

**AGENDA ITEM 23****Consider approving amendments to Deferred Compensation Program Plan document.**

Lisa Zirkle addressed the court regarding amendments to Section 457 Deferred Compensation Plan. The first amendment is a provision that would include Qualified Domestic Relations Orders, which would allow the participant to designate an alternate payee. The second amendment to the plan document would include a provision that would permit loans to county employees.

Moved: **Commissioner Hays**

Seconded: **Judge Doerfler**

Motion: To approve amendments to Deferred Compensation Program Plan document.

Vote: 4 – 0 –1. **Commissioner Heiligenstein** abstained.

< Attachment >

THE STATE OF TEXAS  
COUNTY OF WILLIAMSON

I, MIKE HEILIGENSTEIN (name) as a member of the Williamson County Commissioners Court make this affidavit and hereby on oath state the following:

I have a substantial interest in a business entity or real property that may receive a special economic effect that is distinguishable from the effect on the public by a vote or decision of the Williamson County Commissioners Court as those terms are defined in Chapter 171 of the Local Government Code. The business entity or real property is:

NATIONWIDE RETIREMENT SOLUTIONS 5700 PARKWOOD COLUMBUS, OH.  
(name and address of business and/or description of property)

MIKE HEILIGENSTEIN

("I") or name of relative and relationship

(have/has) a substantial interest in this business entity or real property for the following reasons (circle all which are applicable):

- (1) the interest is ownership of 10% or more of the voting stock or shares of the business entity;
- (2) the interest is ownership of 10% or \$5,000 or more of the fair market value of the business entity;
- (3) funds received from the business entity exceed 10% of (my)his/her income for the previous year;
- (4) real property is involved and \_\_\_\_\_ (I/he/she) (have/has) an equitable or legal ownership with a fair market value of at least \$2,500.

Upon the filing of this affidavit with the official recordkeeper for the County, I affirm that I shall abstain from any discussion, vote, or decision involving this business entity or real property and from any further participation in this matter whatsoever.

Signed this 4th day of February 2003.

Mike Heiligenstein

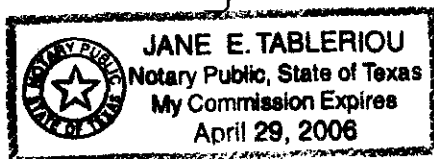
Signature of public official

County Commissioner

Title

BEFORE ME, the undersigned authority, this day personally appeared MIKE HEILIGENSTEIN (name of affiant) and by oath stated that the facts hereinabove stated are true and correct to the best of (his/her) knowledge or belief.

Sworn to and subscribed before me on this 4th day of February, 2003.



Jane E. Tableriou  
Notary Public in and for the State of Texas  
My commission expires: 4-29-06

**NATIONAL ASSOCIATION OF COUNTIES  
DEFERRED COMPENSATION PROGRAM**

**THE DEFERRED COMPENSATION PLAN FOR PUBLIC EMPLOYERS**

**DOMESTIC RELATIONS AMENDMENT TO PLAN DOCUMENT**

WHEREAS, EMPLOYER executed the above referenced Plan Document, as amended: and

WHEREAS, effective Williamson Co, EMPLOYER now desires to further amend the plan document.

1. The following Article XIII is hereby added:

**ARTICLE XIII**

13.01 When the PLAN received a judgement, decree or order entered or enforceable pursuant to local domestic relations marital property law ("domestic relations order"), and relating to the property rights of a PARTICIPANT's present or former spouse, child or other dependent ("ALTERNATE PAYEE"), then:

- (a) The ADMINISTRATOR shall promptly notify the PARTICIPANT and ALTERNATE PAYEE of the receipt of such order, and
- (b) The EMPLOYER, within a reasonable time, shall determine the validity of the domestic relations order as set forth in this Article. Once a determination as to the validity of the domestic relations order is made, the ADMINISTRATOR shall notify the PARTICIPANT and ALTERNATE PAYEE of such determination.

13.02 A valid domestic relations order must be a judgement, decree, order, or approval of marital property settlement relating to: (1) the property rights of the ALTERNATE PAYEE; and (2) is an order made pursuant to state domestic relations law (including community property law), which relates to the property rights of the ALTERNATE PAYEE. In addition, the domestic relations order must:

- (a) Create or recognize the existence of, or assign to an ALTERNATE PAYEE a claim for a portion of any benefits that actually become payable to a PARTICIPANT under the PLAN.
- (b) Clearly specify the following information:
  - (i) The name, social security number, and last known mailing address of the PARTICIPANT and ALTERNATE PAYEE covered by the domestic relations order;

- (ii) The amount or percentage, or the manner to be used in determining the amount or percentage, of the PARTICIPANT's benefit to be paid by the PLAN to the ALTERNATE PAYEE;
- (iii) The number of payments or period to which the order applies; and
- (iv) The applicability of the order to the PLAN.

13.03 When the EMPLOYER has determined that a valid domestic relations order applies to a PARTICIPANT's account, the EMPLOYER shall notify the ADMINISTRATOR and provide the ADMINISTRATOR with all pertinent information regarding the domestic relations order, including the information set forth in Section 13.02. The EMPLOYER shall direct the ADMINISTRATOR to comply with the domestic relations order and specify the value or benefit of the PARTICIPANT's account to which the ALTERNATE PAYEE is entitled. Once the ADMINISTRATOR has received from the EMPLOYER the required information and direction, the ADMINISTRATOR shall establish a separate account for the ALTERNATE PAYEE and place the value or benefit of the PARTICIPANT's account in the ALTERNATE PAYEE's account as requested by the EMPLOYER.

13.04 The ALTERNATE PAYEE is entitled to receive distributions immediately upon the establishment of his or her account under Section 13.03, and commencement of distributions must begin no later than April 1<sup>st</sup> following the year in which the ALTERNATE PAYEE attains age 70 ½, in accordance with the terms of Section 8.02. Distributions made to an ALTERNATE PAYEE are reported as taxable income to the ALTERNATE PAYEE. State taxes, if applicable, and Federal taxes will be withheld from any distribution on the ALTERNATE PAYEE's account based upon the tax withholding elections of the ALTERNATE PAYEE. The ALTERNATE PAYEE may not make any contributions to an account established under Section 13.03. The ALTERNATE PAYEE is permitted to name beneficiaries to his or her account and exercise exchanges among the funding options as permitted by the PLAN and the investment providers under the PLAN.

IN WITNESS WHEREOF, the undersigned has executed this Amendment this 4th day of February, 2003.

Williamson County

(Name of Employer)

By:

John C. Doerfler 2-4-03  
John C. Doerfler, County Judge

**NATIONAL ASSOCIATION OF COUNTIES  
DEFERRED COMPENSATION PROGRAM**

**THE DEFERRED COMPENSATION PLAN FOR PUBLIC EMPLOYERS**

**LOANS TO PARTICIPANTS AMENDMENT TO PLAN DOCUMENT**

WHEREAS, PLAN SPONSOR executed the above referenced Plan Document, as amended: and

WHEREAS, effective Williamson Co., PLAN SPONSOR now desires to further amend the plan document.

The following Section 8.06 is hereby added:

**8.06 Loans to PARTICIPANTS**

- (a) PLAN SPONSOR has elected to make loans available to PARTICIPANTS and has delegated certain administrative duties regarding loans from the PLAN to the ADMINISTRATOR.
- (b) Any loan by the PLAN to a PARTICIPANT under this Section shall be subject to the loan administrative procedures established by the ADMINISTRATOR as well as the following requirements:
  - (i) Loan Eligibility. Any PARTICIPANT may apply for loan under the PLAN. A PARTICIPANT who has defaulted on a previous loan from the PLAN shall not be eligible for another loan from the PLAN until all defaulted loans are repaid in full, including accrued interest and fees.
  - (ii) Loan Application and Loan Agreement. A PARTICIPANT must complete and return to ADMINISTRATOR a loan application. A non-refundable application fee established by ADMINISTRATOR will be deducted from the PARTICIPANT'S ACCOUNT(s) at the time of loan origination. Before a loan is issued, the PARTICIPANT must enter into a legally enforceable loan agreement as provided for by the ADMINISTRATOR.
  - (iii) Loan Repayment. The PARTICIPANT receiving a loan shall be required to furnish to ADMINISTRATOR any information and authorization necessary to effectuate repayment of the loan prior to the commencement of a loan. In the event that a payment cannot be processed because of lack of sufficient funds, the ADMINISTRATOR shall assess an insufficient funds charge which will be deducted from the PARTICIPANT'S ACCOUNT(s).

- (iv) ~~→~~ Loan Term and Interest Rate. The maximum term over which a loan may be repaid is five (5) years (fifteen (15) years if the PLAN SPONSOR permits loans for the purchase of a PARTICIPANT's principal residence). Each loan shall be amortized in substantially equal payments consisting of principal and interest during the term of the loan, except that the amount of the final payment may be higher or lower. The ADMINISTRATOR shall establish the interest rate for any loan.
- (v) Loan Frequency. Each Participant may have only one (1) PLAN loan outstanding at any given time. A PLAN loan which is in default, even if the defaulted loan was treated as a "deemed distribution" under federal regulations, shall be treated as an outstanding loan until such PARTICIPANT'S account balance is offset by the amount of principal and accrued interest under the loan. A PARTICIPANT will be granted a loan no more frequently than two (2) times in any twelve (12) month period.
- (vi) Default. The PARTICIPANT must pay the full amount of each loan payment (principal and interest) on the date that it is due. Failure to make such a payment by the due date, or within any cure period established by the ADMINISTRATOR, shall cause the PARTICIPANT to be in default for the entire amount of the loan, including any accrued interest. A loan will also be in default if the PARTICIPANT either refuses to execute, revoke, or rescind any agreement necessary to comply with the provisions of this Section or the loan administrative procedures established by the ADMINISTRATOR or commences or has commenced against PARTICIPANT a bankruptcy case.
- (vii) Loan Security. By accepting a loan, the PARTICIPANT is giving a security interest in their vested PLAN balance as of the loan process date, together with all additions thereof, to the PLAN that shall at all times be equal to 100% of the unpaid principal balance of the loan together with accrued interest.
- (viii) Loan Amount. The maximum amount of any loan permitted under the PLAN is the lesser of (i) 50% of the PARTICIPANT'S vested account balance less any outstanding loan balances under the PLAN or (ii) \$50,000 less the highest outstanding loan balance during the preceding one-year period. The ADMINISTRATOR shall establish the minimum loan amount. The PARTICIPANT and not the ADMINISTRATOR shall at all times remain responsible for ensuring that any loan received under the PLAN is in accordance with these

limits with regard to any other loans received by the PARTICIPANT under any other plans of the PARTICIPANT's employer.

(ix) Loan Maintenance Fee. Until a loan is repaid in full, an annual loan maintenance fee as established by ADMINISTRATOR will be deducted from the PARTICIPANT'S ACCOUNT(s).

(x) 7 Loan Default Fee. At the time when a default occurs, a loan default fee established by ADMINISTRATOR will be deducted from the PARTICIPANT'S ACCOUNT(s).

(c) The ADMINISTRATOR shall fix such other terms and conditions necessary to the administrative maintenance of the provisions of this Section and as necessary to comply with the IRC and regulations there under.

IN WITNESS WHEREOF, the undersigned has executed this Amendment this 4th day of February, 2003.

Williamson County  
(Name of PLAN SPONSOR)

By:

John C. Doerfler 2-4-03  
John C. Doerfler, County Judge

**NATIONAL ASSOCIATION OF COUNTIES  
- DEFERRED COMPENSATION PROGRAM**

**PARTICIPANT LOAN ADMINISTRATIVE PROCEDURES**

Nationwide Retirement Solutions, Inc. ("NRS"), as Third Party Administrator of the National Association of Counties Deferred Compensation Program, administers your Deferred Compensation Plan for Public Employees ("Plan"). Recently issued proposed regulations under Internal Revenue Code Section 457 provide that eligible governmental 457(b) plans may permit loans to Participants. NRS recommends that you, as Plan Sponsor and/or Employer (hereinafter collectively referred to as "Plan Sponsor"), consult with your own legal advisor in determining whether you wish to add this optional feature to your Plan.

In the event that you decide to offer loans from your Plan to Participants, you will need to return to NRS at [INSERT CONTACT INFO] a fully executed original of this document and a fully executed original of the enclosed Plan Document Amendment. NRS cannot begin processing Participant loans from your Plan until it receives fully executed originals of both of these documents.

NRS may need from time-to-time to make changes to the administrative procedures set forth herein and in the Plan Document Amendment. In such a case, NRS will provide you with timely notice of such changes as they become necessary.

The following administrative procedures shall govern the making of loans from your Plan:

1. **Loan Administration.** Plan Sponsor delegates to NRS certain administrative duties regarding the administration of loans from the Plan, which are set forth herein and which may be modified by NRS upon timely notice to Plan Sponsor.
2. **Loan Eligibility.** Any Plan Participant is eligible for a loan from the Plan. Each Participant is entitled to one (1) loan at any time. In addition, a Participant who has defaulted on a previous loan shall not be eligible for another loan from the Plan until all defaulted loans are repaid in full, including accrued interest and fees.
3. **Loan Application and Loan Agreement.** In order to receive a loan from the Plan, an eligible Participant must complete a loan application and return it to NRS. A loan application fee of \$50.00\* will be deducted from the Participant's account(s). Before a loan is issued, the Participant must enter into a legally enforceable loan agreement as provided by NRS. If the source for a single loan includes both the Participant's Deferred Compensation and Eligible Rollover Accounts, the Participant will be required to complete a loan application and loan agreement for each account which will be treated as separate and distinct for all purposes herein except that they will be considered a single loan for purposes of Sections 2, 6, and 10 herein.
4. **Loan Repayment/Maximum Loan Term.** Repayment of any loan made to a Participant shall be made in a manner and pursuant to the terms set forth in loan agreement. The Participant receiving a loan shall be required to furnish the information and authorization necessary to effectuate the foregoing payments prior to the commencement of a loan. The maximum term over which a loan may be repaid is five (5) years (fifteen (15) years if the Plan Sponsor permits loans for the purchase of the Participant's principal residence).

In the event that a Participant or his or her Beneficiary or spouse elects to receive a distribution from the Plan (other than a distribution due to an unforeseeable emergency or other in-service withdrawal) at a time when such person has a Plan loan outstanding, the principal and any accrued interest with respect to such



loan shall be deducted from the amount of the distribution. If the amount of such distribution is not sufficient to repay the outstanding balance of the loan (including principal and accrued interest), the Participant, or his or her estate, if applicable, shall be liable for and shall continue to make payments on any balance still due from him or her.

5. **Loan Amortization.** Each loan shall be amortized in substantially equal payments consisting of principal and interest during the term of the loan. Payments of principal and interest shall be made in a manner and pursuant to the terms set forth in the loan agreement on a monthly basis in equal amounts, except that the amount of the final payment may be higher or lower. Before the loan is made, the Participant will be notified of the date on which the first payment will be deducted and the dates on which subsequent payments are due.

6. **Loan Frequency/Renegotiations.** Each Participant may have only one (1) Plan loan outstanding at any given time. A Plan loan which is in default, even if the defaulted loan was treated as a "deemed distribution" under federal regulations, shall be treated as an outstanding loan until such Participant's account balance is offset by the amount of principal and accrued interest under the loan. NRS shall offset a defaulted loan at any time that is administratively practicable, including but not limited to severance from employment by the Participant or upon a request for a distribution from the Plan. A Participant will be granted a loan no more frequently than two (2) times in any twelve (12) month period. Under no circumstances may loan terms be renegotiated. A new loan shall not be granted prior to the repayment of an outstanding loan.

7. **Default.** The Participant must pay the full amount of each payment (principal and interest) on the date that it is due by having sufficient funds in the account designated for loan payments through the ACH process. If NRS is unable to process a payment on the date due because the Participant fails to have sufficient funds in the account on that date, NRS will assess a fee of \$25.00 that will be deducted from Participant's account(s) and will send written notification to the Participant. The Participant shall be in default for the entire amount of the loan UNLESS the Participant does each of the following: 1) contacts NRS at the Deferred Compensation Service Center, 2) mutually agrees with NRS on a date, which is within 30 days of the missed payment on which funds sufficient to cover the missed payment will be in the account and; 3) actually pays the missed payment. Failure to make such a payment through mutually agreeable terms shall cause the Participant to be in default for the entire amount of the loan. No additional loans shall be made to a Participant who has defaulted on a Plan loan and who has not repaid all defaulted loans in full, including accrued interest and fees.

8. **Loan Prepayment.** The entire amount of a loan, including outstanding principal and any accrued interest, may be paid without penalty prior to the end of the term of the loan in the manner prescribed by NRS. However, payments made that are less than the remaining principal amount of the loan and any accrued interest with respect to the loan, or which are not paid in the form prescribed by NRS, are not permitted.

9. **Loan Security.** By accepting a loan, the Participant is giving a security interest in their vested Plan balance as of the date of the Loan Process Date, together with all additions thereof, to the Plan that shall at all times be equal to 100% of the unpaid principal balance of the loan together with accrued interest.

10. **Maximum/Minimum Loan Amount.** The maximum amount of any loan permitted under the Plan is the lesser of (i) 50% of the Participant's vested account balance (not including any value attributable to applicable life insurance or deemed IRA account) less any outstanding loan balances under the Plan or (ii) \$50,000 less the highest outstanding loan balance during the preceding one-year period. The minimum loan amount permitted is \$1,000.00\*. Loans shall be made in accordance with these limits and those limits imposed under federal regulations without regard to any other loans received by the Participant from any other investment provider under the Plan or any other plan of the employer. The Participant and not NRS

shall at all times remain responsible for ensuring that any loan received under the Plan is in accordance with regard to any other loans received by the Participant under any other plans of the Participant's employer. Any tax reporting required as a result of the receipt by a Participant of a loan that exceeds the limits imposed by federal regulations shall not be the responsibility of NRS, unless it is determined that such limits were exceeded solely as a result of a loan made through NRS as service provider. Consequently, NRS shall not be required to account for loans made pursuant to a plan other than this Plan or loans made under this Plan that are made by an investment provider other than Nationwide Life Insurance Company.

11. **Suspension of Loan Payments.** NRS may suspend a Participant's obligation to repay any loan under the Plan during the period in which the Participant is performing service in the uniformed services as may be required by law. At the expiration of any suspension of loan payments period, the outstanding loan balance, including any accrued interest and fees, will be re-amortized and the Participant will be required to execute an amended Loan Agreement.

12. **Loan Interest Rate.** The interest rate for any loan shall be established by NRS. These interest rates shall commensurate with interest rates being charged by entities in the business of lending money under similar circumstances. Generally, the rate assumed will be Prime Rate + 1.00%\*. The Prime Rate shall be the prime rate published by the Wall Street Journal two weeks prior to the end of the most recent calendar-year quarter. NRS may adjust the loan interest rate for Participants entering active duty in the military services as may be required by law.

13. **Annual Loan Maintenance and Asset Fees.** An annual loan maintenance fee of \$50.00\* will also be deducted from the Participant's account until the loan is repaid in full. The amount of the outstanding loan balance will be subject to the Asset Fee equal to the maximum Variable Account Annual Expense Fee applicable under the Plan.

14. **Loan Default Fee.** At the time when a default occurs, a \$50.00\* loan default fee will be deducted from the Participant's account. This charge will only affect Participants who fail to make a required loan payment.

The undersigned Plan Sponsor hereby adopts these Participant Loan Administrative Procedures, effective for loans issued on or after the effective date set forth in the Loans to Participants Amendment to Plan Document, and instructs NRS to administer loans made to Plan Participants in accordance with these terms.

The Plan Sponsor acknowledges the following: (i) that the Plan Sponsor has decided to offer loans under the Plan and is instructing NRS to administer loans under the Plan; (ii) that it understands that, as a result of offering loans under the Plan, the Plan Sponsor, its Participants, and/or the Plan could be subject to adverse tax consequences; (iii) that the Plan Sponsor has independently weighed this risk and has determined that offering loans under the Plan is in the best interest of the Plan Sponsor, its Participants, and the Plan; and (iv) NRS shall not be liable for any adverse tax consequences described in (ii), except as specifically stated under paragraph 10 herein, resulting from the Plan Sponsor's decision to offer loans under the Plan.

Plan Sponsor  
or Employer: Williamson County

Plan Name: The Deferred Compensation Plan for Public Employees

By: John C. Doerfler 2-4-03  
John C. Doerfler

Its: County Judge

E-mail Address: jdoerfler@wilco.org

Date: February 4, 2003

**AGENDA ITEM 24**

Consider granting variance to Jonah Ltd. to sell a 2 acre tract fronting CR 126.

Moved: **Commissioner Heiligenstein**

Seconded: **Commissioner Boatright**

Motion: To approve a variance to Jonah Ltd. to sell a 2 acre tract fronting CR 126.

Vote: **5 - 0**

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