



**MINUTES
BOARD OF DIRECTORS
ROSSMOOR COMMUNITY SERVICES DISTRICT**

SPECIAL MEETING

RUSH PARK
Auditorium
3021 Blume Drive
Rossmoor, California 90720

Tuesday, August 6, 2024

A. ORGANIZATION

1. CALL TO ORDER: 7:00 p.m.

2. ROLL CALL:

Present: Directors Shade, DeMarco and Searles
President Maynard

Absent: Director Barke

3. PLEDGE OF ALLEGIANCE: Director Shade

B. SPECIAL CALENDAR

1. Discussion with representatives from Nationwide Retirement Solutions regarding implementation of the Deferred Compensation Plan

President Maynard reported the purpose of this meeting is for learning and asking questions; stated that the Board will not take any action this evening and announced the matter will be on the Board's regular meeting agenda, for action, at next week's regular meeting.

General Manager Mendoza introduced the item and Nationwide Representative Amber Peters and deferred to her for a report.

Amber Peters, Nationwide Retirement Solutions, via Zoom, discussed the differences between 457(b) and 401(a) Plans and associated vesting, matching contributions, being able to specify contributions and develop a vesting schedule, RCSD's ability to withhold funds if an employee leaves before a set period, transferring from a 401(a) to a 457(b) and administration costs and noted that contributions from the employee and RCSD would come over as one under the 457(b) plan.

Discussion followed regarding best practices and offering immediate vesting as a recruitment and retention tool, assessment of different scenarios, distinctions between the 401(a) and 457(b) plans, age restrictions within 457(b) plans, penalties, force out distributions, employee training, manageability, and administration of the plans.

General Manager Mendoza confirmed that the employee would be under a 457(b) plan and RCSD would be under a 401(a) plan and Ms. Peters noted there is language where it can be set at the discretion of the entity.

Discussion continued regarding setting a one lump contribution once per year, allowing flexibility, working with the various payroll systems, Nationwide administrative fees paid by participants, having both a 457(b) and 401(a) and oversight.

Ensuing discussion pertained to the maximum match being based on up to 3% of the employee's total compensation, not the employee's contribution, the match being based on gross earnings (base salary), without overtime, investment funds and ensuring employees have a robust list of funds to choose from.

General Counsel Preziosi offered to respond to legal questions from the Board.

President Maynard called for a short recess at 7:54 p.m. and reconvened the meeting at 7:59 p.m. with all Directors, present, except Director Barke.

President Maynard summarized the discussions and asked for input from the Board.

Director Shade felt that offering a 401(a) to RCSD employees is the way to go; liked the idea of immediate vesting and spoke about being comparable with cities to remain competitive and retain employees and talked about remaining flexible.

Director DeMarco opined that RCSD total contributions is not a lot of money (\$10,000 per year) and spoke in support of a 401(a) and of immediate vesting.

President Maynard recalled that the Board agreed that all current employees who have been with RCSD for one year, are immediately vested and Director DeMarco agreed.

Director DeMarco noted the policy would be a new-hire policy.

Director Searles spoke in support of a one-year vesting period for all employees adding that current employees would already be eligible as they have been with RCSD for one year or more; talked about the match taking place, immediately; noted wanting to incentivize people to contribute and agreed with a 457(b) for employees and a 401(a) for RCSD.

General Counsel Preziosi talked about going through a first and second reading.

General Manager Mendoza noted the Board had a first reading, in July, wherein it set a match of 3% and set a matching period of 90 days but stated the Board can amend that to become immediate.

General Counsel Preziosi reported these are at-will employees and therefore, there is no employee agreement; suggested not implementing an agreement as it could change the nature of an at-will employee and stated the Board can change the policy, in this instant, to approve it in one reading.

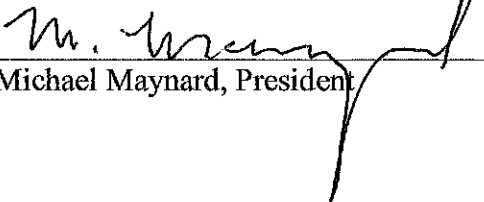
Director Searles suggested changes regarding adding “immediately vested after twelve consecutive months of full-time employment”.

C. ADJOURNMENT

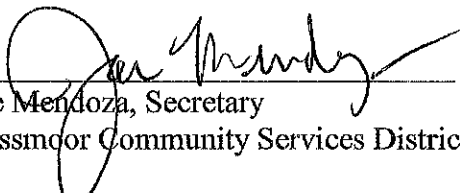
President Maynard adjourned the meeting at 8:16 p.m.

ATTEST:

BOARD OF DIRECTORS
ROSSMOOR COMMUNITY SERVICES DISTRICT



Michael Maynard, President



Joe Mendoza, Secretary
Rossmoor Community Services District

APPROVED: