

**CERTIFICATE OF RESOLUTIONS  
OF THE PUBLIC WORKS COMMISSION  
OF THE CITY OF FAYETTEVILLE**

I certify that I am a member of the Public Works Commission of the City of Fayetteville, North Carolina (hereinafter referred to as the "Commission"), and that the following are true and correct copies of resolutions duly adopted by the Commission at a meeting held this the 4<sup>th</sup> day of December 2002.

**RESOLUTIONS RELATING TO THE RETIREMENT PLAN AND ADOPTION OF  
LGERS**

WHEREAS, under Chapter 384 of the Session Laws of 1965 of the General Assembly of North Carolina, and Chapter 557 of the Session Laws of 1979 of the General Assembly of North Carolina, the City Council of the City of Fayetteville, North Carolina (hereinafter referred to as the "Council") has been authorized to establish and maintain the Employees' Retirement Plan of the Public Works Commission of the City of Fayetteville (hereinafter referred to as the "Retirement Plan"); and

WHEREAS, North Carolina General Statute § 128-25 provides that if 60% or more of the members of a local pension system of a county, city or town of the State vote to become members of the North Carolina Governmental Employees' Retirement System (hereinafter referred to as "LGERS") that the following will occur:

- The members will be eligible to participate in LGERS after approval by the Trustees of the North Carolina Governmental Employees' Retirement System;
- After approval, the members of the local pension system will receive benefits from LGERS as if their participation in the local pension system had been participation in LGERS, and payments to existing pensioners who were being paid pensions on the date of the approval shall be continued and paid at their existing rates;
- After approval, the assets of the local pension plan will be transferred to the North Carolina Governmental Employees' Retirement System, where they will be an offset against the special accrued liability contribution to be paid by the county, city or town as provided by G.S. 128-30, subsection (d); and
- After the approval, no additional benefits will accrue under the local pension plan; the local pension system will be discontinued; and assets of the local pension system will be transferred to the North Carolina Governmental Employees' Retirement System to be credited for the benefit of employees of the employer under LGERS; and

WHEREAS, in July 2002 the Commission recommended to the Council, and the Council approved, that a referendum for the members of the Retirement Plan be held for them to vote on whether to participate in LGERS; the referendum was held in November 2002; and more than 60% of the members of the Retirement Plan voted in favor of participation in LGERS; and

WHEREAS, in light of the vote by members of the Retirement Plan to participate in LGERS, the Commission wishes to recommend to the Council that it approve the participation of the Commission's employees in LGERS pursuant to North Carolina General Statute § 128-25; and

WHEREAS, the Commission wishes to recommend to the Council that it take the following actions relating to the Retirement Plan and the adoption of LGERS:

- To establish a new retirement plan and related trust under the authority of North Carolina General Statute § 160A-163, to be called the "Supplemental Employees' Retirement Plan of the Public Works Commission of the City of Fayetteville" and the "Supplemental Employees' Retirement Trust of the Public Works Commission of the City of Fayetteville" (hereinafter referred to as the "Supplemental Plan"), copies of which plan and related trust are attached hereto, and which has been reviewed by the Commission's attorney and actuary, which Supplemental Plan would provide certain benefits that had been provided by the Retirement Plan that cannot be provided by LGERS under North Carolina law;
- To appoint the individuals who are currently members of the Board of Trustees of the Retirement Plan as the members of the Board of Trustees of the Supplemental Plan;
- To authorize and direct the Commission to direct the members of the Board of Trustees of the Retirement Plan, who are the trustees of the assets of the Retirement Plan, to transfer assets of the Retirement Plan by the middle of January 2003 in an amount sufficient to provide the benefits under the Supplemental Plan, with such amount to be determined by the Commission with the advice of the actuary of the Retirement Plan;
- To amend the Retirement Plan by adopting the First Amendment, attached hereto, to make the following changes:
  - To adopt certain cost-of-living increases for certain retirees in pay status under the Retirement Plan;
  - To adopt certain changes required by IRS rules;
  - To provide for one additional pension plan payment for retirees in pay status the month before the employees of the Commission begin to participate in LGERS; and
  - To authorize the Commission to adopt amendments that may be necessary or desirable to facilitate the transactions involving the Supplemental Plan and LGERS.
- To direct the members of the Board of Trustees of the Retirement Plan to liquidate and transfer any remaining assets of the Retirement Plan to the North Carolina Governmental Employees' Retirement System in accordance with North Carolina General Statute § 128-25 on or about April 1, 2003 (or such other date as may be the initial participation date of the Commission's active employees in LGERS); and
- To authorize and direct the Commission and the Board of Trustees to take such steps as the Commission and the Board of Trustees shall deem necessary or desirable to suspend and wind up the Plan when the employees of the Commission become covered by LGERS.

NOW, THEREFORE, IT IS RESOLVED, that the Commission recommends to the Council that it approve the participation of the Commission's employees in LGERS pursuant to North Carolina General Statute § 128-25.

RESOLVED, that the Commission recommends to the Council that it establish the Supplemental Plan in the form presented to the meeting.

RESOLVED, that the Commission recommends to the Council that it appoint the individuals who are currently members of the Board of Trustees of the Retirement Plan as the members of the Board of Trustees of the Supplemental Plan.

RESOLVED, that the Commission recommends to the Council that it authorize and direct the Commission to direct the members of the Board of Trustees of the Retirement Plan, who are the trustees of the assets of the Retirement Plan, to transfer assets of the Retirement Plan by the middle of January 2003 in an amount sufficient to provide the benefits under the Supplemental Plan, with such amount to be determined by the Commission with the advice of the actuary of the Retirement Plan.


RESOLVED, that the Commission recommends to the Council that it adopt the First Amendment to the Retirement Plan in the form presented to the meeting.

RESOLVED, that the Commission recommends to the Council that it direct the members of the Board of Trustees of the Retirement Plan to liquidate and transfer any remaining assets of the Retirement Plan to the North Carolina Governmental Employees' Retirement System in accordance with North Carolina General Statute § 128-25 on or about April 1, 2003 (or such other date as may be the initial participation date of the Commission's active employees in LGERS).

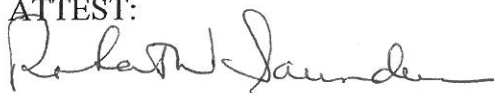
RESOLVED, that the Commission recommends to the Council that it authorize and direct the Commission and the Board of Trustees to take such steps as the Commission and the Board of Trustees shall deem necessary or desirable to suspend and wind up the Plan when the employees of the Commission become covered by LGERS.

IN WITNESS WHEREOF, the undersigned has set his hand this the 4<sup>th</sup> day of December, 2002.

PUBLIC WORKS COMMISSION OF THE  
CITY OF FAYETTEVILLE, NORTH CAROLINA

  
Vance B. Neal, Chairman

ATTEST:

  
Robert W. Saunders, Secretary