

Agenda Date: October 20, 2011  
Agenda Placement: Admin  
Estimated Time: N/A  
Continued Item: No

## **Board Agenda Item**

**TO:** Air Pollution Control District Board

**FROM:** Dave Van Mullem, Air Pollution Control Officer

**CONTACT:** Donald C. Kendig, CPA (805) 961-8854

**SUBJECT:** Establishment of a Deferred Compensation Committee

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### **RECOMMENDATION:**

Adopt the attached Deferred Compensation Committee Formation Resolution.

### **SUMMARY:**

The attached resolution establishes a labor\management deferred compensation committee (“Committee”) to administer the District’s 457(b) deferred compensation plan (“Plan”).

### **DISCUSSION:**

When the District separated from the County, it established its own Plan, which is presently administered by the Air Pollution Control Officer (“APCO”) and Business Manager. This arrangement focuses fiduciary responsibility for the Plan on the APCO and Business Manager as individuals. The APCO and Business Manager contract with The Hartford to administer and coordinate the Plan.

Best practices suggest that a Committee be established that meets at least annually, typically quarterly, to administer the Plan, monitor the performance of the Plan and its investment funds, as well as to evaluate the communication and education programs that support the Plan. In addition, the Committee would convene to hear hardship withdrawal requests, among other periodic administrative tasks.

Ground Breaking activities of the newly formed Committee, if so adopted, would be:

- Reviewing the District's Plan document;
- Meeting Hartford representatives and conducting the Committee's first Plan and Investment evaluation;
- Approving a Summary Plan Document;
- Approving an Investment Policy Statement; and
- Implementing Hartford's free Fiduciary Assure<sup>sm</sup> program.

The attached Deferred Compensation Committee Formation Resolution establishes a committee and delegates the administration of the Plan to it.

The attached Plan Document outlines the Plan's administrative requirements under, *Section 8 - Administration and Accounting*.

The composition of the committee has been reviewed by the bargaining units and the activities of this Committee will be posted on the District's external website to facilitate communication with the District's retired Plan participants.

#### ATTACHMENTS

Attachment A – Deferred Compensation Committee Formation Resolution

Attachment B – Plan Document

# Attachment A



1 Engineers and Technicians Association; and one District employee from the Santa Barbara  
2 County Air Pollution Control District Employees Association (Supervisors); and

3 b.) Two unrepresented District employees.

4 c.) Each member of the Committee must be a participant in the Plan and have been formally  
5 appointed as the bargaining unit's representative by the respective bargaining unit or  
6 appointed by the Air Pollution Control Officer ("APCO"), if unrepresented.

7 2. For the purposes of paragraph 1.c.), a "participant in the Plan" means a person who is:

8 a.) Deferring compensation pursuant to the Plan; or

9 b.) Maintaining deferred compensation in the Plan.

10 3. Members of the Committee serve terms of one year.

11 4. One-year terms commence January 1, 2012 for all Committee positions.

12 5. A vacancy on the Committee occurs when a member dies, resigns, or becomes ineligible for  
13 membership on the Committee. A person becomes ineligible for membership on the  
14 Committee when the person:

15 a.) Ceases to be a participant in the Plan;

16 b.) Ceases to be employed by the District;

17 b.) Ceases to be a member of the appointing bargaining unit; or

18 c.) Becomes represented by a bargaining unit subsequent to being appointed by the APCO.

19 6. Vacancies on the Committee will be filled by formal appointments by the respective  
20 bargaining units or by the Air Pollution Control Officer ("APCO"), if unrepresented.

21 7. Member terms will automatically renew in the absence of a new appointment for the  
22 following term.

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1 The Committee shall:

2 a.) At its first meeting each calendar year, designate one of its members to serve as Chair of  
3 the Committee for a term of 1 year or until the Chair's successor has been designated;

4 b.) Manage the Plan solely in the best interests of participants;

5 c.) Carry out its duties prudently;

6 d.) Diversify the Plan's investments;

7 e.) Following the terms of the Plan documents (unless inconsistent with ERISA),

8 f.) Pay only reasonable Plan expenses; and

9 g.) Maintain an official record of its actions.

10 8. The APCO shall appoint a non-voting, Committee Secretary ("Secretary").

11 9. The Secretary shall:

12 a.) Schedule all Committee meetings and hearings;

13 b.) Draft the Committee's written decision pertaining to each matter brought before the  
14 Committee, as directed by the Committee; and

15 c.) Perform other duties assigned to the Secretary by the Committee;

16 10. A quorum is formed, and the Committee may conduct business, with the attendance of any  
17 three (3) of the five (5) voting members.

18 **Passed and Adopted** by the Santa Barbara County Air Pollution Control District Board,  
19 County of Santa Barbara, State of California, this 20th day of October 2011, by the following  
20 vote:

21 AYES:

22 NOES:

23 ABSTAIN:

24 ABSENT:

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ATTEST:

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Chair, Santa Barbara County  
Air Pollution Control District Board  
  
Clerk of the Board

BY: \_\_\_\_\_

APPROVED AS TO FORM:  
Dennis A. Marshall  
County Counsel

APPROVED AS TO  
ACCOUNTING FORM  
Robert W. Geis, CPA  
Auditor-Controller

BY: \_\_\_\_\_  
Deputy County Counsel

BY: \_\_\_\_\_  
Auditor-Controller

