



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

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Providing Outstanding Service Since 1963

February 26, 2018

Board of Directors
Triunfo Sanitation District
Ventura County, California

BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN REVIEW UPDATE

Summary

At the January 22, 2018 Board meeting, staff presented a report outlining several issues associated with the District's deferred compensation plan. This plan was adopted in July 2000 in lieu of paying into Social Security. A recent review by the plan administrator revealed that some board members had not satisfied the required minimum contribution amount. As a result, the shortage needed to be addressed immediately to avoid the District being terminated from the plan.

In addition, it was also determined that new board members exceeding the maximum age limit of 70.5 would not be eligible to participate in the plan. Staff discussed the option of moving the existing plan to a new plan with a higher age limit. The current plan has no administration fees. Moving to a new plan will require the District to pay a \$2,500 administration start-up fee and \$1,400 per year thereafter. Lastly, the new plan would require all board members to transfer historical contributions to the new plan.

Because of the urgency to correct the findings, the Board directed the staff as follows:

- A. The District pays the plan's unpaid contribution.
- B. Further discuss the item at the February 26, 2018 board meeting to decide if the Board members will have to pay back the District.
- C. Ineligible Board member pays the unpaid Social Security taxes.
- D. All required plan contribution and Social Security taxes will be reflected on future stipend payments.

Please contact me by e-mail at carloscorrales@trunfosanitation.com or by telephone at (805) 658-4646 if you have any questions.

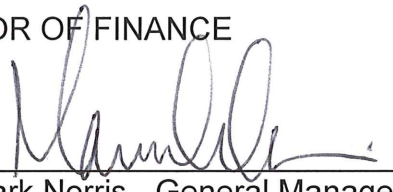
Fiscal Impact

The cost depends on the Board's direction and it is no more than \$1,579.34.

Recommendation

Staff is requesting the Board to provide direction to recover the unpaid plan contribution from its Board members or not.


CARLOS CORRALES - DIRECTOR OF FINANCE

REVIEWED AND APPROVED 
Mark Norris - General Manager

Attachments: None