

EMPLOYEE PERSPECTIVE

General Employees

General employees hired after July 2006 participate in RRS' DC plan. The DC plan does not require employee contributions. The city contributes a percentage of their salary based on years of service. The majority (more than 50.0 percent) of the city's employees are general employees in the DC plan. Over the past ten years, the separation rate of DC plan employees in their first five years (vesting period) has been higher compared to DB plan participants. In some cases, DC plan participants are not aware that they receive a retirement benefit from the city because they are not required to make employee contributions.

VRS' Hybrid Plan, which those general employees currently participating in RRS' DC Plan may enter, includes both a DB pension component and a DC component. The VRS Hybrid Plan allows employees to elect above and beyond their mandatory contribution to the DC portion of the plan with structured employer matching.

Employees in the VRS Hybrid Plan have the option to voluntarily contribute an additional four percent to receive an employer match of 2.5 percent. The Hybrid Plan also comes with an automatic enrollment to the Commonwealth's short-term disability plan.

Sworn Employees

Sworn employees can also benefit from VRS. All new employees and those electing to transition would go into VRS Plan 2 (Enhanced Benefits for Eligible Political Subdivision Hazardous Duty Employees) unless they have prior service in VRS Plan 1 and meet the vesting requirements to reenter. For Sworn employees, VRS Plan 2 and the RRS DB Plan (and Enhanced) have similar structures.

Both are DB plans that feature earlier retirement ages than general employees, retirement supplements prior to reaching social security age, and other features. VRS offers a considerably higher benefit multiplier of 1.85 percent versus RRS' 1.65 percent and a flat hazardous duty supplement set by the General Assembly every two years that is payable until Social Security age.

Sworn and General Employees

All VRS plans offer annual, automatic, formulaic cost of living adjustments (COLAs). For Plan 2 and the Hybrid Plan an annual COLA has been added to retiree DBs from anywhere from 0.12 percent in years of low inflation up to 3.0 percent (the plans' COLA cap) in years of high inflation. COLAs help protect the purchasing power of a retirees' calculated benefit by increasing it considering inflation. Whereas VRS' COLA is automatic, RRS' is ad hoc.

FUTURE LEGISLATION TO BE INTRODUCED SUBSEQUENT TO CITY COUNCIL ACTION

Creating Equitable Employee Investment through Wage and Employee Contribution Adjustments

Under VRS, all employees, regardless of plan, contribute a mandatory five percent of their salary into their retirement plan pre-tax. RRS requires vastly different employee contribution rates. Those in the DC Plan are required to contribute nothing while the DB plans require at least one percent.

To create investment on the part of the employee regardless of whether they choose to stay in RRS or transition to VRS, the administration will propose a one-time salary adjustment for all city employees of 4.53 percent.

The 4.0 percent will be a mandatory employee retirement contribution and the 0.53 percent will be included to mitigate the impact of FICA taxes. The 4.0 percent will be required to contribute regardless of plan

selection. These are costs that are typically borne directly by the city in employer contributions. The proposed salary increase encourages employees' investment and active participation in their retirement, whether they choose to stay in RRS or move to VRS, enhancing financial planning and literacy. It also creates a more equitable employee contribution structure in preparation for a VRS transition where employee contributions will be mandatory.

Under this legislation, the 4.0 percent salary adjustment will be used as an increased employee contribution to RRS for both DB Plans and the DC Plan. The table below outlines the changes to both plans.

Table 1: Changes to DB and DC Plan Employee (EE) and Employer (ER) Amounts

Plan	Original EE	New EE	Original ER	New ER
General DB	1.0%	5.0%	ADC	ADC
Sworn DB	1.5%	5.5%	ADC	ADC
General/Sworn DC	Please see below for EE and ER by years of creditable service:			
<5 years	0.0%	4.0%	5.0%	1.0%
≥5, ≤9 years	0.0%	4.0%	6.0%	2.0%
≥10, ≤14 years	0.0%	4.0%	8.0%	4.0%
≥15 years	0.0%	4.0%	10.0%	6.0%

As the table above displays, all employees, regardless of RRS plan, will be required to contribute the additional four percent salary adjustment. This proposed increase of employee contributions to RRS will bring all employees to within one percent of the mandatory VRS employee contribution of five percent regardless of plan.

The annual cost of the one-time FICA tax gross-up is estimated to be \$1.3 million.

An additional O&R Request will be submitted based on City Council's decision on the resolution requested by this O&R Request.

Issuance of Pension Obligation Bonds to Enhance Funded Status of RRS and Implementation of Associated Financial Policies

Regardless of the decision to transition to the VRS, the unfunded liability of RRS should be addressed to enhance the financial standing of the city. The funded ratio of RRS' actuarial value of assets to actuarial liability according to RRS's 2022 valuation report was 67.7 percent and its ratio of fiduciary net position to total pension liability was 64.5 percent. The funded ratios are expected to shift based on reporting currently being completed by RRS for FY 2023. For comparison, the funded ratio of the VRS Political Subdivisions plan funded ratio of value of assets to actuarial liability was 88.8 percent in FY 2022 compared to RRS' 67.7 percent.

The perpetual underfunding of the RRS pension system has been a detriment to the improving city's credit rating. Without the issuance of pension obligation bonds (POBs), it is projected that RRS will meet the 80.0 percent funded status in five years; with the issuance of POBs, the funded status will reach 80.0 percent shortly after the debt is issued. In effect, this approach would trade the cost of funding future actuarially determined contribution amounts for debt service on the POBs. As this debt is not to be used for CIP projects, it will not impact the city's established debt policies.

The city's external financial advisors have tested this approach against a credit rating agency scorecard and have found that the debt issuance impact is minimal. They advise that the action would be viewed as a credit positive by the agencies if approached holistically, i.e., combined with long-term financial policies that will include:

- Continued dedication to fund the actuarially determined contribution annually;
- Establishing financial policies that do not increase current benefits resulting in additional costs without

pre-funding;

- Establishing a reserve trust account which includes short-term investment strategies.

Based on the action of City Council, the administration will also seek authorization to establish the RRS Pension Obligation Reserve Trust (PORT) Fund as a part of the city's enhanced financial strategy. This fund will be kept by the city to maintain RRS' funded status at 80.0 percent minimum with future infusions to RRS from the dedicated reserve. The fund will be considered an offset to the city's unfunded accrued liability and represent a step to reaching a funding ratio of 100.0 percent. As this reserve will be dedicated, it will be set aside solely for RRS as the beneficiary and will not be considered a part of the city's assets.

The administration will seek the authorization in an amount not to exceed to ensure the most efficient use of funds. The total par amount of debt issued will be determined by the rate of return experienced by RRS in FY 2023 and the timing of a portion of the issuance of debt may be delayed ensuring a more favorable rate environment.

Again, an additional O&R Request will be submitted based on City Council's decision on the resolution requested by this O&R Request. This approach has been modeled to result in a cost savings for the city in the short term. Financial impacts will be detailed in ensuing O&R Request.

CITY FINANCIAL PERSPECTIVE

The administration is confident that a transition to VRS makes sound financial sense for our employees and the city's finances. There is considerable administrative cost associated with operating an independent retirement system. The FY 2024 Adopted Budget includes \$2.2 million in general fund expenses for RRS that are covered by EE and ER contributions. By transitioning to VRS, over time the city will be able to shift costs associated with operating an independent retirement system.

Secondly, VRS is financially a better managed system by two key metrics, funded status, and investment rate of return. At the end of FY 2022 the actuarially calculated funded status of VRS Political Subdivision Plans (in which the city would be considered) was 88.8 percent as opposed to RRS' 67.7 percent. Maintaining higher funded status in pension plans is key to reducing future liabilities and costs.

A portion of VRS' higher funded status is due to higher investment rates of return. From FY 2017 through FY 2022 VRS rates of return have outpaced RRS in six out of four years, average two percent higher on average compared to RRS, and have not reported any negative investment rates of return as RRS did in FY 2022. The city is required by law to provide our employees retirement plans and analysis has borne out that VRS does so effectively.

The administration recommends the authorization of pension obligation bonds (POBs) not to exceed the amount of \$120.0 million to improve the funded status of RRS. With the authorization of this debt the city will be able to issue POBs in the upcoming year to a healthier funded status informed by RRS' FY 2023 return on investment and updated funded status. This authorization is presented as a companion O&R Request to this one. Using a three-pronged approach - shoring up the funded status of RRS, transitioning retirement systems to one that is higher performing, and putting sound financial policies in place - the city can increase its financial wellbeing and perhaps, in time, its credit rating by minimizing credit weaknesses in terms of unfunded liability.

Regardless of City Council's decision to transition to VRS, the low funded status of RRS must be addressed. Should the city not transition to VRS a cash infusion to RRS will be necessary to achieve the 80 percent minimum threshold.

CITY COMPETITIVE RECRUITMENT PERSPECTIVE

RRS is one of only seven independent locality retirement systems in the Commonwealth and it experiences recruitment and retention issues as a result. RRS does not currently offer DB pension retirement plans for

general employees outside of executives while the state and participating localities do through the VRS Hybrid Plan. This puts Richmond at a comparative disadvantage in recruitment for entry level talent and particularly for experienced employees with experience within a VRS participating employer.

While there is a risk of losing employees to other VRS employers in the future, this is already occurring. Current VRS employers can and do pick talent from Richmond's general employee pool who do not have access to a defined pension plan but only a DC plan. Recruiting from VRS employers to Richmond currently requires that they stop adding years of service to their pension calculation and replace that time with five years of vesting in a DC plan.

Participating in VRS will allow the city to recruit employees statewide who are already VRS members who can not only maintain, but enhance, their benefit as they continue their careers with the city.

FISCAL IMPLICATIONS: The transition to VRS is expected to produce a short-term savings of approximately \$4.0 million annually. There is an expected long-term increase in costs of \$54 million (net present value). Conversely, shoring up RRS to attain 80 percent funded status is anticipated to cost \$100 million currently. As such, the city must bear the cost of transition or plan to reach and maintain the minimum 80 percent actuarial funded status funds by providing additional cash to RRS.

BUDGET AMENDMENT NECESSARY: N/A

REVENUE TO CITY: N/A

DESIRED EFFECTIVE DATE:

- Resolution to join VRS: Effective immediately with start date of January 1, 2024

REQUESTED INTRODUCTION DATE: Monday, September 11, 2023

CITY COUNCIL PUBLIC HEARING DATE: Monday, September 25, 2023

REQUESTED AGENDA: Regular

RECOMMENDED COUNCIL COMMITTEE: Thursday, September 21, 2023, Finance and Economic Development Standing Committee

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: All agencies

RELATIONSHIP TO EXISTING ORD. OR RES.:

REQUIRED CHANGES TO WORK PROGRAM(S):

- Will require changes within all agencies, Human Resources, Finance - Payroll, and RRS associated with retirement with guidance from VRS;
- Will require bringing on a Retirement Advisor/Communicator which the administration has already initiated work on and will finalize pending City Council Action;

ATTACHMENTS:

- New VRS Employer (includes GLI and Enhanced Hazardous Duty Benefits) Draft Resolution Language;

STAFF:

- Sabrina Joy-Hogg, Deputy Chief Administrative Officer - Finance and Administration Portfolio
- Robin Redmond, Deputy Director of Human Resources



VIRGINIA RETIREMENT SYSTEM
P.O. Box 2500
Richmond, VA 23218-2500

New VRS Employer (includes GLI and Enhanced Hazardous Duty Benefits)

WHEREAS, subject to the approval of the Virginia Retirement System ("VRS") Board of Trustees, *Code of Virginia* § 51.1-130 permits a political subdivision of the Commonwealth of Virginia to make an irrevocable election to join VRS and to provide retirement benefits for its eligible employees, as that term is defined in *Code of Virginia* § 51.1-132; and

WHEREAS, subject to the approval of the VRS Board of Trustees and upon a political subdivision's irrevocable election to join VRS, *Code of Virginia* §§ 51.1-502 and -504 permit certain employees of the political subdivision to participate in the VRS Group Life Insurance Program ("GLI"); and

WHEREAS, subject to the approval of the VRS Board of Trustees, *Code of Virginia* § 51.1-138 permits a political subdivision of the Commonwealth of Virginia currently participating in VRS to make an irrevocable election to provide enhanced hazardous duty retirement benefits for its eligible employees as outlined in § 51.1-138;

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Richmond (the "Employer"), a political subdivision of the Commonwealth of Virginia, acting by and through the City Council, hereby irrevocably elects to join VRS and provide VRS retirement benefits for its eligible employees effective the first day of January 2024 ("Join Date");

2. The Employer agrees to pay the required employer contribution rate on or before the date required by law;

3. The Employer agrees to pay the required employer cost for participation of its employees in VRS for no prior (see below) * service rendered with the Employer prior to the Join Date, for which credit is authorized and established in a manner prescribed by VRS;

* In this blank insert the appropriate wording to describe the amount of prior service being granted by your entity (e.g., no, all, up to five years, etc.)

4. The Employer hereby elects to have such employees who are employed in positions as full time Law Enforcement Officers, Firefighters, and whose tenure is not restricted as to temporary or provisional appointment, to become eligible for VRS benefits equivalent to those provided for state police officers of the Department of State Police, as set out in § 51.1-138 including the retirement multiplier of 1.85%, in lieu of the benefits that would otherwise be provided to such employees, and the Employer agrees to pay the employer cost for providing such benefits;

5. The Employer agrees that its eligible employees who are VRS members shall be required to pay member contributions on a salary reduction basis in accordance with *Code of Virginia* §§ 51.1-144 and 51.1-169 and § 414(h) of the Internal Revenue Code;

6. The Employer agrees to pay employer contributions in accordance with *Code of Virginia* §§ 51.1-145 and 51.1-169;

7. The Employer hereby irrevocably elects to provide GLI coverage for its GLI-eligible employees effective as of the Join Date;

8. The Employer hereby certifies, in accordance with *Code of Virginia* § 51.1-504, that it does not currently, and

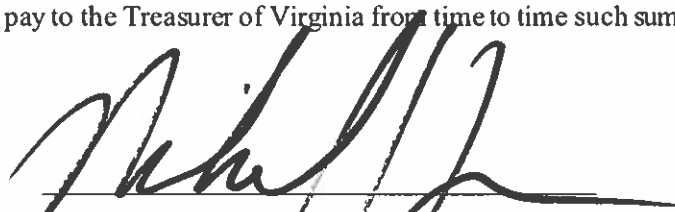
not _____ for
the duration of its VRS participation, provide any other group life insurance coverage for its employees through any insurance company or nonprofit association;

9. The Employer hereby certifies, in accordance with *Code of Virginia* § 51.1-502(6), that seventy-five percent of eligible employees have elected to become covered by the GLI benefit on the Join Date;

10. The Employer agrees (i) to pay required employer contributions for its GLI-eligible employees pursuant to § 51.1-508 on or before the date required by law and, (ii) to deduct from the employees' wages and to pay in the manner prescribed pursuant to § 51.1-506 the employees' portion to the extent that such employees' portion is not paid by the Employer; and,

11. The Employer agrees to comply with all applicable laws and regulations, as well as VRS policies, procedures, and determinations in accordance with VRS' statutory authority set forth in the *Code of Virginia*, as it may be amended from time to time.

NOW, THEREFORE, the officers of the Employer are hereby authorized and directed in the name of the Employer to carry out the provisions of this resolution and to pay to the Treasurer of Virginia from time to time such sums as are due to be paid by the Employer for this purpose.



Governing Body Chair

CERTIFICATE

I, [insert name] Candice D. Reid, [insert title] City Clerk of the Employer, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the Employer held at [insert county/city/town] Richmond, Virginia at [insert time] 6:00 p.m. on [insert date] September 25th, 2023. Given under my hand and seal of the Employer this [insert date] 27th day of September, 2023.





Signature